EDGE

PERFORMANCE VCT

EDGE PERFORMANCE VCT PUBLIC LIMITED COMPANY

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

Edge Performance VCT Public Limited Company
Incorporated in England and Wales
with registration number 05558025

Contents

2022

Year ended 28 February	2022* Total
Net assets £'000	25,207
Net asset value per Share, pence	217.38
Net asset value total return per Share, pence**	259.38
Investment income £'000	2
Return before tax £'000	
– Revenue	(433)
– Capital	12,173
– Total	11,740
Return per Share, pence* **	
– Revenue	(3.73)
– Capital	105.00
– Total	101.27

	H Shares	Previous I Shares
Dividend per Share paid or declared/recommended in respect of the year, pence		
– Revenue	–	–
– Capital	–(1)	3.39(1)
– Total	–(1)	3.39

Share price at end of year, pence	127.50

* At the year end there was only one class of share being the H Shares.

** Net asset value per share plus dividends paid per share to date (see note 17 on page 48).

*** Return for the year divided by the weighted average number of shares during the year (see note 10 on page 44).

(1) An interim dividend of 35 pence per share was paid to the H Shareholders on 6 May 2022, as detailed in note 19 on page 51 in respect of the year ended 28 February 2023. A dividend of 3.39 pence per share was paid to I Shareholders on 6 December 2021.

The summary above represents the Company's Key Performance Indicators for the year.

2021

Year ended 28 February	Restated* 2021 Total
Net assets £'000	24,476
Net asset value per Share, pence	211.08
Net asset value total return per Share, pence**	233.08
Investment income £'000	235

Return before tax £'000	
– Revenue	(606)
– Capital	(2,950)
– Total	(3,556)

Return per Share, pence***	
– Revenue	(5.23)
– Capital	(25.44)
– Total	(30.67)

Dividend per Share paid or declared/recommended in respect of the year, pence	H Shares	Previous I Shares
– Capital	24.0(1)	8.5(1)
– Total	24.0	8.5

Share price at end of year, pence – H Shares only	112.5

* The figures for 2021 have been restated to reflect the share conversion of the I Shares into H Shares on 16 December 2021, as detailed in notes 15 and 17. There is now only one class of share being the H Shares.

** Net asset value per share plus total dividends paid per share to date (see note 17 on page 48).

*** Return for the year over the weighted average number of shares (see note 10 on page 44).

(1) Reflects (a) the interim dividend of 4.0p declared on 26 November 2020, paid on 18 December 2020 to H shareholders as shown in the Company's register of members as at 4 December 2020; (b) the interim dividend of 20.0p declared on 12 August 2021 to be paid on 27 August 2021 to H shareholders as shown in the Company's register of members as at 20 August 2021; and (c) the interim dividend of 8.5p declared on 12 August 2021 to be paid on 27 August 2021 to I shareholders as shown in the Company's register of members as at 20 August 2021.

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.vc/investment-policy. A resolution to remove the sections of the policy relating to I Shares will be put to the Annual General Meeting.

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 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 7 pence 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.

Amendment to policy

The I Share class was merged with the H Share class on 16 December 2021, therefore, as stated above, a resolution to remove the sections of the Investment Policy relating to the I Shares will be put to the Annual General Meeting.

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 at the time of investment 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

Overall Review

The I share class was closed during the year following the final realisation of assets and return of funds to shareholders. The H shares are now the only shares in the Company and the Investment Manager's strategy is to continue to invest for growth:

- Performance in the H share class continues to be outstanding. A series of successful investments and realisations by the Investment Manager has propelled the Company to the top of the Association of Investment Companies All-Funds 5 year share price total returns table.
- The net asset value total return (NAVTR), for the H Share class only, grew by 63.5%. during the period under review.
- A significant interim dividend of 20 pence per H share was paid during the period and a further dividend of 35 pence per share was paid on 6 May 2022.
- The Company has appointed Panmure Gordon (UK) Limited as brokers and is commencing the introduction of a share buy-back programme.
- The Board is pleased that the payment of this dividend will trigger the first contractual performance incentive fee payment for the H share class in accordance with the investment management agreement put in place in 2020.

Financial Performance

At the 28 February year-end:

The H share NAVTR was 259.38p comprising dividends paid of 42 pence per share and the remaining NAV of 217.38p. An interim dividend of 20p per H share was paid on 27 August 2021. The financial performance of the H Shares resulted from the significant returns generated by a number of exits from investments and increases in portfolio company valuations.

Fundraising

The Company undertook no fundraising activities in the period under review. The Investment Manager plans to raise additional funds of up to £30 million in the current tax year and we will be writing to Shareholders about this in due course.

Dividends

I share class

The Investment Manager, as mandated by your Board, realised all the I share portfolio holdings for cash. The interim dividend of 8.5 pence per I share was paid on 27 August 2021 and a second dividend of 3.39 pence per I share was paid on 6 December 2021. Following this dividend the I share class was closed.

H share class

On 27 August 2021, the Company was able to pay a special interim dividend of 20 pence per H share, with a dividend of 35 pence per H share being paid after the year end on 6 May 2022. The Board intends to continue to pay regular dividends in the future, supplemented by special dividends resulting from realised investment gains when appropriate.

Investment Performance

H share Portfolio

As an “evergreen” share class, the H share fund has an ongoing new investment remit and new funds available for investment. The results of this strategy have been very positive throughout the year.

Unity listed its shares on the New York Stock Exchange in September 2020 and the stock performed extremely well on listing and for several months following that listing. The Manager identified that the share price had reached a peak in November 2021 and sold c.90% of the Company's holding in Unity. This returned £10.9 million in cash and combined with other proceeds received, resulted in a realised and unrealised return of 22 times on the Company's initial investment into deltaDNA (which was acquired by Unity in 2019). This marks an excellent return for Shareholders.

In August 2021 the Investment Manager sold the Company's shareholding in Jungle Creations Limited to a financial buyer which returned £407,000 on a £180,000 investment giving a profit of £227,000 or a little over 2.26 times our original investment.

The Company's investment in Audioboom has performed strongly, with the valuation up 412% year on year equating to 8.3 times the value of the Company's initial investment. Although the share price has fallen since the year end as referred to in the Investment Manager's Review.

The Company holds a preferred shareholding in Festicket Limited. The resurgence of live events, and the festival sector in particular, is a great opportunity for Festicket. Operating globally the company has an excellent market position as both a supplier of software and solutions to festival organisers and a ticketing marketplace for consumers. The business has an ambitious growth plan to take advantage of the market bounce back following the removal of Covid driven restrictions.

A number of new investment opportunities for the H share class are being explored, with several new investments already in negotiation and expected to be completed soon.

Company Portfolio

The Company's H share class now holds interests across a broad range of the creative industries sector. Further details of our portfolio holdings and their valuations are contained in the Investment Manager's Review.

Company Strategy

The Board is now pursuing a simple and straightforward strategy. Through the activities of our specialist Investment Manager we intend to grow the Company by a combination of successful investment and ongoing fundraising and to provide shareholders with regular dividends. We plan to commence fund raising in the 2022/23 tax year to take advantage of the investment opportunities sourced by the Investment Manager.

We have put in place a share buyback facility and more information on how Shareholders can apply for that are included with this Annual Report and Accounts on page 60.

Annual General Meeting

An Annual General Meeting will be held on 23 August 2022 and details of the resolutions to be put to Shareholders are included in the Notice of Meeting on pages 53 to 58.

Board Composition

Terry Back and Sir Aubrey Brocklebank were re-elected at the General Meeting and Sir Peter Bazalgette was elected at the Annual General Meeting, both of which were held on 17 January 2022. All three Directors will seek re-election at the Annual General Meeting on 23 August 2022. The Company is working with the Investment Manager to identify a new candidate for the Board who will bring industry experience and diversity to the board.

Robin Goodfellow, who joined the Board on 31 July 2020 left the Board on 18 November 2021. The Board thanks him for his service.

I would like to thank my fellow Directors for their unstinting support throughout the period.

Outlook

Edge Performance VCT continues to invest in a portfolio of highly regarded creative economy companies, which we expect to perform strongly in the future. The Investment Manager works closely with each of these companies to ensure they have the necessary resources of funding, executives, industry experts and support to achieve their potential.

The Investment Manager has a number of new investment opportunities and has identified several which it expects to complete in the current financial year.

The Board believes there is a bright future for investors in the Company given the quality of the existing portfolio which the Investment Manager has assembled, the current and future new H share fund investment opportunities it is pursuing, and the benefit of the co-investment arrangements the Investment Manager brings with other funds it manages.

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

Terry Back
Chairman

29 June 2022

The Directors and Investment Manager

Directors

The collective experience of the Investment Manager's team – which covers VCT fund management, venture capital, investment banking, corporate finance, artist management, law, accountancy, tax and deal structuring skills – is employed in the selection, management and eventual realisation 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.

