Company No. 03981468

Starvest plc

Report and Financial Statements

For The Year Ended 30 September 2017

Starvest plc
2017 annual report and financial statements

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2017 annual report and financial statements

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Listing	AIM Market of the London Stock Exchange (AIM) Ticker: SVE
Website	www.starvest.co.uk

Starvest plc
2017 annual report and financial statements

Chairman's Statement

I am pleased to present my annual statement to Shareholders for the year ended 30 September 2017 and the seventeenth since the Company was formed in 2000.

Results for the year

The natural resource sector continues to make an encouraging recovery with the AIM basic resource index companies out-performing both gold and copper commodities and the FTSE 100 over the year. Our portfolio value and cash generation through trading profits reflects this.

Improvements in the sector and a more favourable global economic outlook have provided confidence to global markets. While the number of AIM listed mining companies has decreased, a sustained recovery in the sector is apparent with total market cap up from £3.8bn in June 2016 to £5bn year on year and secondary fundraising proceeds more than doubling in the same period.

Following the improved conditions, we have seen a year on year positive move in net asset value of approximately 48%. The majority of our investee companies saw significant share price increases during the period but have more recently settled to within 10% of their share price year on year. The biggest gain was made through our holding in Greatland Gold plc which has risen from 0.17p to 0.595p (3rd Oct 2016 – 29th Sept 2017); a company which has seen a significant agreement with Newmont and strategic project acquisitions during the past year.

Other companies performing well are Ariana Resources plc which saw its first gold and silver pour in March of this year, and continues to develop its near mine and regional exploration prospects, and KEFI Minerals plc has secured significant funding to progress towards production at its Tulu Kapi gold project.

Improvement in our portfolio value has been reflected in the Company's share price over the past 12 months. Recently we have been experiencing an increased interest in our portfolio positions and upside potential from the improving market. As such our year on year rise in market capitalisation is at around 270%.

During this opportune time we continue to evaluate very good investment opportunities and look to enhance our portfolio. There still remains, we believe, many undervalued opportunities. It is at this time we can benefit by employing our sector knowledge and market experience in sourcing compelling investments.

Investing policy

The Company's investing policy is reproduced on page 4 of this report and made available on our website, www.starvest.co.uk. At our AGM this year we will put before shareholders a proposal to add Direct Investment in mining projects to our Investing Policy which will, if approved, see the company take ownership of its own mining projects and utilise these for stock positions in new and existing investee companies.

Trading portfolio valuation

A brief review of the major portfolio companies follows from page 5; other investee companies are listed with the websites from which further information may be obtained.

Shareholder information

The Company's shares are traded on AIM.

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

Chairman's Statement, continued

Annual general meeting

We will hold our annual general meeting at 11.00 am on Friday 1st December at the City office of Grant Thornton UK LLP, our Nominated Adviser, when we look forward to meeting those Shareholders able to attend.

Callum N Baxter

Chairman and Chief Executive

6 November 2017

Investing policy statement

About us

The Board, under the leadership of the previous Chairman, Bruce Rowan, had managed the Company as an investment company since January 2002. Collectively, the current Board has significant experience over many years of investing in small company new issues and pre-IPO opportunities in the natural resources and mineral exploration sectors.

Following the appointment as Chairman of Callum Baxter, the Board continues with a similar investment strategy, that is, with a focus on the natural resources sector.

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/NEX as well as 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.

Direct Project: The Company's investing policy is to hold shares in companies. However, the Company believes there may be opportunities to acquire shares in companies on favourable terms by taking a direct interest in mining projects and using these projects as consideration for shares in such companies; those companies would therefore become Starvest investee companies. The projects will be operated by the investee company; Starvest will not manage any project. Prior to selling any projects to corporate entities, Starvest may therefore have an interest in a number of projects. The addition of the Direct Project strategy to the Company's Investing Policy will be put before shareholders for approval at the AGM of the Company to be held 1st December 2017.

Investment size: Initial investments are for varying amounts but usually in the range of up to £100,000. These companies are invariably not generating cash, but 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 £100,000.

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, NEX, 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.

Investing policy statement, *continued*

Investing strategy, *continued*

Other matters: The Company currently has investments in the following companies, which themselves are investment companies: Equity Investors plc and Equity Resources Limited.

The Company takes no part in the active management of investee companies, although directors of the Company are, or have been, non-executive directors on the boards of several such companies. Callum Baxter, Chairman, is also an Executive Director of one such company.

Review of trading portfolio

Introduction

During the year to 30 September 2017, the portfolio comprised interests in the companies commented on below. In addition, several other active companies were included but not commented on in this review.

Market sentiment improved during the period and the Company focussed attention on the changing opportunities which resulted in the adjustment of several positions. Overall we trimmed marginal stock holdings to increase our cash reserves which were supplemented by a modest placing at the prevailing market price. Net asset value increased 48% year on year while market capitalisation increased 270%. The largest element of the increase in value is in gold where there has been much activity of late.

Transactions

During the year the Company raised £170,000 through a placing and subscription. 8,500,000 new ordinary shares of 1.0p each were issued in the capital of Starvest at a subscription price of 2.0p. The same number of warrants were issued at an exercise price of 4.0p per warrant within a 24 month exercise period.

The Company exercised warrants held in Greatland Gold, acquiring 50 million shares at 0.2p per share. These replaced 50 million Greatland Gold shares that Starvest sold in the market, thus retaining the Company's share holding in Greatland Gold while also returning a profit.

The Company disposed of all its holdings in Kryptonite 1 plc. Minor share sales were completed in Alba Mineral Resources plc, Ariana Resources plc, BMR Group plc, Kefi Minerals plc, Oracle Coalfields plc, Saltlake Potash plc, Sunrise Resources plc, Block Energy plc and Marechale plc which raised cash adding to the Company's working capital.

Trading portfolio valuation

An improved economic climate and increasing investor confidence has been reflected in share price valuations throughout the year. Since the lows of early 2016 we have seen a marked improvement in stock levels and our portfolio valuation. The increase in portfolio value was approximately 25% since 30 September 2016 and up by more than 45% over the two years since 30 September 2015.

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. With one exception, we attribute no value to those of our investments that do not enjoy a market quote. The exception is our holding in Kuwait Energy plc where we use a value provided by that company's broker based on actual trades in the company's stock.

The Directors are satisfied that this is the only significant management estimate made within the financial statements.

