EDGE
PERFORMANCE VCT

EDGE PERFORMANCE VCT PUBLIC LIMITED COMPANY

ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

Edge Performance VCT Public Limited Company
Incorporated in England and Wales
with registration number 5558025

Contents

Financial Summary

2020

Year ended 29 February	2020 H	2020 I	2020 Total
Net assets £'000	8,426	20,081	28,507
Net asset value per Share, p	72.69	27.47	n/a
Net asset value total return per Share, p*	90.69	62.47	n/a
Investment income £'000	44	162	206
Return before tax £'000			
- Revenue	(109)	(525)	(634)
- Capital	2,940	(7,664)	(4,724)
- Total	2,831	(8,189)	(5,358)
Return per Share, p**			
- Revenue	(0.94)	(0.72)	n/a
- Capital	25.36	(10.48)	n/a
- Total	24.42	(11.20)	n/a
Dividend per Share paid/recommended in the year, p			
- Revenue	-	-	-
- Capital	4.0[1]	-	-
- Total	4.0	-	-
Share price at end of year, p	38.50	13.50	n/a

* i.e. net asset value per share plus total dividends paid per share to date. See note 16

** i.e. return for the year over the weighted average number of shares. See note 10

[1] Reflects the interim dividend of 4.0p declared on 13 December 2019, paid on 7 January 2020 to H shareholders as shown in the Company's register of members as at 13 December 2019.

2019

Year ended 28 February	2019 H	2019 I	2019 Total
Net assets £'000	6,059	28,270	34,329
Net asset value per Share, p	52.27	38.67	n/a
Net asset value total return per Share, p*	66.27	73.67	n/a
Investment income £'000	22	133	155
Return before tax £'000			
- Revenue	(150)	(641)	(791)
- Capital	(945)	(4,981)	(5,926)
- Total	(1,095)	(5,622)	(6,717)
Return per Share, p**			
- Revenue	(1.31)	(0.88)	n/a
- Capital	(8.22)	(6.81)	n/a
- Total	(9.53)	(7.69)	n/a
Dividend per Share paid/recommended in the year, p			
- Revenue	-	-	-
- Capital	-	-	-
- Total	-	-	-
Share price at end of year, p	25.50	25.40	n/a

* i.e. net asset value per share plus total dividends paid per share to date. See note 16

** i.e. return for the year over the weighted average number of shares. See note 10

Investment Policy

Investment Policy

Edge Performance VCT Public Limited Company ("Edge Performance VCT" or the "Company") was set up to offer the opportunity to invest in the entertainment and media industry in a broad range of companies (thereby diversifying risk) and seeks to allow investors to take advantage of VCT tax reliefs while combining the features described below.

The full text of the Company's investment policy can be found at https://edge.uk.com/edge-performance-funds/#governance.

H Share Fund

With the "evergreen" H Share Fund, Edge Performance VCT is seeking to achieve an annual yield for investors, growth, risk reduction and liquidity.

The Company is targeting building to a consistent tax-free annual dividend yield for investors. To align the interests of the Investment Manager, Edge Investments Limited (Edge Investments), with this objective, the Investment Manager's performance fee is payable only if cumulative dividends are at least 7p per H Share per year on average and the net asset value per H Share grows.

The Company will invest at least 80% of the H Share Fund in VCT-qualifying investments which the Company believes are capable of generating an appropriate level of growth or return.

The Company intends that the majority of any gain made from the realisation of VCT-qualifying investments will be distributed to H shareholders, to maintain and improve the H shareholders' yield, with the remaining proceeds of realisation being reinvested in further VCT-qualifying investments, in order to drive compound growth for the H shareholders.

I Share Fund

All of Edge Performance VCT's "planned exit" share classes (namely C Shares, D Shares, E Shares, F Shares, G Shares and I Shares) were consolidated into a single enlarged I Share Fund in September 2016.

Through a blend of fixed income securities, cash and near-cash, VCT-qualifying investments with a high level of underpinning and other VCT investments intended to achieve growth, the Company is looking to provide shareholders with significant capital preservation coupled with the potential for upside from the growth investments.

All of the Company's higher-underpinned VCT-qualifying investments have now been realised. The Company is therefore now seeking to maximise returns for I Shareholders within a reasonable timescale having regard to the market positions of its remaining portfolio companies.

Asset Allocation

VCT-qualifying investments will normally be made up of ordinary shares or other eligible shares (as defined under VCT rules) in the investee company, together with - wherever practicable - loan stock or other loan finance and/or preference shares.

Borrowings

Although Edge Performance VCT's articles of association allow the Company to incur borrowings to fund its operations, it currently has no intention to do so.

VCT Status and Maximum Exposures

Edge Performance VCT must be approved by HM Revenue and Customs in order to retain its venture capital trust status. The conditions which must be satisfied to retain such status include the restriction on the maximum exposure of the Company that not more than 15% by 'VCT value' of the Company's total investments can be held in a single company or group (other than a VCT). The Company will not commit more than 15% to a single company or group even in the event of an increase in the limit imposed by VCT rules.

Chairman's Statement

Covid-19

The coronavirus pandemic has had an influence across all organisations, and the creative economy in which Edge Performance VCT specialises is no different. For some fortunate companies, the impact has been restricted to simply a changed way of working. For most, though, it has presented trading – and in some cases existential - challenges. Edge Performance VCT's investment portfolio has not been immune to some of these challenges, and shareholders will be aware that the Company has undertaken an unaudited, interim revaluation of the portfolio as at 31 March 2020 which reflects the impact of Covid-19 as at that date. The Company issued a statement on 21 April 2020 setting out the results of that revaluation exercise, and we will continue to monitor closely any future effect the crisis has on the portfolio, and report as appropriate.

However, this Report & Accounts covers the Company's financial year ended 29 February 2020 and, consequently, the valuations and financial position set out below reflect the position as at that date. Having taken advice from our auditors, and guidance provided by the Institute of Chartered Accountants in England and Wales, the valuations in this report are unadjusted for the impact of coronavirus. The Investment Manager's Review does, however, discuss some of the issues arising for individual portfolio companies.

Overall Review

In my statement I propose to consider the Company's year under three headings: financial performance, investment performance and corporate activity. Each is considered below. My headline summaries are:

- The overall financial results are disappointing
- Investment performance is mixed: I shareholders suffer further erosion of their portfolio's net asset value but receive the welcome news that the Company's Coolabi holding may be sold in the year ending 28 February 2021; and there are encouraging signs that the comparatively new management team brought in by Edge Investments Limited is beginning to deliver for H shareholders
- A period of intense corporate activity has resulted in a simplified strategy, reduced costs, and a greater optimism for the Company's future. It included extensive dialogue with ShareSoc and a tender process for the position of the Company's investment manager. The Board's decision was to re-appoint the Company's current investment manager under a significantly revised contract which shareholders are being invited to approve at a general meeting to be held in August 2020.

Financial Performance

The overall financial results of the Company were disappointing showing a reduction of £5.8m in Net Asset Value ("NAV") in the year. The H share class NAV increased by £2,367k (39%) and the I share class NAV decreased by £8,189k (29%). The primary causes are considered under Investment Performance below.

Fundraising

The Company undertook no fundraising activities in the period under review. The Board considered such activity unlikely to succeed until there was greater clarity around the Company's strategy.

Dividends

In January 2020, the Company paid a dividend of 4p per H share. In line with the Company's investment policy, we are intending to declare a similar dividend payable in December 2020 and wish to establish this as a baseline annual dividend in the future.

In respect of the I class, it is our intention to return funds to I shareholders as soon as is practicably possible following the disposal of our investment in Coolabi.

Investment Performance

H Share Portfolio

As shareholders will be aware, Edge Performance VCT comprises two share classes with different investment strategies. As an "evergreen" share class, the H Share Fund has an ongoing new investment remit and funds available for investment.

During the period, £1.3 million was invested from the H Share Fund in Festicket, a market leading platform for tickets, travel and other ancillaries related to the live events marketplace. This investment was made pursuant to the co-investment arrangement which the Company has with Edge Creative Enterprise Fund by virtue of that fund being under common management of the Investment Manager. The H Share Fund also invested a further c.£6,000 into its existing portfolio company Newsflare. A number of other opportunities for the H Share Fund, which has £1.2 million available for VCT-qualifying investments, are being explored, notwithstanding the challenges to this activity presented by the coronavirus pandemic.

The H Share Fund had a very successful realisation of its investment in deltaDNA, which delivered a gain of £3.7 million on the H Share Fund's £1 million cost of investment. The consideration for the exit was a mix of cash and shares in the acquiror, the USA games technology company Unity Software Inc. Unity is backed by some of the biggest names in Silicon Valley and is already a multi-billion dollar valued company on a fast growth path. As a consequence of the deltaDNA deal, the H share class holds an investment, as at 29 February 2020, of £1.8 million (at cost) in Unity.

I Share Portfolio

The I Share Fund is designed to be "planned exit", is fully invested and has no reinvestment remit. Of the two remaining investment assets in the I Share Fund, our focus is on Coolabi Group Limited ("Coolabi"), which represents over 93% of the I Share NAV at February 2020. The carrying value of the I share class investment in Coolabi fell by £7.2m in the year, partially due to the incentive scheme for Coolabi management which was introduced in the year, as reported at the half year, and partially as a result of dilution which the VCT could not prevent under the State aid rules applicable to VCTs.

During the period under review the Company realised (for proceeds of c.£4,000) its holding in IntentHQ (which was held at nil valuation). As a consequence, the I Share Fund now comprises only two investments: Coolabi and Mirriad Advertising. Further details are provided in the Investment Manager's Review.

Recognising the progress that Coolabi has made over recent years, the decision was taken to explore the strategic options open to the company (including a possible sale). To this end, corporate finance advisers have been appointed and at the time of writing a number of parties have indicated an interest in acquiring the business. This process has understandably slowed as a consequence of the current coronavirus crisis, but the advisers remain optimistic that a transaction may be concluded during the Company's financial year ending 28 February 2021.

Company Portfolio

The Company now holds interests across a broad range of the creative industries sector including: children's entertainment and activities; digital marketing; book publishing; games development and monetisation tools and distribution of digital audio and user-generated video content. Further details of our portfolio holdings and their valuations are contained in the Investment Manager's Review.

Corporate Activity

At the half year, I was looking ahead to holding a General Meeting in February 2020 to discuss the results of a strategic and cost cutting review. Unfortunately, there was much more work involved in these matters than I first envisaged and I apologise to shareholders for not completing on time.

A significant feature of that work was extensive and robust dialogue with representatives of ShareSoc which, albeit that not all of their proposals were accepted, I am pleased to report, helped shape the terms of the agreements which will be presented to shareholders at a general meeting to be held on 28 August 2020. The Board recommends that you vote for these agreements which have been endorsed by ShareSoc. I thank ShareSoc for its constructive engagement and welcome the agreement of one of its members, Robin Goodfellow, to serve as a director of the Company (see below).

Completion of this review was also somewhat delayed by the Covid-19 situation.

The review has been carried out comprehensively and the work is now complete and referred to in more detail below.

Strategic Review

Having considered a variety of options, the Board opted for a simple and straightforward approach to the future.

We intend to build up the H share class through a combination of successful investment and ongoing fundraising and to provide a regular dividend stream and share buy-back facility to shareholders in the future.

We intend to realise our remaining I class shareholdings and return monies to shareholders as soon as is possible.

Having made these decisions, the Board then addressed the challenge of finding the investment manager best suited to deliver the strategy at a cost commensurate with the Company's financial position. This challenge resulted in our carrying out a tender process for the position of Investment Manager. The Board decided to re-appoint Edge Investments Limited under a substantially revised investment management agreement and to appoint a related company to deliver administrative services. Both appointments are subject to shareholder approval at a general meeting to be held in August 2020.

Cost Review

The Company's most significant expenditure is on the investment management carried out by the Investment Manager, and administrative services. If the revised contracts referred to above are approved by shareholders, this would result in substantial savings for the VCT, with total investment management and administrative services costs estimated to drop by 78% across the four year period 2019 – 2022. In particular, the I share class would be subject to a 0% management fee from 1 March 2021 thereby protecting the I shareholders if the Company's holding in Coolabi were realised after 28 February 2021.

In securing these reductions, we agreed that the revised agreements would feature the removal of the costs cap for the years ending 28 February 2021 and 28 February 2022. The rationale for our decision was to remove a significant disincentive for the Investment Manager to sell Coolabi in these years – were the costs cap to remain in place, it may cost the Investment Manager up to £800k if Coolabi were sold in year ending 28 February 2021; and if Coolabi were sold in year ending 28 February 2022, it may cost the Investment Manager up to £600k. A key objective for the Board's strategy is an early and successful sale of its Coolabi investment.

Our review of all other costs has also delivered savings, with other costs in total estimated to drop by 53% across the four year period 2019 – 2022.

Management Performance Incentive

As part of the revised investment management arrangements, there will be no investment management performance incentive going forward in respect of the I share class. The existing investment management performance incentive in respect of the H share class will continue but H Shareholders should note that notwithstanding recent good performance, it is currently well "under water".

Board Composition

As has been exhaustively reported, each Director standing for election at the 2019 AGM was not re-elected on a very low voting turnout leaving me as the Company's sole Director. I took the decision to bring back to the Board two of the Directors who were not re-elected - Lord Flight and Sir Robin Miller. I believed it was the most effective and efficient way to conclude the work which, at that time, was well under way on the reviews referred to above; and I believe the results – the revised agreements on which shareholders are being asked to vote together with other cost savings - have vindicated my decision.

Now that the strategic and cost reviews and associated negotiations have been completed, Lord Flight will be stepping down from the Board at the forthcoming AGM. When we appointed Sir Aubrey Brocklebank to the Board in November, it was with a view to providing a replacement for Lord Flight.

We believe that the strategy reported above may best be delivered by the remaining Directors, but for three changes as described below.

Robin Goodfellow, a ShareSoc member with extensive VCT experience and who engaged fully in challenging the Board's consideration of shareholders' interests, has accepted an invitation to join the Board and will do so on Friday 31 July 2020.

It is the Board's intention to invite Sir Peter Bazalgette, who has extensive experience in the Creative Industries, to join the Board this Autumn. Sir Robin Miller, has signalled his intention to step down from the Board shortly after Sir Peter's appointment.

I would like to thank my fellow Directors for their unstinting support throughout a very demanding period as we sought to deliver arrangements for an improved future for the Company; and the Board expresses its warm gratitude to Lord Flight for his committed service to the Company and wish him well as he leaves the Board at the end of the 2020 AGM.

Annual General Meeting, General Meeting and Shareholder Webinars

The Company's 2020 AGM will be held on 28 August 2020. It will be preceded on the day by a General Meeting to discuss and vote on the ratification of the new investment management and administrative services agreements.

There will also be two shareholder webinars. We are pleased that ShareSoc accepted our invitation to host a webinar which will be held on Friday 14 August 2020 and will give shareholders an opportunity to question ShareSoc about the proposed resolutions. On Monday 17 August 2020, we will also hold a shareholder webinar at which we will answer questions on the strategy and cost reviews and on the revised agreements.

The general and annual general meetings will be subject to any restrictions still in place as a consequence of the coronavirus pandemic; the webinars will present answers to questions submitted suitably in advance of the webinars.

Outlook

Because of the coronavirus pandemic, the short-term outlook is extremely difficult to predict. However, Edge Performance VCT is invested in a portfolio of highly regarded creative economy companies, most of which we expect to emerge from the current crisis growing at least as strongly as they were going into it – and in some cases even more strongly as a consequence of how the competitive market evolves. The Investment Manager continues to work closely with each of these companies to ensure they have the necessary resources (including funding if appropriate) to achieve their potential.

Research shows that investments made in the aftermath of economic shocks such as the one currently being experienced have the potential to offer superior returns.

The Board hopes, and will do all that it can to ensure, that the Company's Coolabi holding is sold well, and soon, resulting in a long overdue distribution to I shareholders.

The Board believes that the quality of the existing portfolio, and the current and future new H Share Fund investment opportunities coming from the Investment Manager, coupled with the benefit of the co-investment arrangements will combine with the cost savings to offer a bright future for investors in the Company.

As ever, I would like to thank you for your continued support of the Company.

Terry Back
Chairman

28 July 2020

The Directors and Investment Manager

The collective experience of the Directors and the Investment Manager's team - which covers VCT fund management, venture capital, investment banking, live event promotion, corporate finance, private equity, artist management, law, accountancy, tax and deal structuring skills - is employed in the selection and management of the Company's investments.

As at the date of this report, the Company has the following Directors, all non-executive, who are responsible for overseeing investment policy and have overall responsibility for the Company's activities. The Directors are independent of the Investment Manager.

Directors

Terry Back (Chairman of Edge Performance VCT)

Terry Back is a media asset specialist and former partner-in-charge of Grant Thornton's Media and Entertainment sector group, which he founded in 1994. Terry was a member of the Grant Thornton UK non-executive board, a member of the Grant Thornton International non-executive board, and Global Head of Industries at Grant Thornton International. He left Grant Thornton in 2014; he is still heavily involved in the media sector, being the chairman of ACF Investment Bank and a non-executive director of a number of companies including Acamar Films and Embankment Films.

Sir Robin Miller (not re-elected 28 August 2019, re-appointed 12 September 2019)

Sir Robin Miller was formerly Chief Executive (1985-98 and 2001-03) and Chairman (1998- 2001) of Emap plc, a leading media group in consumer and trade publishing, commercial radio, music TV channels and events. In 2003, Sir Robin became senior media adviser to HgCapital, and was involved in the successful disposal of Boosey & Hawkes and Clarion Events Limited. He was previously a non-executive Director of Channel Four Television (1999-2006) and was Chairman of their New Business Board. He was non-executive Chairman of the HMV Group (2004-2005), senior non-executive Director at Mecom Group plc (2005-2009), Chairman of Entertainment Rights plc (2008-2009) and Setanta Sports Holdings Limited in 2009. Sir Robin is currently non-executive Chairman of DigitalBox Group Limited and Immotion Group, and a non-executive Director of Premier Sports Holdings.