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. Having stepped down from his role at Grant Thornton, he remains a consultant to the wider media industry and a non-executive director of a number of private companies in the sector.

Sir Peter Bazalgette

Sir Peter Bazalgette is a leading figure in the media and creative arts. Sir Peter is non-executive chair of ITV plc and chairs LoveCrafts Group Limited, an online retailer. He currently also chairs RCA and the Creative Industries Council. He led an independent review into the UK's creative industries as part of the Government's Industry Strategy. He was a non-executive board member of UK Research and Innovation (UKRI) and served on the advisory boards of BHH and YouGov plc.

From 2013 until 2017, Peter was chair of Arts Council England. He was also a non-executive director of DCMS, YouGov plc, president of the Royal Television Society, and chief creative officer of Endemol where he was personally responsible for the development of several internationally successful formats such as Ready Steady Cook and Changing Rooms.

Sir Aubrey Brocklebank

After qualifying as a chartered accountant and following a career in corporate finance and venture capital, Sir 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 VCT industry, having been a director of eleven VCTs (including Edge Performance VCT plc) of which he has chaired nine. Sir Aubrey maintains a wide range of business interests and has been a director of six AIM listed companies. He is Chairman of Downing Four VCT plc.

Investment Manager

The senior team of the Investment Manager is 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.

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 plc (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.

Simon Andrews

(Chief Investment Officer of Edge Investments and investment committee member)

Simon has a wealth of experience and knowledge of venture capital, having spent over 14 years supporting early-stage companies across a range of industries and sectors. At Edge, Simon partners closely with portfolio companies to identify and accelerate innovation and growth.

Simon previously worked at the Business Growth Fund, where he managed the full portfolio of ventures investments. Prior to that, he spent nearly eight years at Octopus Ventures and four years at Silicon Valley Bank, advising venture-backed companies on equity and debt fundraising solutions. Simon's path to venture and growth companies included ten years as an equity research analyst at BNP Paribas, Merrill Lynch and Lehman Brothers, researching and tracking the development of software and services technology companies across Europe.

Throughout his career, Simon has been involved in driving the growth of technology and creative industry start-ups. He has invested in or been on the board of BehavioSec, The Plum Guide, Semafone, Streetbees, Swoon Editions, Token Inc., Triptease and Trouva.

The Investment Manager achieved the realisation of the Company's I share class holdings in Coolabi and Mirriad holdings in the period under review, following which the cash proceeds were distributed to holders of the I Share class by payment of a dividend of 8.5 pence per share on 27 August 2021 and a dividend of 3.39 pence per share on 6 December 2021. The I shares were subsequently de-listed from each of the Official List of the FCA and the main market of the LSE. This achieved the objectives set out by the Manager and Board of returning 100% of proceeds to shareholders, closing the share class, and to focus on making new investments and on managing the existing portfolio of investments in the H share class.

The performance of the H share class was excellent in the period with the H Share Class ranking as the best performing of all VCTs over a 1-year period and the best performing of all Investment Companies for share price total return over a 5-year period as ranked by the Association of Investment Companies. The restated net asset value total return of the H Share class increased by 26.30 pence from 233.08 pence per share to 259.38 pence per share in the period under review.

With such strong performance for the H Shares, the Board resolved to pay a total of 55p in two dividends as announced in August 2021 and January 2022, as outlined in the Chairman's statement. These dividends are underpinned by the strong performance of the investments in Unity and Audioboom and the realisation of cash from the exit of Unity shares during the period.

In relation to the Company's H Share class, the Company will continue to make Qualifying Investments in the creative economy, with a focus on the broad remit of the changing media, education and entertainment sectors and the underlying and enabling technologies, which the Investment Manager believes have the potential to generate growth and returns for shareholders.

The Company will continue to invest in stand-alone, earlier stage creative economy investments and co-invest with the Manager's other venture stage funds.

Dividends

It is the Company's strategy to maintain a regular annual dividend flow and distribute the majority of gains on realisations, while being mindful of its need to retain sufficient funds to support the growth and new funding requirements of the existing portfolio and the need for the Company to meet its ongoing financial obligations.

Portfolio investments realised during the year

Coolabi Group Limited: As stated above, the Manager exited Coolabi in June 2021, the sale was at a headline valuation of £35 million, and within the range of expectations although, at the lower end of the initial range, primarily as some expected buyer groups did not participate due to the impact of Covid on their M&A activities. The impact on proceeds was further compounded by the Company's position in the Coolabi waterfall.

Unity Software Inc (NYSE: U): Following Unity's excellent performance during Q4 2021, the Company sold 90% of its remaining shareholding following an initial sale in February 2021. During the period in question, the Company sold a total of 101,454 shares at an average price of $171.41 per share generating proceeds of £12.8 million, a profit of £11.2 million when compared to cost. The Company held 8,362 Unity shares at the 28 February 2022 period end.

Jungle Creations Limited: The Company realised its holding in Jungle Creations during the period, following a majority acquisition by Livingbridge, generating proceeds of £407,000, a return of 2.3x the cost of investment., an increase of £43,000 since 28 February 2021.

Mirriad Advertising Plc (AIM: MIRI): In accordance with the decision to wind up the I share class, the Company's I share class holding in Mirriad was sold in August 2021 generating proceeds of £32,000, a loss of £18,000 when compared to cost and a loss of £50,000 since 28 February 2021. The Company also sold 275,000 shares of its H share class holding in September 2021 generating proceeds of £90,000, a profit of £11,000 when compared to cost and a loss of £53,000 since 28 February 2021. The Company held 1,350,150 Mirriad shares at the 28 February 2022 period end.

Portfolio investment made during the year

The Company made no investments into new portfolio companies during the period under review.

Existing portfolio investments

Audioboom Group plc

Cost (£'000):	750
Valuation (£'000):	6,233
Basis of valuation:	Closing price (AIM) at balance sheet date
Value movement	5,015
in year (£'000):	412% increase
Equity holding:	2%

Audioboom is a leading podcast distribution and monetisation platform. Edge Performance VCT invested in two rounds of funding in Audioboom, at a blended cost of £2.65 per share. AudioBoom performed well during the pandemic. The company's share price has continued to advance with significant gains fuelled by acquisition speculation and strong underlying performance metrics. This has seen the share price rise to £22.00 at the 28 February 2022 period end, valuing Edge Performance VCT's holding of 283,333 shares at £6.2 million. At the date of writing this report the share price was £11.10.

Festicket Limited [an Edge Creative Enterprise Fund (ECEF) co-investment]

Cost (£'000):	1,272
Valuation (£'000):	4,790
Basis of valuation:	Comparable companies
Value movement	2,640
on shares held at year end (£'000):	123% increase
Equity holding (issued):	4.2%

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 November 2020, the Convertible Loan Note held by the H Share Class was converted into Festicket's equity, as part of a new €3.3 million Series F fundraising led by the ECEF [with participation from Future Fund]. Clearly the subsequent global shutdown in 2020, as a consequence of the coronavirus pandemic, has hit businesses like Festicket hard. However, during that time, the business diversified into the US and also Australia and, in H2 21, we saw a significant recovery in live events in its core markets, whilst demand for tickets and events remained very high throughout, leading to a strong recovery in revenue.

Newsflare Limited [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	450
Valuation (£'000):	920
Basis of valuation:	Implied third-party valuation
Value movement	185
on shares held at year end (£'000):	25% increase
Equity holding (issued):	2.3%

Newsflare is a curator and marketplace for User Generated Video (UGV) 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. Following a recent fundraising process in which the Company invested £300,000, Edge Performance VCT's valuation in Newsflare has increased by £485,000 to £920,000 from the valuation held as at 28 February 2021.

Unity Software Inc

Cost (£'000):	134
Valuation (£'000):	663
Basis of valuation:	Closing price (NYSE) at balance sheet date
Value movement	25
on shares held at year end (£'000):	4% increase
Equity holding:	0.003%

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. Unity listed on the NYSE at $52 per share in September 2020. During the year ending 28 February 2022, the Company disposed of 101,154 Unity Software shares realising £12.8 million a profit of £11.2 million when compared to cost. The share price reached a high in excess of $200 per share in November 2021 falling to $106 as at 28 February 2022. At the date of writing this report the price had fallen further to $40.66.

Mirriad Advertising plc

Cost (£'000):	390
Valuation (£'000):	250
Basis of valuation:	Closing price (AIM) at balance sheet date
Value movement	(427)
on shares held at year end (£'000):	63% decrease
Equity holding:	0.48%

Mirriad is a media technology company which uses patented video technology to digitally insert branded products and signage into video content, such as TV programming and music videos, at the point of transmission.

In accordance with the decision to wind up the I share class, the Company's I share class holding in Mirriad was sold in August 2021 generating proceeds of £32,000, a loss of £18,000 when compared to cost and a loss of £50,000 since 28 February 2021. The Company also sold 275,000 shares of its H share class holding in September 2021 generating proceeds of £90,000, a profit of £11,000 when compared to cost and a loss of £53,000 since 28 February 2021. The Company held 1,350,150 Mirriad shares at the 28 February 2022 period end. At the date of writing this report the share price stood at 16.00 pence per share.

