simple INVESTMENTS

STARVEST PLC

www.starvest.co.uk

Recommendation: **Buy**

Price:	26.5p	**Market Value:**	£9.7m
Ticker:	SVE	**Sector:**	General finance
12 month trading range:		15.5p – 29p	
PE:	10.0	**Yield:**	0%
Shares in issue:		36.22 million 0.1p ordinary shares	
Net asset value (fully diluted):		37.7p	
Discount to net asset value:		29.7%	
Listing:		AIM	
Financial calendar:		Interims - April, Finals - November, AGM – December	
Chairman's updates:		January & July	
Business:		Invests in small natural resource exploration companies	

KEY POINTS

Starvest has a broad exposure to exploration companies looking for gold, platinum, palladium, oil, base metals, uranium and other metals right across Europe, Australia, Canada and Africa. There is the whole spectrum of interests from grass roots exploration to those on the verge of a bankable feasibility study to producers. In all, the company now has stakes in twenty eight companies most of which are either trading on Aim or PLUS markets. By and large these investments are made at an early stage which gives investors some exposure to the exciting world of pre-IPO private equity deals and the big returns that can be made there. Starvest enjoys a great deal flow, investing in just a handful of the 250 opportunities the board are offered each year. The company's largest holding is in African Platinum which has just agreed a takeover from platinum giant Impala priced at 55p a share. Even after some substantial profit taking the company's stake is still worth over £5.5m. We are not privy to the purchase price but by and large, Starvest seems to invest between £100,000 - £150,000 a time, and is an illustration of the sort of gains that are possible from early-stage investment.

Close on 80% of the value of the portfolio is in mineral exploration companies which look like they could be set for another good run, as analysts across the City are forecasting an extended period of high base metals prices with supply unlikely to close the gap with demand growth for five to ten years. Leading broker Credit Suisse reckon that China's spending on new rail and underground projects alone in the next five years could be bigger than the rest of the world's total investment in the last twenty years. That's just China then there are also the fast improving economies like India and South America. It would seem that the mining and mineral exploration stocks could prove to be a highly profitable investment area over the coming years.

Last year Starvest's portfolio shot up 86% in value to £12.1m. This good performance continued as by 29 December 2006 the investments put on another 15% to be worth £13.225m. Today the portfolio is probably worth in excess of £15m which would give an NAV of around 37.7p (on a fully diluted basis) given the advances in some stock prices. This means that the share price lies at close to a 29.7% discount to the NAV. At Starvest investors are getting the chance to buy £1,000 worth of shares for £703. Historically a fund investing in small companies would trade at a 10% - 15% discount to the value of its investments, which all adds up to substantial upside available in this share price. This year the board has begun to take steps to narrow this discount and in January 2007, Starvest bought 500,000 of its own shares in the market. This move improves the EPS by 1%, lowers the PE a touch but far more importantly it sends out a message loud and clear to investors that Starvest is tremendous value. We rate the shares as a buy.

CORPORATE STRATEGY

Starvest is an investment vehicle that typically invests £100,000 - £150,000 in early stage companies, mainly in the natural resource sector, for this is where the directors see considerable growth for the foreseeable future. The investment portfolio consists of 28 holdings at present, with the investee companies listed primarily on the AIM market and a number listed on PLUS market, which used to be the old Ofex market. Two of the Starvest directors sit on a total of eight boards of the investee companies; but the chairman sits on none as he sensibly wishes to retain his impartiality.

DEALFLOW

The board of Starvest are well plugged into the mineral exploration community in the City and this network brings in a tremendous deal flow. It's a numbers game the more deals you see the better the deals you get and the lower the price you pay. Bruce reckons that he gets a deal a day presented to him each week, of which the team chose to back one in twenty five.

Today you can't move for hearing about private equity and its legendary high returns. Starvest offers investors the chance of getting an exposure to such deals. This area of investment has been strictly off limits to private investors, who have had enough problems enough trying to get involved in new issues for the past decade or more.