This cautious approach has proved to be appropriate; net provisions made in previous years totalling £311,211 were released during the year (2016: £260,967).

A review of the leading portfolio companies follows. As last year, we are not commenting on the smaller companies, although they are listed at the end of the review.

Review of trading portfolio, *continued*

Trading portfolio valuation*, continued*

Raising new finance, an essential requirement for any mineral exploration business, has become less difficult over the past year but has resulted in significant dilution of existing shareholders.

As the net asset value has increased during the year to 30 September 2017 to £1.88m, the Company has achieved a profit of £302,329 as compared with the modest profit of £81,113 in the previous year. In addition, the Company:

- has no debt other than a convertible loan from a shareholder and a bank overdraft facility only;
- continues to believe that it is in a strong position to benefit from the emerging upturn in markets; and
- believes that 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 which all require natural resources in order to both produce and power.

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 2017 at BID values as adjusted	30 September 2016 at BID values as adjusted	Change %
• Trading portfolio value	£1.52 m	£1.37 m	11%
• Company asset value net of debt	£1.88 m	£1.32 m	48%
• Net asset value per share	3.56 p	3.21 p	11%
• Closing share price	4.62 p	2.25 p	205%
• Share price premium to net asset value	32%	-30 %	207%
• Market capitalisation	£2.44 m	£0.89 m	274%

Since the year end, values have improved; as at the close of business on 31 October 2017, the asset value net of debt was £2.67m.

Portfolio review, *continued*

Review of the current market

Improvements in the natural resource sector and a more favourable global economic outlook have provided confidence to global markets over the last year. And while demand for raw materials continues to fluctuate it is likely to increase steadily over the next 5 years.

The gold price has seen highs of US$1,350 and lows of US$1,125 per oz, still some way off its peak in 2011 but similar to where it was a year ago at approximately US$1,300 per oz. Other metals such as copper, lead, nickel and zinc have all seen increases over the year, while crude oil prices have risen from an average of US$44/bbl to over US$50/bbl and coal up from an average of US$65/mt to US$87/mt (World Bank 2017).

We and our investee companies have benefited from this upturn in the commodities market over the past year with a recovery in the sector expected and indeed a 'super-cycle' being forecast by some in the industry.

While the number of AIM listed mining companies has decreased, a sustained recovery in the sector is apparent with total market cap up from £3.8bn in June 2016 to £5bn year on year and secondary fundraising proceeds more than doubling in the same period.

The previous super-cycle in the early 2000's saw a slow response to a dramatic increase in demand from the Chinese market, the current upturn is forecast to stem from a falling Chinese supply and once again a slow response from global mining companies.

Industry majors have been focused on returning capital and providing dividends to shareholders rather than putting investment into exploration and development of new mines; over 60% of the global top 100 mining assets were commissioned in the last century (Goldman Sachs 2017 report).

This lack of investment into exploration and development of world-class mines opens the field to junior explorers and developers to realise value and generate cash flow through increasing interest in the sector and from majors in need of replenishing diminishing reserves. While we are not yet seeing this in the market, there has been an increase in investor interest in the sector, with the AIM basic resource index companies out-performing both gold and copper commodities and the FTSE 100 over the year.

The current market conditions allow for strategic investment in undervalued, early stage natural resource projects.

Interests in Gold exploration

Our interests in gold exploration have improved during the period.

Following a gold price of below US$1,100 per ounce in late 2015, we have seen an increase to current levels of around US$1,300.

Amongst the Starvest investments, there are six with interests in gold. Of these, we comment on four:

Ariana Resources plc (www.arianaresources.com)

Ariana Resources plc (Ariana) is a United Kingdom-based company engaged in the exploration development and mining of epithermal gold-silver and porphyry copper-gold deposits in Turkey.

Ariana's Kiziltepe mine (Red Rabbit JV) delivered its first gold-silver pour in March 2017 and continued commissioning and production ramp-up between March and June. During the commissioning phase to end June a total of 1,929oz gold and 14,519oz silver were reported generating a maiden revenue for the JV company. Commercial production was declared in July with the mine operational for two complete quarters and running in line with management forecasts.

The company is focusing exploration efforts on a number of areas in Turkey. As well as extending the area currently under development at Kiziltepe (near mine exploration) they are also looking at potential satellite open-pittable prospects slightly further afield but still within range to utilise the mine infrastructure.

Portfolio review*, continued*

Interests in Gold exploration, continued

Ariana Resources plc (www.arianaresources.com), *continued*

The Tavsan project which is part of the Red Rabbit JV was expanded during the last year with several mineralised zones and high-grade drill intercepts reported adding considerable scope to increasing resources at the project. Current resources stand at 204,000oz gold indicated and inferred. The company are targeting 300,000oz gold with over 60% of this open-pittable and will be undertaking feasibility-related work to advance the project toward production.

The Karakavak prospect also returned encouraging results with initial drill testing on just 180m of a 2.15km strike length of outcropping gold-bearing veins retuning up to 4m at 1.72g/t gold within 10m of surface; showing potential in the area for several shallow open-pittable resources as satellites to the Kiziltepe mine operations.

Work is continuing on exploration and advancement of the 100% owned Salinbas project. A recent scoping study reported a JORC compliant resource of 1.09M oz gold averaging 2.0g/t Au and 10.2g/t Ag. A mine life of 10 years is estimated with a 50,000 oz Au equivalent per annum and a IRR of 28% with 3.3 years payback period.

The company is well funded for the next year to 18 months after a placement of approximately £2m during the year.

Kefi Minerals plc (www.kefi-minerals.com)

Kefi Minerals is an exploration and development company focused on gold and copper deposits in the Arabian-Nubian Shield. Its main projects are Tulu Kapi in Ethiopia and the Jibal Qutman project in Saudi Arabia.

Kefi and the Government of Ethiopia have established a new company to hold the Tulu Kapi mine project, Tulu Kapi Gold Mines Share Company ltd (TKGM). This sees Kefi maintaining a 75-80% stake in the project, based on capital spending and contributions, with four of the six board members from Kefi. Kefi retains 100% ownership of licence areas outside the mine project area. TKGM have been engaged in mine construction preparations, with licence applications from local and regional authorities for power, waste and road works submitted as well as resolving resettlement infrastructure and compensation plans.