The Dream Corporation Limited [an Edge Creative Enterprise Fund co-investment]

Cost (£'000):	102
Valuation (£'000):	187
Basis of valuation:	Recent investment price
Value movement	85
in year (£'000):	83% increase
Equity holding (issued):	1.0%

The Dream Corporation operate a premium VR arcade called the Otherworld based in East London, which offers a range of content experiences augmented with 4D effects, and a food and beverage offer. Having proven the unit economics in their original site in East London, the Company has opened additional sites in Victoria, London and in Birmingham.

Dream Corporation was preparing a new round of investment during the period, which closed after the period end, with the Company investing its pro-rata share. Given the round had not yet closed at the year-end, the Manager based the valuation on a discount to the price of the new round, this increased the value of the shareholding by £84,000 to £187,000.

Significant VCT-qualifying investments

The Company and the Investment Manager apply internal diversification guidelines, under which the Company will not at the time of investment 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 investments in Audioboom and Festicket, based on the valuation of those holdings as at 28 February 2022, now exceeding 15% of the net assets of the Company.

Portfolio performance

As at 28 February 2022, the NAV total return per Share stood at:

H Share Fund
259.38 pence (158.62 pence as at 28 February 2021), an increase of 63.5%.

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 the year under review, the non-qualifying liquidity portfolios were all managed in conjunction with Coutts.

As at 28 February 2022, the value of the non-qualifying liquidity portfolio was £12.28 million

Outlook

As at the year end, the H Share fund has funds available for VCT-qualifying investments. The Company benefits from a co-investment arrangement with Create the Future LP. This, together with the pipeline of quality opportunities which the Investment Manager continues to see in the market, gives the Investment Manager confidence in the prospects for future investments.

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.

Where appropriate, the Company also has funds available to invest further in existing portfolio companies. The Investment Manager is also devoting time and resource to supporting management of these portfolio companies and using its network of experienced executives and advisors to assist the leadership teams of those portfolio companies.

Edge Investments Limited
Investment Manager

29 June 2022

Investment Portfolio

as at 28 February 2022

As at 28 February 2022, the Company's investment portfolio was as follows:

	Nature of business	Cost £'000	Valuation £'000	Basis of Valuation	Equity Holding (voting rights) %
Audioboom Group plc	Digital audio content (i.e. podcasts) across multiple devices	750	6,233	Bid price	1.8
Mirriad Advertising plc	Digital product placement	390	250	Bid price	0.5
Newsflare Limited	Video distribution marketplace	450	920	Last round	2.3
Unity Software Inc.	Games	134	663	Bid price	0.0
Festicket Limited	Ticket and travel marketplace	1,272	4,790	GP/revenue multiples	4.2
The Dream Corporation	Immersive VR developer	102	187	Last round	1.0
		3,098	**13,043**		

Investment Portfolio Summary

	2022			2021*		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Coolabi Group Limited	–	–	–	15,388	7,518	30.7
Mirriad Advertising plc	390	250	1.0	520	901	3.7
Newsflare Limited	450	920	3.7	150	435	1.8
Audioboom Group plc	750	6,233	24.7	750	1,218	5.0
Jungle Creations Limited	–	–	–	180	364	1.5
Unity Software Inc.	134	663	2.6	1,752	8,454	34.5
Festicket Limited	1,272	4,790	19.0	1,272	2,150	8.8
The Dream Corporation	102	187	0.7	102	102	0.4
Total qualifying investments	**3,098**	**13,043**	**51.7**	**20,114**	**21,142**	**86.4**
Non-qualifying investments						
Coolabi Group Limited	–	–	–	2,328	848	3.4
Total non-qualifying investments	**–**	**–**	**–**	**2,328**	**848**	**3.4**
Total fixed asset investments	**3,098**	**13,043**	**51.7**	**22,442**	**21,990**	**89.8**
Net current assets		12,164	48.3		2,486	10.2
Net assets		**25,207**	**100.0**		**24,476**	**100.0**

* The comparative figures for 2021 are for the H Share class and the former I Share class combined.

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 28 February 2022 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 27 to 32.

Investment Strategy

Edge Performance VCT, using the skills of 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 I Share class was merged with the H Share class on 16 December 2021, thus achieving the stated objective of this class having a finite life.

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 80% 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 (pages 4 and 5) and the Investment Manager's review (pages 8 to 10). Details of the venture capital investments made by the Company are given in the investment portfolios (pages 11 and 12) and the Investment Manager's review (pages 8 to 10). 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 19 to the financial statements, on page 51.

Following an investigation into the level of the Company's distributable reserves during the financial year ended 28 February 2022, it came to the attention of the Board in late June 2022 that there was an issue concerning technical compliance with the Companies Act 2006 in relation to the interim dividend paid by the Company to I shareholders on 6 December 2021 (the 'I Share Dividend') in that the interim accounts prepared in support of the payment of the I Share Dividend mistakenly overstated the Company's distributable reserves and that the Company did not have adequate distributable reserves when it paid the I Share Dividend. Steps were taken following the payment of the I Share Dividend which resulted in a significant increase to the level of the distributable reserves available to the Company.

The Board intends to implement the actions necessary to address this issue and to seek to ensure that the recipients of the I Share Dividend are not required to make any repayment as a result of this issue and is currently consulting with the Company's principal advisers as to how the issue can be resolved. The Board is also continuing to review the Company's distributable reserves in the context of other prior dividend payments. The Board will provide Shareholders with further information on this matter in due course. The dividend paid on 6 May 2022 is unaffected by this issue.

On 27 August 2021, the Company paid a 20 pence per share interim dividend per H Share and an 8.5 pence per share interim dividend for the previous I Share class. On 6 December 2021, as part of the process to distribute all reserves attributable to the I Shares, a 3.39 pence per share interim dividend was paid. Following the payment of this dividend, the I Share class was merged with the H Share class.

After the year end, the Board paid an interim dividend of 35 pence per H Share on 6 May 2022 to all Shareholders on the register at close of business on 19 April 2022.

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 on page 10.

Over the same period, the FT All Share Media Index rose by 19.6%. A graph comparing the Company's share class, the Share price total return, the net asset value total return per Share and the total return from a notional investment of 100 pence in the FT All Share Media Index over the period from 5 April 2012 to 28 February 2022 are presented on page 22.

As shown in the Company's Statement of Comprehensive Income on page 33, the Company's returns per share in the year ended 28 February 2022 were:

	H Shares
Revenue return per share, pence	(3.73)
Capital return per share, pence	105.00
Total return per share, pence	101.27

Comparatives for year ended 28 February 2021* were:

	H Shares
Revenue return per share, pence	(5.23)
Capital return per share, pence	(25.44)
Total return per share, pence	(30.67)

* To aid comparison the return per share at 28 February 2021 has been restated based on the weighted average number of shares in issue after the merger of the H and I Shares.

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 23 to 25.

Risk mitigation

The Board seeks to mitigate the internal risks by setting policies, regular reviews of performance, enforcement of contractual obligations and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies rigorously the principles detailed in the Financial Reporting Council's Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting. Details of the Company's internal controls are contained in the Corporate Governance section.

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. No further changes of any significance to the VCT scheme have since been announced.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current schemes at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares after 5 April 2025 would not be able to claim VCT tax relief in respect of such shares and this may have an adverse impact on the Company's ability in the future to raise funds, continue as a VCT or be able to meet its objectives in the future.

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 and accounting, save for the exclusions in note 5 on page 41) divided by the closing net asset value for the year, was 2.63% (2021: 4.17%). Under the terms of the investment management agreement, which was approved by Shareholders at the general meeting held on 28 August 2020, the cost cap was removed for a two year period so the Investment Manager would not bear any incremental running costs of the Company above a cap in the two year period from 1 March 2020 to 28 February 2022 and would 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 2025 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 buy-back policy

The Company has not bought back any shares during the year but has continued to monitor the position and intends to balance the interests of Shareholders wishing to exit their holdings against those wishing to remain. The Company intends to offer existing Shareholders an opportunity to sell their shares by entering the market and actively buying shares. Details of this are outlined on page 60.

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon (UK) Limited, by emailing chris.lloyd@panmure.com before agreeing a price with their stockbroker. Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares. Shareholders should note that if they sell their shares within five years of subscription they forfeit any tax relief obtained.

Environmental, social, employee and human rights issues

The Company had no employees during the year and at the year end the Company has three 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.

Greenhouse Gas Emissions

The Company does not directly or indirectly create carbon emissions by generating or purchasing electricity for its own use, being an externally managed investment company. Nor does it have a responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

The Company is a low carbon user, using less than 40,000 kWh of energy in the reporting year and is therefore out of scope of the requirements detailed under the Streamlined Energy and Carbon Reporting (SECR) regulations.