Starvest has developed its own unique dealflow. Increasingly, profits taken by top slicing existing investments seem to have been re-invested opportunities are being thrown up from within the existing investee companies. A good example of this is Regency Mines spinning off Red Rock Resources and Addworth advising The Core Business on financing and flotation. These corporate moves presented Starvest with two more solid investment opportunities.

HIGH DEGREE OF SUCCESS

Last year the portfolio rose 86% in value to £12.1m and the net asset value climbed 67% to 28.29p. This good performance continued as at 29 December 2006 the investments put on another 15% to be worth £13.225m and the NAV had grown to 32.26p. Today the portfolio is probably worth in excess of £15m which would give an NAV in excess of 37.7p (on a fully diluted basis) given the advances in some stock prices. Overall, the gains have been enormous, as the cost of these investments is just a fifth of the current valuation.

Historically a fund investing in small companies would trade at a 10% - 15% discount to the value of its investments. Starvest has been trading at a discount to its NAV of between 30-50% for sometime now which is quite surprising given their investment track record.

With all the opportunities out here whether it been pre-IPO private equity deals, seed capital or new issues, exploration stocks that need refinancing, one of the company's most recent investments is most enlightening. In January 2007, Starvest bought 500,000 of its own shares in the market. This move improves the EPS by 1%, lowers the PE a touch but far more importantly it sends out a message loud and clear to investors that Starvest is good value.

OUTLOOK FOR METALS

With close on 80% of the portfolio in mineral exploration the outlook for metals is a very important consideration. Metals prices enjoyed a good run until the first half of 2006 and since then haven't been able to recapture the highs seen in this spell. Base metal prices had been very low for a long time until they began to show signs of life in 2001. The explosive gains seen a year or so ago were laid at the door of China where there is huge demand and even more enormous potential demand for metals. Some commentators believe that last year the booming Chinese economy was single-handedly pushed up metal prices; and that the country has drastically cut down its buying of metals and running down its own stockpiles. These commentators also reckon that once metal prices ease off a bit more we will see China wading back into the world metal market as a big buyer. Time will tell. But it is not just China as the fast improving economies of India and Brazil also need vastly increasing amounts of metals.

Looking at copper which seems to acts like a bell weather of the metals markets. Over the forthcoming years copper seems to be a pretty exciting prospect to meet the increasing consumption in China and India. The fundamentals are very attractive. Global demand for copper is expected to grow by almost a quarter over the next few years and production might not be able to keep up with demand following the eight-year bear market in the copper which saw exploration budgets decimated. In China, the bull market for copper is driven by both the construction boom and end use by consumers in that country. A couple of years ago, China consumed just 2.3kg of copper per head dramatically less than the 10kgs a head in the mature markets like the US and Japan. It is little surprise that experts believe that per capita copper consumption in China is set to grow several fold as the economy develops. Meeting the power requirements of China's industry has been a major problem and the next wave of power stations to be built will push up the country's copper needs. At the same time a similar scenario is taking place in India.

These sentiments were echoed in a report last year by top brokers Morgan Stanley whose analysts forecasted an extended period of high base metals prices with supply unlikely to close the gap with demand growth for five to 10 years. Meanwhile Credit Suisse reckon that China's new rail and underground spending in the next five years could be bigger than the rest of the world's total investment in the last 20 years. It would seem that the mining and mineral exploration stocks could prove to be a highly profitable investment area over the coming years.

LOOKING AHEAD

The board are happy with the current balance of 80% mineral exploration and 20% other. The rational behind this diversification is variety. Investors like what the team have done with mining stocks and would like them to broaden their wings a little. Certainly non-mining stocks are seen as a good way to expand, but the board intend that Starvest will always be strongly weighted towards mineral exploration.
The funds for future investments will come from top-slicing existing holdings. Starvest's largest holding by value is in African Platinum (Afplats) where the stake is over £4.5m following the announcement of a takeover by Impala Platinum, which will provide the funds for many more investments.
In the future, the board are looking to acquire other small investment companies of roughly the same size as themselves. Given the current large discount to net asset value that the shares are trading at, negates the possibility of using the company's paper to do such a deal. Fortunately these days, there is a proliferation of alternative methods that can be employed to finance such an acquisition apart from the traditional cash and shares paper.