Lord Flight (not re-elected 28 August 2019, re-appointed 12 September 2019)

Lord Flight has worked in the financial services industry for over 40 years and co-founded Guinness Flight Global Asset Management in 1986. In 1998, upon Guinness Flight's acquisition by Investec, he became Joint Chairman of Investec Asset Management Limited. He was the MP for Arundel and South Downs from 1997 to 2005; was Shadow Chief Secretary to the Treasury between 2000 and 2004 and a member of the Shadow Cabinet. He was appointed to the House of Lords in January 2011. He is Chairman of the EIS Association, Aurora Investment Trust and of Flight & Partners. He is a non-executive Director of Marechale Capital Limited and previously a non-executive Director of Metro Bank plc, Investec Asset Management Limited and of a number of other companies in the financial services sector. He is also a Commissioner of the Guernsey Financial Services Commission and was a member of the House of Lords EU Finance and Economics Committee from 2010 to 2015.

Sir Aubrey Brocklebank (appointed 11 November 2019)

After qualifying as a chartered accountant and following a career in corporate finance and venture capital, Aubrey assumed his first role within the VCT industry in 1997. Since then he has gone on to become one of the most experienced Directors within the industry, having been a director of eleven VCTs (including Edge Performance VCT plc) of which he has chaired nine. Aubrey maintains a wide range of business interests and has been a Director of six AIM listed companies. He is Chairman of Downing VCT 4 plc and a Director of Hargreave Hale AIM VCT plc.

Investment Manager

The investment team members of the Investment Manager, who, other than Niall Santamaria, are all members of its investment committee, are listed below:

Charles Miller Smith

(Chairman of Edge Investments and Chairman of the investment committee)

Charles is a senior business figure who has worked across a range of blue-chip businesses, in the UK and internationally. He was Finance Director of Unilever, CEO and then Chairman of ICI, Deputy Chairman and subsequently Chairman of Scottish Power, Director of HSBC Holdings plc and an international adviser at Goldman Sachs International and senior adviser to Warburg Pincus. He is currently Chairman of Pollen + Grace Limited and previously a non-executive Director of Firstsource Solutions UK Limited.

David Glick

(CEO of Edge Investments and investment committee member)

David Glick is an experienced venture capital investor focusing on the creative economy and enabling technologies. He has been involved in investing in, mentoring, and buying and selling, multi-million-pound creative industries assets.

A former solicitor, David co-founded Eatons, a leading music and entertainment law firm, in 1990; in 2000, Eatons merged with law firm Mishcon de Reya where he became head of the entertainment and media group.

David has also been both an executive and a non-executive Director of Entertainment Rights (now part of DreamWorks), the UK media business which was quoted on the Official List and which grew from a start-up to a market capitalisation of approximately £380 million.

In 2004, David formed the Edge group of companies as a specialist investment and advisory business for the creative economy, before selling the advisory business in 2011 in order to concentrate on venture capital investing.

He is the founder of Edge Performance VCT.

Harvey Goldsmith CBE

(Director of Edge Investments and investment committee member)

Harvey Goldsmith is one of the UK's best-known music industry impresarios. He is a visionary producer and has worked with most of the world's major artists, being responsible for not only two of the world's largest ever music events, Live Aid and Live 8 but also an astounding range of television broadcasts and charity events.

He has also produced major operatic productions and was the worldwide tour producer for Pavarotti. Harvey was the instigator and producer of the Led Zeppelin reunion concert at the O2 Arena in London in December 2007. From 2008 until 2012, he managed Grammy award-winning guitarist, Jeff Beck. Harvey was the co-producer of the legendary film composer Hans Zimmer's 2016 European Tour and 2017 World Tour.

Harvey is Chairman of The British Music Experience, the UK's only Museum of contemporary music. In September 2018, Harvey became the non-executive Chairman of YMU (formerly James Grant Group). Harvey is also Chairman for Editorial Intelligence & Captive Health. Harvey is on the Board of ImagineNation, a Dutch immersive theatre company.

Steven Carle

(Portfolio Performance Director and investment committee member)

Steve is a 27-year veteran of the UK private equity industry, with a focus on investing in small and medium enterprises. After completing a law degree at Edinburgh University, in 1991 Steve joined 3i plc where he worked for 8 years in their Edinburgh and Cambridge teams. In 1999 he moved to LDC (the private equity arm of Lloyds Banking Group) where he was a senior director during the time when LDC grew to become the leading UK mid-market private equity investor. In the course of his career with 3i and LDC, Steve completed more than 35 mid-market investments, acquisitions and disposals, investing more than £150m in deals with aggregate enterprise values in excess of £500m. Steve left LDC at the end of 2010. After five years spent investing in and advising growing companies on a personal basis, he joined the Investment Manager in 2015.

Niall Santamaria CFA

(Investment Manager)

Niall has been working for media and creative industries companies for over a decade. Prior to Edge Investments he worked for Exodus Ventures, a specialist in the high-growth early-phase digital media sector, where he served as an investor, board member, strategic and corporate finance adviser. Before that he was at the Top Right Group (formerly EMAP), supporting on growth strategies, acquisitions and sales and marketing optimisation; OC&C Strategy Consultants, working predominantly in their media practice; and has advised several start-ups on their growth plans. He is a CFA charter holder and has completed an MBA at the London Business School.

Investment Manager's Review

In relation to the Company's "evergreen" H Share class, the Company will continue to make Qualifying Investments in the creative economy, and in particular in entertainment and media, and enabling technologies for the sector, which the Investment Manager believes have the potential for profitability and growth, in order to generate growth and a consistent yield for shareholders.

It is intended that the majority of any gains made on realisation of the H Share Fund's Qualifying Investments will be distributed to H Shareholders, to maintain and improve the H Shareholders' yield, with the remaining proceeds of realisation being reinvested in new Qualifying Investments, in order to drive compound growth for the H Shareholders. In the course of the period under review, the H Share Fund's investment in deltaDNA was realised and a dividend of 4 pence per share was paid to holders of H shares in January 2020.

Whereas the H Share fund continues to make investments, the I Share fund has no reinvestment mandate. In relation to the Company's "planned exit" I Share class, the Investment Manager originally employed a "blended" investment strategy, under which the share class's VCT-qualifying portfolio entailed a mix of:

- investments in businesses with a high level of underpinning of the amount invested by the Company; and
- investments in businesses with the potential for significant growth.

The I Share class's portfolio now comprises of two investments: Coolabi and Mirriad Advertising. As a consequence of State aid restrictions, Edge Performance VCT would not be able to invest further in either of these companies.

Covid-19

Edge Performance VCT's portfolio includes a number of highly-regarded creative economy businesses. All will be impacted to some extent by the current crisis. The Investment Manager's priorities in dealing with this have been:

1. The wellbeing of the people in Edge Investments and our portfolio companies;
2. Ensuring the portfolio companies have the financial support necessary to see them through this crisis;
3. Positioning the portfolio companies to be able to thrive when we emerge from the current situation.

In respect of the first priority we have been working with our portfolio management teams to ensure that the necessary steps were and are taken to ensure the wellbeing of staff and that they can work safely either at home or – where unavoidable – in their places of work.

In respect of financial support, we have ensured the portfolio companies have developed financial contingency plans. If these plans indicated the need for additional funding, we have introduced those companies to sources of short-term funding and facilitated any necessary investor approvals required to access such funding. Edge Performance VCT is also able to support those companies in the H Share portfolio, which we believe it should, subject to State aid rules.

Having helped the portfolio companies establish a safe working environment and sufficient cash to see them through their expectations from the crisis, the Investment Manager has begun the process of working with the portfolio companies to establish how each company can take advantage of the new market landscape as and when we emerge from the crisis. Edge Performance VCT went into this crisis with a portfolio of strong companies, and we have no reason to believe those companies won't be able to emerge from it just as strongly, but we need to help ensure that the necessary plans and structures are in place to achieve that.

As the value of formal reporting has become limited by the speed at which the pandemic is escalating, and all written reports will inevitably be out-of-date by the time delivered, the Investment Manager has already worked with your Board to provide an interim, unaudited revaluation of the portfolio which was announced on 21 April 2020. We have also held video-calls with shareholders to update and discuss the portfolio. We will continue to monitor this situation and report to the Board as appropriate.

Dividends

The Company has distributed more than £56 million in total to shareholders since it began in 2006. As noted above, the Company paid a dividend of 4 pence per H share in January 2020. The Board's intention is to maintain a regular dividend flow while being mindful of its need to retain sufficient funds to support the existing portfolio (especially given the impact of the current coronavirus crisis) and the need for the Company to meet its ongoing financial obligations.

Portfolio investments realised during the year

During the year, the Company realised its investment in deltaDNA (held by the H Share fund). The Company initially invested £1 million across two rounds of funding in 2014 and 2015. The Investment Manager worked actively with management of the business to position the company for an exit and then led the investor group in the selection and appointment of the corporate finance advisors for the exit. The ultimate acquiror, Unity Software Inc, paid a significant strategic premium for deltaDNA, delivering a gain to Edge Performance VCT of £3.7 million.

During the period under review the Company also realised (for proceeds of c.£4,000) its holding in Intent HQ. The investment's valuation had been written down to £nil in February 2019, and the company continued to require investment from its primary investor. That investor offered to acquire the Company's holding in Intent at the same price a fellow institutional investor had been bought out a year earlier. The Investment Manager concluded it was in the best interests of both Edge Performance VCT and Intent to accept this offer.

Portfolio investment made during the year

Festicket [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	1,272
Valuation (£'000):	1,272
Basis of valuation:	Recent investment price
Equity holding:	0.3% of voting rights

Festicket is a leading travel and ticketing platform that offers quality bookings, packages and information for festival fans worldwide and a software platform providing marketing, analytics and access control functions, among others, to festival organisers. In January 2020, the H Share Fund invested €1.5million in a mix of equity and convertible loans into Festicket. The loan element (£1.1 million) is redeemable after 5 years but will automatically convert into equity if Festicket raises €4 million of equity in the interim. At the time of investment Festicket was on a very rapid growth path and was already established as a significant player in the live events ticketing and travel sector. Clearly the subsequent global shutdown as a consequence of the coronavirus pandemic has hit businesses like Festicket hard. However, the institutional investor group in Festicket views the fundamental business as robust and with a strong management team which has taken decisive action to address the issues.

Portfolio investment acquired during the year

Unity Software Inc

Cost (£'000):	1,772
Valuation (£'000):	1,772
Basis of valuation:	Valuation of consideration received from sale of deltaDNA
Equity holding:	0.04% of voting rights

Edge Performance VCT acquired its holding in Unity as part of the consideration for its sale of deltaDNA. San Francisco headquartered Unity is the fast-growing creator of the world's leading real-time 3D development platform for games. To date it has raised in excess of $1.4 billion from investors and boasts a shareholder register including some of the most prominent Silicon Valley investment firms.

Existing portfolio investments

Coolabi Group

Cost (£'000):	17,716
Valuation (£'000):	19,662
Value movement in year (£'000):	7,560 (27.7%) decrease
Basis of valuation:	Earnings multiple
Equity holding:	49.99% of voting rights

Coolabi Group continues to develop strong brands focused on the children's and family entertainment sector. The company monetises these through various media channels, including video, books and games, and from a programme under which those brands are licensed for the manufacture and sale of toys and other merchandise by third parties across the world.

Progress for Coolabi continues strongly on numerous fronts. Notably, in the period under review the company signed a deal with the Chinese media and technology business Fantawild to be its partner in the Chinese market for Clangers. The early signs are that this relationship will see Clangers achieve huge profile among pre-schoolers across China. In other Clangers news, the third series was delivered to the BBC and continues to dominate its broadcast slot, four years after it was first launched. The company's other significant TV title - Scream Street – entered the production phase of its second commissioned series.

The books division (and its ancillary activities) continues to perform well with new series being commissioned as well as new titles in existing series. The online Warriors Hub (https://warriorcats.com/), launched a little over a year ago, has over 1.5 million unique users and more than 140,000 subscribers. As well as being the nexus for all things Warriors, it also enables the company to develop an e-commerce strategy which has already borne better-than-expected fruit. An App version of the Hub has also been recently launched and achieved more than 12,000 downloads in under a month.

Thus far, coronavirus has had minimal impact on the financial performance of the company, although this is kept under close review. However, the implications of the lockdown are that Coolabi's target audience is spending increased time reading, watching, and online, all of which may bode well for the company's performance.

The key development at Coolabi from an Edge Performance VCT shareholder perspective is that an adviser has been appointed to explore the strategic opportunities – including an outright sale of the company. While still at a relatively early stage (given coronavirus), early signs are very positive with a number of credible parties expressing interest.

The valuation methodology employed uses long-term evidence of transactions involving comparable businesses, as well as the trading EBITDA multiples of the quoted comparables. Over the period under review, while the overall value of Coolabi increased, the valuation of the Company's investment was reduced by £7.56 million (to £19.67 million), as a consequence of both the capital structure of the company and the new incentive scheme for Coolabi's management team which was implemented in August 2019. The financial impact of this scheme comes into effect only upon a sale of the business, and as such provides a concrete incentive for management to secure such a transaction.

audioBoom

Cost (£'000):	750
Valuation (£'000):	567
Basis of valuation:	Closing bid price at balance sheet date
Value movement in year (£'000):	Unchanged
Equity holding:	0.17% of voting rights

audioBoom is a leading podcast distribution and monetisation platform. Edge Performance VCT has invested in two rounds of funding in audioBoom, at a blended cost of £2.65 per share. Despite continued strong operational and financial performance, the share price of £2 at 29 February 2020 is unchanged year on year. In January 2020 audioBoom announced the appointment of advisers to seek a sale of the business, although this process has been delayed by the coronavirus crisis.

Newsflare [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	150
Valuation (£'000):	379
Value movement in year (£'000):	120 (46.2%) increase
Basis of valuation:	Revenue multiple
Equity holding:	1.6% of voting rights

Newsflare is a curator and marketplace for User Generated Content (UGC) which it sells to a range of corporate consumers including global news outlets, production companies and advertising agencies. Strategically the business has positioned itself as a leading source of curated and trusted consumer video and is starting to reap the benefits of that. During the period under review Edge Performance VCT invested a further £6k in Newsflare pursuant to the co-investment arrangements it has in place with Edge Creative Enterprise Fund. Applying the valuation methodology used when the initial investment was made to current trading metrics results in a valuation of £379k (an increase of £120k since February 2019).

Jungle Creations [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	180
Valuation (£'000):	357
Value movement in year (£'000):	177 (98.2%) increase
Basis of valuation:	Revenue multiple
Equity holding:	0.6% of voting rights

Jungle is a fast-growing online media company which owns a portfolio of media brands focusing on social media (Facebook, TikTok, Snap, YouTube and Instagram), video content and website traffic. Each brand targets different areas of interest including food, travel, animals and DIY. The company entered 2020 very strongly, and while performance may be challenged by the effect coronavirus is having on advertising rates and corporate marketing, management has acted swiftly in response to the evolving position. We believe it will emerge strongly from the crisis. At the end of the last financial year, the investment in Jungle was valued at cost given it was within a year of the investment being made. At 29 February 2020, Jungle Creations has been valued by reference to the revenues of its three business lines, applying discounted comparable company valuation metrics, then performing a sum of the parts exercise. This has resulted in an uplift of £177k to the valuation over the period under review.

Hoop Industries [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	181
Valuation (£'000):	181
Value movement in year (£'000):	Unchanged
Basis of valuation:	Recent price
Equity holding:	1% of voting rights

Hoop is a digital two-sided marketplace which connects parents with organisers of kids' activities in their local area. The company's performance continued to show strong growth up to the point at which the coronavirus-related lockdown was implemented. This has resulted in an immediate, but hopefully short-term, reduction in revenues. Prior to this the company was already considering its strategic alternatives and this process continues. Having taken an uplift at the half year as a consequence of its strong growth at that stage, prudently, we have now reversed this, resulting in a nil movement over the year.

Mirriad Advertising plc

Cost (£'000):	520
Valuation (£'000):	173
Value movement in year (£'000):	87 (33.3%) decrease
Basis of valuation:	Closing bid price at balance sheet date
Equity holding:	0.8% of voting rights

Mirriad listed on the AIM segment of the London Stock Exchange in December 2017, raising £26.2m at a post-money valuation of £63.2m (62p per share). However, since then its share price has continued on a downwards trajectory (to 10p at 29 February 2020). This has resulted in a year-on-year £87k reduction in the value of the Company's holding in Mirriad.

Significant VCT-qualifying investments

The Company and the Investment Manager apply internal diversification guidelines, under which the Company will not invest more than 15% of its assets in any one investment. However, distributions to shareholders and movements in portfolio valuations can give rise to the potential for the value of a given investment subsequently to exceed 15% of the Company's assets. These factors have resulted in the Company's investment in Coolabi Group, based on the valuation of that holding as at 29 February 2020, now exceeding 15% of the net assets of the Company.

Portfolio performance

As at 29 February 2020, the NAV total return per Share of each of the Share Funds stood at:

H Share Fund:

90.69p (66.27p as at 28 February 2019), an increase of 36.8%

I Share Fund:

62.47 (73.67p as at 28 February 2019), a decrease of 15.2%

Non-qualifying investments

Initially, the net proceeds of each of the Company's offers for subscription for shares are invested in various fixed income securities, cash and cash equivalent assets. Subsequently, up to 20% of each Share Fund will be maintained in such investments whilst the balance is reinvested in VCT-qualifying investments.