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 attend 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 auditor, 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 auditor as part of the preparation of the Annual Report and Financial Statements 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.

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 has noted the recent changes to the Listing Rules in reporting diversity and the Company will report in full on this next year. 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 Company has funds available 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

Director, For and on behalf of
ISCA Administration Services Limited
Company Secretary

29 June 2022

Directors' Report

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

Directors

The Directors who have served during the year under review and who continue to serve are Terry Back, Sir Peter Bazalgette, and Sir Aubrey Brocklebank. Robin Goodfellow retired from the Board on 18 November 2021.

In accordance with the UK Corporate Governance Code all Directors are subject to annual re-election; therefore resolutions to re-elect Terry Back, Sir Aubrey Brocklebank and Sir Peter Bazalgette will be put before the Shareholders. The Board has undertaken a continual Board performance evaluation process and confirmed that each has and continues to make a valuable contribution to the Board and its committees. 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.

Brief biographical information on the Directors is shown on page 6.

All members of the Board are independent with no connection to the Investment Manager, nor does any Director sit on any board of any other company managed by the Investment Manager.

Voting at previous General Meetings

At the AGM and GM held on 17 January 2022, approximately one third of the votes cast to re-elect the three members of the Board were cast against the Board's recommendation. Given the nature of the campaign mounted against the Board at that time, the Board believes that it understands the reasoning behind the result. The Board has put in place a share buy-back programme and intends to consult with shareholders following the conclusion of the first buy back round, shortly before this year's AGM.

Share capital

The share buy-back facility was suspended during the year and no shares were bought back. See page 15 for further details.

As reported in the Annual Report to 28 February 2021, the Board stated its intention to proceed with an orderly closure of the I share class. Following the payment of a dividend on the I Shares on 6 December 2021, the Board invoked the conversion process under the Articles and converted 73,103,650 I Shares into 3,252 H shares and 73,100,398 deferred shares, the deferred shares were subsequently cancelled on 16 December 2021.

As at 28 February 2022, following the conversion of the I Shares, the Company's issued share capital consisted of 11,595,682 H Shares.

The rights and obligations attached to the Company's 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. At the year-end the Company had one class of shares, the H 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 Share will be as per the Company's Articles of Association. 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.

The Company is considering the introduction of a Dividend Reinvestment Scheme whereby Shareholders can elect to receive new shares as an alternative to cash dividends. Details of the scheme will be communicated to Shareholders once launched.

Investment management agreement

On 8 November 2013, the Company entered into an investment management agreement with the Investment Manager. The appointment was 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 received: (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 was 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 retained 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 respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7 pence 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 14 pence 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 was approved by Shareholders at the general meeting 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 previous I Share class which has now closed.
3. The Investment Manager will not be entitled to a performance fee in respect of the previous I Share class which has now closed.
4. In relation to the Company's financial year ending 28 February 2021 and subsequent financial years, 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 agreed to provide administrative services to the Company. Under this agreement, the Investment Manager received 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 was 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"). The new agreement was approved by Shareholders at the general meeting held on 28 August 2020 and replaced the previous administrative services agreement with effect from 1 March 2021. The provisions of that administrative services management agreement are the same as the previous administrative services agreement except as follows:

1. The term of the new administrative services agreement commenced 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 were provided to the Company by The City Partnership (UK) Limited during the year. On 19 April 2022, ISCA Administration Services Limited were appointed to provide these services going forward.

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

As noted above, under a revised investment management agreement approved by shareholders at the general meeting 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.

Under the terms of the revised 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 3.5% 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.

Substantial shareholdings

The Company has not been notified of any significant interests exceeding 3% of the voting rights of the Company.

Accountability and audit

The statement of Directors' responsibilities is set out on page 26 of this report. The independent auditor's report is set out on pages 27 to 32 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 is 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 the Company's auditor is aware of that information.

Independent auditor

UHY has indicated its intention to resign as auditor for the Company and will therefore not be recommended for re-appointment at this year's AGM. The reason for the resignation of UHY is as a result of a firm wide strategic review conducted by UHY. In the interest of good governance, the Audit Committee will commence a tender process and consider the results of the tender in due course. Following the conclusion of the tender process, the Audit Committee will make a recommendation to the Board for the appointment of a new external auditor.

2022 Annual General Meeting

The Company's 2022 AGM will be held on 23 August 2022 as detailed in the Notice of Meeting on pages 53 to 58.

By Order of the Board

Director, For and on behalf of
ISCA Administration Services Limited
Company Secretary

29 June 2022

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"). An ordinary resolution for the approval of the Directors' Remuneration Report is included in the Notice of the 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 27 to 32.

Annual statement from the Chairman of the Company

There have been no changes to Directors' remuneration in the year to 28 February 2022, the Directors' fees have been set at the same level since November 2010. However, with the changes in the chairman 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 28 February 2022. 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 23 to 25.

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 all of the Directors are independent non-executive Directors and the costs involved, external facilitators are not used in the evaluation of the Board. 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 Robin Goodfellow until his retirement on 18 November 2021, Terry Back and Sir Peter Bazalgette. The committee's primary function is to determine each Director's remuneration. The committee did not meet in the year ended 28 February 2022. 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 2020 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.

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 28 February 2022 are shown in the table below (net of VAT & employer's National Insurance contributions). Sir Robin Miller's fees in the previous year were paid to Robin Miller Consultants Limited in consideration for his services.

Director	Total fee paid for year ended 28 February 2022 £	Annual fee £	Total fee paid for year ended 28 February 2021 £	Annual fee £
Terry Back (chairman)	20,000	20,000	20,000	20,000
Sir Aubrey Brocklebank	17,500	17,500	15,285	15,000
Sir Peter Bazalgette	17,500	17,500	3,360	17,500
Robin Goodfellow (retired 18 November 2021)	10,839	–	8,715	15,000
Sir Robin Miller (retired 31 December 2020)	–	–	12,585	-
Lord Flight (retired 28 August 2020)	–	–	8,645	-

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. 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 28 February 2022 and the previous two years:

	Percentage increase (decrease)	2022 £'000	Percentage increase (decrease)	2021 £'000	2020 £'000
Total dividend paid to Shareholders	2,272.6	11,009	–	464	464
Total Directors' fees	(4.1)	65.8	7.5	68.6	63.8

Directors' shareholdings

The interests of the current Directors and their connected persons in the share capital of the Company as at 28 February 2022 are shown below.

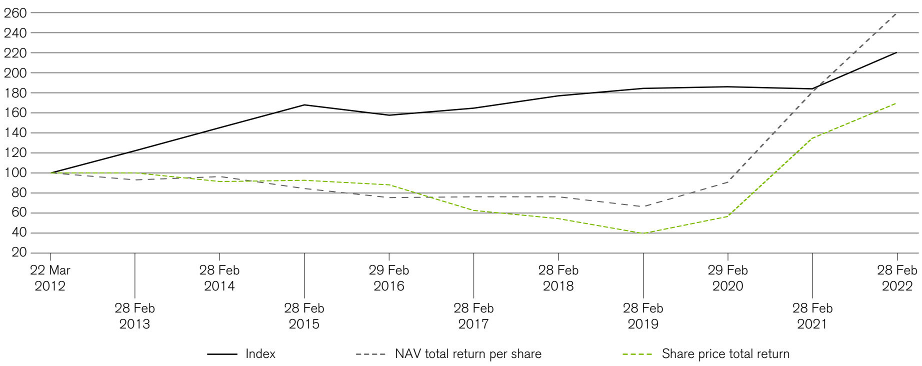
	No of H Shares as at 28 February 2022	Percentage holding %
Terry Back	29,887	0.2
Sir Peter Bazalgette	10,000	0.1
Sir Aubrey Brocklebank	17,391	0.1

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 Shares and the net asset value total returns per share for the H Shares with the total returns from a notional investment of 100 pence 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



The votes cast on the resolution for the Company's Remuneration Policy at the AGM held on 28 August 2020 were 9.876,191 votes in favour (93.0%), and 746,489 votes against (7.0%).

The votes cast on the resolution for the Company's Remuneration Report at the last AGM held on 17 January 2022 were 6,885,808 votes in favour (94.2%), and 421,060 votes against (5.8%). An Ordinary Resolution proposing approval of the Directors Remuneration Report to 28 February 2022 is included in the Notice of Meeting for this year's AGM.

By order of the Board

Director, For and on behalf of
ISCA Administration Services Limited
Company Secretary

29 June 2022

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 28 February 2022.

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

At the year end, the Company has a board of three 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 17 August 2017, 11 November 2019 and 21 December 2020. 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 in 2022.

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 Sir Aubrey Brocklebank (chairman) and Sir Peter Bazalgette. Robin Goodfellow was a member of the committee until November 2021, when he retired. In accordance with the UK Code, at least one member of the Audit Committee has recent and relevant financial experience in the sector in which the Company operates. 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 28 February 2022, 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.

