



**Interim report for the  
six months ended 31 March 2009**



## Half-year report – six months ended 31 March 2009

### Chairman’s statement

As reported in the Chairman’s update on 2 April 2009, Starvest enjoyed a modest recovery in its net asset value during the half year to 31 March 2009 when the closing portfolio net asset value was £4.25m, a 9% increase in the half year since 30 September 2008.

The prudent valuation basis adopted when preparing the Starvest annual financial statements at 30 September 2008 has proved to be fully justified. Whereas previously Starvest used the closing mid market values or the Directors’ lower valuation if deemed appropriate, it now uses closing bid prices or the Directors’ lower valuation. The Directors believe that this better reflects true values against the backdrop of an uncertain but deteriorating world economy.

### Company statistics

	<b>31 March 2009</b>	<b>Change since 30 September 2008</b>	<b>30 September 2008</b>
Portfolio value	<b>£4.25m</b>	<b>+9 %</b>	£3.9m
Company net asset value	<b>£3.6m</b>	<b>+5.9%</b>	£3.4m
Net asset value – fully diluted per share	<b>10.01p</b>	<b>+10.4%</b>	9.06p
Closing share price	<b>6.25p</b>		12.25p
Share price premium/(discount) to fully diluted net asset value	<b>(37%)</b>		35%
Market capitalisation	<b>£2.18m</b>		£4.28m

### Comment

During the half year, Starvest made modest additions to its investments in Greatland Gold plc, Red Rock Resources plc and Regency Mines plc.

Although there has been some further improvement in market prices since 31 March 2009, conditions remain fragile, so I can do no better than repeat the comments I made when issuing an update as at 31 December 2008:



“The speculation of which I wrote in July that the crises impacting the financial markets would lead to world-wide recession with a consequential reduction in demand for natural resources and services has proven to be well founded and as a result many of the companies in which Starvest is invested have seen their share prices fall during the past year.

“It remains the view of the Starvest board that demand for raw materials will return as current stocks are exhausted and that commodity prices must return to levels at which it again becomes economic to mine newly discovered deposits.

“Conclusion:

“Whilst disappointed that our fears have been realised, the Board continues to believe that it has within its portfolio investments with considerable potential and is looking forward to an upturn during 2010, possibly earlier for some.”

Against this background, the Board is satisfied with the investments currently held.

**Other points of note during the half year:**

- The loss on ordinary activities before taxation for the period amounted to £147,841 (2008: loss of £672,206). The loss includes administrative expenses amounting to £97,862. There was no investment impairment charge (2008: £547,088).
- Basic loss of 0.42 pence per share (2008: loss of 1.9 pence per share); fully diluted loss of 0.36 pence per share (2008: loss of 1.7 pence per share)

R Bruce Rowan

*Chairman & Chief Executive*

14 May 2009



**Profit & loss account**

	6 months to 31 March 2009 Unaudited £	6 months to 31 March 2008 Unaudited £	Year ended 30 September 2008 Audited £
<b>Operating income</b>	-	16,716	16,700
<b>Direct costs</b>	-	(15,430)	(15,430)
<b>Gross profit</b>	-	1,286	1,270
Administrative expenses	(97,862)	(153,380)	(271,640)
Amounts written off trade investments	-	(547,088)	(3,461,919)
<b>Operating (loss) on ordinary activities</b>	(97,862)	(699,182)	(3,732,289)
Interest receivable	15,274	72,728	105,054
Interest payable	(65,253)	(45,752)	(98,430)
<b>(Loss) on ordinary activities before taxation</b>	(147,841)	(672,206)	(3,725,665)
Tax on profit on ordinary activities	-	-	1,118,201
<b>(Loss) on ordinary activities after taxation</b>	<b>(147,841)</b>	<b>(672,206)</b>	<b>(2,607,464)</b>
<b>(Loss) per share – see note 4</b>			
Basic	(0.42) pence	(1.9) pence	(7.5) pence
Fully diluted	(0.36) pence	(1.7) pence	(7.5) pence