As at the end of year under review, the non-qualifying liquidity portfolios were all managed in conjunction with Coutts. During the year, the return on these funds averaged 0.1%, reflecting the continuing prevailing low yield environment.

As at 29 February 2020, the value of the non-qualifying liquidity portfolio was as follows:

Share Fund	Value (£'000)
H	1,563
I	2,040
Total	**3,603**

Outlook

As at the year end, the H Share fund had some £1.2million available for VCT-qualifying investments. The Company benefits from a co-investment arrangement with Edge Creative Enterprise Fund. This, together with the pipeline of quality opportunities which the Investment Manager continues to see as a consequence gives the Investment Manager confidence in the prospects for future investments.

The Investment Manager's focus for the I Share portfolio continues to be on working with the investee companies in the portfolio towards achieving growth and value whilst considering strategies and opportunities for exit. As previously indicated, a corporate finance adviser has been appointed to assist Coolabi with assessing the strategic opportunities (including an outright sale) open to it. As a result, a number of indications of interest in acquiring Coolabi have been received. While the coronavirus crisis has understandably slowed the pace of the ongoing discussions, the Investment Manager remains confident that a deal could be concluded in the course of Edge Performance VCT's financial year ending 28 February 2021.

The focus for the H Share fund continues to be identifying, selecting and making VCT-qualifying investments in the creative economy and enabling technologies, which the Investment Manager believes have the potential for profitability and growth.

The Investment Manager is also devoting significant time and resource to supporting the management teams of existing portfolio companies to deal with the pastoral, operational and financial implications of the coronavirus crisis. Where appropriate, subject to State aid rules, the H Share class has funds available to invest further in those portfolio companies.

Edge Investments Limited
Investment Manager

28 July 2020

Investment Portfolios

as at 29 February 2020

As at 29 February 2020, the Company's investment portfolio was as follows:

	Nature of business	Cost £'000	Valuation £'000	Basis of Valuation	Equity Holding (voting rights) %
Coolabi Group Limited	Children's content production and exploitation	17,716	19,662	Earnings multiple	49.99
Audioboom plc	Digital audio content (i.e. podcasts) across multiple devices	750	567	Bid price	0.17
Mirriad Advertising plc	Digital product placement	520	173	Bid price	0.81
Newsflare Limited	Video distribution marketplace	150	379	Revenue multiple	1.57
Hoop Industries Limited	Children's activities marketplace	181	181	Recent price	1.00
Jungle Creations Limited	Social media video distribution	180	357	Revenue multiple	0.60
Unity Software Inc	Games	1,772	1,772	Recent price	0.04
Festicket Limited	Ticket and travel marketplace	1,272	1,272	Recent price	0.30
Antidote Creations Limited (formerly Antidote Productions Limited)	Producer of TV programmes in the factual genre	45	-	Write-off	2.00
Handmade Mobile Entertainment Limited	Mobile application development	2,000	-	Write-off	13.10
		24,586	**24,363**		

The investments are allocated across the share classes as follows:

H Share Portfolio	2020 Cost £'000	2020 Valuation £'000	2020 % of net assets by value	2019 Cost £'000	2019 Valuation £'000	2019 % of net assets by value
Qualifying investments						
Coolabi Group Limited	500	706	8.4	500	979[1]	16.1
deltaDNA Limited	-	-	-	1,000	1,484	24.5
Intent HQ Holdings Limited	-	-	-	161	-	-
Lean Forward Limited	-	-	-	500	-	-
Mirriad Advertising Limited	470	163	1.9	470	244	4.0
Newsflare Limited	150	379	4.5	144	259	4.3
Audioboom Limited	750	567	6.7	750	567	9.4
Antidote Creations Limited	45	-	-	45	-	-
Hoop Industries Limited	181	181	2.2	181	181	3.0
Jungle Creations Limited	180	357	4.2	180	180	3.0
Unity Software Inc.	1,772	1,772	21.0	-	-	-
Festicket Limited	1,272	1,272	15.1	-	-	-
Total qualifying investments	**5,320**	**5,397**	**64.0**	**3,931**	**3,894**	**64.3**
Non-qualifying investments						
Coolabi Group Limited	369	266	3.2	369[1]	369[1]	6.1
Total non-qualifying investments	**369**	**266**	**3.2**	**369**	**369**	**6.1**
Total fixed asset investments	**5,689**	**5,663**	**67.2**	**4,300**	**4,263**	**70.4**
Net current assets		2,763	32.8		1,796	29.6
Net assets		**8,426**	**100.0**		**6,059**	**100.0**

1 The valuation of Coolabi Group Limited has been restated to include a non-qualifying investment which was incorrectly reported as qualifying in prior periods. For the avoidance of doubt, no new investment, qualifying or non-qualifying has been made into Coolabi in the period. As restated, the non-qualifying holdings remain below the requisite VCT threshold.

I Share Portfolio	2020 Cost £'000	2020 Valuation £'000	2020 % of net assets by value	2019 Cost £'000	2019 Valuation £'000	2019 % of net assets by value
Qualifying investments						
Coolabi Group Limited	14,888	16,967	84.5	14,888	23,492[1]	83.1
Handmade Mobile Entertainment Limited	2,000	-	-	2,000	-	-
Intent HQ Holdings Limited	-	-	-	8,619	-	-
Mirriad Advertising Limited	50	10	0.1	50	16	0.1
Total qualifying investments	**16,938**	**16,977**	**84.6**	**25,557**	**23,508**	**83.2**
Non-qualifying investments						
Coolabi Group Limited	1,959	1,723	7.6	1,959[1]	2,384[1]	8.4
Intent HQ Holdings Limited	-	-	-	4,747	-	-
Total non-qualifying investments	**1,959**	**1,723**	**8.6**	**6,706**	**2,384**	**8.4**
Total fixed asset investments	**18,897**	**18,700**	**93.2**	**32,263**	**25,892**	**91.6**
Net current assets		1,381	6.8		2,378	8.4
Net assets		**20,081**	**100.0**		**28,270**	**100.00**

1 The valuation of Coolabi Group Limited has been restated to include a non-qualifying investment which was incorrectly reported as qualifying in prior periods. For the avoidance of doubt, no new investment, qualifying or non-qualifying has been made into Coolabi in the period. As restated, the non-qualifying holdings remain below the requisite VCT threshold.

Income recognised in the year

Income recognised in the year was derived from debt instruments held in the following companies.

	£'000
Coolabi Group Limited	168
Festicket Limited	18
Intent HQ Holdings Limited	7
Liquidity funds	13
	206

This report has been prepared by the Directors in accordance with the requirements of Section 414C of the Companies Act 2006. The Directors consider that the annual report and accounts of the Company for the year ended 29 February 2020 as a whole is fair, balanced and understandable and provides the information necessary for the members of the Company to assess the Company's position and performance, business model and strategy.

The Company's independent auditor is required by law to report on whether the information given within the strategic report is consistent with the financial statements. The auditor's report is set out on pages 31 to 35.

Investment Strategy

Edge Performance VCT, using the skills of the Directors and the investment team of the Investment Manager who collectively have a depth of sector experience in the entertainment industry, seeks to allow investors to take advantage of VCT tax reliefs whilst combining:

- high targeted returns; and
- liquidity.

Further detail of the Company's investment policy is given on page 3.

The Directors do not foresee any major changes in the activity undertaken by the Company in the foreseeable future. The Company's priorities in the short and medium term are (i) continuing to satisfy the requirement under VCT rules that, in respect of funds which are three or more years old, at least 70% (80% for accounting periods beginning on or after 6 April 2019) by value of its investments are in shares or securities comprised in VCT qualifying holdings and (ii) closely monitoring the performance of the investment portfolios with the aim of maximising their performance, and (iii) identifying suitable realisation opportunities.

Results and Dividends

A detailed review of the Company's development and performance during the year and consideration of its future prospects may be obtained by reference to this Report, the Chairman's statement (page 4) and the Investment Manager's review (pages 9 to 12). Details of the venture capital investments made by the Company are given in the investment portfolios (pages 13 to 15) and the Investment Manager's review (pages 9 to 12). A summary of the Company's key financial measures is given on pages 1 and 2. Details of important events occurring after the balance sheet date can be found in note 18 to the financial statements, on page 56.

An interim dividend of 4p per H share was paid on 7 January 2020 to shareholders on the register as at 13 December 2019.

The net asset value total return per Share comprises the net asset value per Share plus cumulative dividends paid per Share. Net asset value is calculated at least quarterly with investments valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. During the year under review, the Company's net asset value total returns per Share changed as shown in the table on page 12.

Over the same period, the FT All Share Media Index rose by 1.1%. Graphs comparing, for each of the Company's share classes, the Share price total return, the net asset value total return per Share and the total return from a notional investment of 100p in the FT All Share Media Index over the period from 5 April 2012 to 29 February 2020 are presented on page 25.

As shown in the Company's statement of comprehensive income on page 36, the Company's returns per share in the year ended 29 February 2020 were:

	H Share Fund	I Share Fund
Revenue return per share, pence	(0.94)	(0.72)
Capital return per share, pence	25.36	(10.48)
Total return per share, pence	24.42	(11.20)

Comparatives for year ended 28 February 2019 were:

	H Share Fund	I Share Fund
Revenue return per share, pence	(1.31)	(0.88)
Capital return per share, pence	(8.22)	(6.81)
Total return per share, pence	(9.53)	(7.69)

Principal Risks and Uncertainties

The Board has adopted a risk management programme whereby it continually identifies the principal risks faced by the Company and reviews both the nature and effectiveness of the internal controls adopted to protect the Company from such risks as far as is possible.

The Board believes that the principal risks to which the Company is exposed are:

- economic risk – events such as a downturn in the media sector or a tightening of credit facilities may adversely affect the Company's investee companies and make successful divestments less likely;
- investment risk – the adoption of inappropriate investment policies, sourcing too few investment opportunities of the required standard, taking investment decisions without having undertaken sufficiently robust due diligence, and over exposure to one investment in a portfolio;
- financial risk – poor financial controls which may lead to the misappropriation of assets or inappropriate financial decisions and breaches of regulations through deficient financial reporting; and
- regulatory – failure to comply with any of the regulations to which the Company is subject which include the provisions of the Companies Act 2006, the Listing Rules, applicable Accounting Standards and VCT rules.

Further information about the Company's internal controls is given in the statement of corporate governance on pages 26 to 29.

Risk management and internal control

As required by the UK Corporate Governance Code issued in July 2018 (the "UK Code") the Directors carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Changes in legislation

A number of changes to the VCT scheme legislation were announced in the 2017 Budget and implemented by the Finance Act 2018. The Company does not believe that these changes will have any material impact on the Company's investment activity. The 2018 Budget saw no further changes of any significance to the VCT scheme.

Total expense ratio and relevant total running costs

The total expense ratio, calculated as the year's expenses (as disclosed in the statement of comprehensive income, save for the exclusions noted below) divided by the closing net asset value for the year, was 3.98%. Under the terms of the current investment management agreement, the running costs of the Company which are provided for in an annual budget approved by both the Board and the Manager (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.75% of the net asset value of the Company. A running tally is kept and any excess will reduce the amount of the Annual Management Fee for the next following financial year; in any years where there is no excess the Investment Manager is entitled to recover any prior reduced fees. During the year ended 29 February 2020, the Investment Manager recovered £nil (2019: £nil) of the excess repaid in prior periods. The excess incurred during the year ended 29 February 2020 of £65,000 will be paid to the Company by the Investment Manager.

On 13 May 2020, the Company and the Investment Manager signed a new investment management agreement, which is subject to the approval of the shareholders at the general meeting to be held on 28 August 2020. If that new agreement is approved by shareholders, the Investment Manager may not bear any running costs of the Company, in the two year period from 1 March 2020 to 28 February 2022 and will no longer be entitled to recover any prior reduced fees.

Statement on long-term viability

As required by the Listing Rules, the Directors have assessed the prospects of the Company for the period to 28 February 2023 taking into account the Company's current position and principal risks, and are of the opinion that, at the time of approving the financial statements there is a reasonable expectation that the Company will be able to continue in operation and meet liabilities as they fall due over that period.

The Directors consider that for the purpose of this exercise, it is not practical or meaningful to look forward over a period of more than three years. In making their assessment, the Directors have taken into account the nature of the Company's business and investment policy, its risk management policies, the diversification of its portfolio, the cash holdings and the liquidity of non-qualifying investments, as well as future fundraising, investment opportunities and the payment of dividends to shareholders.

Share price discount policy

The Company has a share buy-back facility, under which the price at which the Company will buy back shares will be no lower than at a 10% discount to the prevailing NAV, subject to Directors' discretion. The Company will be asking shareholders at this year's annual general meeting to extend the facility for the Company to purchase shares in the market for cancellation. The Directors have decided to suspend the Company's share-buy-back facility until such time as the market prices and the net asset values per share of the Company's shares are sufficiently close to ensure that operation of the Company's policy would be consistent with the terms of the resolution to be put to the 2020 annual general meeting. Shareholders should note that if they sell their shares within five years of subscription they forfeit any tax relief obtained. Shareholders who are considering selling shares should contact The City Partnership on 0131 243 7210.

Environmental, social, employee and human rights issues

The Company had no employees during the year and the Company has four male non-executive Directors. The Board recognises the requirement to detail information about any Company employees and social and community issues; including information about any policies it has in relation to these matters and effectiveness of these policies. The Company, being an externally managed investment company with no employees, has no policies in relation to social, community and human rights issues.

Section 172 Statement – Directors' duty to promote the success of the Company

This section sets out the Company's Section 172 Statement and should be read in conjunction with the other elements of the Strategic Report. The Directors have a duty to promote the success of the Company for the benefit of its members as a whole and in doing so to have regard to a number of matters including:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

As an externally managed investment company, the Company does not have employees. Its main stakeholders therefore comprise the shareholders, the Investment Manager, the portfolio companies and other service providers.

Shareholders

The Board places great importance on communication with its shareholders and encourages shareholders to participate in the AGM.

Investment Manager

The Board collectively and the Directors of the Company individually meet the Investment Manager regularly both formally and informally. In addition to formal presentations to the Board at the scheduled Board meetings, the Investment Manager and the Board have ad hoc meetings to discuss fundraising, new investment activity, the Company's portfolio of investments, and the financial performance of the Company.

Portfolio companies

Management of the Company's relationship with its portfolio of investee companies is delegated to the Investment Manager under the Discretionary Investment Management Agreement. However, as noted above, the Board is regularly kept abreast of the performance of the portfolio by the Investment Manager. In particular this occurs as part of the Company's bi-annual formal valuations exercise in the course of which the Investment Manager also appraises the Board of the financial, managerial and operational performance of the portfolio companies. In the course of these discussions the Board is also able to offer the benefit of its experience to the Investment Manager.

Other service providers

At a practical level, management of the Company's relationship with its other service providers is handled by the Investment Manager under the Administrative Services Agreement. Key interactions, for example the appointment of the Company's auditors, lawyers, company secretarial service providers, are a matter for the Board and these are kept under regular review. The Board also meets directly with its auditors as part of the preparation of the Annual Report and Accounts of the Company.

The Board's primary focus in promoting the long-term success of the Company for the benefit of the members as a whole is to direct the Company with a view to achieving the investment strategy in a manner consistent with the investment policy of the Company.

Global greenhouse gas emissions

The Company has no direct greenhouse gas emissions or energy consumption to report from its operations, being an externally managed investment company.

Gender diversity

The Board has considered the recommendations of the UK Corporate Governance Code (the "UK Code") concerning diversity and welcomes initiatives at increasing diversity generally. The Board believes, however, that all appointments should be made on merit rather than positive discrimination. The policy of the Board is that maintaining an appropriate balance around the board table through a diverse mix of skills, experience, knowledge and background is of paramount importance and all forms of diversity are important.

Future prospects

The H Share Fund has about £1.2m to invest in VCT-qualifying investments over the coming years. The continuing difficulties encountered by small – and medium-sized businesses in securing bank financing, coupled with the Investment Manager's and Board's extensive range of contacts within the creative industries sector, mean that current deal flow is of a sufficient quality and at a sufficient level that the Investment Manager anticipates being able to invest those additional funds in suitable new VCT qualifying investments within a relatively short period of time.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

28 July 2020

The Statement of Corporate Governance forms part of the Directors' Report.

Directors

The Directors who served in the year under review were Sir Robin Miller, Terry Back, Sir Aubrey Brocklebank, Lord Flight and David Glick. Sir Robin Miller, Terry Back, Sir Aubrey Brocklebank and Lord Flight held office at the year end. At the AGM held on 28 August 2019 David Glick was not re-elected as a Director of the Company. All Directors who stood for re-election at the 2019 AGM were not re-elected therefore Terry Back became the sole Director of the Company. Subsequently Terry Back appointed Sir Robin Miller and the Board then appointed Lord Flight in order to give the Directors the opportunity to conclude the work they started and to preserve continuity in the liaison with the Manager and several of the Company's investee companies. Sir Aubrey Brocklebank was appointed to the Board as a non-executive director with effect from 11 November 2019. Robin Goodfellow will be appointed to the Board as a non-executive director on Friday 31 July 2020.