As stated on page 19, UHY Hacker Young have indicated their intention to resign as Independent Auditor and will not be seeking re-election at the AGM.

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 Terry Back and Sir Peter Bazalgette. Robin Goodfellow was a member of the committee until November 2021, when he retired. 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 Terry Back and Sir Peter Bazalgette. Robin Goodfellow was a member of the committee until November 2021, when he retired. 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.

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
Terry Back	20/21	n/a	n/a	1/1
Sir Peter Bazalgette	14/21	2/3	n/a	1/1
Sir Aubrey Brocklebank	21/21	3/3	n/a	n/a
Robin Goodfellow (retired 18 November 2021)	16/16	3/3	n/a	n/a

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. In December 2021 and January 2022, the Investment Manager held webinars to which Shareholders were invited to join. Updates were given on the Company's investment portfolio and future plans of the Board. Outside Covid restrictions, 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 annual reports and half year 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.

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.

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.

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

Director, For and on behalf of
ISCA Administration Services Limited
Company Secretary

29 June 2022

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

29 June 2022

Opinion

We have audited the Financial Statements of Edge Performance VCT Plc (the 'Company') for the year ended 28 February 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the Financial Statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Company's financial statements 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of the Company's results 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.

Our approach to the 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 enough work to be able to give an opinion on the Financial Statements as a whole, taking into account an understanding of the structure of the Company, its activities, the accounting processes and controls, and the industry in which it operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team communicated regularly throughout the audit with the Audit Committee and the Investment Manager in order to ensure we had a good knowledge of the business of the Company. 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 identified during the audit.

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. This is not a complete list of all risks identified during our audit. In arriving at our audit opinion above, the key audit matters were as follows:

Key audit matters	How our audit addressed the key audit matters
Valuation of Investments and recognition of realised gains and losses The investment portfolio and associated realised and unrealised gains and losses are 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 Statement of Comprehensive Income and Balance Sheet. The investment portfolio at the year-end had a carrying value of £13,042,623.	Our audit work included, but was not restricted to: • For quoted shares, we tested the value of the investments by reference to market price information at the year-end. We assessed the liquidity of the investments to ensure that the closing bid price at the year-end date was representative of the market value of each share. • The unquoted investment valuations include significant assumptions and judgement by management and there is inherent estimation uncertainty. At planning of our audit, we formed a preliminary assessment of which valuation methods we would consider to be most appropriate to be used for each investment. At fieldwork we then obtained an understanding of how the valuations were performed by management, and considered whether the method chosen was in accordance with published guidance and our preliminary assessment at planning, and reviewed and challenged the assumptions applied to the valuation inputs. We verified and benchmarked key inputs and estimates to independent information from our own research and against metrics from the investments. Where appropriate, we have performed sensitivity analysis on the valuation calculations. Alternative valuations methods were considered and discussed with the Investment Manager to provide alternative views on the value of the investments. Further, we also considered the economic environment in which the investments operate in to identify factors that could impact the investment valuation. • We agreed the purchase and sale of investments to supporting evidence of the transaction 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. • We checked 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. • We vouched that the investments were still held as at 28 February 2022 by reference to share certificates and third party share ownership data. The Company's accounting policy on fixed asset investments held at fair value through profit or loss is shown on pages 37 and 38 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.

Key audit matters	How our audit addressed the key audit matters
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: • Review of the design and implementation of controls around the ongoing internal assessment and monitoring of VCT compliance. We obtained an understanding of the processes adopted and evidenced the work completed by the Investment Manager on documenting compliance with the key VCT rules and management's review of this on a regular basis. Further, an external VCT Adviser is employed to complete a biannual assessment of the Company's compliance with the VCT Rules that is reviewed by management, a copy of which we reviewed. • We tested 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** We reviewed the documentation maintained, that confirmed the Company was in compliance with the VCT rules during the period and at the year end. Further our own testing of compliance with the individual VCT rules did not identify any breaches.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and 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 reasonably be expected to influence the economic decisions taken on the basis of the Financial Statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole.

Materiality Measure	Company
Overall materiality	We determined materiality for the Financial Statements as a whole to be £380,000.
How we determine it	Based on a benchmark of approximately 1.5% of gross assets.
Rationale for benchmarks applied	We believe 1.5% of gross assets to be the most appropriate benchmark, as it primarily comprises the Company's investment portfolio, which is considered to be the key driver of the Company's total return performance and forms part of the net asset value calculation being the performance measure investors use to assess the Company's performance. In the prior year audit, we based materiality on 2% of gross assets. We have reduced the percentage of gross assets used this year to 1.5%, given the reduced size of the investment portfolio in comparison to the gross assets of the company.

Materiality Measure	Company
Performance materiality	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, and was set at £285,000.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as Director's remuneration. Area materiality for the disclosure of the cash element of Director's remuneration has been set at £2,000 and performance materiality of £1,000.
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over £19,000 (5% of overall materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment	Key observations
We evaluated the Directors' going concern assessment and performed the following procedures: • We assessed the appropriateness of the cash flow forecasts in the context of the Company's 2022 financial performance and evaluated the Directors' sensitivities performed against this forecast. • We evaluated the key assumptions in the forecast, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained. • We compared the prior year forecast against current year actual performance to assess management's ability to forecast accurately. • We examined and confirmed the Directors' assessment of the liquidity of the listed shares. • We also reviewed the disclosures relating to the going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.	At 28 February 2022, the Company held cash of £12,279,849 at bank. The Company's cash flow forecasts to 28 February 2025 have been approved by the Board. These are prepared based on certain key assumptions, against which plausible sensitivities have been applied. These included considering further investments being made, any further shares to be issued and any further investments to be realised over the forecast period. The forecast shows that the Company has at all times available cash and liquidity to meets its liabilities as they fall due. Based on the audit procedures performed we concluded that the Company has appropriately adopted the going concern basis of preparation. Further, we did not identify any material disclosures that should be included regarding any material uncertainty in respect of the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the Company reporting on how they have applied the AIC Code of Corporate Governance (the "2019 AIC Code"), we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Company's 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 received 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.

Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 25;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 14;
- Directors' statement on fair, balanced and understandable set out on page 13;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 14;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 25; and
- The section describing the work of the Audit Committee set out on page 24.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 26, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to HMRC VCT rules and company law and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements such as the Companies Act 2006 and the AIC Code of Corporate Governance. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to inflated investment valuations and unrealised gains and losses.

Audit procedures performed included: review of the Financial Statement disclosures to underlying supporting documentation, review of correspondence with professional advisors including review of VCT compliance reports, enquiries of management in so far as they related to the Financial Statements, substantive testing of the valuation of the investment portfolio, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by Edge Performance VCT Plc to audit the Financial Statements for the year ending 29 February 2020 and subsequent financial periods. Our ongoing appointment is confirmed by Shareholders annually. The period of total uninterrupted engagement is 3 years, covering the years ending 29 February 2020 to 28 February 2022.

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 Part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

29 June 2022

Statement of Comprehensive Income
for the year ended 28 February 2022

	Note	Year ended 28 February 2022 Revenue £'000	Capital £'000	Total £'000	Year ended 28 February 2021* Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on valuation of investments at fair value through profit or loss	11	–	12,439	12,439	–	(2,606)	(2,606)
Income	4	2	–	2	235	–	235
Investment Manager's fees	5	(89)	(267)	(356)	(114)	(344)	(458)
Other expenses	6	(346)	–	(346)	(727)	–	(727)
Return before tax		(433)	12,172	11,739	(606)	(2,950)	(3,556)
Tax	8	–	–	–	–	–	–
Return for the financial year		(433)	12,172	11,739	(606)	(2,950)	(3,556)
Other comprehensive income		–	1	1	–	–	–
Total comprehensive income attributable to equity shareholders		(433)	12,173	11,740	(606)	(2,950)	(3,556)
Return per Share							
Return per H Share, pence	10	(3.73)	105.00	101.27	(5.23)	(25.44)	(30.67)

* The presentation of the 2021 figures reflects the conversion of the previous I Share class into H Shares, as detailed in note 15 on page 47. The returns per share have been restated to reflect the share class conversion as detailed in note 10 on page 44. As at 28 February 2022, there is only one class of share being the H Shares.

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 supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP") issued in April 2021 by the Association of Investment Companies. 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 37 to 52 are an integral part of the financial statements.

Statement of Financial Position

as at 28 February 2022

Company Registration No: 05558025 (England and Wales)

	Note	As at 28 February 2022 £'000	Restated* as at 28 February 2021** £'000
Fixed assets			
Investments at fair value through profit or loss	11	13,043	21,990
Current assets			
Debtors	13	18	729
Bank deposits		–	1,753
Cash at bank		12,280	58
		12,298	**2,540**
Creditors: amounts falling due within one year	14	(134)	(54)
Net current assets		12,164	2,486
Net assets		**25,207**	**24,476**
Capital and reserves			
Called up share capital	15	1,160	8,470
Share premium account		3,319	3,319
Special reserve		33,292	44,301
Capital redemption reserve		11,425	4,115
Realised capital reserve		(38,306)	(40,082)
Unrealised capital reserve		9,841	(556)
Revenue reserves		4,476	4,909
Share capital and reserves		**25,207**	**24,476**
Net asset value per H Share, pence	17	217.38	211.08

* The figures have been restated in line with the prior year adjustment as shown in note 25 on page 52.