INVESTMENT PORTFOLIO

Starvest has a broad exposure to natural resource exploration companies looking for gold, platinum, palladium, oil, base metals, uranium and other metals right across Europe, Australia Africa and even the ex-Russian countries. With investments made at an early stage. There is the whole spectrum of interests from grass roots exploration to those on the verge of a bankable feasibility study to mining companies.
The largest holding by value is Afplats represents a quarter of the portfolio. Next comes Myhome which accounts for around 13% by value. Then there are about eight holdings including: Hidefeld, Regency Mines and Sheba Exploration which are all around the £500,000 mark.
In all the company has a total of 28 investments, 18 are quoted on Aim, eight trade on PLUS and one trades on the TSX in Canada. Below we investigate most of these companies.

Addworth (ADW)
Market: Aim
Business: Active capital investment company
Addworth is headed up by share tipster Mark Watson-Mitchell and helps to finance, promote and launch early stage companies. The team looking for young companies run by entrepreneurs and help groom the business ahead of putting it on Aim or the PLUS market. The business has been fairly successful bringing stocks like: Myhome International plc, The Core Business plc, Cheerful Scout plc to these markets. The company takes part of its fees in paper which now forms a portfolio of 19 stocks worth £1.7m by December 2006, with a balance sheet value of just £933,000.

African Platinum (APP)
Market: Aim
Business: Platinum group metals in Southern Africa
The largest investment for Starvest is its stake in Afplats despite having top-sliced its holding. On 16 February 2007, Impala Platinum and Afplats announced that they had agreed terms of a recommended cash offer. The offer valued each Afplats shares at 55p and the entire company at £297m. This move places a value of over £5.5m on Starvest's holding.

Agricola Resources (AGR)
Market: PLUS
Business: Platinum and uranium exploration
In May 2005, Agricola was awarded the Kauhee project area in eastern Finland. Drilling was expected to begin in autumn 2006. Finland is in the process of building a nuclear power station and the government there is keen to be able to source local supplies of uranium. The board has found a farm in partner, Cooper Minerals, a Canadian exploration company to acquire 50% of its reconnaissance licences. Agricola also has claims in Lapland.

Belmore Resources (BEL)
Market: PLUS
Business: Zinc exploration in Ireland
The company has eight zinc licences in County Clare. The main focus of action is the Ballyhickey lead-zinc prospect in County Clare. On 31 January 2007, announced that an application has been made for additional licences in the Donegal area where the prospects look good for copper, lead, zinc and possibly gold.

Beowulf Mining (BEM)
Market: Aim
Business: Gold and copper exploration in Sweden
On 1 February 2007, investors learnt that the winter drilling at the 100% owned Grundtrask property in the Skellefte Mining District in North Sweden had been completed. The drilling program further tested the southern extension of what has been termed the Central Gold Zone which had been outlined in earlier work. The best intersection was 18m of 1.77g/t gold. At the time the technical director reckoned that results will confirm a significant shallow dept gold reserve with potentially more than 500,000 ounces.

Black Rock Oil & Gas (BLR)
Market: Aim
Business: Oil and gas in Southern England, Colombia and Australia
Black Rock is a UK based oil exploration company that has embarked on an active appraisal and development programme focused on Colombia and the North Sea. Final results were announced on 27 December 2006, bought news of positive results from the Arce field in Colombia where steam injection began recently. Here estimated reserves are thought to be in excess of five million barrels of oil. In the North Sea, Black Rock has a 15% interest in Blocks 49/8c and 49/9d operated by Wintershall. In all Black Rock is thought to have oil reserves totalling 30m barrels.

Brazilian Diamonds (BDY)
Market: Aim
Business: Diamond exploration in Brazil
Razilian Diamonds has 150 kimberlites on its extensive portfolio of properties south in the State of Minas Gerals, south of the Brasilia. The company is awaiting final approval to start the development of a mine at the Canastra 1 kimberlite.