In accordance with the UK Corporate Governance Code all Directors are subject to annual re-election; therefore resolutions to re-elect Sir Robin Miller and Terry Back will be put to this year's annual general meeting. Lord Flight is stepping down at the conclusion of the AGM therefore is not subject to re-election. Sir Aubrey Brocklebank and Robin Goodfellow are subject to election by shareholders as this is the first AGM following their appointment as a Director of the Company. The Directors are satisfied that all Directors' performance continues to be effective, and that they have demonstrated commitment to their roles including devoting time for meetings of the Board and relevant Board committees, and other duties, the Board therefore recommends they be re-elected as Directors at the AGM.

Brief biographical information on the Directors is shown on page 7.

In accordance with the independence provisions of the Listing Rules, and in particular rule 15.2.12A, the Company should have a majority of the Board who are not also directors of another company managed by the Investment Manager. The Board fully complies with this obligation.

Share capital

The share buy-back facility was suspended during the year and no shares were bought back. See page 27 for further details.

As at 29 February 2020, the issued share capital of the Company was as follows:

Share Class	Number of Shares in issue	% of total issued share capital
H	11,592,430	13.7
I	73,103,650	86.3
Total	**84,696,080**	**100.0**

The rights and obligations attached to the Company's H and I shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House. The Company may by special resolution make amendment to the Company's Articles of Association. The Company has two classes of shares, H and I shares, which carry no right to fixed income. At a general meeting of the Company, every shareholder has one vote on a show of hands, and on a poll, one vote for each share held. On a winding-up or return of capital, the assets of the Company attributable to a particular share class shall be distributed rateably among shareholders according to the number of shares held in that class. There are no restrictions on the voting rights attaching to the Company's shares or the transfer of securities in the Company. No securities carry special rights with regard to control of the Company. There are no agreements between holders of securities that are known to the Company that may result in restrictions on the transfer of securities or on voting rights. The Company has no employees therefore there is no employee share scheme. There are no agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Investment management agreement

On 15 January 2018, the Company entered into an agreement with the Investment Manager to manage and promote the non-prospectus top-up offer for subscription for H Shares which opened on 16 January 2018 and closed on 5 April 2018. Under that agreement, the Investment Manager was entitled to an initial fee of 5% of the aggregate value of the gross proceeds of the offer and an annual fee equal to 0.25% of the gross proceeds of the offer for a period of 4 years.

On 8 November 2013, the Company entered into an investment management agreement with the Investment Manager. The appointment is for an initial period ended on 11 April 2018 (ending on 11 April 2019 in respect only of the H Share Fund) and may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

Under the terms of the investment management agreement, the Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the I Shares, plus VAT (if applicable); (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable); and (c) a performance fee which is outlined in more detail below.

Unless otherwise agreed from time to time between the Company and the Investment Manager, the Investment Manager will be responsible for external costs, such as legal and accounting fees, incurred in relation to the negotiation and (if applicable) completion of all VCT-qualifying investments. The Investment Manager retains the right to charge arrangement, monitoring, syndication, exit and directors' fees to the businesses in which the Company invests. Such charges are in line with industry practice and the arrangement fees typically amount to between 1% and 3% of the amount of each investment plus VAT (if applicable). The Investment Manager will normally nominate one of its directors to act as a director of each investee company.

In August 2016, the Board announced that it would, in due course, undertake a wider review of the Company's future performance and consider implementing an alternative performance incentive fee scheme in respect of the I Share Fund, if appropriate. An alternative scheme was put to I shareholders at a class meeting in July 2018; although a majority of those voting were in favour, the scheme failed to attract the high threshold required for a special resolution. As at the date of this report, therefore, there is no performance incentive fee scheme in place in respect of the I Shares, although the Company and the Investment Manager are required to act in good faith and use all reasonable endeavours to agree alternative arrangements which would become effective only if approved by the Company's shareholders.

In respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7p per H Share per annum, the Investment Manager will receive an annual performance fee equal to 19% of the net asset value per H Share in excess of £1.00. Once and for so long as cumulative dividends paid or declared equal or exceed an average of 14p per H Share per annum, the Investment Manager will receive an annual performance fee equal to 29% of the net asset value per H Share in excess of £1.00. That calculation will be made on a six-monthly basis, by reference to the Company's published annual report and financial statements and the Company's published half-yearly financial statements.

In respect of share buy-backs undertaken in relation to some, but not all, shareholders, the Investment Manager will be entitled to a performance fee in respect of such distributions, to the extent that the proceeds of those buy-backs results in the cumulative amount paid to the relevant shareholders exceeding an applicable hurdle or threshold as set out above.

The performance fees described above are to be paid in cash and can be assigned by the Investment Manager to some or all of its investment team.

On 13 May 2020, the Company and the Investment Manager entered into a new investment management agreement, which is subject to the approval of the shareholders at the general meeting to be held on 28 August 2020. The provisions of that new investment management agreement are the same as the 2013 investment management agreement (as subsequently amended) except as follows:

1. The term of the new investment management agreement commenced on 13 May 2020 and will continue until the first financial year end date which falls more than 12 months after either the Company or the Investment Manager serves notice of termination on the other.
2. For the Company's financial year ending 28 February 2022 and all subsequent financial years, the Investment Manager will not be entitled to an annual management fee in respect of the I Share class.
3. The Investment Manager will not be entitled to a performance fee in respect of the I Share class.
4. In relation to the Company's financial years ending 28 February 2021 and 2022, the Investment Manager may not bear any of the Company's running costs,but will no longer be entitled to reimbursement of excess cost payments made by the Investment Manager in relation to any past year.
5. A costs cap of 3.5% of the year's closing net asset value will be re-introduced in the Company's financial year ending on 28 February 2023 or, if earlier, in any financial year in which the Company hereafter makes an H share offer where the aggregate net offer proceeds of such H share offer increase the audited H share net asset value, calculated as at the end of that financial year, by three million pounds (£3,000,000) or more over eight million four hundred and twenty six thousand and fifty three pounds (£8,426,053), being the audited H share net asset value as at 29 February 2020.

Administrative services agreement

On 18 February 2013, the Company entered into an administrative services agreement with the Investment Manager, under which the Investment Manager has agreed to provide administrative services to the Company. Under this agreement, the Investment Manager will receive a fixed fee of £275,000 per annum (plus VAT, if applicable), such fee to be adjusted annually by reference to the movement in the Retail Prices Index in the second and subsequent years of the appointment. The appointment is for an initial period ending on 11 April 2018 and may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

On 13 May 2020, the Company entered into a new administrative services agreement with Lupfaw 318 Limited, trading as Fund Administration Services ("FAS"), a company under common ownership with the Investment Manager. The new agreement is subject to the approval of the shareholders at the general meeting to be held on 28 August 2020, and if approved, will replace the existing administrative services agreement with effect from 1 March 2021. The provisions of that administrative services management agreement are the same as the existing administrative services agreement except as follows:

1. The term of the new administrative services agreement will commence on 1 March 2021 and will continue until the first financial year end date which falls more than 12 months after either the Company or FAS serves notice of termination on the other.
2. The annual fee will be £50,000 (plus VAT, if applicable), with no adjustment by reference to the movement in the Retail Prices Index.

Investment Manager's engagement

The Board is responsible to shareholders for the proper management of the Company and for determining the Company's investment policy. Investment and divestment opportunities are originated, negotiated and decided on by the Investment Manager. Company secretarial and accountancy services are provided to the Company by, respectively, The City Partnership (UK) Limited and HW Fisher & Company.

In reviewing the work of the Investment Manager, the Board looks to be satisfied that:

- the Company's investment policy is being followed;
- each investment or divestment decision is subjected to rigorous due diligence;
- risk is further mitigated by investing across a sufficiently diverse range of businesses and by maintaining a balance between equity and loan stock exposure; and
- the portfolio will meet the HMRC VCT conditions.

Based on that review, the Board is of the opinion that the continued appointment of the Investment Manager on the terms described above is in the interests of the Company's shareholders as a whole.

In consideration of the Company's financial performance, the Board, taking account of the comparatively long term nature of the Company's investments, pays particular attention to net asset value total return per Share, total expense ratio and performance against the FT All Share Media Index (which is considered to be the most appropriate broad equity market index for comparative purposes).

Annual running costs

Under the terms of the investment management agreement, the running costs of the Company which are provided for in an annual budget approved by both the Board and the Manager (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.75% of the net asset value of the Company. A running tally is kept and any excess will reduce the amount of the annual management fee for the next following financial year; in any years where there is no excess the Investment Manager is entitled to recover any prior reduced fees. For these purposes, annual running costs of the Company include, amongst other things, the annual management fees described above, the administrative services fee described above, Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with shareholders, but exclude irrecoverable VAT, trail commission payable to financial intermediaries, the Investment Manager's performance fee described above and the cost of significant corporate activity.

As noted above, if the new investment management agreement is approved by shareholders at the general meeting to be held on 28 August 2020, the Investment Manager may not bear any of the Company's running costs in respect of the financial years ending 28 February 2021 or 2022; the Investment Manager will, however, no longer be entitled to be reimbursed any excess running cost contribution made by the Investment Manager in relation to any past financial year.

Global greenhouse gas emissions

The Company has no direct greenhouse gas emissions to report from its operations, being an externally managed investment company.

Substantial shareholdings

So far as the Company is aware, as at 29 February 2020 and as the date of this report, the only persons who, directly or indirectly, have an interest of 3% or more of the Company's issued share capital or voting rights are set out below:

H Shares

Name	Shares held as at 29 February 2020	% of issued Shares as at 29 February 2020	Shares held as at the date of this report	% of issued Shares as at the date of this report
Hargreaves Lansdown (Nominees) Ltd HLNOM	436,782	3.77	426,199	3.68

I Shares

Name	Shares held as at 29 February 2020	% of issued Shares as at 29 February 2020	Shares held as at the date of this report	% of issued Shares as at the date of this report
Luna Nominees Limited 2144200	6,865,701	9.39	6,865,701	9.39
UBS Private Banking Nominees Ltd Mainpool	4,866,563	6.66	4,844,247	6.63
CGWL Nominees Limited GC1	4,447,699	6.08	4,430,488	6.06

Accountability and audit

The statement of Directors' responsibilities is set out on page 30 of this report. The independent auditor's report is set out on pages 31 to 35 of this report. The Directors who held office at the date of the approval of this Directors' Report confirm that, so far as they are aware there is no relevant audit information of which the Company's auditor are unaware and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that auditors are aware of that information.

Independent auditor

UHY Hacker Young LLP was appointed as auditor of the Company during the course of the year following a tender process. UHY Hacker Young LLP has expressed its willingness to continue in office as auditor to the Company and resolutions proposing the re-appointment of UHY Hacker Young LLP and authorising the Directors to determine the remuneration for the ensuring year will be put to shareholders at the Company's 2020 annual general meeting.

2020 Annual General Meeting

The Company's 2020 AGM will be held on 28 August 2020. Notice of the meeting is set out on pages 60 to 62 of this report.

By Order of the Board

The City Partnership (UK) Limited
Company Secretary

28 July 2020

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and The Large and Medium sized Company and Groups (Accounts and Reports) (Amendments) Regulations 2013 (the "Regulations"). Ordinary resolutions for the approval of the Directors' Remuneration Report and the Directors' Remuneration Policy will be proposed at the 2020 annual general meeting.

The Company's auditor, UHY Hacker Young, is required to give its opinion on certain information included in this report. The disclosures which have been audited are indicated as such. Its report is set out on pages 31 to 35.

Annual statement from the Chairman of the Company

There have been no changes to Directors' remuneration in the year to 29 February 2020, the Directors fees have been set at the same level since November 2010. However, with the changes in the chairmen of both the Board and the Company's audit committee, different Directors received the additional fees for chairing the Board and the Company's audit committee during the year ended 29 February 2020. Directors' fees are reviewed annually and are set by the Board to attract individuals with the appropriate range of skills and experience. In determining the level of fees their duties and responsibilities are considered, together with the level of time commitment required in preparing for and attending meetings. The remit of the remuneration committee is included in the statement of corporate governance on pages 26 to 29.

The Board carried out a performance evaluation of the Board, committees and individual Directors during the year. Due to the size of the Company, the fact that the majority of the Directors are independent non-executive Directors and the costs involved, external facilitators are not used in the evaluation of the Board. The Directors concluded that, to maintain an appropriate balance of skills and Directors after the changes to the Board composition following the 2019 AGM, an additional Director should be appointed. This decision led to the appointment of Sir Aubrey Brocklebank. All Directors contribute fully to discussion in an open, constructive and objective way. The size and composition of the Board and its committees are considered adequate for the governance of the Company.

Remuneration committee

During the year under review, the members of the Company's remuneration committee, a fully constituted board committee, were Sir Robin Miller and Terry Back. The committee's primary function is to determine each Director's remuneration. The committee did not meet in the year ended 29 February 2020. The committee has not received any advice or services from any person in respect of the Directors' remuneration during the year under review.

Directors' remuneration policy

The remuneration committee considers that Directors' fees should reflect the time commitment required and the high level of responsibility borne by Directors and should be broadly comparable to the fees paid by similar companies.

At a general meeting held on 24 November 2010, it was resolved that the maximum aggregate amount which may be paid out of the funds of the Company as fees to Directors of the Company who are not managing or executive Directors is:

- in respect of the Company's financial year ending 28 February 2011, £110,000 (exclusive of VAT); and
- in respect of each subsequent accounting period of the Company, the maximum amount applicable to the immediately preceding accounting period of the Company, increased by the percentage increase (if any) during such preceding accounting period in the general index of retail prices for all the items (RP02) published by the Office for National Statistics (exclusive of VAT).

The Board has not received any views from the Company's shareholders in respect of the levels of Directors' remuneration.

This policy was approved by the members at the 2017 AGM. In accordance with the Regulations, an ordinary resolution to approve the Directors' Remuneration Policy will be put to shareholders at least once every three years therefore a resolution to approve the policy is included in the Notice of AGM.

Directors' Annual Report on Remuneration

All of the Directors are non-executive and therefore there is no Chief Executive Officer ("CEO"). The Company does not have any employees. In the absence of a CEO or employees, there is no CEO or employee information to disclose.

Terms of Appointment

In accordance with Corporate Governance best practice all Directors shall retire and be subject to re-election annually. None of the Directors has a service contract with the Company. On being appointed, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. A Director's appointment may be terminated by the Director or by the Company on the expiry of six months' notice in writing given by the Director or the Company, as the case may be.

Directors' Fees for the year (audited)

The fees payable to individual Directors in respect of the year ended 29 February 2020 are shown in the table below (net of VAT & employer's National Insurance contributions). Sir Robin Miller's fees were paid to Robin Miller Consultants Limited in consideration for his services.

Director	Total fee paid for year ended 29 February 2020 £	Annual fee £	Total fee paid for year ended 28 February 2019 £	Annual fee £
Sir Robin Miller	16,900	15,000[1]	20,000	20,000
Terry Back (chairman)	18,800	20,000[2]	17,500	17,500
David Glick*	7,400	15,000	15,000	15,000
Lord Flight	15,500	17,500[3]	15,000	15,000
Sir Aubrey Brocklebank**	5,200	15,000	n/a	n/a

* David Glick retired from the Board on 28 August 2019
** Sir Aubrey Brocklebank joined the Board on 11 November 2019
[1] Sir Robin Miller's annual fee decreased on 29 August 2019 on resignation as Chairman of the Board
[2] Terry Back's annual fee increased on 29 August 2019 on appointment as Chairman of the Board
[3] Lord Flight's annual fee increased on 23 September 2019 on appointment as Chairman of the Audit Committee

No performance fees were paid to Robin Miller Consultants Limited during the year ended 29 February 2020. No taxable benefits were paid to the Directors, no pension related benefits were paid to the Directors and no money or other assets were received or receivable to the Directors for the relevant financial year. No payments were made to past Directors or any payments made for loss of office and there are no arrangements or agreements in place in regard to payments for loss of office. There is no comparative information in respect of employee remuneration as the Company has no employees.

Relative importance of spend on pay

The table below shows the remuneration paid to Directors and shareholder distributions in the year to 29 February 2020 and the prior year:

	Percentage increase/ (decrease)	2020 £'000	2019 £'000
Total dividend paid to shareholders	100	464	-
Shares bought back from shareholders	-	-	-
Total Directors' fees	(5.5)	63.8	67.5

Directors' shareholdings

The interests of the current Directors and their connected persons in the share capital of the Company as at 29 February 2020 are shown below.

	No of H Shares as at 29 February 2020	Percentage holding %	No of I Shares as at 29 February 2020	Percentage holding %
Sir Robin Miller	8,361	0.07	50,091	0.07
Terry Back	-	-	-	-
Sir Aubrey Brocklebank	-	-	-	-
Lord Flight	-	-	62,042	0.08

The I Shares shown above as held by Lord Flight include 28,774 I Shares held by his wife, Lady Flight.

Comparative shareholdings as at 28 February 2019 are noted below:

	No of H Shares as at 29 February 2020	Percentage holding %	No of I Shares as at 29 February 2020	Percentage holding %
Sir Robin Miller	8,361	0.07	50,091	0.07
Terry Back	-	-	-	-
Sir Aubrey Brocklebank	n/a	n/a	n/a	n/a
Lord Flight	-	-	62,042	0.08
David Glick	175,785	1.52	130,491	0.18

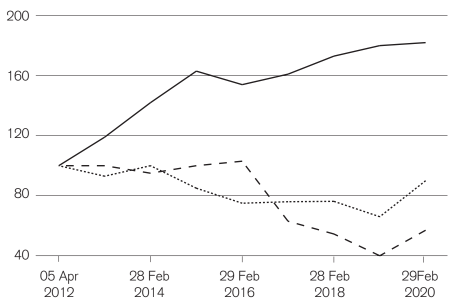
The I Shares shown above as held by Lord Flight include 28,774 I Shares held by his wife, Lady Flight.