** The presentation of the 2021 figures reflects the conversion of the previous I Share class into H Shares, as detailed in note 15 on page 47. The net asset value reflects the H Shares now in issue as detailed in note 10 on page 44.

The accompanying notes on pages 37 to 52 are an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 29 June 2022 and signed on their behalf by:

Terry Back
Director

Statement of Changes in Equity
for the year ended 28 February 2022

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2020	8,470	3,330	44,765	4,115	(37,688)	5,515	28,507
Unpaid share capital	–	(11)	–	–	–	–	(11)
Dividends paid	–	–	(464)	–	–	–	(464)
Comprehensive income for the year	–	–	–	–	(2,950)	(606)	(3,556)
At 28 February 2021	**8,470**	**3,319**	**44,301**	**4,115**	**(40,638)**	**4,909**	**24,476**
Cancellation of I Share class	(7,310)	–	–	7,310	–	–	–
Dividends paid	–	–	(11,009)	–	–	–	(11,009)
Comprehensive income for the year	–	–	–	–	12,173	(433)	11,740
At 28 February 2022	**1,160**	**3,319**	**33,292**	**11,425**	**(28,465)**	**4,476**	**25,207**

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).

As at 28 February 2022, the total distributable reserves of the company are £(538,000) (2021: £8,572,402).

At a general meeting of the Company held on 17 January 2022 (the "General Meeting"), a special resolution was passed to cancel the amounts standing to the credit of the Company's share premium account and capital redemption reserve. Following the passing of that resolution, such cancellation was subject to the approval of the High Court. High Court approval was given on 8 March 2022 and the associated court order was registered by the Registrar of Companies on 22 March 2022. Accordingly, the cancellation became effective as of 22 March 2022.

As explained in the Company's circular to shareholders in relation to the General Meeting, the purpose of the cancellation was to increase the Company's distributable reserves in order to enable the Company to resume payment of dividends and to offer shareholders a share buy-back facility. The cancellation has resulted in an increase of £14.74 million in the Company's distributable reserves.

Statement of Cash Flows
for the year ended 28 February 2022

	Note	Year ended 28 February 2022 £'000	£'000	Year ended 28 February 2021 £'000	£'000
Cash flows from operating activities					
Gain/(loss) for the year		11,739		(3,556)	
Adjustments for:					
Realised/unrealised (gains)/losses on investments held at fair value through the profit or loss		(12,439)		2,606	
Accrued income		(2)		(233)	
Decrease in other debtors and prepayments		711		–	
Increase/(decrease) in other creditors and accruals		80		(46)	
Cash inflow/(outflow) from operating activities			89		(1,229)
Tax paid		–		–	
Net cash inflow/(outflow) from operating activities			–		(1,229)
Cash flows from investing activities					
Sales of unquoted investments held at fair value	11	21,688		3	
Purchases of investments held at fair value		(300)		(102)	
Net cash inflow/(outflow) from investing activities			21,388		(99)
Cash flows from financing activities					
Sale of fractional H Shares		1		–	
Dividends paid	9	(11,009)		(464)	
Net cash outflow used in financing activities			(11,008)		(464)
Net increase/(decrease) in cash			10,469		(1,792)
Reconciliation of cash and cash equivalents					
Increase/(decrease) in cash			10,469		(1,792)
Opening cash and cash equivalents position			1,811		3,603
Closing cash and cash equivalents position			12,280		1,811
Cash and cash equivalents					
Bank deposits			–		1,753
Cash at bank			12,280		58
			12,280		**1,811**

The accompanying notes on pages 37 to 52 are an integral part of 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 an 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 2021 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.

Until 16 December 2021, the Company had two classes of shares being the H and I Shares. These shares were merged on 16 December 2021 as shown in note 15 on page 47. As a result, the comparative figures for 2021 have been restated to reflect the conversion and the Company now has only one class of share being the H Shares.

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

The Directors have considered the effect of recent world events. The Directors consider that the conflict in Ukraine is unlikely to cause disruption to the Company's business and 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. Further details of the Directors' reasoning may be found on page 25.

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) issued 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.

3. Accounting policies (continued)

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:

	2022 Valuation (£,000)	2022 Valuation type as % of total value	2021 Valuation (£,000)	2021 Valuation type as % of total value
Sale price	–	–	8,366	38.0
Earnings & revenue multiple	4,790	36.7	799	3.6
Bid price	7,146	54.8	10,573	48.1
Recent price/last round	1,107	8.5	2,252	10.3
	13,043	**100.0**	**21,990**	**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. After the sale of Coolabi during the year, as at 28 February 2022, the Company did not hold any such interests.

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 to revenue.

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.

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.

3. Accounting policies (continued)

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

	2022 (£,000)	2021 (£,000)
Interest receivable		
– from cash and interest-bearing deposits	–	2
– from fixed asset investment loan notes	2	233
	2	**235**

5. Investment Manager's fees

	2022 (£,000)	2021 (£,000)
Edge Investments – annual management fee	**356**	**458**

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. 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 was approved by Shareholders at the general meeting held on 28 August 2020. The new investment management agreement replaced 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

Previously, the Investment Manager received: (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. The I Shares were converted into H Shares in December 2021 so the Investment Manager will no longer be entitled to part (a).

With effect from 1 March 2021, the Investment Manager was no longer entitled to an annual management fee in relation to the I Shares which has now closed.

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. 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. See Note 23.

In accordance with the new investment management agreement referred to above 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 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.

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 7 pence 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 14 pence 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 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

	2022 (£,000)	2021 (£,000)
Directors' remuneration (including Employers' NI)	68	70
Company secretarial & accountancy fees	60	59
Administration fees (payable to the Investment Manager)	50	324
Audit fees – for audit services	30	29
VCT status adviser fees	13	9
Printing & stationery	45	34
Legal and professional fees	165	57
Other costs	43	37
Irrecoverable VAT*	(128)	108
	346	**727**

The Company has no employees.

* Irrecoverable VAT has been adjusted for a refund received during the year.

7. Directors' fees

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

	2022 (£,000)	2021 (£,000)
Terry Back	20.0	20.0
Sir Aubrey Brocklebank	17.5	15.3
Sir Peter Bazalgette	17.5	3.4
Robin Goodfellow (retired 18 November 2021)	10.8	8.7
Sir Robin Miller (retired 31 December 2020)	–	12.6
Lord Flight (retired 31 August 2020)	–	8.6
Employers NI	1.9	1.4
	67.7	**70.0**

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

	2022 (£,000)	2021 (£,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

	2022 (£,000)	2021 (£,000)
Total return before tax	11,739	(3,556)
Total return on ordinary activities before tax multiplied by standard rate of corporation tax of 19% (2021: 19%)	2,230	(676)
Effects of:		
Non-taxable unrealised losses	(1,975)	88
Non-taxable realised (gains)/losses	(388)	407
Relieved/unrelieved capital expenses	51	65
Movement in revenue tax losses	82	116
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 (2021: nil). Deferred tax liabilities where material are recognised using the enacted rate of 25% (2021: 19%) as timing differences are not expected to reverse until subsequent to this change of tax rate. There is an unrecognised deferred tax asset of £1,837,085 (2021: £1,263,184) based on losses carried forward of £7,348,338 (2021: £6,648,338).

9. Dividends paid and proposed

	2022 (£,000)	2021 (£,000)
Amounts recognised as distributions to equity holders in the year	**11,009**	**464**

During the year ended 28 February 2022, the Company paid interim dividends of 20.0 pence per H Share and 8.5 pence per I Share on 27 August 2021 with a record date of 20 August 2021. An interim dividend of 3.39 pence per I Share was paid on 6 December 2021 to Shareholders on the register on 26 November 2021.

Subsequent to the year end, the Board declared an interim dividend of 35 pence per H share with a record date of 19 April 2022 which was paid on 6 May 2022.

10. Return per Share

Returns per share are based on the weighted average number of shares in issue during the year. Normal and diluted returns per share are the same as there are no dilutive elements on share capital.

Share Class	Revenue	2022 Capital	Total	Revenue	2021* Capital	Total
Return after taxation attributable to H shares (£'000)	(433)	12,173	11,740	(606)	(2,950)	(3,556)
Weighted average number of in issue			11,593,115			11,593,115
Return per H share basic and diluted (pence)	(3.73)	105.00	101.27	(5.23)	(25.44)	(30.67)

* To aid comparison the return per share at 28 February 2021 has been restated based on the weighted average number of shares in issue after the merger of the H and I shares.