Carpathian Resources (CPNR)
Market: Aim
Business: Oil and gas in the Czech and Slovak Republics
The company has two producing assets: Ja3a in their Janovice Gas Field in the Czech Republic and KS4, KS7, KS8 in their Krasna Oil Field. The Ja3a well commenced production in October 2005. The reserves of this field were substantially upgraded in February 2006 from 1-5-1.7 billion cubic feet (bcf) up to 3.8 – 4.0 bcf. Cashflow from this operation should help fund other interests. However the KS4, KS7 and KS8 fields have been slightly disappointing.

Concorde Oil & Gas (CDEP)
Market: PLUS
Business: Operational oil & gas projects in the Russian Federation
Shares were suspended on 24 November 2006 ahead of an EGM. Since then the company has been able to report that all the resolutions were passed at the EGM; and that the $33m acquisition of Pechora LLP, a Russian oil producer, has been agreed. The purchase has been made possible by $41m financing package put together with Altima Partners which includes the issue of 113 million new shares at 0.9p a piece. The shares are expected to return to the market in March 2007.

The Core Business (CORE)
Market: Aim
Business: personal care beauty products
The company concentrates on personal care products, beauty brands from make-up and skincare to men's grooming. It has won five new consultancy projects, including a contract with a major blue chip retailer. The Core Business is now building the retail distribution. The appointment of Laura Nickell from Lancome, Clarins should be an immeasurable help in building the brand.

DTT
Market: PLUS
Business: Driver training and recruitment services for the road haulage industry
The chairman's quarterly update from Starvest, on 2 January 2007 told of this new investment.

Franchise Investment Strategies (FIN)
Market: PLUS
Business: Franchise consultancy and investment
Last year the company made three significant investments which were in DTT PLC, Nicenstripey Limited and Myhome International. A gain of £100,000 was realised on Nicenstripey. In December 2006, the net asset value stood at 4.9p per share.

Franconia Minerals Corporation (FRA)
Market: PLUS
Business: North American minerals
Franconia Minerals Corporation most advanced exploration project is the Birch Lake Property in the State of Minnesota, with an inferred 39 million tonnes PGM and an inferred 51 million tonnes PGM at the nearby Maturi Resource. Drilling is underway at the Birch Lake Property to better quantify the resource and enable pre-feasibility level mine planning.

Fundy Minerals (FUND)
Market: PLUS
Business: Gold and base metal exploration in Canada and West Africa
In Liberia, a geophysical survey was planned to begin in January 2007 to focus on an area where high kimberlitic indicator minerals results had been found. Field work continues at the Sandbrook gold prospect in Caribou Lake, Mowat, County Line and the Nowlan Lake base metal prospect.

Gippsland (GIP)
Market: Aim
Business: Tantalum exploration in Egypt
In the Wadi Allaqi region in Egypt, the company owns rights to explore a number of areas. Reconnaissance drilling to the north and south of the main zone of mineralisation adjacent to the historical working along the Seiga shear zone allowed an inferred resource estimate for the area, down to a 150m, to be calculated totalling 1.1m tonnes at 2.3g/t (uncut) and 2.0g/t (10g/t cut).

Greatland Gold (GPP)
Market: Aim
Business: Gold in Tasmania and Western Australia
The board have assembled a portfolio of exciting Australian exploration plays totalling 207km² of land. The main project is Firetower where intersections of up to 30g/t gold have been discovered. This project shares the same geology as the Henty high-grade gold reserve which contains 1.14m ounces of gold. The board's strategy is to increase the resource base of its projects. Also there are the Warrentinna gold project and the grass roots gold play, Lackman Rock.

Hidefield Gold (HIF)
Market: Aim
Business: Gold exploration in North and South America
Argentina is now the group's principal focus for direct exploration activity. Following the completion of the acquisition of East Santa Cruz gold projects from Yamana Gold Inc, exploration began which is designed to increase gold resources and prepare for pre-development activities at this exciting project. The board were hoping that by the end of 2006, sufficient resources would have been outlined to commence a pre-feasibility study. On 2 January 2007, it was announced that phase II drilling on the project had increased the known limits of the mineralisation in the Sulfuro Vein along strike and at depth. The mineral resource estimation is under way and that an economic scoping study would be completed by the end of March 2007.