There have been no changes in the holdings of the Directors between 29 February 2020 and the date of this report. The Company has not set out any formal requirements or guidelines for a Director to own shares in the Company.

Company Performance

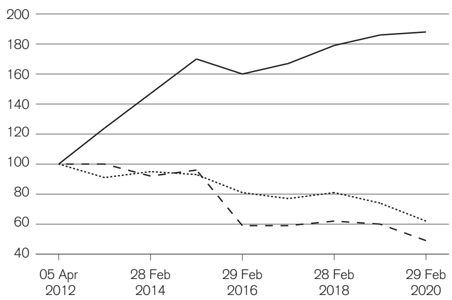
The graphs below compare the share price total returns for the H and I Shares and the net asset value total returns per share for the H and I Shares with the total returns from a notional investment of 100p in the FT All Share Media Index over the same periods. This index is considered to be the most appropriate broad equity market index for comparative purposes.

H share graph



— Index
...... NAV total return per share
-- Share price total return

I share graph



— Index
...... NAV total return per share
-- Share price total return

At the last AGM held on 28 August 2019, 36% of shareholders voted for, 64% voted against and 47,968 shares were withheld in respect of the resolution approving the Directors' Remuneration Report. At the AGM held on 17 August 2017, 89% voted for, 11% voted against and 238,099 shares were withheld in respect of the resolution approving the Directors' remuneration policy. Ordinary resolutions for the approval of the Directors' Remuneration Report and the Directors' Remuneration Policy will be put to shareholders at the forthcoming AGM.

The Board's actions to address shareholder concerns following the AGM in 2019 are noted on page 5.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

28 July 2020

Statement of Corporate Governance

This statement forms part of the Directors' Report.

Statement of compliance

The Directors confirm that the Company has taken appropriate action to enable it to comply with the principles of the UK Code which is publicly available from the following website https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code. As a venture capital trust, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the UK Code are directly applicable to the Company. Apart from the matters referred to in the following paragraphs, the requirements of the UK Code were complied with throughout the period ended 29 February 2020.

All Directors have rolling term appointments with a six month notice period. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as necessary. In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Investment Manager and the company secretary, the Company has not appointed a chief executive, deputy chairman or a senior independent non-executive Director. When a new Director is appointed, he or she is offered an induction programme arranged with the Investment Manager.

Board of Directors

The Company has a board of four non-executive Directors, all of whom are considered to be independent. The Company has no employees.

The Directors' appointment letters are dated with effect from 18 January 2006, 18 October 2011, 17 August 2017 and 11 November 2019. The Board does not believe that length of service will necessarily compromise the independence or effectiveness of Directors and no limit has been placed on the overall length of service. The Board considers that such continuity and experience can be of significant benefit to the Company and its shareholders. However, in accordance with the UK Code all Directors are subject to annual re-election. All Directors will stand for re-election at the 2020 AGM with the exception of Lord Flight who will step down at the conclusion of the AGM.

Directors are provided with key information on the Company's activities including regulatory and statutory requirements and internal controls by the Company's solicitors, the Company's VCT status adviser, the company secretary and the Investment Manager. The Board has direct access to corporate governance advice and compliance services through the company secretary, who is responsible for ensuring that Board procedures are followed and compliance requirements are met.

All Directors may take independent professional advice in furtherance of their duties as necessary. Any newly appointed Director will be given a comprehensive introduction to the Company's business including meeting the Company's advisers. When Directors have concerns that cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in a board minute. On resignation, a Director who has any such concerns is encouraged to provide a written statement to the Chairman, for circulation to the Board. The Board is responsible to shareholders for the proper management of the Company and aims to meet at least quarterly. It has formally adopted a schedule of matters which must be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. The chairman together with the company secretary establishes the agenda for each board meeting and all necessary papers are distributed in advance of the meetings. The Board considers all matters not included within the remits of the board committees.

All the Directors are equally responsible for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

Board committees

There are three board committees: an audit committee, a remuneration committee and a nomination committee. Copies of their terms of reference are available from the company secretary.

Audit committee

The audit committee comprises at least two independent Directors. The members of the audit committee are Lord Flight (chairman), Terry Back and Sir Robin Miller. In accordance with the UK Code, at least one member of the audit committee has recent and relevant financial experience. The Board is satisfied that the Audit Committee as a whole has competence relevant to the venture capital trust sector. A quorum is two members of the committee. Written terms of reference have been constituted for the audit committee and include the following key duties:

- to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent Directors, or by the board itself, to review the Company's internal control and risk management systems;
- to make recommendations to the board, for it to put to shareholders in a general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

During the year ended 29 February 2020, the Committee discharged the responsibilities described above. Its activities included:

- formally reviewing the final annual report and financial statements, the half-yearly report and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system;
- meeting with the external auditor and reviewing its findings; and
- reviewing the performance of the Investment Manager and making recommendations to the Board.

The significant issue addressed by the audit committee in relation to the financial statements was the valuation of the Company's unquoted investments. The valuation methodologies employed by the Investment Manager were reviewed and reference was made to both the external auditor and the International Private Equity and Venture Capital Valuation Guidelines; and the valuations determined by the Investment Manager were examined against financial and performance information concerning the companies in which investments were held.

The audit committee has managed the relationship with the external auditor and assessed the effectiveness of the audit process. When assessing the effectiveness of the process for the year under review the audit committee considered the auditor's technical knowledge and that they have a clear understanding of the business of the Company; that the audit team is appropriately resourced; that the auditor provided a clear explanation of the scope and strategy of the audit and that the auditor maintained independence and objectivity. As part of the review of auditor effectiveness and independence, UHY Hacker Young has confirmed that it is independent of the Company and has complied with applicable international standards on auditing. UHY Hacker Young has held office as auditor since 17 January 2020. In accordance with professional guidelines the engagement partner is rotated after at most five years and the current partner, Daniel Hutson, started working with the Company for the audit of the financial year ended 29 February 2020.

Remuneration Committee

This is a fully constituted board committee established primarily to determine each Director's remuneration. The committee shall comprise at least two independent Directors. The members of the committee are Sir Robin Miller, Terry Back and Lord Flight. A quorum is two members of the committee.

Nomination Committee

This is a fully constituted board committee established primarily to identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise and to monitor and review the effectiveness and performance of individual Directors. The committee comprises at least two members, no less than one of whom shall be an independent Director. The members of the committee are Sir Robin Miller, Terry Back and Lord Flight. A quorum is two members of the committee.

In considering appointments to the Board, the nomination committee takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board. The Nomination Committee also considers the annual re-election of Directors. When recommending new candidates to the Board the Directors draw on their extensive business experience and range of contacts to identify suitable candidates. The use of formal advertisements and external consultants is not considered cost-effective given the size of the Company.

During the year ended 29 February 2020, there were:

- Eight board meetings convened to consider general business
- Three meetings of the audit committee
- No meeting of the remuneration committee
- One meeting of the nomination committee

Attendance at Board and committee meetings

The Directors' attendance at the board meetings convened to consider general business and at committee meetings is noted below.

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Sir Robin Miller	7/8	1/1	n/a	1/1
Terry Back	8/8	3/3	n/a	1/1
Sir Aubrey Brocklebank	3/3	n/a	n/a	n/a
Lord Flight	6/7	3/3	n/a	1/1
David Glick	2/2	n/a	n/a	n/a

The Board has delegated to third parties the provision of: investment management services; legal and VCT status advisory services; day-to-day accounting, company secretarial and administration services; and share registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. The Board keeps under review the terms of the agreement with the Investment Manager.

Relations with shareholders

The Board welcomes the views of shareholders and puts a premium on effective communication with the Company's members.

All written communication with shareholders is reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved. Shareholders are encouraged to attend the Company's general meetings where the Directors and representatives of the Company's advisers will be available to answer any questions members may have. The Board also communicates with shareholders through interim and annual reports which will include a Chairman's statement and an Investment Manager's report both of which are reviewed and approved by the Board to ensure that they present a fair assessment of the Company's position and future prospects.

The outcome of the tender process for the position of the Company's investment manager was announced in May 2020 where Edge Investments Limited was reappointed, subject to shareholder approval, under a substantially revised agreement. A Circular is being prepared for distribution before a general meeting at which shareholders will be asked to approve revised Investment Management and Administration Services agreements. The Board's intention was to complete its strategic and cost review and hold a general meeting prior to the Company's year end of 29 February 2020. The Board acknowledges there was a delay caused by the volume of work involved in considering the significant number of options that the Board had open to it prior to finalising its strategy, followed by the inevitable delays caused by the COVID-19 lockdown. The Board felt very strongly, however, that shareholders' interests were best served by carefully considering all options open to it.

Internal Control

The Board has established an ongoing process for the identification, evaluation and management of the significant risks faced by the Company. The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. Internal controls are designed to manage the particular needs of the Company and the risks to which it is exposed. The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information on which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. They can by their nature provide only reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include regular reviews of both the financial results and investment performance.

Review of Internal Control

The process adopted by the Board for identifying, evaluating and managing the risks faced by the Company includes an annual review of the control systems. The review covers a consideration of the significant risks in each of five areas: statutory and regulatory compliance, financial reporting, investment strategy, investment performance and reputation. Each risk is considered with regard to the likelihood of occurrence, the probable impact on the Company and the controls exercised at source, through reporting and at Board level. The Board is satisfied with the effectiveness of the Company's controls.

Internal Audit

The Company does not have an independent internal audit function. Such a function is thought by the Board to be unnecessary at this time given the size of the Company and the nature of its business. However, the audit committee considers annually whether an independent internal audit function should be introduced and reports its conclusions to the Board.

Going concern

The Company's major cash flows are within the Company's control (namely investment additions and dividends) or are reasonably predictable (namely the operating expenses). The Company is able to forecast cash inflows comprising proceeds from investments to a reasonable degree. The Directors therefore believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

By order of the Board

The City Partnership (UK) Limited
Company Secretary
28 July 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 of the Company and of the profit or loss of the Company for that period. In preparing these 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 all applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 which 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 they have complied with these requirements.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and statement of corporate governance which comply with the law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The work carried out by UHY Hacker Young LLP as independent auditor of the Company does not involve consideration of the maintenance and integrity of the website and accordingly UHY Hacker Young LLP accepts no responsibility for any changes which may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Terry Back
Chairman

28 July 2020

Independent Auditor's Report

to the members of Edge Performance VCT Public Limited Company

Opinion

We have audited the Financial Statements of Edge Performance VCT Plc for the year ended 29 February 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of the Company's return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 public interest 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on page 17 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 17 in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 29 in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 17 in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investments and recognition of realised gains and losses The investment portfolio and associated realised and unrealised gains and losses is the key driver to the financial performance of the Company. Due to the nature of the Company's business there is an inherent risk that if incorrectly valued this will have the greatest impact on both the income statement and balance sheet.The investment portfolio at the year-end had a carrying value of £24,363,190.	Our audit work included, but was not restricted to: • For quoted shares, we tested the value of the year-end investments by reference to market price information at the year-end. • Assessing the measurement of the value of unquoted investments included significant assumptions and judgement by management. We obtained an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with management, and reviewing and challenging the basis and reasonableness of assumptions made by management in conjunction with available supporting information. • We agreed the purchase and sale of investments to contract notes and cash movements on a sample basis and recalculated the realised gains and losses on the sale of investments for both the individual transactions on a sample basis and for the total portfolio. • Checking the movement in unrealised gains and losses for arithmetical accuracy and validated by reviewing the opening costs to prior year balances on a sample basis. The Company's accounting policy on fixed asset investments held at fair value through profit or loss is shown in note 3(a) to the Financial Statements and related disclosures are included in note 11. **Key observations** Our testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the year end.
Compliance with the VCT rules Compliance with the VCT rules is necessary to maintain the VCT status and associated tax benefits.	Our audit work included, but was not restricted to: • Testing the twelve conditions for maintaining approval as a VCT as set out by HMRC. Each of the conditions was reviewed in turn in order to assess whether it had been met as at the year-end. **Key observations** Our testing did not identify any breaches of the VCT rules. We also reviewed the correspondence from the external VCT Adviser and did not identify any instances of non-compliance to the VCT rules.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the Financial Statements. We define financial statement materiality as the magnitude by which misstatements, including omissions, could change or influence the economic decisions taken on the basis of the Financial Statements by reasonable knowledgeable users.

We also determine a level of performance materiality which we use to determine the nature, timing and extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

We determined materiality for the Financial Statements as a whole to be £570,000. In determining this we based our assessment on a key indicator, being 2% of gross assets of the Company. This benchmark is considered the most appropriate because, gross asset, which primary comprise the Company's investment portfolio, are considered to be the key driver of the Company's total return performance and form part of the net asset value calculation being the performance measure investors use to assess the Company's performance.

On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the Financial Statements should be 75% of materiality, being £427,500.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £28,500, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the Financial Statements as a whole, taken into account an understanding of the structure of the Company, its activities, the accounting processes and controls including, understanding management's process to value quoted investments, investment income recognition and journal entries posting, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the Financial Statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the Financial Statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates. We determined that the following laws and regulations were most significant: FRS102, Companies Act 2006, UK Corporate Governance Code, taxation laws and VCT Rules.

We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to the Investment Manager and Audit Committee. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee.

We assessed the susceptibility of the Company Financial Statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, set out on pages 4 to 29, including the Chairman's Statement, the Investment Manager's Review, the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Corporate Governance 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 of 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 30 – the statement given by the Directors that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on pages 26 to 27 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 26 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R (2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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 part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

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, or returns adequate for our audit have not been reviewed from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited 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 Statement of Directors' Responsibilities set out on page 30, 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

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) 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/auditors/audit-assurance. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Edge Performance VCT Plc on 17 January 2020. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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 auditors' 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.

Daniel Hutson
(Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditors

Quadrant House
4 Thomas More Square
London, E1W 1YW

28 July 2020

Statement of Comprehensive Income

for the year ended 29 February 2020

	Note	Year ended 29 February 2020 Revenue £'000	Capital £'000	Total £'000	Year ended 28 February 2019 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on valuation of investments at fair value through profit or loss	11	-	(4,301)	(4,301)	-	(5,362)	(5,362)
Income	4	206	-	206	155	-	155
Investment Manager's fees	5	(140)	(423)	(563)	(190)	(564)	(754)
Other expenses	6	(700)	-	(700)	(756)	-	(756)
Return before tax		(634)	(4,724)	(5,358)	(791)	(5,926)	(6,717)
Tax	8	-	-	-	-	-	-
Return for the financial year		(634)	(4,724)	(5,358)	(791)	(5,926)	(6,717)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders		(634)	(4,724)	(5,358)	(791)	(5,926)	(6,717)
Return per Share							
Return per H Share	10	(0.94)p	25.36p	24.42p	(1.31)p	(8.22)p	(9.53)p
Return per I Share	10	(0.72)p	(10.48)p	(11.20)p	(0.88)p	(6.81)p	(7.69)p

The total column of this statement represents the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The accompanying notes on pages 42 to 57 are an integral part of the financial statements.

Statement of Comprehensive Income

for the year ended 29 February 2020

Unaudited Non-Statutory Analysis between the H and I Share Funds

			H Share Fund			I Share Fund
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	3,035	3,035	-	(7,336)	(7,336)
Income	44	-	44	162	-	162
Investment Manager's fees	(31)	(95)	(126)	(109)	(328)	(437)
Other expenses	(122)	-	(122)	(578)	-	(578)
Return before tax	(109)	2,940	2,831	(525)	(7,664)	(8,189)
Tax	-	-	-	-	-	-
Return for the financial year	(109)	2,940	2,831	(525)	(7,664)	(8,189)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders	(109)	2,940	2,831	(525)	(7,664)	(8,189)
Return per Share	(0.94)p	25.36p	24.42p	(0.72)p	(10.48)p	(11.20)p

Balance Sheet
as at 29 February 2020

Company Registration No: 05558025 (England and Wales)

	Note	29 February 2020 £'000	28 February 2019 £'000
Fixed assets			
Investments at fair value through profit or loss	11	24,363	30,155
Current assets			
Debtors	13	641	20
Bank deposits		3,601	1,707
Cash at bank		2	2,537
		4,244	**4,264**
Creditors: amounts falling due within one year	14	(100)	(90)
Net current assets		4,144	4,174
Net assets		**28,507**	**34,329**
Capital and reserves			
Called up share capital	15	8,470	8,470
Share premium account		3,330	3,330
Special reserve		44,765	45,229
Capital redemption reserve		4,115	4,115
Capital Reserve		(37,688)	(32,964)
Revenue reserves		5,515	6,149
		28,507	**34,329**
Net asset value per H Share, pence	16	72.69	52.27
Net asset value per I Share, pence	16	27.47	38.67

The accompanying notes on pages 42 to 57 are an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 28 July 2020 and signed on their behalf by:

Terry Back
Director

Balance Sheet

for the year ended 29 February 2020

Unaudited Non-Statutory Analysis between the H and I Share Funds

as at 29 February 2020

Company Registration No: 05558025 (England and Wales)

	H Share Fund £'000	I Share Fund £'000
Fixed assets		
Investments at fair value through profit or loss	5,663	18,700
Current assets		
Debtors	1,100	(459)
Bank deposits	236	3,365
Cash at bank	1,327	(1,325)
	2,663	**1,581**
Creditors: amounts falling due within one year	100	(200)
Net current assets	2,763	1,381
Net assets	**8,426**	**20,081**
Capital and reserves		
Called up share capital	1,160	7,310
Share premium account	3,259	71
Special reserve	3,922	40,843
Capital redemption reserve	-	4,115
Realised capital reserve	837	(31,380)
Unrealised capital reserve	(292)	(6,853)
Revenue reserves	(460)	5,975
	8,426	**20,081**
Net asset value per H Share, pence	72.69	
Net asset value per I Share, pence		27.47

Statement of Changes in Equity

for the year ended 29 February 2020

	Called up equity share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £000	Capital reserve £'000	Revenue reserves £'000	Total £'000
At 1 March 2018	8,363	2,834	45,229	4,115	(27,038)	6,940	40,443
Share issues	107	537	-	-	-	-	644
Share issue expenses	-	(41)	-	-	-	-	(41)
Dividends paid	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	(5,926)	(791)	(6,717)
At 28 February 2019	**8,470**	**3,330**	**45,229**	**4,115**	**(32,964)**	**6,149**	**34,329**
Share issues	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Dividends paid	-	-	(464)	-	-	-	(464)
Comprehensive income for the year	-	-	-	-	(4,724)	(634)	(5,358)
At 29 February 2020	**8,470**	**3,330**	**44,765**	**4,115**	**(37,688)**	**5,515**	**28,507**

Distributable reserves comprise: the special reserve; the revenue reserve; and capital reserves attributable to realised profits.