Construction of the 1M oz gold resource open pit at Tulu Kapi has been pushed back to late 2019. In July 2017 the company signed a mandate and heads of terms for US$135m of project funding with Oryx Management Ltd to finance and operate all the onsite infrastructure at the Tulu Kapi project. The finance deal proposes a 9-year tenor for repayment from drawdown, including a 30 month grace period during construction and ramp-up.

In Saudi Arabia work is on-going on the open-pit heap leach gold operation. Kefi's JV partner Gold and Minerals Ltd have submitted mining licence applications to the Saudi Government and a staged development plan has been established on a low capex start-up which will be expanded in modular stages as additional mineralisation is delineated.

The Company has made substantial progress towards mine development during the year and should continue to do so over the coming 12 months.

Greatland Gold plc (www.greatlandgold.com)

The AIM listed exploration company expanded its portfolio of projects during the last year to six with the acquisition of the Paterson gold project and Panorama cobalt and gold project both in the Pilbara region of Western Australia. The company also increased its land holdings of the Ernest Giles project to over 2,000 square kilometres in the under-explored large greenstone belt.

In May 2017, Greatland Gold announced it had reached an agreement with Newmont Exploration, a subsidiary of Newmont Mining Corporation (NYSE:NEM), to grant access to the tenements and exploration database for the Ernest Giles project for 6 months. Newmont will be using industry leading proprietary exploration techniques over the project area to further evaluate the project's potential to be a multi-million-ounce gold province.

During the year the company has also continued to develop this and its other projects.

Portfolio review, *continued*

Interests in Gold exploration

Greatland Gold plc (www.greatlandgold.com), *continued*

Drilling at its Tasmanian Warrentinna project encountered gold mineralisation in all holes highlighting the potential to extend the zone of mineralisation to the north and east at the Derby North prospect. Bromus drilling intersected silver, zinc and other elements consistent with Volcanogenic Massive Sulphide ("VMS") style systems, with a strike of 1.5 kilometres through the area.

Historical data for the Havieron prospect of the Paterson Project reports grades of up to 15.45g/t Au and 2.5% Cu. Regional geophysics highlighted a new potential iron-oxide-copper-gold district with multiple regional targets similar to the Havieron prospect, prompting the company to acquire a further tenement to the north. This is a welcome addition to the Greatland pipeline of projects and sits in an area attracting increasing interest from major mining companies such as Rio Tinto. On ground exploration activities are scheduled to commence in Q4 2017.

Regional investigations of historic data highlighted a large area anomalous in cobalt at its Panorama project in the Pilbara region of Western Australia. Given the projected increase in demand for this commodity, Greatland Gold staked the area and early stage exploration activities are underway over the licences. Greatland has recently confirmed the project is prospective for conglomerate hosted gold deposits which are attracting much interest.

The company is well funded for the next year to 18 months with many warrants exercised on the back of an increasing share price and the potential of the Ernest Giles project area in particular. We look forward to continued positive news about exploration developments from the company over the next year.

Cora Gold Limited (www.coragold.com)

Post 30 September 2017 Starvest acquired a stake in AIM listed Cora Gold Limited. Cora are a gold exploration company focussed on advanced projects in the Yanfolila and Kenieba areas of Mali and Senegal in West Africa. The projects are in a highly prospective region with several relatively recent discoveries including Sadiola (14Moz), Loulou (12Moz), Fekola (4.5Moz), Sabodala (4.4Moz), and Kobada (2.4Moz). The region has attracted much interest from several larger global gold miners.

Cora's projects cover more than 1,000 square kilometres with many licences displaying multiple highly prospective drill ready gold targets and a number of early grades over 40g/t gold.

Initial work includes drilling at Cora's Sanankoro gold discovery in Mali to establish a mineral resource estimate over a section of the 14km long mineralised zone. Additional exploration activities include drilling across other licences, located adjacent to existing gold mines, which have the potential to host significant new gold discoveries.

Cora has a highly experienced and successful management team with proven track records in multi-million ounce gold discoveries in Africa, many of which have been developed into profitable mines. With £3.45m raised at their admission to AIM, Cora Gold are well funded for the next year to 18 months and have already engaged drilling contractors to begin work. We look forward to following their progress.

Interests in energy

We have three companies in the energy sector on which we comment as follows:

Alba Mineral Resources plc (www.albamineralresources.com)

An explorer focused on oil and gas, graphite, uranium and base metals with holdings in Greenland (graphite and heavy minerals), Mauritania (uranium), UK (oil and gas) and Ireland (base metals).

The Company's UK oil and gas focus is on Horse Hill-1 project where Alba hold a stake in the HHDL consortium developing the project, effectively giving them 9.75% stake in the project. During 2017 the licences were extended to 2021 and a planning application for long term production testing and additional appraisal drilling was to be determined during Sept 2017. As of 30 September 2017 no determination had been made public. Alba also holds a 5% interest in the Brockham oil and gas project just 5 miles from Horse Hill-1. Operators, Angus Energy, intend

Portfolio review, *continued*

Interests in energy, continued

Alba Mineral Resources plc (www.albamineralresources.com), *continued*

to bring well BR-X4Z into production as soon as Oil and Gas Authority approval is in place and Field Development Plans have been submitted for production at the PL235 site.

Their graphite project encompasses a former graphite mine with additional exploration ground in Greenland. Alba increased its holding to 90% in the Amitsoq project earlier this year. Exploration work during the period has identified a total strike length of 12km with potential for graphite. Metallurgical tests, aimed at reopening the mine, reported a head grade of +25% graphite and simple processing achieved +99% recovery of graphite from gangue material, with the bulk of the flake graphite being recovered in the medium range, essential for suppling the lithium-ion battery market. The company also acquired heavy mineral licence areas in Greenland during the year with a focus on ilmenite. The projects are in early stage exploration with limited windows for ground work given their northern location but the company plans to advance the projects at the earliest opportunity and has already carried out preliminary ground work.

Alba continued work on the Ireland base metal project with a microgravity study and portable XRF programme on soil samples being carried out. Results returned a Cu-Ag-As anomaly which the company plans to follow up. Alba has reviewed data on the Mauritania uranium project and relinquished ground outside the identified uranium anomalies.

With a strong management team, the continued development of its UK oil and gas assets and the addition of new licences we look forward to continued positive news from Alba over the next few years.

Kuwait Energy plc (www.kuwaitenergy.co)

Kuwait Energy are an independent oil and gas company involved in exploration appraisal, development and production of hydrocarbons. It was established in 2005 and maintains a diverse portfolio of projects in Iraq, Egypt, Yemen and Oman. Of the ten exploration, development and production assets they hold, Kuwait Energy directly operates seven.