India Star Energy (INDY)
Market: Aim
Business: Investment company focused on platinum and palladium projects in Canada
India Star Energy owns 7 million shares and 7 million warrants in Canadian Gold Dragon Ltd which is quoted on TVX, the Toronto Venture Exchange, which has interests in two high grade platinum and palladium properties. India Star also hold 2.5 million shares in East West Resources Corporation which is a platinum, palladium, gold and base metal exploration company which is also quoted on TSX. These two quoted mining companies jointly own the Norton property where there is an indicated 2.47m tonnes of high grade nickel, copper and platinum.

KEFI Minerals
Market: Aim
Business: Mineral exploration in Bulgaria and Turkey
The company raised funds to spend on mineral exploration in Turkey and Bulgaria. Tenements are being transferred from EMED PLC.

Matisse Holdings (MAT)
Market: Aim
Business: Cash shell
One of Starvest's smallest investments. It's a shell on Aim that is doing virtually nothing.

Myhome International (MYH)
Market: Aim
Business: Domestic cleaning services
Myhome International continues to increase its range of services on offer. Last year the company bought Ovenclean, Surface Doctor and Autosheen. The range of residential services continues to be expanded and further services are being looked at in carpet cleaning, dry cleaning, roofing, painting, plumbing and electrical services. Looking to roll out franchises overseas.

Red Rock Resources (RRR)
Market: Aim
Business: Manganese and uranium exploration in Africa
Red Rock keeps on changing its spots and has just done an about turn from iron ore in Australia to manganese in Zambia. In July 2005, a parcel of iron ore tenements and manganese exploration projects in Western Australia from Regency Mines. Spiralling wage costs over there has seen the company switch its focus to Africa. The near term prospect for Red Rock is a potential world class manganese project in Zambia which could be fast tracked to production in 2007.

Regency Mines (RGM)
Market: Aim
Business: Copper and nickel exploration in Western Australia, Queensland & Papua New Guinea
Regency is not only involved in mineral exploration but also acts as an investment company. Since joining Aim in February 2006, the board have helped in getting Thor Mining, Red Rock Resources and Greatland Gold quoted on Aim. Regency still retains a majority stake in Red Rock Resources. Following preliminary exploration work on the 75%-owned Mambare Plateau in Papua New Guinea allowed the resource potential has been put at 200m tonnes of 1% nickel and 0.1% cobalt in the Limonite ores and 200m tonnes of 1.2% - 1.5% nickel in the Saprolite ores.

Sheba Exploration (SHE)
Market: PLUS
Business: Gold exploration in Ethiopia
Percussive drilling in the Mereto area of the company's Ndaba prospect and found gold in two of the three holes drilled with the highest grade being over 11g/t over 1m.

St Helen's Capital (SHCP)
Market: PLUS
Business: Corporate finance advisor
Leading PLUS markets adviser. On 20 December 2006 announced interim results which showed that the company had raised a total of £4.9m for clients which now total 29.

Sunrise Diamonds (SDS)
Market: Aim
Business: Diamond exploration in Finland
Sunrise are exploring the Karelian Craton in a diamond prospective block that on the Russian side of the Finnish border contains some of the world's richest diamond deposits including the Lomoson pipe complex which is now under development by Alrosa. Sunrise had some early exploration success in finding a new kimberlite cluster in the Kuusamo region of northern Finland. In 2006, their geologists found three new kimberlite discoveries which bring the total at Kuusamo to even, of which three are now known to be diamondiferous.

THE BOARD

Bruce Rowan – Chairman and chief executive. Bruce is well known in the City for backing small mineral exploration companies at an early stage. He has run the business since January 2002. Bruce is also chairman of Tiger Resource Finance plc, ASX-listed Sunvest Corporation Limited and a non-executive director of Gledhow Investments which is quoted on PLUS.
John Watkins – Finance director. John is a charter accountant and used to be a partner of Ernst & Young and Neville Russell. He is on the board of four companies in which Starvest holds a stake. These are Greatland Gold, Regency Mines and Red Rock Resources which are also traded on Aim; together with PLUS quoted Franchise Investment Strategies.
Tony Scutt – Non-executive director. Tony is an experienced private investor and investment analyst. He is a director of Addworth plc, Agricola Resources plc and Beowolf Mining plc. Starvest has an interest in all these three Aim-listed companies.
The board' salary bill came to £107,462 last year with Bruce Rowan being the highest paid and receiving £52,000.