**Balance sheet**

	6 months to 31 March 2009 Unaudited £	6 months to 31 March 2008 Unaudited £	Year ended 30 September 2008 Audited £
<b>Fixed assets</b>	-	-	-
<b>Current assets</b>			
Debtors	1,147,178	31,980	1,126,908
Trading investments – see note 2	2,809,786	5,499,136	2,855,237
Cash at bank	-	1,341,142	-
	3,956,964	6,872,258	3,982,145
<b>Creditors - amounts falling due within one year</b>			
Other creditors	(1,742,276)	(2,574,467)	(1,619,615)
<b>Net current assets</b>	2,214,688	4,297,791	2,362,530
<b>Total assets less current liabilities</b>	2,214,688	4,297,791	2,362,530
<b>Capital and reserves</b>			
Called up share capital	372,173	372,173	372,173
Share premium account	2,026,396	2,026,396	2,026,396
Profit and loss account	(183,881)	1,899,222	(36,039)
<b>Equity shareholders' funds</b>	2,214,688	4,297,791	2,362,530



## Cash flow statement

	6 months to 31 March 2009 Unaudited £	6 months to 31 March 2008 Unaudited £	Year ended 30 September 2008 Audited £
Net cash (outflow) from operating activities	(58,482)	(1,443,358)	(1,815,809)
Returns on investment and servicing of finance:			
Interest receivable	15,274	72,728	105,054
Interest payable	(65,253)	(45,752)	(98,430)
	<u>(49,979)</u>	<u>26,976</u>	<u>6,624</u>
Taxation paid	-	-	(1,509,413)
Equity dividends paid	-	(175,586)	(174,587)
	<u>-</u>	<u>(175,586)</u>	<u>1,684,000</u>
Financing:			
Company shares repurchased	-	(73,478)	(73,478)
	<u>-</u>	<u>(73,478)</u>	<u>(73,478)</u>
<b>(Decrease) in cash in the period</b>	<b>(108,461)</b>	<b>(1,665,446)</b>	<b>(3,566,665)</b>
Opening cash balance brought forward	-	3,006,588	3,006,588
Net debt brought forward	(1,560,077)	-	-
<b>(Net debt)</b>	<b><u>(1,668,538)</u></b>	<b><u>1,341,142</u></b>	<b><u>(1,560,077)</u></b>



## Movement on equity shareholders' funds

	6 months to 31 March 2009 Unaudited £	6 months to 31 March 2008 Unaudited £	Year ended 30 September 2008 Audited £
Total recognised (loss) relating to the period	(147,841)	(672,206)	(2,607,464)
Dividend paid	-	(175,586)	(174,587)
Purchase of own shares for Treasury – see note 3	-	(73,478)	(73,480)
(Decrease) in shareholders' funds	(147,841)	(921,270)	(2,855,531)
Opening shareholders' funds	2,362,530	5,218,061	5,218,061
<b>Closing shareholders' funds</b>	<b>2,214,689</b>	<b>4,296,791</b>	<b>2,362,530</b>

## Interim report notes

### 1. Interim report

The information relating to the six month periods to 31 March 2009 and 31 March 2008 is unaudited.

The information relating to the year ended 30 September 2008 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report.

### 2. Basis of accounting

The report has been prepared using accounting policies that are consistent with those adopted by the Company in accordance with UK GAAP for the statutory accounts for the year ended 30 September 2008, although the information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The Company will report again for the full year to 30 September 2009.

The Company's investments at 31 March 2009 are valued at the lower of cost or the valuation adopted at 30 September 2008. At that date unrealised losses totalling £3,592,014 were recognised and the charge to the profit and loss account for the year ended on that date was £3,461,919. Although there has been some improvement in the market, the Directors consider that the anticipated economic recovery is some way off and therefore it is too soon to revalue the investment portfolio for the purpose of this statement. The Chairman's statement includes a valuation based on bid prices at 31 March 2009.



### 3. Earnings per share

	6 months to 31 March 2009	6 months to 31 March 2008	Year ended 30 September 2008
	Unaudited £	Unaudited £	Audited £
These have been calculated on a (loss) of:	(147,841)	(672,206)	(2,607,464)
The weighted average number of shares used, excluding shares held in treasury, was:	34,917,259	34,997,860	34,958,243
Basic (loss) per share:	(0.42)	(1.9) pence	(7.5) pence
The weighted average number of shares and outstanding options used, excluding shares held in treasury, was:	40,492,259	40,572,860	40,533,243
Fully diluted (loss) per share:	(0.36)	(1.7) pence	(7.5) pence

### Investment portfolio

Starvest now holds trade investments in the following companies:

- Addworth plc *Active capital investment company*  
[www.addworth.co.uk](http://www.addworth.co.uk)
- Alba Mineral Resources plc *Nickel, uranium & gold in Scotland, Mauritania, Sweden and Ireland*  
[www.albamineralresources.com](http://www.albamineralresources.com)
- Agricola Resources plc *Platinum and uranium exploration*  
[www.agricolaresources.com](http://www.agricolaresources.com)
- Ariana Resources plc *Gold exploration in Turkey*  
[www.arianaresources.com](http://www.arianaresources.com)
- Belmore Resources (Holdings) plc *Zinc exploration in Ireland*  
[www.belmorerresources.com](http://www.belmorerresources.com)
- Beowulf Mining plc *Gold and copper exploration in Sweden*  
[www.beowulfmining.com](http://www.beowulfmining.com)
- Brazilian Diamonds Limited *Diamond exploration in Brazil*  
[www.braziliandiamonds.com](http://www.braziliandiamonds.com)
- CAP Energy plc *Oil & gas production in North America*  
[www.capenergy.co.uk](http://www.capenergy.co.uk)





- Carpathian Resources Limited *Oil and gas exploration in Central Europe*  
[www.carpathian.com.au](http://www.carpathian.com.au)
- Concorde Oil & Gas plc *Operational oil and gas projects in the Russian Federation*
- The Core Business plc *Personal care and beauty products*  
[www.thecorebusiness.co.uk](http://www.thecorebusiness.co.uk)
- Equity Resources plc *Investment holding company*
- Franconia Minerals Corporation *North American minerals*  
[www.franconiaminerals.com](http://www.franconiaminerals.com)
- Fundy Minerals Limited *Gold and base metal exploration in Canada and West Africa*  
[www.fundyminerals.com](http://www.fundyminerals.com)
- Gippsland Limited *Tantalum exploration in Egypt*  
[www.gippslandltd.com.au](http://www.gippslandltd.com.au)
- Goliath Resources Inc. *Copper, gold & molybdenum in Canada and Zambia*  
[www.goliathresources.com](http://www.goliathresources.com)
- Greatland Gold plc *Gold exploration in Western Australia and Tasmania*  
[www.greatlandgold.com](http://www.greatlandgold.com)
- Guild Acquisitions plc *Investment holding company*
- Hidefield Gold plc *Gold exploration in North and South America*  
[www.hidefield.co.uk](http://www.hidefield.co.uk)
- India Star Energy plc *Oil and gas investments*
- Kefi Minerals plc *Mineral exploration in Turkey*  
[www.kefi-minerals.com](http://www.kefi-minerals.com)
- Lisungwe plc *Nickel, uranium & gold in Malawi*  
[www.lisungwe.com](http://www.lisungwe.com)
- Lotus Resources plc *Mineral exploration in China*  
[www.lotus-resources.com](http://www.lotus-resources.com)
- Oracle Coalfields plc *Coal mining in Pakistan*  
[www.oraclecoalfields.com](http://www.oraclecoalfields.com)
- Red Rock Resources plc *Iron ore and manganese exploration in Australia and Zambia; uranium exploration in Malawi*  
[www.rrrplc.com](http://www.rrrplc.com)
- Regency Mines plc *Copper & nickel exploration in Australia and Papua New Guinea*  
[www.regency-mines.com](http://www.regency-mines.com)
- Sheba Exploration (UK) plc *Gold exploration in Ethiopia*  
[www.shebagold.com](http://www.shebagold.com)
- St Helens Capital plc *Corporate finance advisor*  
[www.sthelenscapital.com](http://www.sthelenscapital.com)
- Sunrise Diamonds plc *Diamond exploration in Finland*  
[www.sunrisediamonds.com](http://www.sunrisediamonds.com)
- Treslow Limited *Copper & nickel in Ontario, Canada*
- Woburn Energy plc – formerly Black Rock *Oil & gas in the North Sea and Columbia*



Oil & Gas plc

[www.woburnenergy.com](http://www.woburnenergy.com)

Shareholders and others who wish to receive electronic copies of announcements are invited to register their email address on the home page of the Company website: [www.starvest.co.uk](http://www.starvest.co.uk).

Copies of this interim report are available free of charge by application in writing to the Company Secretary at the Company's registered office, 123 Goldsworth Road, Woking, GU21 6LR, by email to [email@starvest.co.uk](mailto:email@starvest.co.uk) or from the Company's website at [www.starvest.co.uk](http://www.starvest.co.uk).

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