Called up equity share capital represents the nominal value of shares that have been issued. The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. The special reserve was created on cancellation of the share premium account in respect of shares issued and is primarily used for the distribution of dividends. The capital redemption reserve maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It cannot be used to fund share repurchases and it is not distributable by way of dividend.

All investments are held at fair value through profit or loss. When the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the capital reserve. When an investment is sold any balance held on the capital reserve (unrealised) is transferred to the capital reserve (realised).

Statement of Cash Flows

for the year ended 29 February 2020

	Note	Year ended 29 February 2020 £'000	£'000	Year ended 28 February 2019 £'000	£'000
Cash flows from operating activities					
Loss for the year		(5,358)		(6,717)	
Adjustments for:					
Realised/Unrealised losses on investments held at fair value through the profit or loss		4,301		5,362	
Accrued income		(187)		(110)	
Increase in other debtors and prepayments		(619)		(1)	
Increase/(decrease) in other creditors and accruals		10		(129)	
Cash outflow from operating activities			(1,853)		(1,595)
Tax paid			-		-
Net cash outflow from operating activities			(1,853)		(1,595)
Cash flows from investing activities					
Sales of unquoted investments held at fair value	11	4,726		3,801	
Purchases of investments held at fair value		(3,050)		(611)	
Net cash inflow from investing activities			1,676		3,190
Cash flows from financing activities					
Issue of ordinary share capital		-		644	
Dividends paid	9	(464)		-	
Share issue expense		-		(29)	
Net cash (outflow)/inflow used in financing activities			(464)		615
Net (decrease)/increase in cash			(641)		2,210
Reconciliation of cash and cash equivalents					
(Decrease)/increase in cash			(641)		2,210
Opening cash and cash equivalents position			4,244		2,034
Closing cash and cash equivalents position			3,603		4,244
Cash and cash equivalents					
Bank deposits			3,601		1,707
Cash at bank			2		2,537
			3,603		**4,244**

The accompanying notes on pages 42 to 57 are an integral part of the financial statements.

Notes to the Financial Statements

1. General information

Edge Performance VCT Public Limited Company is a venture capital trust company domiciled in the United Kingdom and incorporated in England in 2005. The address of its registered office is 1 Marylebone High Street, London, W1U 4LZ. The ordinary shares of the Company are listed on the Premium Segment of the London Stock Exchange.

Key sources of estimation uncertainty

Many of the Company's financial instruments are measured at fair value in the balance sheet and it is usually possible to determine their fair values within a reasonable range of estimates.

Fair value is derived for the majority of the Company's financial instruments, such as unlisted securities, using valuation techniques, as recommended by International Private Equity and Venture Capital Valuation Guidelines (IPEVC) 2018. Fair value estimates are made at a specific point in time, based on information about the financial instrument and market conditions. These estimates are subjective in nature and involve uncertainties and matters of significant judgements and therefore cannot be determined with precision. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a observable market for the investments existed. As such, the degree of judgement exercised in determining fair value is greatest for investments whose fair value cannot be determined by using observable measures such as market prices or models.

2. Statement of compliance

Basis of Accounting

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' ('FRS 102'), with the Companies Act 2006 and the 2019 Statement of Recommended Practice ('SORP') 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

The Company is not an investment company as defined by section 833 of the Companies Act 2006. Investment company status was revoked by the Company in September 2007.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going Concern

As stated in note 18, the Directors have considered the effect of the Covid-19 outbreak. The Directors consider that the outbreak is likely to cause a significant disruption to the Company's business but are confident that the Company can continue in operational existence as a going concern for the foreseeable future, being a period of at least, but not limited to, twelve months from the date when the financial statements are authorised for issue. The Directors have therefore adopted the going concern basis of accounting in preparing the financial statements.

3. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) Fixed asset investments

Purchases or sales of investments are recognised at the date of the transaction.

All investments are valued at fair value by the Company using methodology that is consistent with the International Private Equity and Venture Capital Valuation Guidelines (IPEVC) 2018 from time to time.

Unquoted equity investments made within the period of twelve months are held at the price of recent investments and are considered to have had no change to fair value except where there is any material change or event which has a bearing on the value of the investee company (such as, for example, a significant amount of new investment made in the investee company by a third party), in which case an appropriate revaluation is made.

Subsequently, unquoted investments will be valued by the most recent material arm's-length transaction by an unconnected third party in the shares or other securities of an investee company. In the absence of such a transaction, the investment will be valued as follows:

- Where the investee company is in the early stage of development, the investment will normally continue to be valued at recent price.
- Where the investee company is well established after one year from the date of investment, the shares or securities may be valued by applying a suitable price-earnings ratio to that company's historical post-tax earnings or, where more appropriate, to that company's earnings before interest, tax, depreciation and amortisation ("EBITDA"). The ratio used is based on a comparable listed company or sector, where available, but discounted to reflect lack of liquidity in the shares or securities concerned; where no suitable comparable listed company or sector data is available, comparable data from transactions in unquoted shares or securities may be used. Alternative methods of valuation may be applied if they are considered more appropriate, for example: a suitable ratio applied to historic revenues, forecast revenues, revenue multiple, forecast post tax earnings, forecast EBITDA or discounted projected cash flows; net asset value.
- Fixed asset loan investments are recognised at their fair value, normally determined on the basis of the expected future cash flows, discounted at the investee company's weighted cost of capital.

The value of portfolio investments at the balance sheet date was derived as follows:

	Valuation (£,000)	2020 Valuation type as % of total value	Valuation (£,000)	2019 Valuation type as % of total value
Price of recent third party transaction	-	-	1,484	4.9%
Earnings & revenue multiple	20,398	83.7%	27,483	91.1%
Bid Price	740	3.0%	827	2.8%
Recent Price	3,225	13.3%	361	1.2%
	24,363	**100.0%**	**30,155**	**100.0%**

In accordance with the SORP, the revenue return on shares for a fixed amount and debt securities is based on the coupon payable by the instrument adjusted to spread any discount or premium on purchase or redemption over its remaining life. However, where a redemption premium is payable, the return has been adjusted so that the amount recognised in revenue is in line with reasonable commercial expectations. Any adjustment is recognised in capital within net gains and losses on investments. The amount of redemption premium recognised in revenue is in line with reasonable commercial expectations of interest chargeable on similar commercial debt.

Gains and losses arising from changes in the fair value of the investments are included as a capital item in the statement of comprehensive income for the relevant period.

The Company's interests in associates are held as part of an investment portfolio (as defined by FRS 102). They have therefore been treated in the same way as other investee companies and are measured at fair value using a consistent methodology to the rest of the Company's portfolio as permitted by the SORP.

b) Current asset investments

Investments in interest-bearing deposits are classified as current asset investments as they are investments held for the short term. Income from these investments is recognised using the effective interest method.

c) Income

Interest income on loan stock and dividends on preference shares are accrued on a daily basis. Provision is made against this income where recovery is doubtful. Where the terms of unquoted loan stocks only require interest or redemption premium to be paid on redemption, the interest and redemption premium is recognised once redemption is reasonably certain.

Dividends receivable on listed equity shares are recognised on the ex-dividend date.

3. Accounting policies (continued)

d) Expenses

All expenses (inclusive of VAT where appropriate) are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment and with the exception that 75% of the fees payable to the Investment Manager are charged against capital. Other administrative fees and expenses are allocated between the Share Funds based on the net asset value of each Share Fund.

Direct issue costs are deducted from the share premium account.

e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

f) Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

g) **Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

h) **Taxation**

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate. The tax effect of difference items of income/gain and expenditure/loss is allocated between capital and revenue return on the “marginal” basis as recommended in the SORP.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Statement of Comprehensive Income and a corresponding amount is charged against the revenue column. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

i) **Deferred tax**

Deferred tax is recognised in respect of all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Unrelieved tax losses and other 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.

Due to the Company’s status as a Venture Capital Trust, and the intention to continue meeting the conditions required to retain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

4. Income

	2020 £'000	2019 £'000
Interest receivable		
- from cash and interest-bearing deposits	13	5
- from fixed asset investment loan notes	193	150
	206	**155**

5. Investment Manager’s fees

	2020 £'000	2019 £'000
Edge Investments – annual management fee	**563**	**754**

The Company entered into an agreement dated 3 February 2006 with the Investment Manager, which has responsibility for the management of the Company’s portfolio of investments. The agreement has been replaced with a new agreement on a number of successive occasions, most recently on 8 November 2013 (with effect from 1 March 2014). Under the terms of the agreement entered into on 8 November 2013, the Investment Manager was appointed for an initial period ending on 11 April 2018 (ended on 11 April 2019 in respect only of the H Share Fund), and continuing thereafter until terminated by either the Company or the Investment Manager, by giving no less than 12 months’ notice.

On 13 May 2020, the Company and the Investment Manager concluded a new investment management agreement, which is subject to the approval of the shareholders at the general meeting to be held on 28 August 2020. If approved, that new investment management agreement will replace the 2013 investment management agreement with effect from 13 May 2020, and the Investment Manager’s appointment will continue until the Company’s first accounting reference date (i.e. its year-end date) falling at least 12 months following service by either the Company or the Investment Manager of notice of termination of the appointment.

5. Investment Manager's fees (continued)

Management fees

The Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the I Shares plus VAT (if applicable), (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable), and (c) a performance fee which is outlined in more detail below.

If the new investment management agreement referred to above is approved by shareholders, the Investment Manager will be entitled to no annual management fee in relation to the I Shares with effect from 1 March 2021.

The Investment Manager will be responsible for external costs, such as legal and accounting fees, incurred on all transactions that do not proceed to completion. The Investment Manager retains the right to charge arrangement, monitoring, syndication, exit and directors' fees to the businesses in which the Company invests. Such charges are in line with industry practice and typically amount to between 1% and 3% of the amount of each investment plus VAT (if applicable). The Investment Manager will normally nominate one of its directors to act as a director of each company.

Annual running costs of the Company will include, inter alia, the management fees described above (excluding the performance fee), Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with the shareholders. Under the terms of the investment management agreement, the running costs of the Company which are provided for in an annual budget approved by both the Board and the Manager (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.75% of the net asset value of the Company. A running tally is kept and any excess will reduce the amount of the annual management fee for the next following financial year; in any years where there is no excess the Investment Manager is entitled to recover any prior reduced fees. See Note 22.

If the new investment management agreement referred to in Note 5 is approved by shareholders, the Investment Manager will not bear any of the Company's running costs in respect of the financial year ending 28 February 2021 or 2022; the Investment Manager may, however, no longer be entitled to be reimbursed any excess running cost contribution made by the Investment Manager in relation to any past financial year. A costs cap of 3.5% of the year's closing net asset value will be re-introduced in the Company's financial year ending on 28 February 2023 or, if earlier, in any financial year in which the Company hereafter makes an H share offer where the aggregate net offer proceeds of such H share offer increase the audited H share net asset value, calculated as at the end of that financial year, by three million pounds (£3,000,000) or more over eight million four hundred and twenty six thousand and fifty three pounds (£8,426,053), being the audited H share net asset value as at 29 February 2020.

Performance related incentive fee

In respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7p per H Share per annum, the Investment Manager will receive a performance fee equal to 19% of the net asset value per H Share in excess of £1.00. Once and for so long as cumulative dividends paid or declared equal or exceed an average of 14p per H Share per annum, the Investment Manager will receive a performance fee equal to 29% of the net asset value per H Share in excess of £1.00. That calculation will be made on a six-monthly basis, by reference to the Company's published annual report and financial statements and the Company's published half-yearly financial statements.

The performance related incentive fee arrangements in respect of the I Shares was brought to an end by the mutual agreement of the Company and the Investment Manager with effect from 31 August 2016. The Company and the Investment Manager are required to act in good faith and use all reasonable endeavours to agree alternative arrangements in relation to the I Shares. However, the new investment management agreement referred to above, if approved by shareholders, will include no performance related incentive fee arrangements in respect of the I Shares, and the Company and the Investment Manager will no longer be required to agree any alternative arrangements in relation to the I Shares.

The performance fee described above is to be paid in cash and can be assigned by the Investment Manager to some or all the investment team. There was no performance fee payable in the year.

6. Other expenses

	2020 £'000	2019 £'000
Directors' remuneration (including VAT & NI)	65	69
Company secretarial & accountancy fees	79	88
Administration fees (payable to the Investment Manager)	317	309
Audit fees – for audit services	35	46
VCT status adviser fees	9	11
Printing & stationery	29	31
Other costs	51	89
Irrecoverable VAT	115	113
	700	**756**

The Company has no employees.

7. Directors' fees

Amounts paid and payable to third parties for the services of (net of VAT):

	2020 £'000	2019 £'000
Sir Robin Miller	16.9	20.0
David Glick	7.4	15.0
Lord Flight	15.5	15.0
Terry Back	18.8	17.5
Sir Aubrey Brocklebank	5.2	-
Employers NI	1.0	1.6
	64.8	**69.1**

* David Glick retired from the Board on 28 August 2019
** Sir Aubrey Brocklebank joined the Board on 11 November 2019

No pension scheme contributions or other retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the fee-earning Directors are non-executive, the other disclosures required by the Listing Rules are not relevant.

8. Tax on ordinary activities

a) Analysis of tax charge

	2020 £'000	2019 £'000
Revenue charge	-	-
Credited to capital return	-	-
Current and total tax charge (note (b))	-	-
Total current and prior year tax	-	-

b) Factors affecting tax charge for the year

	2020 £'000	2019 £'000
Total return before tax	(5,358)	(6,717)
Total return on ordinary activities before tax multiplied by standard rate of corporation tax of 19.00% (2019: 19.00%)	(1,018)	(1,276)
Effects of:		
Add: unrealised losses	1,525	1,024
Add: non-taxable realised gains	(708)	(6)
Relieved/unrelieved capital expenses	80	108
Movement in revenue tax losses	121	150
Tax charge for year (note (a))	-	-

Tax relief relating to investment management fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a venture capital trust.

There is no potential liability to deferred tax (2019: nil). Deferred tax liabilities where material are recognised using the enacted rate of 17% (2019: 17%) as timing differences are not expected to reverse until subsequent to this change of tax rate. There is an unrecognised deferred tax asset of £968,603 (2019: £789,138) based on losses carried forward of £5,697,667 (2019: £4,641,987)

Finance Act 2016 as substantively enacted on 15 September 2016 provides that the headline rate of corporation tax for the Financial Year commencing 1 April 2017 will be 19% and that the rate from 1 April 2020 will be 17%.

9. Dividends paid and proposed

	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holders in the year	**464**	**-**

During the year ended 29 February 2020, the Directors approved interim dividends of 4.0p per H share, based on the Company's register of members at the date of declaration. The dividends were declared on 13 December 2019 and paid on 7 January 2020.

There were no dividends payable in respect of the financial year ended 28 February 2019.

The Directors do not recommend any payment of final dividends in respect of the year ended 29 February 2020.

10. Return per Share

	Revenue	Capital	2020 Total	Revenue	Capital	2019 Total
Return per H Share	(0.94)p	25.36p	24.42p	(1.31)p	(8.22)p	(9.53)p
Return per I Share	(0.72)p	(10.48)p	(11.20)p	(0.88)p	(6.81)p	(7.69)p

Basic revenue return per H Share is based on the net loss after taxation of £109k (2019: loss of £150k) and on 11,592,430 (2019: 11,489,599) H Shares, being the weighted average number of H Shares* in issue during the period from 1 March 2019 to 29 February 2020. Basic capital return per H Share is based on the net capital loss after taxation of £2,940k (2019: £945k) and on 11,592,430 (2019: 11,489,599) H Shares, being the weighted average number of H Shares* in issue during the period from 1 March 2019 to 29 February 2020. The total return per H Share is based on the net loss after taxation of £2,831k (2019: loss of £1,095k) and on 11,592,430 (2019: 11,489,599) H Shares, being the basic revenue return per share plus capital return per share. During the year ended 29 February 2020, no H Shares were issued and thus the weighted average number of shares for the year ended 29 February 2020 represents the total number of shares issued as at 29 February 2020.

Basic revenue return per I Share is based on the net loss after taxation of £525k (2019: loss of £641k) and on 73,103,650 (2019: 73,103,650) I Shares, being the weighted average number of I Shares* in issue during the period from 1 March 2019 to 29 February 2020. Basic capital return per I Share is based on the net capital loss after taxation of £7,664k (2019: £4,981k) and on 73,103,650 (2019: 73,103,650) I Shares, being the weighted average number of I Shares in issue during the period from 1 March 2019 to 29 February 2020. The total return per I Share is based on the net loss after taxation of £8,189 (2019: £5,622k) and on 73,103,650 (2019: 73,103,650) I Shares, being the basic revenue return per share plus capital return per share. During the year ended 29 February 2020, no I Shares were issued and thus the weighted average number of shares for the year ended 29 February 2020 represents the total number of shares issued as at 29 February 2020.