Operationally the Company is increasing production rapidly and are developing reserves in excess of 800M barrels oil (equivalent), up approximately 10% year-on-year and anticipates a first gas flow from its Siba project (Iraq) in Q1 2018 where its gas plant engineering, procurement and constructions works are ongoing and near completion.

In Iraq the company has continued with oil production from Block-9 wells Faihaa-1 and 2. Faihaa- 3 well was spudded in August 2016 and commenced production in February 2017 with 5,200 barrels of oil per day (bopd). This increase in production in their Block-9 licences brings Kuwait Energy's total working interest to approximately 10,000 bopd, where it holds a 60% interest and is operator. Well 4 was spudded in April 2017 and as of June was at 60% of target depth.

The Company received a second Iraqi cargo payment of 350,000 barrels of Basra Light Crude Oil. The payment covers Block 9 production for 2H 2016 with a value of approximately US$17m. In light of the 2H payment the company received a second drawdown of US$20m from its Vitol Forward Sales Agreement (established in 2016 for a total of US$100m).

Funds will be used primarily to develop the Block-9 concessions Faihaa wells 4 and 5, as well as continuing with the exploration and development of wells at the Abu Sennan concessions in Egypt.

During the year Kuwait Energy announced its intension to become a public company via listing on the London Stock Exchange but did not meet its target date of June 2017. However, Kuwait Energy have stated that in light of positive feedback from potential investors the Company remains committed to a London listing and continues to explore its options. The Company is increasing production and expanding its operations and is in a strong financial position. We look forward to further positive news in the coming year.

Portfolio review, *continued*

Interests in energy, continued

Oracle Power plc (www.oraclepower.co.uk)

Oracle Power, previously Oracle Coalfields plc, continued to develop its 529M tonne JORC compliant resource of lignite coal in SE Pakistan. The company remains focused on development of the mine for first production by end 2018 with the intension of supplying a new 660MW mine-mouth power plant.

Work over the last 12 months has seen formal agreement for allocation of water access with the Sindh government to it's almost complete reservoir and pipeline. The Central Power Purchasing Agency of Pakistan has issued a 'Letter of No Objection' for the 660MW power plant and the National Grid has confirmed that power from the project will be accommodated in planned high voltage transmission lines.

A loan agreement for £1m was agreed with Brandon Hill Capital Ltd, allowing Oracle to move forward with negotiations for full funding of the project without equity dilution and a recently announced MOU has been agreed in principle with two Chinese State-owned Enterprises for the full development and funding of the Thar project.

As indicated by its change of name during the year, the Company is also looking at diversification opportunities in the power sector overall.

We expect the Company to continue its path towards mining and power generation during the year and look forward to possible new opportunities being brought on board.

Interests in Base Metals and Agricultural Products

BMR Group plc (www.bmrplc.com)

BMR's principal project is the historic Kabwe lead/zinc mine in Zambia. The mine closed in the 1990's and BMR intends to process tailings through an acid/brine leach.

The company expects the plant to be commissioned by the end of 2017, after minor delays in some supplies. Once in full production it is expected the plant will produce 3,100 tonnes of zinc (equivalent to 15,000 tonnes zinc sulphate heptahydrate) and 2,300 tonnes lead sponge per annum. The company hopes to be able to recover vanadium from the tailing as a by-product with 250-300 tonnes per annum anticipated.

The operating costs are currently estimated at US$120/tonne of tailing processed. There is a 5% royalty payment and 30% corporation tax levied. Given the offtake agreement BMR hold with African Compass International, profits are calculated to be at least US$750,000 per month at current prices once in production. Once fully operational the Company plans two further stages of development. The first in late 2018 and again in 2020 both to increase the plant feed tonnage.

Exploration of the Kashitu area has been ongoing with a view to the potential exploitation of near surface ore which could be processed at the Kabwe facilities. Three distinct surface mineralised zones were delineated through auger soil sampling with zinc associated in upper alluvial material and anomalous silver, up to 16.8g/t, also reported in 10% of the holes.

BMR is continuing discussions with the Zambia Environmental Management Agency regarding its Waelz Kiln Slag with the intention of suppling the material for local road construction as well as planning a JORC compliant survey for recovery of zinc and vanadium from its Imperial Smelting Furnace Slag.

Away from Africa, BMR has an 80% interest in a tin-tungsten project in Portugal with gold and silver reported in historic workings. Field work highlighted five high-priority areas with vein-style tungsten mineralisation plus possible gold, silver and lithium credits. Future work includes detailed sampling of large mine dumps to establish in-situ grades and detailed mineralogical examination of rock samples as well as a structural survey of the licence to aid future field exploration work.

Once plant commissioning is complete for the Zambia project BMR Group should make strong headway towards increasing production in the next 12 to 18 months.

Portfolio review, *continued*

Interests in Base Metals and Agricultural Products, continued

Salt Lake Potash Limited (www.saltlakepotash.com.au)

Salt Lake Potash has concentrated on its Goldfields Salt Lake Project, in Western Australia, over the past year. The company aims to construct a pilot plant, the first salt-lake brine Sulphate of Potash (SOP) production operation in Australia.

A scoping study on the Lake Wells prospect was completed which confirmed the potential of a low-cost SOP by solar evaporation of lake brines for domestic and international fertiliser markets. The study outlined a two-stage development plan and an all-in capital cost of A$268m for 400,000tpa production.

The company has now completed a surface aquifer exploration programme and a deeper paleochannel aquifer drill programme. The company has commenced construction of a number of test evaporation ponds of differing design with the aim of developing a model for a cost-effective on-lake evaporation pond. Process development test work is also on-going and the company has commenced work on a pre-feasibility study for Lake Wells and continues to explore the potential of other brine lakes in the area.

Salt Lake potash has made significant progress towards mine development over the past year and we expect this to continue over the next 12 months.

Sunrise Resources plc (www.sunriseresourcesplc.com)

Sunrise Resources holds ground in Nevada (USA), Ireland and Australia with commodities ranging from gold, silver and diamonds through to copper, barite and diatomite. Sunrise Resources' objectives are to generate cash flow from more advanced projects and to add value through mineral discovery by drill testing more speculative exploration targets.