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MAJOR SHAREHOLDERS

Below are listed shareholders with holdings in excess of 3%.

Shareholder	Number of shares	Holding
Bruce Rowan	8,570,000	23.7%
Barclayshare Nominees Limited	5,675,981	15.7%
LR Nominees Limited	1,515,848	4.2%
TD Waterhouse Nominees(Europe) Limited	1,123,178	3.1%

The board own a total of 9,565,000 shares (26.4%) with Bruce Rowan owning 8,570,000 shares (23.7%), John Watkins holding 835,000 shares (2.3%) and Tony Scutt owning 160,000 (0.4%). Between the three directors they have a total of 5,575,000 options. Bruce Rowan has in all 3,350,000 options (1.4 million at 5p exercisable between 27 June 2002 to 27 June 2007, 200,000 exercisable at 6p between 18 November 2003 to 27 June 2007 and 1.75 million exercisable at 15p between 14 February 2005 to 14 February 2010). John Watkins has 1,675,000 options (700,000 at 5p exercisable between 27 June 2002 to 27 June 2007, 100,000 exercisable at 6p between 18 November 2003 to 27 June 2007 and 875,000 million exercisable at 15p between 14 February 2005 to 14 February 2010). Tony Scutt has 550,000 options (200,000 exercisable at 6p between 18 November 2003 to 27 June 2007 and 350,000 exercisable at 15p between 14 February 2005 to 14 February 2010).

ISSUED SHARE CAPITAL

Issued share capital of the company is 36.22 million ordinary 0.1p shares. There are also 5,575,000 options so that on a fully diluted basis there are a total of 41.80 million shares.

FINANCIAL PERFORMANCE

In the 14 months to 30 September 2006, Starvest made a gross profit of £1.6m, compared to £569,000 made in the previous twelve months. Pre-tax profit climbed by almost fourfold to £1.34m, and fully diluted earnings per share more than doubled to 2.14p. Once again the board did not recommend the payment of a dividend.
As at 30 September 2006, the mid-market valuation of investments came out at £12.1m which marks an 86% improvement on July 2005 valuation. Unrealised investment profits climbed to £8.9m. The underlying net assets value at the year-end was 28.29p, which represents a gain over 67% over that 14 month period. This figure was calculated on a fully diluted basis before tax on unrealised profits. This net asset value figure actually peaked at around 46p in February 2006; however since then there had been a downturn in sentient towards the natural resources sector which has obviously greatly affected a portfolio which heavily weighted towards that sector.

Year to 30 Sept	2006#	2005*	2004*	2003*
Operating income (£m)	1.70	0.60	0.31	0.16
Pre-tax profit (£m)	1.34	0.39	0.07	0.04
Earnings per share+ (p)	2.14	0.80	0.18	0.15
Dividend (p)	nil	nil	nil	nil

- 14 month period ending 30 September 2006
* - year end was previously 31 July
+ - on a fully diluted basis

On 12 April 2007, the company issued its half year report with an update on the growth of the investment portfolio. As at 31 March 2007, the company's net asset value stood at £15.4m which represents a 27% gain since 30 September 2006. The net asset value per share (on a fully diluted basis) was 37.7p. With the Starvest share price standing at 26.5p on that day, it means that the shares were trading at a 27% discount to net asset value.

Definitions

BUY
Expected increase of 15% or more over the next 12 months

SPECULATIVE BUY
The stock has significant upside, expected increase of 15% or more over the next 12 months. Valuation reflects the high risks, but could reward significantly if the operations are successful.