* The weighted average number of shares is the number of shares at the beginning of the period, adjusted by the number of shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

11. Investments

Movements in investments during the year are summarised as follows:

	Venture capital Level 1 - quoted £'000	Venture capital Level 3 - unquoted £'000	Venture Capital Total £'000
Book cost at 28 February 2019	1,270	34,140	35,410
Unrealised losses and accrued interest at 28 February 2019	(443)	(4,812)	(5,255)
Valuation at 28 February 2019	827	29,328	30,155
Movements in the year:			
- Purchases at cost	-	3,050	3,050
- Disposals – proceeds	-	(4,726)	(4,726)
- Net realised gains*	-	-	-
- Accrued interest	-	185	185
Movement in unrealised gains/(losses)*	(87)	(4,214)	(4,301)
Valuation at 29 February 2020	**740**	**23,623**	**24,363**
Comprising:			
- Book cost at 29 February 2020	1,270	23,316	24,586
- Unrealised losses and accrued interest at 29 February 2020	(530)	307	(223)
Valuation at 29 February 2020	**740**	**23,623**	**24,363**

During the year, the following disposals of loans and unquoted shares were considered material. This generated cash and share proceeds of £4.7 million.

11. Investments (continued)

	Cost (Unquoted shares) £'000	Carrying value at 1 March 2019 £'000	Net disposal proceeds £'000	Realised gain/(loss) £'000
deltaDNA Limited	1,000	1,484	4,726	-
Intent HQ Limited	13,527	-	-	-
Lean Forward Limited	500	-	-	-

During the year, the following changes in valuation of unquoted shares were considered material:

	Carrying value at 1 March 2019 £'000	(Decrease)/ Increase in valuation £'000	Carrying value at 29February 2020 £'000
Coolabi Group Limited	27,224	(7,562)	19,662
Mirriad Advertising plc	260	(87)	173
Newsflare Limited	259	120	379
Jungle Creations Limited	180	177	357

Movements in investments during the year ended 29 February 2019 are summarised as follows:

	Venture capital Level 1 - quoted £'000	Venture capital Level 3 - unquoted £'000	Venture Capital Total £'000
Book cost at 28 February 2018	1,020	38,080	39,100
Unrealised gains, capitalised interest and accrued interest at 28 February 2018	527	(1,032)	(505)
Valuation at 28 February 2018	1,547	37,048	38,595
Movements in the year:			
- Purchases at cost	250	361	611
- Disposals – proceeds	-	(3,801)	(3,801)
- Net realised gains*	-	28	28
- Accrued interest	-	147	147
- Accrued interest repaid	-	(35)	(35)
Movement in unrealised gains/(losses)*	(970)	(4,420)	(5,390)
Valuation at 28 February 2019	**827**	**29,328**	**30,155**
Comprising:			
- Book cost at 28 February 2019	1,270	34,140	35,410
- Unrealised gains and accrued interest at 28 February 2019	(443)	(4,812)	(5,255)
Valuation at 28 February 2019	**827**	**29,328**	**30,155**

* Reconciliation of losses on valuation of investments at fair value through profit or loss:

	2020 £'000	2019 £'000
Net realised gains/(losses)	-	28
Net unrealised (losses)/gains	(4,301)	(5,390)
	(4,301)	**(5,362)**

During the year, the Company incurred disposal transaction costs of £nil (2019: £nil). The Company also incurred acquisition transaction costs of £nil (2019: £nil).

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using the following three level fair value measurement hierarchy:

Quoted market prices in active markets – "Level 1"

Level 1: quoted prices in active markets for identical assets that the entity can access at the measurement date. A quoted marked price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure the fair value.

A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the current bid price. These instruments are included in level 1 and are classified as held at fair value through profit or loss.

Valued using models with observable market parameters – "Level 2"

Level 2: inputs other than quoted market prices included within level 1 that are observable, either directly or indirectly. Where quoted prices are not available, the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place, is used to determine the fair value. The Company holds no such investments.

Valued using models unobservable market parameters – "Level 3"

Level 3: unobservable inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available. Fair values are not traded in an active market and the fair value is determined by using valuation techniques such as recent third-party transactions, revenue multiples or earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The majority if the Company's fixed asset investments fall into this category.

There have been no transfers between these classifications in the current or comparative year. The change in fair value for the current and previous year is recognised through the statement of comprehensive income.

12. Significant interests

As at 29 February 2020, the Company held significant investments, amounting to 3% or more of the equity capital, in the following companies:

Company	Equity investment at cost (ordinary shares) £	Equity investment at cost (preference shares) £	of investee company's total equity, (voting rights) %
Coolabi Group Limited	5,881,663	8,107,349	49.99
Handmade Mobile Entertainment Limited	600,000	1,400,000	13.10

13. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Prepayments and other debtors	641	20
	641	**20**

14. Creditors: Amounts Falling Due Within One Year

	2020 £'000	2019 £'000
Other creditors and accruals	100	90
	100	**90**

15. Called-up Share Capital

Allotted, called-up and fully paid:

	Number of shares		
As at 29 February 2020:	H Shares	I Shares	Total Shares
Brought forward	11,592,430	73,103,650	84,696,080
Ordinary shares issued in the year	-	-	-
Carried forward	11,592,430	73,103,650	84,696,080

	Nominal value £'000		
As at 29 February 2020:	H Shares	I Shares	Total Shares
Brought forward	1,159	7,311	8,470
Ordinary shares issued in the year	-	-	-
Carried forward	1,159	7,311	8,470

	Number of shares		
As at 28 February 2019:	H Shares	I Shares	Total Shares
Brought forward	10,522,984	73,103,650	83,626,634
Ordinary shares issued in the year	1,069,446	-	1,069,446
Carried forward	11,592,430	73,103,650	84,696,080

On 5 April 2018 the Company allotted and issued 1,069,446 New H Shares of 10p each in the capital of the Company ("New H Shares"). The New H Shares were issued and allotted based on offer prices ranging from 59.80p to 62.94p per New H Share.

All issued shares have a nominal value of 10p each. At the balance sheet date, 11,000 I shares remained allotted, called-up and unpaid at a value of £11,000.

As at 28 February 2019:	H Shares	Nominal value £'000 I Shares	Total Shares
Brought forward	1,052	7,311	8,363
Ordinary shares issued in the year	107	-	107
Carried forward	1,159	7,311	8,470

16. Net asset value per Share

The net asset values per Share at the year end were as follows:

	2020 Net asset values attributable			2019 Net asset values attributable		
	Net assets	Net assets per Share	Net asset total return per share	Net assets	Net assets per share	Net asset total return per share
H Shares	£8.4m	72.69p	90.69p	£6.1m	52.27p	66.27p
I Shares	£20.1m	27.47p	62.47p	£28.3 m	38.67p	73.67p

Net asset value per Share is based on net assets at the year end and on the number of shares in each class in issue at the year end, as shown in note 10.

Net asset value per H Share is based on the total net assets of £8,425,052 (2019: £6,058,090) and on 11,592,430 (2019: 11,592,430) H Shares being the total number of H Shares in issue at 29 February 2020.

Net asset value per I Share is based on the total net assets of £20,082,043 (2019: £28,269,433) and on 73,103,650 (2019: 73,103,650) I Shares being the total number of I Shares in issue at 29 February 2020.

Net asset value total return per Share is based on the net asset value per Share plus total dividends paid per share to date.

Net asset value total return per H Share is based on the net asset value per share of 72.69p (2019: 52.27p) plus total dividends per H share paid to date of 18p (2019: 14p).

Net asset value total return per I Share is based on the net asset value per share of 27.47p (2019: 38.67p) plus total dividends per I share paid to date of 35p (2019: 35p).

17. Financial instruments

The Company's principal financial instruments comprise:

- Equity and loan stock
- Cash balances and liquid resources

Investments are made in a combination of equity and loans. Surplus funds are held in a mix of current accounts and interest-bearing deposit accounts. It is not the Company's policy to trade in financial instruments or derivatives.

Fixed asset investments are valued at fair value as detailed in note 3a.

The Company held the following categories of financial instruments at 29 February 2020:

	2020 (Cost) £'000	2020 (Fair value) £'000	2019 (Cost) £'000	2019 (Fair value) £'000
Assets at fair value through profit or loss	24,586	24,363	35,410	30,155
Cash and cash equivalents	3,603	3,603	4,244	4,244
Totals	**28,189**	**27,966**	**39,654**	**34,399**

17. Financial instruments (continued)

Unquoted investments account for 97% of the investment portfolio (2019: 97%). Quoted investments account for 3% of the investment portfolio (2019: 3%). The investment portfolio has a 100% concentration of risk towards small UK-based, sterling denominated companies and represents 86% (2019: 88%) of net assets at the year end.

Current asset investments are interest-bearing deposits which represent 12.6% (2019: 12.4%) of net assets at the year end.

The main risks arising from the Company's financial instruments are credit risk, market price risk, interest rate risk and liquidity risk. All assets and liabilities are denominated in sterling; hence there is no currency risk.

Credit risk

Credit risk is the risk that a counterparty will default on its obligation, resulting to a financial loss to the Company. The Investment Manager monitors credit risk on an ongoing basis. The carrying amounts of financial assets represent the maximum credit risk exposure at the balance sheet date.

At 29 February 2020, the Company's financial assets exposed to credit risk amounted to the following:

	2020 £'000	2019 £'000
Investments in fixed rate instruments	-	-
Investments in floating rate instruments	11,775	11,775
Interest-bearing deposits	3,601	1,707
Cash at bank	2	2,537
Interest, dividends and other receivables	641	20

Credit risk on unquoted loan stock held within unlisted investments are considered in conjunction with the associated equity investment in the portfolio and considered to be part of market price risk as disclosed later in this note. It is estimated that if 10% of the Company's interest income for the year were not received, this would decrease the loss before tax for the year of £5.36 million to a loss before tax for the year of £5.37 million.

The cash at bank and interest-bearing deposits held by the Company are managed by Coutts & Co. The Board monitors the Company's risk by reviewing the internal control reports of this bank. Should the credit quality or the financial position of the bank deteriorate significantly, the Investment Manager will seek to move the cash holdings to another bank.

At 29 February 2020, all loans were held at fair value. No loan is past its repayment date; nor is any interest past its payment date.

Market price risk

The Board manages the market risk inherent in the Company's portfolio by maintaining an appropriate spread of market risk and by ensuring full and timely access to relevant information from the Investment Manager. The Board reviews investment performance and financial results, as well as compliance with the Company's investment objectives. The Board also seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities which are sufficient to meet any funding commitments which may arise. The Company does not use derivative instruments to hedge against market risk.

The equity and fixed interest stocks of the Company's unquoted investee companies are very seldom traded and, as such, their prices are more uncertain than those of more frequently traded stocks. It is estimated that a 10% fall in the carrying value of the Company's unquoted investments would increase the loss before tax for the year by £2.4 million and reduce the Company's net assets by the same amount.

Interest rate risk

Some of the Company's financial assets are interest-bearing, some of which are at fixed rates and some at variable rates. As a result, the Company is exposed to interest rate risk due to fluctuations in prevailing levels of market interest rates. The Board seeks to mitigate this risk through regular monitoring of the Company's interest-bearing investments. The Company does not use derivative instruments to hedge against interest rate risk. However, the effect of those interest rate changes is not materially significant.

Fixed rate

Due to the complexity of the instruments and the uncertainty surrounding time of realisation, the weighted average time for which the rate is fixed has not been calculated.

		2020 Weighted average		2019 Weighted average
	£000	interest rate	£000	interest rate
Loan stock	-	-	-	-

Floating rate

The Company holds the majority of its cash balances in interest-bearing deposit accounts. The benchmark rate which determines the interest payments received on interest-bearing cash and cash equivalent balances is the bank base rate which was 0.75% at 29 February 2020 (2019: 0.75%).

	2020 £'000	2019 £'000
Short term loans and security deposits	2,268	2,268
Loan notes	1,400	1,400
Preference shares	8,107	8,107
Interest-bearing deposits	3,601	1,707
Cash at bank	2	2,537

The weighted average interest rate applied during the year was 3.3% (2019: 3.1%).

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies which the Company holds are not traded and thus are not readily realisable. At times, the Company may be unable to realise its investments at their carrying values because of an absence of willing buyers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. To counter such liquidity risk, sufficient cash and money market funds are held to meet running costs and other commitments. The Company invests its surplus funds in high quality interest-bearing deposits which are all accessible on an immediate basis.

It is estimated that should the Company have to sell 10% of its investments at only 90% of their carrying values in order to find a buyer, additional losses totalling £240k would have to be recognised. Had this happened during the year to 29 February 2020, the loss before tax for the year of £5.36 million would have increased to a loss before tax for the year of £5.6 million. Liquidity risk is mitigated by the Company's intention to complete its investment strategy and sell investments at planned intervals rather than as a matter of necessity.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, satisfy the relevant HMRC requirements and provide at least adequate returns for shareholders.

As a VCT, the Company must have, within three years of raising its capital, and must thereafter continue to have, at least 80% by value of its investments in VCT-qualifying holdings which are a relatively high-risk asset class of small UK companies. In satisfying this requirement, the Company's capital management scope is restricted. Subject to this restriction and to any further restrictions imposed by VCT rules, the Company may adjust dividends, return capital to shareholders, issue new Shares or sell assets to maintain the level of liquidity to remain a going concern.

18. Post Balance Sheet Events

The Directors have considered the effect on the Company's activities of the Covid-19 outbreak, which has been spreading throughout the world since early 2020. The outbreak is likely to cause some disruption to the Company's business due to the impact it will have on the activities of its portfolio companies. An unaudited updated valuation of the portfolio was conducted as at 31 March 2020 and announced to the market by RNS on 21 April 2020. This indicated the net asset value of the H share class was £7,685k (29 February 2020: £8,426k) and the I share class £20,006k (29 February 2020: £20,081k). The Board continues to monitor the position.

On 13 May 2020, the Company and the Investment Manager concluded a new investment management agreement referred to in Note 5, which is subject to the approval of the shareholders at the general meeting to be held on 28 August 2020. If approved, that new investment management agreement will replace the 2013 investment management agreement with effect from 13 May 2020, and the Investment Manager's appointment will continue until the Company's first accounting reference date (i.e. its year-end date) falling at least 12 months following service by either the Company or the Investment Manager of notice of termination of the appointment.

19. Geographical Analysis

The operations of the Company are wholly in the United Kingdom.

20. Contingencies, Guarantees and Financial Commitments

Under the terms of the 2013 investment management agreement, the running costs of the Company which are provided for in an annual budget approved by both the Board and the Manager (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.75% of the net asset value of the Company. A running tally is kept and any excess will reduce the amount of the annual management fee for the next following financial year; in any years where there is no excess the Investment Manager is entitled to recover any prior reduced fees. The excess incurred during the year ended 29 February 2020 of £65,000 will be paid to the Company by the Investment Manager. Following the excess payment of £65,000, the aggregate amount of the prior reduced fees the Investment Manager is entitled to recover in any years where there is no excess will be £207,000.

If the new investment management agreement referred to in Note 5 is approved by shareholders, the Investment Manager may not bear any of the Company's running costs in respect of the financial year ending 28 February 2021 or 2022; the Investment Manager will, however, no longer be entitled to be reimbursed any excess running cost contribution made by the Investment Manager in relation to any past financial year. A costs cap of 3.5% of the year's closing net asset value will be re-introduced in the Company's financial year ending on 28 February 2023 or, if earlier, in any financial year in which the Company hereafter makes an H share offer where the aggregate net offer proceeds of such H share offer increase the audited H share net asset value, calculated as at the end of that financial year, by three million pounds (£3,000,000) or more over eight million four hundred and twenty six thousand and fifty three pounds (£8,426,053), being the audited H share net asset value as at 29 February 2020.

There were no other contingencies or guarantees as at 29 February 2020.

21. Capital Commitments

The Company had not entered into any capital commitments at year end.

22. Transactions with the Investment Manager and related parties

During the year ended 29 February 2020, the Company incurred investment management and administration fees of £878,294 (2019: £1,061,956) (exclusive of VAT) payable to the Investment Manager, as a related party. This sum comprised:

- investment management fees of £561,664 (2019: £752,989), after a rebate of £69,358.
- administration fees of £316,630 (2019: £308,967).

The total expense ratio, calculated as the year's expenses (as disclosed in the statement of comprehensive income and accounting, save for the exclusions noted below) divided by the closing net asset value for the year, was 3.98% (2019: 3.95%). Under the terms of the 2013 investment management agreement, the running costs of the Company which are provided for in an annual budget approved by both the Board and the Manager (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.75% of the net asset value of the Company. A running tally is kept and any excess will reduce the amount of the annual management fee for the next following financial year; in any years where there is no excess the Investment Manager is entitled to recover any prior reduced fees. For these purposes, annual running costs of the Company include, amongst other things, the annual management fees described above, the administrative services fee described above, Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with shareholders, but exclude irrecoverable VAT, trail commission payable to financial intermediaries, the Investment Manager's performance fee described above and the cost of significant corporate activity. The excess incurred during the year ended 29 February 2020 of £65,000 will be paid to the Company by the Investment Manager. Following the excess payment of £65,000, the aggregate amount of the prior reduced fees the Investment Manager is entitled to recover in any years where there is no excess will be £207,000.