The company is currently focusing on the development of its CS Pozzolan-Perlite project in Nevada USA. Internal concept studies were undertaken which envisage surface mining and a simple production process and low capex and opex costs. Drilling in recent months has confirmed commercial quality perlite and pozzolan present in thick intervals and extensions of the main zone towards a northeast zone. Meetings with domestic customers in the USA were held and cooperative test programmes are in the planning stages. The company is moving towards a feasibility study and starting the mine permitting process.

The board are committed to concentrate both management time and expenditure on the CS project and advance it towards production as soon as possible. As a result they are looking to unlock value from their other projects through JVs or other sale arrangements. Any funds released will be used to progress the CS project towards production.

The company's Junction Gold project in Nevada was recently sold to VR Resources, a TSX-V listed company for a modest cash payment and shares in VR Resources, with additional shares allocated should drilling and compliant resource reports be undertaken as well as a net smelter deal in place.

We look forward to continuing news on the development of their CS project as well as strategic fund generation from their non-core projects in the coming year.

Other investments

The remaining non-core investments are available for sale when the conditions are deemed to be right. These include: **Marechale Capital plc** (www.marechalecapital.com), and **Regency Mines plc** (www.regency-mines.com). In addition, there are a number of failed or almost failed ventures to which we attribute no value, although we always hope and seek to crystallise value where possible.

Board of directors

Callum N Baxter – Chairman and Chief Executive

Callum is an experienced geologist and investor. He is also an executive director of AIM quoted company Greatland Gold plc, a Starvest investee company.

Gemma Cryan – Executive Director

Gemma holds formal qualifications in geology (BSc Hons) and has over 15 years industry experience in the oil and gas industry, followed by mineral exploration, in both private and public companies throughout North America, Europe, Australasia and Africa. Her time has been spent in the field, and in management roles assisting with corporate matters. Gemma is well versed in pre-IPO activities and early stage mineral exploration ventures.

John Watkins, FCA – Non-Executive Director

John is a chartered accountant in practice and formerly a non-executive director of other companies, including investee companies.

Starvest plc
2017 annual report and financial statements

Strategic report

Principal activities and business review

Since Bruce Rowan was appointed Chief Executive on 31 January 2002, the Company's principal trading activity was 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 under the leadership of Callum Baxter, appointed Chief Executive in September 2015.

The Company's investing policy is stated on page 4.

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.

Finance Review

Over the past 12 months the Company recorded a profit of £302,329, equating to a profit of 0.64 pence per share with net cash inflow for the year of £422,926. This compares to a profit of £81,113 in the previous year that equated to a profit of 0.21 pence per share. The Company's cash deposits stood at £432,782 at the period end.

Starvest plc successfully raised £162,500 of new equity (net of costs) during the year. These funds will be used to take advantage of the exciting opportunities that we believe exist in the market at this time, whilst maintaining a disciplined approach towards capital allocation.

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 NEX, formerly 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

Callum Baxter

Chairman and Chief Executive
6 November 2017
Company registration number: 03981468

Directors' report

The Directors present their seventeenth annual report on the affairs of the Company, together with the financial statements for the year ended 30 September 2017.

Results and dividends

The Company's results are set out in the income statement on page 22. The audited financial statements for the year ended 30 September 2017 are set out on pages 22 to 35.

The Directors do not recommend the payment of a dividend for the year (2016: £nil).

Directors

The Directors who served during the year are as follows:

Callum N Baxter
Gemma Cryan
John Watkins

Substantial shareholdings

At the close of business on 30 September 2017, 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	12,670,000	23.95%
Barclays Direct Investing Nominees Limited	4,627,679	8.75%
Rock Nominees Limited, (of which 3,707,570 representing 7.01% are beneficially owned by Callum N Baxter)	4,311,522	8.15%
TD Direct Investing Nominees (Europe) Limited	3,832,336	7.24%
Hargreaves Lansdown (Nominees) Limited	3,502,414	6.62%
HSDL Nominees Limited	1,975,804	3.74%

At 30 September 2017 Mr John Watkins and his spouse hold a total of 2,575,143 (4.87%) (2016: 1,917,142 or 4.84%) shares in the Company of which 595,737 (2016: nil) are indirectly held by TD Direct Investing Nominees Limited.

Charitable and political donations

During the year there were no charitable or political contributions (2016: £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 2017, the Company's trade creditors were equal to costs incurred in 55 days (2016: 42 days).

Events after the end of the Reporting Period

There are no other material events to disclose other than those included in Note 21.

Directors' report, *continued*

Auditor

A resolution to reappoint Chapman Davis 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 7 to the financial statements.

Management incentives

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 continuation of the Company's formal overdraft facility was last confirmed by the bank in early 2017.

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, which has been confirmed within the cash flow forecast prepared by the Board for the 12 months ending 30 November 2018. 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.

To assist the Company with its financing obligations, a shareholder provided a loan of £100,000. In January 2017, £50,000 of this loan was satisfied by the issue of 2,500,000 new Ordinary shares with the remaining balance carried forward.

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 applicable 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.

Directors' report, *continued*

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 market/fair value less any provision for impairment. The movements between fair and book value are set out in Note 11. 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 2 to the financial statements.

Borrowing facilities

As at 30 September 2017, the Company had an overdraft facility of £100,000 arranged with its bankers (2016: £100,000) secured on certain investments with a market value at 30 September 2017 of £237,000. The overdraft facility is renewable annually with the next review due in March 2018.

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

Callum Baxter

Chairman and Chief Executive
6 November 2017

Company registration number: 03981468

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

OPINION

We have audited the financial statements of Starvest plc (the 'Company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK Generally Accepted Accounting Standards (UK GAAP).

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of the Company's profits for the year then ended;
- the Company financial statements have been properly prepared in accordance with UK GAAP;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

CARRYING VALUE OF TRADE INVESTMENTS

The Company's Trade Investment assets ('Trade assets') represent the most significant asset on its statement of financial position totalling £1.52m as at 30 September 2017, of which unlisted investments represented £0.14m of the total Trade assets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STARVEST PLC - CONTINUED

The carrying value of Trade assets represents significant assets of the company and assessing whether facts or circumstances exist to suggest that impairment indicators were present, and if present, whether the carrying amount of these asset may exceed its recoverable amount was considered key to the audit. This assessment involves significant judgement applied by management to the Company's unlisted investments.