ADD
Expected increase of 5% to 15% over the next 12 months

HOLD
Expected movement over the next 12 months in the range of plus 5% to minus 5%

REDUCE
Expected movement over the next 12 months of minus 5% to minus 15%

SELL
Expected fall/decrease of greater than 15%

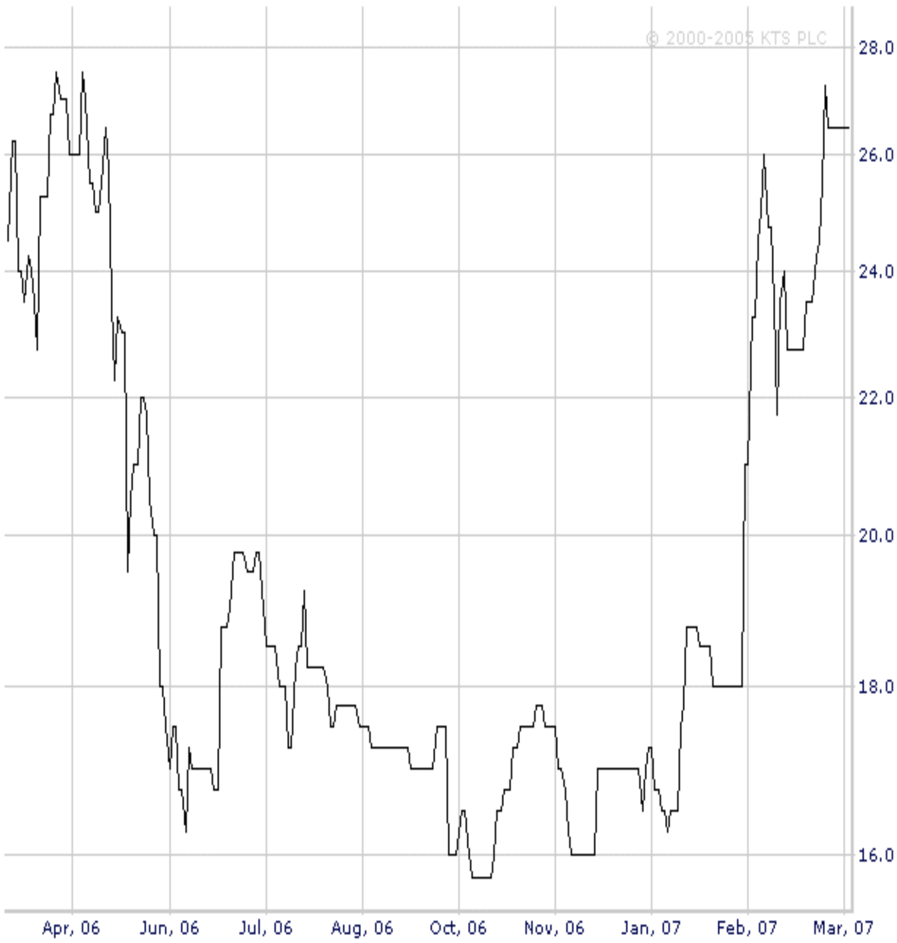
FINANCING THE STRATEGY

The company continues to seek opportunities to invest in small companies new issues and support pre-IPO opportunities by taking profits on some holdings. In the buoyant market conditions seen for natural resource stocks at the beginning of 2006, the board was able to take some profits. The money raised from these share sales allowed Starvest to make some new investments at low prices and top up some existing holdings. Impala Platinum's takeover of Afplats will give the board more than £5.5m to invest.

CORPORATE HISTORY

Bruce Rowan took control of poor performing Web Shareshop at the tail-end of the dotcom era when its only asset was £400,000 in cash. The name was changed to Starvest and it was turned into a successful business investing in small companies. Investments have flourished so much that the portfolio was worth £15.4m at the end of March 2007, with a cash balance of £1.125m.

SHARE PRICE PERFORMANCE



CONCLUSION

Starvest offers investors the opportunity to gain exposure to a wide range of exploration companies looking for gold, platinum, palladium, oil, base metals, uranium and other metals right across Europe, Australia, Canada and Africa. There is the whole spectrum of interests from grass roots exploration to those on the verge of a bankable feasibility study to producers. The portfolio is probably now worth in excess of £15m which would give an NAV of 37.7p on a fully diluted basis. This means that the share price lies at close to a 30% discount to the NAV. Historically a fund investing in small companies would trade at a 10% - 15% discount to the value of its investments, which all adds up to substantial upside available in Starvest's share price.

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