If the new investment management agreement referred to in Note 5 is approved by shareholders, the Investment Manager may not bear any of the Company's running costs in respect of the financial year ending 28 February 2021 or 2022; the Investment Manager will, however, no longer be entitled to be reimbursed any excess running cost contribution made by the Investment Manager in relation to any past financial year. A costs cap of 3.5% of the year's closing net asset value will be re-introduced in the Company's financial year ending on 28 February 2023 or, if earlier, in any financial year in which the Company hereafter makes an H share offer where the aggregate net offer proceeds of such H share offer increase the audited H share net asset value, calculated as at the end of that financial year, by three million pounds (£3,000,000) or more over eight million four hundred and twenty six thousand and fifty three pounds (£8,426,053), being the audited H share net asset value as at 29 February 2020.

Details of the Investment Manager's fee arrangements are given in note 5.

During the year, the Investment Manager also derived the following benefits from its relationship with the Company;

- Investee company arrangement and consulting fees of £nil (2019: £6,300)
- Investee company director and monitoring fees of £97,172 (2019: £101,500)

During the year ended 29 February 2020, the Company incurred remuneration of £64,842 (2019: £69,187) (exclusive of VAT) payable to the Directors, as a related party. This sum comprised:

	2020 £'000	2019 £'000
Sir Robin Miller	16.9	20.0
David Glick*	7.4	15.0
Sir Aubrey Brocklebank**	5.2	-
Lord Flight	15.5	15.0
Terry Back	18.8	17.5
Employers NI	1.0	1.6
	64.8	**69.1**

* David Glick retired from the Board on 28 August 2019

** Sir Aubrey Brocklebank joined the Board on 11 November 2019

No pension scheme contributions or other retirement benefit contributions were paid. There are no share option contracts held by the Directors.

Notice of the Annual General Meeting

Notices of the Company's 2020 annual general meeting and class meetings are set out on pages 60 to 66 of this report. The resolutions to be put to the meetings are important.

It is the Board's opinion that all resolutions are in the best interests of shareholders as a whole and the Board recommends that shareholders should vote in favour of all resolutions. Any shareholder who is in any doubt as to what action to take should consult an appropriate independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your H or I Shares in the Company, please forward this document, together with the forms of proxy, to the purchaser, transferee, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

2020 Annual General Meeting

The Company's fourteenth annual general meeting will be held at 10.10 am on 28 August 2020 at the offices of Howard Kennedy LLP, No. 1 London Bridge, London SE1 9BG. Notice of the meeting is set out on pages 60 to 62 of this report.

Due to Government restrictions on meetings, attendance at the Annual General Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors. To minimise this impact Shareholders should vote by proxy, and where possible, vote by proxy online.

The business of the meeting is outlined below.

Resolution 1 - Annual report and financial statements

The Directors are required to present to the annual general meeting the annual report and financial statements for the financial year ended 29 February 2020.

Resolution 2 - Directors' Remuneration Report

Under The Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendments) Regulations 2013, the Company is required to produce a Directors' Remuneration Report for each relevant financial year and to obtain shareholder approval for that report at the annual general meeting. The Directors' remuneration report is on pages 23 to 25 of the annual report for the year ended 29 February 2020.

Resolution 3 – Directors' Remuneration Policy

This resolution proposes the approval of the Directors' remuneration policy, as set out on page 23 of the annual report for the year ended 29 February 2020.

Resolution 4 - Re-election of Sir Robin Miller

Sir Robin Miller retires as a Director in accordance with the UK Code and, being eligible, offers himself for re-election as a Director.

Resolution 5 – Re-Election of Terry Back

Terry Back retires as a Director in accordance with the UK Code and, being eligible, offers himself for re-election as a Director.

Resolution 6 – Election of Sir Aubrey Brocklebank

Sir Aubrey Brocklebank, who was appointed as a Director in November 2019, offers himself for election as a Director in accordance with article 94 of the Company's articles of association

Resolution 7 – Election of Robin Goodfellow

Robin Goodfellow, who will be appointed as a Director on 31 July 2020, offers himself for election as a Director in accordance with article 94 of the Company's articles of association

Resolution 8 - Re-appointment of the auditor

The Company is required to re-appoint an auditor at each annual general meeting of the Company, to hold office until the next general meeting of the Company at which accounts are presented to the shareholders. This resolution proposes that the Company's current auditor, UHY Hacker Young, be reappointed as the auditor of the Company.

Resolution 9 - Remuneration of the auditor

This resolution proposes that the Directors be authorised to set the auditor's remuneration.

Resolution 10 - Renewal of Directors' authority to allot Shares

By virtue of section 551 of the Companies Act 2006, the Directors require the authority of the shareholders of the Company to allot Shares in the Company. This resolution authorises the Directors to make allotments of additional Shares with a total nominal value of no more than 10% of the existing issued share capital of the Company. The Directors have no present intention of exercising the authority given by this resolution. This authority will be effective until the later of (1) the date of the Company's 2021 annual general meeting, and (2) 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 11 - Disapplication of pre-emption rights

Resolution 11, which will be proposed as a special resolution, supplements the Directors' authority to allot Shares in the Company given to them by resolution 10, by renewing their authority to disapply pre-emption rights in respect of their authority to allot Shares up to a total nominal value of no more than 10% of the existing issued share capital of the Company. This authority will be effective until the later of the date of (1) the Company's 2021 annual general meeting, and (2) 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 12 - Purchase of Shares by the Company

Resolution 12, which will be proposed as a special resolution, authorises the Company for the purpose of section 701 of the Companies Act 2006 to make market purchases of H and I Shares provided that:

i. such authority is limited to the purchase of 14.99% of the issued H Share capital and 14.99% of the I Share capital, in each case as immediately prior to the passing of this resolution;

ii. the maximum price (exclusive of expenses) which may be paid for such H or I Shares shall be the higher of:

   a) an amount equal to 105% of the average of the middle market quotations for such class of the Company's Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

   b) the value of such class of the Company's Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's Shares on the trading venue where the purchase is carried out;

iii. the Company may make a contract to purchase its own H or I Shares under this

authority prior to the expiry of this authority, and the Company may make a purchase of its own H or I Shares in pursuance of any such contract; and this power, unless previously varied, revoked or renewed shall come to an end at the later of (1) the date of the Company's 2021 annual general meeting, and (2) 15 months after the date on which this resolution is passed.

Class Meetings

Separate class meetings of holders of H and I Shares will also be held on 28 August 2020, where the relevant resolutions referred to above will be proposed.

Notice of Annual General Meeting

Due to Government restrictions on meetings, attendance at the Annual General Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors. To minimise this impact Shareholders should vote by proxy, and where possible, vote by proxy online.

Notice is hereby given that the fourteenth annual general meeting of the Company will be held at 10.10 am on 28 August 2020 at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG for the purpose of considering and, if thought fit, passing the following resolutions (of which resolutions 1 to 10, inclusive, will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions).

ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' and the independent auditor's reports and the Company's financial statements for the year ended 29 February 2020.
2. To approve the Directors' Remuneration Report for the year ended 29 February 2020.
3. To approve the Directors' Remuneration Policy.
4. To re-elect Sir Robin Miller who is retiring in accordance with the UK Code and who, being eligible, offers himself for re-election as a Director of the Company.
5. To re-elect Terry Back who is retiring in accordance with the UK Code and who, being eligible, offers himself for re-election as a Director of the Company.
6. To elect Sir Aubrey Brocklebank who is subject to election by shareholders as this is the first AGM since his appointment as a Director of the Company.
7. To elect Robin Goodfellow who is subject to election by shareholders as this is the first AGM since his appointment as a Director of the Company.
8. To appoint UHY Hacker Young as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
9. To authorise the Directors of the Company to fix the remuneration of the auditor.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, to pass the following resolutions, resolution 10 as an ordinary resolution and resolutions 11 and 12 as special resolutions of the Company:

10. (i) That the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company, up to an aggregate nominal value equal to 10% of the nominal value of the issued ordinary share capital of the Company as at the date of this resolution, during the period commencing on the passing of this resolution and expiring on the later of: (1) the date of the annual general meeting of the Company to be held in 2021, and (2) the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting) but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require relevant securities to be allotted after such expiry; and

    (ii) That all previous authorities given to the Directors of the Company in accordance with section 551 of the Act be and are hereby revoked, provided that such revocation shall not have retrospective effect.

SPECIAL RESOLUTIONS

11. That the Directors of the Company be and are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given pursuant to resolution 8 set out in this notice of annual general meeting as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2020, and (2) the date which is 15 months after the date on which this resolution is passed and provided further that this power shall be limited to the allotment of equity securities from time to time with an aggregate nominal value equal to 10% of the nominal value of the issued ordinary share capital of the Company as at the date of this resolution.
12. That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of H Shares and I Shares of 10p each in the capital of the Company (respectively, "H Shares" and "I Shares"), provided that:
    - (i) such authority is limited to the purchase of 14.99 per cent of the issued H Share capital, and 14.99 per cent of the issued I Share capital, in each case as at the date of this resolution;
    - (ii) the minimum price (excluding expenses) which may be paid for such H or I Shares is 10p per share, the nominal amount of each such share;
    - (iii) the maximum price (excluding expenses) which may be paid for such H or I Shares shall be the higher of:
        - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and
        - (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
    - (iv) the Company may make a contract or contracts to purchase its own H or I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own H or I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

    The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2021, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

Dated: 28 July 2020

Registered Office:

1 Marylebone High Street
London W1U 4LZ

Notes:

1. Due to Government restrictions on meetings, attendance at the Annual General Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors. To minimise this impact, the Board actively encourages Shareholders to vote by proxy, and where possible, to vote by proxy online. Only those Shareholders registered on the Company's register of members at close of business on 26 August 2020, or, if the Annual General Meeting is adjourned, at close of business two days (excluding non-working days) prior to the date set for the adjourned Annual General Meeting, shall be entitled to vote at the Annual General Meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
3. If you are a shareholder of the Company at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH
5. To appoint a proxy, you must:
   - send a completed hard copy of the form of proxy to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH; or
   - appoint a proxy electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed; or
   - send a legible scan of the completed hard copy of the form of proxy to proxies@city.uk.com. For a proxy appointment to be valid, the hard copy, e-mailed scan or electronic appointment, as applicable, must be received as above, by no later than 10.10am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
   - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
   - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@city.uk.com; or
   - by amending or deleting your proxy vote electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed

   In either case, the revocation notice must be received as above by no later than 10.10 am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
8. As at the date of this notice (28 July 2020), the Company's issued share capital comprises 11,592,430 H Shares and 73,103,650 I Shares. Each H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice (28 July 2020) is 84,696,080.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
   - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   - the answer has already been given on a website in the form of an answer to a question; or
   - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
    - by e-mail to info@edge.uk.com; or
    - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
    - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.
12. Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours on any working day (Saturdays, Sundays and public holidays excluded) from the date of this notice, until the end of this meeting, and at the place of this meeting for at least 15 minutes prior to and during this meeting:
    - the Directors' and the independent auditor's reports and the Company's financial statements for the year ended 29 February 2020 (resolution 1); and
    - the Directors' Remuneration Report (resolution 2);
    - the Directors' letters of appointment and the register of directors' interests in the shares of the Company (resolutions 4 to 7).
13. Information about the Directors who are proposed for re-election at this meeting is shown in the Company's annual report and financial statements for the year ended 29 February 2020 (resolutions 3 to 5).

Notice of Class Meeting of Holders of H Shares

Due to Government restrictions on meetings, attendance at the H Share Class Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors or employees of the Investment Manager. To minimise this impact Shareholders should vote by proxy, and where possible, vote by proxy online.

Notice is hereby given that a class meeting of the holders of H shares of 10 pence each in the capital of the Company ("H Shares") will be held at 10.20 am on 28 August 2020 (or as soon thereafter as the annual general meeting convened for the same date shall have concluded or been adjourned) at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG for the purpose of considering and, if thought fit, passing the following resolution which is proposed as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of H Shares and of I shares of 10 pence each in the capital of the Company ("I Shares"), provided that:

(i) such authority is limited to the purchase of 14.99 per cent of the issued H Share capital, and 14.99 per cent of the issued I Share capital, in each case as at the date of this resolution;

(ii) the minimum price (excluding expenses) which may be paid for such H or I Shares is 10p per share, the nominal amount of each such share;

(iii) the maximum price (excluding expenses) which may be paid for such H or I Shares shall be the higher of:

(a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

(b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and

(iv) the Company may make a contract or contracts to purchase its own H or I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own H or I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of (1) the date of the annual general meeting of the Company to be held in 2021, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

Dated: 28 July 2020

Registered Office:

1 Marylebone High Street
London W1U 4LZ

Notes:

1. Due to Government restrictions on meetings, attendance at the H Share Class Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors or employees of the Investment Manager. To minimise this impact, the Board actively encourages Shareholders to vote by proxy, and where possible, to vote by proxy online. Only those Shareholders registered on the Company's register of members as holders of H Shares at close of business on 26 August 2020, or, if the H Share Class Meeting is adjourned, at close of business two days (excluding non-working days) prior to the date set for the adjourned H Share Class Meeting, shall be entitled to vote at the H Share Class Meeting General Meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
3. If you are a holder of H Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.
5. To appoint a proxy, you must:
   - send a completed hard copy of the form of proxy to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH; or
   - appoint a proxy electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed; or
   - send a legible scan of the completed hard copy of the form of proxy to proxies@city.uk.com. For a proxy appointment to be valid, the hard copy, e-mailed scan or electronic appointment, as applicable, must be received as above, by no later than 10.20am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
   - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
   - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@city.uk.com; or
   - by amending or deleting your proxy vote electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed

   In either case, the revocation notice must be received as above by no later than 10.20am am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
8. As at the date of this notice (28 July 2020), the Company has issued 11,592,430 H Shares. Each H Share carries the right to one vote at a class meeting of the holders of H Shares and, therefore, the total number of voting rights in the class of holders of H Shares as at the date of this notice (28 July 2020) is 11,592,430.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
   - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   - the answer has already been given on a website in the form of an answer to a question; or
   - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
    - by e-mail to info@edge.uk.com; or
    - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
    - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

Notice of Class Meeting of Holders of I Shares

Due to Government restrictions on meetings, attendance at the I Share Class Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors. To minimise this impact Shareholders should vote by proxy, and where possible, vote by proxy online.

Notice is hereby given that a class meeting of the holders of I shares of 10 pence each in the capital of the Company ("I Shares") will be held at 10.25 am on 28 August 2020 (or as soon thereafter as the class meeting of the holders of H shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG for the purpose of considering and, if thought fit, passing the following resolution which is proposed as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of H shares of 10 pence each in the capital of the Company ("H Shares") and I Shares, provided that:

(i) such authority is limited to the purchase of 14.99 per cent of the issued H Share capital, and 14.99 per cent of the issued I Share capital, in each case as at the date of this resolution;

(ii) the minimum price (excluding expenses) which may be paid for such H or I Shares is 10p per share, the nominal amount of each such share;

(iii) the maximum price (excluding expenses) which may be paid for such H or I Shares shall be the higher of:

   (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

   (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and

(iv) the Company may make a contract or contracts to purchase its own H or I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own H or I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2021, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

Dated: 28 July 2020

Registered Office:

1 Marylebone High Street
London W1U 4LZ

Notes:

1. Due to Government restrictions on meetings, attendance at the I Share Class Meeting will be limited to the minimum quorum required being present which will be made up of Shareholders who are Directors. To minimise this impact, the Board actively encourages Shareholders to vote by proxy, and where possible, to vote by proxy online. Only those Shareholders registered on the Company's register of members as holders of I Shares at close of business on 26 August 2020, or, if the I Share Class Meeting is adjourned, at close of business two days (excluding non-working days) prior to the date set for the adjourned I Share Class Meeting, shall be entitled to vote at the I Share Class Meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
3. If you are a holder of I Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.
5. To appoint a proxy, you must:
    - send a completed hard copy of the form of proxy to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH; or
    - appoint a proxy electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed; or
    - send a legible scan of the completed hard copy of the form of proxy to proxies@city.uk.com. For a proxy appointment to be valid, the hard copy, e-mailed scan or electronic appointment, as applicable, must be received as above, by no later than 10.25am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
    - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
    - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@city.uk.com; or
    - by amending or deleting your proxy vote electronically via the registrar's on-line Proxy Voting App at https://proxy-edge.cpip.io. You will need your City Investor Number (CIN) and your Access Code which are shown on the attendance card(s) enclosed

    In either case, the revocation notice must be received as above by no later than 10.25 am on 26 August 2020, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
8. As at the date of this notice (28 July 2020), the Company has issued 73,103,650 I Shares. Each I Share carries the right to one vote at a class meeting of the holders of I Shares and, therefore, the total number of voting rights in the class of holders of I Shares as at the date of this notice (28 July 2020) is 73,103,650.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
    - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    - the answer has already been given on a website in the form of an answer to a question; or
    - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
    - by e-mail to info@edge.uk.com; or
    - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
    - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

Corporate Information

Directors

Terry Back (Chairman)
Sir Robin Miller
Lord Flight
Sir Aubrey Brocklebank

all of

1 Marylebone High Street
London W1U 4LZ

which is the registered
office of the Company

Investment Manager

Edge Investments Limited
1 Marylebone High Street
London W1U 4LZ

(authorised and regulated by the Financial Conduct Authority; firm reference number 455446)

Company Secretary

The City Partnership (UK) Limited
110 George Street
Edinburgh EH2 4LH

Taxation advisers

Philip Hare & Associates LLP
4-6 Staple Inn
High Holborn
London WC1V 7QH

Auditor

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Registrar

The City Partnership (UK) Limited
110 George Street
Edinburgh EH2 4LH

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

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