We considered it necessary to assess whether facts and circumstances existed to suggest that impairment indicators were present, and if present, whether the carrying amount of these assets may exceed its recoverable amount.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment of whether any impairment indicators have been identified across the Company's Trade assets, the indicators being:

- Expiring, or imminently expiring, rights to licences/assets held by the investee Companies
- A lack of flow of information in regards to the investee companies exploration activities and/or production
- Discontinuation of, or a plan to discontinue, exploration activities in the areas of interest by the Investee Companies
- Sufficient data exists to suggest carrying value of exploration and evaluation assets is unlikely be recovered in full through successful development or sale by the Investee Companies.

We also reviewed Stock Exchange RNS announcements and Board meeting minutes for the year and subsequent to year end for activity to identify any indicators of impairment.

We also assessed the disclosures included in the financial statements.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STARVEST PLC - CONTINUED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) or ISA IAASB will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Keith Fulton
(Senior Statutory Auditor)
For and on behalf of Chapman Davis LLP, Statutory Auditor
London
Chapman Davis LLP is a limited liability partnership registered in England and Wales (with registered number OC306037).
6 November 2017

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	Year ended 30 September 2017 £	Year ended 30 September 2016 £
Revenue		**526,595**	117,920
Cost of sales		**(266,466)**	(72,670)
Gross profit		**260,129**	45,250
Administrative expenses		**(274,506)**	(231,499)
Amounts written off against trade investments	**11**	**(277,277)**	(382,594)
Amounts written back against trade investments	**11**	**588,398**	643,561
Operating profit	**5**	**296,744**	74,718
Interest receivable	**6**	**5,585**	6,395
Profit on ordinary activities before tax		**302,329**	81,113
Tax on profit on ordinary activities	**8**	**-**	-
Profit for the financial year attributable to Equity holders of the Company		**302,329**	81,113
Earnings per ordinary share			
Basic	**9**	**0.64 pence**	0.21 pence
Diluted	**9**	**0.54 pence**	0.21 pence

There are no other 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.

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2017

	Note	Year ended 30 September 2017 £	Year ended 30 September 2016 £
Current assets			
Trade and other receivables	**10**	**29,589**	71,667
Trade investments	**11**	**1,519,983**	1,372,616
Cash and cash equivalents		**432,782**	9,856
Total current assets		**1,982,354**	1,454,139
Current liabilities			
Trade and other payables	**12**	**(101,613)**	(132,227)
Total current liabilities		**(101,613)**	(132,227)
Net current assets		**1,880,741**	1,321,912
Capital and reserves			
Called up share capital	**13**	**528,982**	396,185
Share premium account		**1,640,876**	1,514,673
Profit and loss account		**(291,617)**	(593,946)
Equity reserve		**2,500**	5,000
Total equity shareholders' funds		**1,880,741**	1,321,912

These financial statements were approved and authorised for issue by the Board of Directors on 6 November 2017.

Signed on behalf of the Board of Directors

Callum N Baxter
Chairman and Chief Executive

Gemma M Cryan
Executive Director

Company No. 03981468

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total Equity attributable to shareholders £
At 1 October 2015	394,173	2,118,396	5,000	(1,326,270)	1,191,299
Profit for the period	-	-	-	81,113	81,113
Total recognised income and expenses for the period	-	-	-	81,113	81,113
Shares issued	25,012	24,488	-	-	49,500
Cancellation of treasury shares	(23,000)	(628,211)	-	651,211	-
Total contributions by and distributions to owners	2,012	(603,723)	-	651,211	49,500
At 30 September 2016	**396,185**	**1,514,673**	**5,000**	**(593,946)**	**1,321,912**
Profit for the period	-	-	-	302,329	302,329
Total recognised income and expenses for the period	-	-	-	302,329	302,329
Shares issued	132,797	133,703	-	-	266,500
Cost of issue	-	(7,500)	-	-	(7,500)
Equity component of convertible loan	-	-	(2,500)	-	(2,500)
Total contributions by and distributions to owners	132,797	126,203	(2,500)	-	256,500
At 30 September 2017	**528,982**	**1,640,876**	**2,500**	**(291,617)**	**1,880,741**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	30 September 2017 £	30 September 2016 £
Cash flows from operating activities			
Operating profit		**296,744**	74,718
Net interest receivable		**5,585**	6,395
Share based payment charge		**46,500**	49,500
Increase/(decrease) in debtors		**42,078**	(16,627)
Increase in creditors		**16,886**	7,072
Net cash used in operating activities		**407,793**	121,058
Cash flows from investing activities			
Purchase of current asset investments	**11**	**(100,000)**	(140,390)
Sale of current asset investments		**523,883**	117,300
Loan converted into shares	**11**	**-**	(10,000)
Profit on sale of current asset investments		**(260,129)**	(45,463)
Increase in investment provisions		**277,277**	382,594
Decrease in investment provisions		**(588,398)**	(643,561)
Net cash used in investing activities		**(147,367)**	(339,520)
Cash flows from financing activities			
Proceeds from issue of shares		**170,000**	-
Transaction costs of issue of shares		**(7,500)**	-
Net cash flows from financing activities		**162,500**	-
Net increase/(decrease) in cash and cash equivalents		**422,926**	(218,462)
Cash and cash equivalents at beginning of period		**9,856**	228,318
Cash and cash equivalents at end of year	**15**	**432,782**	9,856

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. Company Information

Starvest plc is a Public Limited Company incorporated in England & Wales. The registered office is 55 Gower Street, London, WC1E 6HQ. The Company's shares are listed on the AIM market of the London Stock Exchange. These Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 6 November 2017 and signed on their behalf by Callum Baxter and Gemma Cryan.

2. Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. There are no fair value adjustments other than to the carrying value of the Company's trade investments.

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 2017.

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, which has been confirmed within the cash flow forecast prepared by the Board for the 12 months ending 30 November 2018. 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.

3. Principal Accounting Policies

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

Cost of sales
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.

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.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and are recognised within debtors. The deferred tax assets and liabilities all relate to the same legal entity and being due to or from the same tax authority are offset on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. Accounting Policies and Basis of Preparation, *continued*

Trade Investments
Current asset trade investments are stated at the lower of cost and net realisable value, excluding Kuwait Energy plc which has been valued based on the value advised by the brokers to Kuwait Energy plc. 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 typically 3% 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 2017, these provisions totalled £143,000 (2016: £131,000).

Investments in unlisted company shares, are remeasured to available market values, or directors' valuations at each balance sheet date. Gains and losses on remeasurement are recognised in the income statement for the period.