Previously the returns per share were reported for the H shares and I shares. For information the returns per H share and I share for prior periods are shown below:

Share Class	Revenue	2022** Capital	Total	Revenue	2021 Capital	Total
H share (pence)	(4.47)	105.20	100.73	(2.11)	70.04	67.93
I share (pence)	0.11	(0.03)	0.08	(0.51)	(15.14)	(15.65)

** The return per I share is to the date of merger.

11. Investments

Movements in investments during the year are summarised as follows:

	Venture capital Level 1 – quoted £'000	Venture capital Level 2 – unquoted £'000	Venture capital Level 3 – unquoted £'000	Venture capital Total £'000
Book cost at 28 February 2021	3,022	1,272	18,148	22,442
Accrued interest	–	104	–	104
Unrealised gains/(losses) at 28 February 2021	7,551	774	(8,881)	(556)
Valuation at 28 February 2021	10,573	2,150	9,267	21,990
Movements in the year:				
– Transfer from level 2 to level 3*	–	(2,150)	2,150	–
– Transfer from level 3 to level 2**	–	537	(537)	–
– Purchases at cost	–	300	–	300
– Disposals – proceeds	(12,905)	–	(8,783)	(21,688)
– Net realised gains/(losses)***	11,157	–	(9,113)	2,044
– Accrued interest	–	–	2	2
Movements in unrealised gains/(losses)***	(1,679)	270	11,804	10,395
Valuation at 28 February 2022	**7,146**	**1,107**	**4,790**	**13,043**
Comprising:				
– Book cost at 28 February 2022	1,274	552	1,272	3,098
– Accrued interest	–	–	104	104
– Unrealised gains at 28 February 2022	5,872	555	3,414	9,841
Valuation at 28 February 2022	**7,146**	**1,107**	**4,790**	**13,043**

* The transfer from level 2 to level 3 relates to the holding in Festicket Limited.

** The transfer from level 3 to level 2 relates to the holdings in Newsflare Limited (£435,000) and The Dream Corporation (£102,000).

*** Recognition of gains/losses on valuation of investments at fair value through profit or loss.

11. Investments (continued)

During the year, the following disposals of loans and shares were considered material. This generated cash and share proceeds of £21,688,000.

	Cost £'000	Carrying value at 1 March 2021 £'000	Net disposal proceeds £'000	Realised gain/(loss) £'000
Coolabi Group Limited	17,716	8,366	8,365	(9,351)
Unity Software Inc.	1,618	7,807	12,794	11,176
Jungle Creations Limited	180	364	407	227
Mirriad Advertising plc	130	224	122	(8)

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

	Carrying value at 1 March 2021 £'000	Increase in valuation £'000	Carrying value at 28 February 2022 £'000
Festicket Limited	2,150	2,640	4,790
Newsflare Limited*	435	185	920
The Dream Corporation	102	85	187

* During the year, a total of 100,074 shares were bought at a cost of £300,000.

Movements in investments during the year ended 28 February 2021 are summarised as follows:

	Venture capital Level 1 – quoted £'000	Venture capital Level 2 – unquoted £'000	Venture capital Level 3 – unquoted £'000	Venture capital Total £'000
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
Movements in the year:				
– Purchases at cost	–	–	102	102
– Disposals – proceeds	(105)	–	(3)	(108)
– Net realised gains/(losses)*	85	–	(2,229)	(2,144)
– Accrued interest	–	86	147	233
– Transfer at cost	1,772	1,272	(3,044)	–
Movements in unrealised gains/(losses)*	8,081	792	(9,329)	(456)
Valuation at 28 February 2021	**10,573**	**2,150**	**9,267**	**21,990**
Comprising:				
– Book cost at 28 February 2021	3,022	1,272	18,148	22,442
– Unrealised losses and accrued interest at 28 February 2021	7,551	878	(8,881)	(452)
Valuation at 28 February 2021	**10,573**	**2,150**	**9,267**	**21,990**

* Recognition of gains/losses on valuation of investments at fair value through profit or loss.

11. Investments (continued)

	2022 £'000	2021 £'000
Net realised gains/(losses)	2,044	(2,144)
Net unrealised gains/(losses)	10,395	(462)
	12,439	**(2,606)**

During the year, the Company incurred disposal transaction costs of £nil (2021: £nil). The Company also incurred acquisition transaction costs of £nil (2021: £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.

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. At the year end, 45% of the Company's fixed asset investments fell into this category. As detailed in note 3, unquoted investments are valued in accordance with the IPEV guidelines. The fair value of all investments is assessed by the Company and, where appropriate, a revaluation against cost is made. The basis of revaluation may be based on a revenue multiple, recent price or on latest market data. Details of the basis of revaluation are included in the Investment Manager's Review on pages 8 to 10.

The transfer between these classifications in the current year is shown on page 44. There was no transfer in the previous 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 28 February 2022, 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) %
Festicket	–	1,272	4.2

13. Debtors

	2022 (£,000)	2021 (£,000)
Amounts falling due within one year:		
Prepayments and other debtors	18	729
	18	**729**

14. Creditors: Amounts Falling Due Within One Year

	2022 (£,000)	2021 (£,000)
Other creditors and accruals	134	54
	134	**54**

15. Called-up Share Capital

Allotted, called-up and fully paid:

On 16 December 2021, to simplify the Company's capital structure, the share conversion provisions in the Company's articles of association were invoked and 73,103,650 I shares were converted into 3,252 H shares and 73,100,398 deferred shares. The Company repurchased all deferred shares immediately upon conversion and they were cancelled. At 28 February 2022, there were 11,595,682 H Shares of 10 pence each in issue.

	Number of Shares		
As at 28 February 2022	H Shares	I Shares	Total Shares
Brought forward	11,592,430	73,103,650	84,696,080
Ordinary shares issued in the year	3,252	–	3,252
Ordinary shares cancelled in the year	–	(73,103,650)	(73,103,650)
Carried forward	11,595,682	–	11,595,682

	Nominal value £'000		
As at 28 February 2022	H Shares	I Shares	Total Shares
Brought forward	1,159	7,311	8,470
Ordinary shares issued in the year	1	–	1
Ordinary shares cancelled in the year	–	(7,311)	(7,311)
Carried forward	1,160	–	1,160

	Number of Shares		
As at 28 February 2021:	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 28 February 2021:	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

16. Reserves

Called up share capital represents the nominal value of the shares that have been issued. Share premium account includes any premiums received on issue of share capital less any transaction costs associated with the issuing of shares and any amounts transferred to the special reserve. Special reserve includes amounts transferred from the share premium account. The special reserve is distributable and is mainly used for the payment of dividends. Capital reserves include all current and prior period realised and unrealised movements in the fair value of investments and all costs which are considered capital in nature.

As at 28 February 2022, the total distributable reserves of the company are £(538,000) (2021: £8,572,402).

17. Net asset value per Share

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

	2022	2021*
Net assets	£25.2m	£24.5m
H shares in issue	11,595,682	11,595,682
NAV per share	217.38p	211.08p
Net asset total return per share	259.38p	233.08p

* To aid comparison the net asset value per share at 28 February 2021 has been restated based on the number of shares in issue after the merger of the H and I shares.

Previously the net asset value per Share was reported for the H shares and I shares, which, for information purposes, for year ended 28 February 2021was as follows:

	H shares	I shares
Net assets	£15.8m	£8.6m
Shares in issue	11,592,430	73,103,650
NAV per share	136.62p	11.82p
Net asset total return per share**	158.62p	46.82p

** The net asset value total return per Share is based on the net asset value per share plus total dividends paid to date of 22 pence per H Share and 35 pence per I Share

18. 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 28 February 2022:

	2022 (Cost) £'000	2022 (Fair value) £'000	2021 (Cost) £'000	2021 (Fair value) £'000
Assets at fair value through profit or loss	3,098	13,043	24,487	21,990
Cash and cash equivalents	12,280	12,280	1,811	1,811
Totals	**15,378**	**25,323**	**26,298**	**23,801**

18. Financial instruments (continued)

Unquoted investments account for 45% amounting to £5,897,000 of the investment portfolio (2021: 52%). Quoted investments account for 55% amounting to £7,146,000 of the investment portfolio (2021: 48%). The investment portfolio has a 95% (2021: 62%) concentration of risk towards small UK-based, sterling denominated companies and represents 52% (2021: 90%) of net assets at the year end.

Current asset investments being cash and interest-bearing deposits represent 48.7% (2021: 7.4%) 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 28 February 2022, the Company's financial assets exposed to credit risk amounted to the following:

	2022 (£,000)	2021 (£,000)
Investments in floating rate instruments	–	11,775
Interest-bearing deposits	–	1,753
Cash at bank	12,280	58
Interest, dividends and other receivables	18	729

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.

It is estimated that if 10% of the Company's interest income for the year were not received, the reduction in the profit before tax would not have been material.