Investments in listed company shares, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the income statement for the period.

Financial instruments:
Trade and other receivables
Trade and other receivables are not interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and deposits held at call with banks.

Trade and other payables
Trade and other payables are not interest bearing and are recognised initially at fair value and subsequently measured at amortised cost.

Convertible debt
The proceeds received on issue of the convertible debt are allocated into their liability and equity components and presented separately in the balance sheet. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently re-measured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Financial liabilities
All financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost. There are no financial liabilities classified as being at fair value through the income statement.

Share capital
The Company's ordinary shares are classified as equity.

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. On cancellation of treasury shares, the original purchase costs are deducted from share capital and profit and loss account by a reserve transfer within equity.

The share premium account
Represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

4. Turnover and Segmental Analysis

Turnover
Turnover represents the sales of trade investments on recognised listed stock exchanges. Turnover for the year to 30 September 2017 was £526,595 (2016: £117,920).

Segmental information
An operating segment is a distinguishable component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The Company is to continue to operate as a single UK based segment with a single primary activity to invest in businesses so as to generate a return for the shareholders. No segmental analysis has been disclosed as the Company has no other operating segments. The Directors will review the segmental analysis on a regular basis, and update accordingly.

The Company has not generated any revenues from external customers during the period.

5. Operating Profit

	Year ended 30 September 2017	**Year ended 30 September 2016**
	£	**£**
This is stated after charging:		
Auditor's remuneration		
- audit services	**14,400**	15,600
Director's emoluments – note 7	**128,500**	135,000

6. Interest receivable

	Year ended 30 September 2017	Year ended 30 September 2016
	£	£
Bank interest receivable	**85**	242
Interest on short term loans to related parties	**5,500**	6,153
	5,585	6,395

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

7. Directors' Emoluments

There were no employees during the period apart from the directors. No directors had benefits accruing under money purchase pension schemes.

Year ended 30 September 2017	**Fees** **£**	**Amounts paid to third parties – see note** **£**	**Shares issued in lieu of fees – see note** **£**	**Total** **£**
C Baxter	**3,000**	**57,000**	**20,000**	**80,000**
J Watkins	**9,000**	**14,000**	**9,000**	**32,000**
G Cryan	**7,000**	**6,500**	**3,000**	**16,500**
	19,000	**77,500**	**32,000**	**128,500**

Year ended 30 September 2016	Fees £	Amounts paid to third parties – see note £	Shares issued in lieu of fees – see note £	Total £
C Baxter	-	40,000	40,000	80,000
A C R Scutt	8,000	-	8,000	16,000
J Watkins	18,000	-	18,000	36,000
G Cryan	-	3,000	-	3,000
	26,000	43,000	66,000	135,000

Amounts paid to third parties and shares issued in lieu of fees

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

- In respect of the management services of Callum Baxter, £77,000 (2016: £80,000) is payable to Baxter Geological, a company of which he is a director and shareholder. Of this amount, £20,000 was settled in shares in the Company. At 30 September 2017, £19,000 (2016: £10,000) was outstanding.
- In respect of the professional services of John Watkins, FCA, £23,000 (2016: £18,000) of the above remuneration was payable through his personal business of which £9,000 was settled by way of shares in the Company. At 30 September 2017, £2,500 (2016: £4,500) was outstanding.
- In respect of the professional services of Gemma Cryan, £9,500 (2016: £3,000) was payable to her personal business. At 30 September 2017 £2,500 (2016: £nil) remained outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

8. Income Taxes

a) Analysis of charge in the period

	Year ended 30 September 2017	**Year ended 30 September 2016**
	£	**£**
United Kingdom corporation tax at 19/20% (2016: 20.00%)	-	-
Deferred taxation	-	-
	-	-

b) Factors affecting tax charge for the period

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19/20% (2016: 20.00%). The differences are explained below:

	Year ended 30 September 2017	**Year ended 30 September 2016**
	£	**£**
Profit on ordinary activities before tax	302,329	81,113
Profit multiplied by standard rate of tax	59,710	16,223
Effects of:		
Utilised against carried forward losses	(59,710)	(16,223)
Losses carried forward not recognised as deferred tax assets	-	-
	-	-

9. Earnings Per Share

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

	Year ended 30 September 2017 £	Year ended 30 September 2016 £
Profit for the year	**302,329**	81,113
Weighted average number of Ordinary shares of £0.01 in issue	**47,287,952**	38,876,323
Earnings per share – basic	**0.64 pence**	0.21 pence
Warrants in issue	**8,500,000**	-
Weighted average number of Diluted Ordinary shares of £0.01 in issue	**55,787,952**	38,876,323
Earnings per share – diluted	**0.54 pence**	0.21 pence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

10. Trade and Other Receivables

	Year ended 30 September 2017 £	Year ended 30 September 2016 £
Prepayments	**29,589**	28,014
Short term loans to related parties	**-**	43,653
	29,589	71,667

Short term loans to related parties

- At 30 September 2017 loans to Equity Resources ltd ("EQR") totalling £20,000 remain unpaid. The purpose of the loans was to assist EQR meet its necessary operational costs during a period when it seemed inappropriate that EQR should realise cash from its investments. The advances were approved at 0% interest with no formal agreement as to repayment date. The Company holds 28.41% of the equity in EQR. However, the Company has made a full provision for these loans, totalling £20,000.
- At 30 September 2017, loans totalling £27,500 advanced to Block Energy plc ("BEP") (formerly Goldcrest Resources plc ("GCRP")) at 20% pa interest in order to assist BEP in funding its necessary operational costs prior to an expected AIM listing remain unpaid. Interest totalling £11,653 has been accrued on these loans at the year end. However, the Company has made a full provision for these loans, totalling £39,153.
- In 2014 a loan of £20,000 was advanced to Kryptonite 1 plc, formerly Guild Acquisitions plc ("Guild") at 12% pa interest to assist Guild in funding its necessary operational costs. In June 2016, Guild issued 25,000,000 new Ordinary shares in part settlement of the loan; the remaining balance of £10,000 was repaid in March 2017. In September 2016, the company was renamed 'Kryptonite 1 plc' to reflect its change of business to investing in blockchain technology.

11. Current Trade Investments

	30 September 2017 £	30 September 2016 £
Cost		
At 30 September 2016	**5,686,328**	5,607,775
Additions at cost	**100,000**	150,390
Disposals	**(263,754)**	(71,837)
At 30 September 2017	**5,522,574**	5,686,328
Market value movement & provisions		
At 30 September 2016	**4,313,712**	4,574,679
Released during the year	**(588,398)**	(643,561)
Provided during the year	**277,277**	382,594
At 30 September 2017	**4,002,591**	4,313,712
Fair value amount		
At 30 September 2017 & 2016	**1,519,983**	1,372,616

The fair value carrying values of the investments above were as follows:

Quoted on AIM	**1,370,565**	1,257,985
Quoted on NEX	**10,692**	44,424
Quoted on foreign stock exchanges	**1,782**	1,735
Unquoted at Directors' valuation	**136,944**	68,472
	1,519,983	1,372,616

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

11. Current Trade Investments, *continued*

The Company has holdings in the companies described in the review of portfolio on pages 5 to 12. 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	(Loss) for the last financial year	Capital and reserves at last balance sheet date	Accounting year end
Equity Resources Limited – see note [1]	England & Wales	Ordinary	28.41%	£(8,860)	£(34,648)	31 May 2016
Treslow Limited – see note [2]	England & Wales	Ordinary	30.1%	-	-	30 April 2017

Note [1]: Equity Resources Limited is considered to be an associated undertaking. Equity accounting has not been used as Equity Resources Limited has a written down value of £nil.

Note [2]: 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. The carrying value is £nil.

The Company's share of the gross liabilities of its Associates at 30 September 2017 is £9,127. 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.

12. Trade and Other Payables: Amounts falling due within one year

	30 September 2017 £	30 September 2016 £
Trade creditors	**33,243**	20,242
Accruals	**20,870**	16,985
Loans	**47,500**	95,000
	101,613	132,227

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 £237,141.

In September 2015, the Company received a loan of £100,000 from a shareholder repayable in 12 months with an interest rate of 0% and with a conversion option at 3 pence per share. On 5 January 2017, £50,000 of the loan was satisfied by the issue of 2,500,000 new Ordinary shares at a price of 2 pence per share. In September 2017 the Company agreed with Mr Rowan to extend the existing loan term to 1 November 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

13. Share Capital

The Called up share capital of the Company was as follows:

Called up, allotted, issued and fully paid

	Number of Shares	£
As at 30 September 2015	**39,417,259**	**394,173**
Issued 7 January 2016 in lieu of fees	**825,000**	**8,250**
Treasury shares cancelled 15 March 2016	**(2,300,000)**	**(23,000)**
Issued 12 May 2016 in lieu of fees	**733,332**	**7,333**
Issued 8 July 2016 in lieu of fees	**942,855**	**9,429**
As at 30 September 2016	**39,618,446**	**396,185**
Issued 17 October 2016 in lieu of fees	**725,000**	**7,250**
Issued 5 January 2017 on conversion of loan	**2,500,000**	**25,000**
Issued 5 January 2017 in lieu of fees	**800,000**	**8,000**
Issued 11 May 2017 for cash placing	**8,500,000**	**85,000**
Issued 17 May 2017 in lieu of fees	**754,717**	**7,547**
As at 30 September 2017	**52,898,163**	**528,982**

Shares held in treasury

On 15 March 2016, the Company cancelled the 2.3 million treasury shares held since 2007/8. The balance of the treasury shares was accounted for via a reserve transfer as shown on the statement of changes in equity.

Share Warrants

On 11 May 2017, as part of the Placing, the Company issued 8,500,000 warrants to subscribe for new Ordinary Shares in Starvest at an exercise price of 4.0p per warrant, within a 24 month exercise period. As at 30 September 2017, 8,500,000 warrants remain outstanding (2016: nil).

14. Share options

The Company's share option scheme, established on 14 February 2005, expired on 31 January 2015. During the year ended 30 September 2017 no new options were granted.

15. Cash and Cash Equivalents

	Year ended 30 September 2016 £	Cash flow £	**Year ended 30 September 2017 £**
Cash at bank	9,856	422,926	432,782
Net cash and cash equivalents	9,856	422,926	432,782

16. Capital Commitments

As at 30 September 2017 and 30 September 2016, the Company had no commitments other than for expenses incurred in the normal course of business.

17. Contingent Liabilities

There were no contingent liabilities at 30 September 2017 (2016: £nil).

18. Related Party Transactions

There were no related party transactions during the year other than those disclosed in notes 7 and 10.

The key management of the Company are considered to be the Directors, the compensation for whom was £128,500 (2016: £135,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

19. Financial Instruments

The Company's financial instruments comprise investments, cash at bank and various items such as other debtors, loans and creditors. The Company has not entered into derivative transactions nor does it trade financial instruments as a matter of policy.

Credit Risk

The Company's credit risk arises primarily from short term loans to related parties and the risk the counterparty fails to discharge its obligations. At 30 September 2017, these loans included £59,153 (2016: £30,000) which have been provided for in full.

Liquidity Risk

Liquidity risk arises from the management of cash funds and working capital. The risk is that the Company will fail to meet its financial obligations as they fall due. The Company operates within the constraints of available funds and cash flow projections are produced and regularly reviewed by management.

Interest rate risk profile of financial assets

The only financial assets (other than short term debtors) are cash at bank and in hand, which comprises money at call. The interest earned in the year was negligible. The directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Company has no material exposure to foreign currency fluctuations.

Market risk

The Company is exposed to market risk in that the value of its investments would be expected to vary depending on trading activity of its shares.

Categories of financial instruments

	Year ended 30 September 2017	Year ended 30 September 2016
	£	£
Financial assets		
Trade investments	1,519,983	1,372,616
Loans and receivables	29,589	71,667
	1,549,572	1,444,283
Financial liabilities		
Loans and payables	101,613	132,227
	101,613	132,227

20. Capital Management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its investment activities to provide returns for shareholders. The Company's funding comprises equity and debt. The directors consider the Company's capital and reserves to be capital. When considering the future capital requirements of the Company and the potential to fund specific investment activities, the directors consider the risk characteristics of all of the underlying assets in assessing the optimal capital structure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

21. Events After the End of the Reporting Period

On 16 October 2017, the Company took part in the IPO of Cora Gold Limited, an exploration company focused on West Africa. 303,030 new ordinary shares were purchased at a cost of 16.5p equivalent to £50,000.

22. Ultimate controlling party

There is no ultimate controlling party.