At 28 February 2022, no interest is 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 decrease the profit before tax for the year by £590,000 and reduce the Company's net assets by the same amount.

18. Financial instruments (continued)

Interest rate risk

Some of the Company's financial assets are interest-bearing 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.

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 0.5% at 28 February 2022 (2021: 0.1%).

	2022 (£,000)	2021 (£,000)
Short term loans and security deposits	–	2,268
Loan notes	–	1,400
Preference shares	–	8,107
Interest-bearing deposits	–	1,752
Cash at bank	12,280	58

The weighted average interest rate applied during the year was 0.0% (2021: 3.3%).

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, a reduction in profits totalling £130,000 would have to be recognised. Had this happened during the year to 28 February 2022, the profit before tax for the year of £11.74 million would have decreased to a profit before tax for the year of £11.61 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.

19. Post Balance Sheet Events

At a general meeting of the Company held on 17 January 2022 (the "General Meeting"), a special resolution was passed to cancel the amounts standing to the credit of the Company's share premium account and capital redemption reserve. Following the passing of that resolution, such cancellation was subject to the approval of the High Court. High Court approval was given on 8 March 2022 and the associated court order was registered by the Registrar of Companies on 22 March 2022. Accordingly, the cancellation became effective as of 22 March 2022.

As explained in the Company's circular to Shareholders in relation to the General Meeting, the purpose of the cancellation was to increase the Company's distributable reserves in order to enable the Company to resume payment of dividends and to offer Shareholders a share buy-back facility. The cancellation has resulted in an increase of £14.74 million in the Company's distributable reserves.

On 4 April 2022, the Board announced an interim dividend of 35 pence per share, payable to Shareholders on the Company's share register at 19 April 2022. The ex-dividend date was 14 April 2022 and the payment date was 6 May 2022.

The payment of this dividend means the Investment Manager will be entitled to a performance fee of approximately £2.6 million which will be paid in July 2022.

20. Geographical Analysis

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

21. 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.

In accordance with the new investment management agreement referred to in Note 5 the Investment Manager will not bear any of the Company's running costs in respect of the financial year ending 28 February 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 28 February 2022.

22. Capital Commitments

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

23. Transactions with the Investment Manager and Related Parties

During the year ended 28 February 2022, the Company incurred investment management and administration fees of £356,351 (2021: £782,798) (exclusive of VAT) payable to the Investment Manager, as a related party. This sum comprised:

- investment management fees of £356,351 (2021: £458,379), after the recovery of previous rebates of £nil (2021: £65,000)
- administration fees of nil (2021: £324,419).

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 2.63% (2021: 4.17%). 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.

In accordance with the new investment management agreement referred to in Note 5 the Investment Manager will not bear any of the Company's running costs in respect of the financial year ending 28 February 2022 or 2023; 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 fifteen million, eight hundred and thirty seven thousand, seven hundred and ninety two pounds (£15,837,792), being the audited H share net asset value as at 28 February 2021.

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 director and monitoring fees of £12,265 (2021: £74,917)

The remuneration and shareholdings of the Directors, who are key management personnel of the Company, is disclosed in the Directors' Remuneration Report on page 21.

24. Ultimate Controlling Party

There is no ultimate controlling party of the Company, it is wholly owned by the Shareholders.

25. Prior Year Adjustment

The realised and unrealised capital reserve figures at 28 February 2021 were incorrectly stated and therefore a prior year adjustment on the Statement of Financial Position on page 34 has been made as follows:

	Realised reserve	Unrealised reserve
As previously stated	(33,031)	(7,607)
Transfer on disposal of holdings sold	(7,051)	7,051
Revised balance at 28 February 2021	**(40,082)**	**(556)**

The net assets, distributable reserves and reported loss for the year remain unaffected.

Notice of the Annual General Meeting

Notice of the Company's 2022 Annual General Meeting is set out on pages 53 to 58 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 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.

2022 Annual General Meeting

The Company's sixteenth annual general meeting will be held at 11.00 am on Tuesday 23 August 2022 at the offices of Simons Muirhead Burton LLP, 87-91 Newman Street, London W1T 3EY. Notice of the meeting is set out on pages 53 to 58 of this report.

Although at the time of writing all Covid-19 regulations have been relaxed and currently there are no restrictions on public meetings, such as the Company's Annual General Meeting, the Board is mindful that not all Shareholders would wish to attend and vote in person. To ensure that all votes are counted for the resolutions being put to the meeting a poll will be called. Shareholders are encouraged to submit their proxy votes ahead of the meeting to ensure that their votes count towards deciding each resolution. Appointing the Chair of the meeting rather than a named person will ensure that the vote will count.

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 28 February 2022.

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 20 to 22 of the annual report for the year ended 28 February 2022.

Resolution 3 – 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 4 – Re-election of Sir Peter Bazalette

Sir Peter Bazalette 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 Sir Aubrey Brocklebank

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

Resolution 6 – Change of investment policy

Following the redemption of the I shares the Company now has one share class the H Ordinary Shares. Therefore it is proposed to update the Company Investment Policy by deleting the following paragraphs of the Company's current Policy. All other text in the Investment Policy as detailed on page 3 will remain the same.

Text to be deleted:

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.

Resolution 7 – 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 £2,616,000 representing 225% of the issued share capital of the Company. The Board are looking to offer a Dividend Reinvestment Scheme in the future and are considering a Prospectus Offer of new shares, any authority granted by this resolution will be utilised for this. This authority will be effective until the later of (1) the date of the Company's 2023 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 8 – Disapplication of pre-emption rights

Resolution 8, which will be proposed as a special resolution, supplements the Directors' authority to allot Shares in the Company for cash given to them by resolution 7, the resolution proposes the authority to disapply pre-emption rights in respect of their authority to allot Shares

(i) with an aggregate value up to but not exceeding £2,500,000 representing 215% of the issued share capital at the date of this report, in connection with offer(s) for subscription; and

(ii) with an aggregate nominal value of up to, but not exceeding, £116,000 or 10% of the issued share capital of the Company from time to time;

in each case where the proceeds of issue may be used in whole or part to purchase the Company's shares in the market.

This authority will be effective until the later of the date of (1) the Company's 2023 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 9 – Purchase of Shares by the Company

Resolution 9, 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 Shares provided that:

(i) such authority is limited to the purchase of 14.99% of the issued Share capital immediately prior to the passing of this resolution;

(ii) the maximum price (exclusive of expenses) which may be paid for such 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 Shares under this

authority prior to the expiry of this authority, and the Company may make a purchase of its own 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 2023 annual general meeting, and (2) 15 months after the date on which this resolution is passed.

Although at the time of writing all Covid-19 regulations have been relaxed and currently there are no restrictions on public meetings, such as the Company's Annual General Meeting, the Board is mindful that not all Shareholders would wish to attend and vote in person. To ensure that all votes are counted for the resolutions being put to the meeting a poll will be called. Shareholders are encouraged to submit their proxy votes ahead of the meeting to ensure that their votes count towards deciding each resolution. Appointing the Chair of the meeting rather than a named person will ensure that the vote will count.

Notice is hereby given that the sixteenth annual general meeting of the Company will be held at 11.00 am on Tuesday 23 August 2022 at the offices of Simons Muirhead Burton LLP, 87-91 Newman Street, London W1T 3EY for the purpose of considering and, if thought fit, passing the following resolutions (of which resolutions 1 to 7, inclusive, will be proposed as ordinary resolutions and resolutions 8 and 9 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 28 February 2022.
2. To approve the Directors' Remuneration Report for the year ended 28 February 2022.
3. 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.
4. To re-elect Sir Peter Bazalette 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 Sir Aubrey Brocklebank 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 change the investment policy by deleting the text relating to the former I Shares. Full details of the deleted text are on page 54 above.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, to pass the following resolutions, resolution 7 as an ordinary resolution and resolutions 8 and 9 as special resolutions of the Company:

7. That the Directors be and are generally and unconditionally authorised in accordance with 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 £2,616,000 representing 225% of the issued share capital of the Company. This authority will be effective until the later of (1) the date of the Company's 2023 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).

SPECIAL RESOLUTIONS

8. Resolution 8, which will be proposed as a special resolution, supplements the Directors' authority to allot Shares in the Company for cash given to them by resolution 7, the resolution proposes the authority to disapply pre-emption rights in respect of their authority to allot Shares
   (i) with an aggregate value up to but not exceeding £2,500,000 representing 215% of the issued share capital at the date of this report, in connection with offer(s) for subscription; and
   (ii) with an aggregate nominal value of up to, but not exceeding, £116,000 or 10% of the issued share capital of the Company from time to time;

   in each case where the proceeds of issue may be used in whole or part to purchase the Company's shares in the market.

   This authority will be effective until the later of the date of (1) the Company's 2023 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).

9. 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 10 pence each in the capital of the Company, provided that:
   (i) such authority is limited to the purchase of 14.99 per cent of the issued Share capital as at the date of this resolution;
   (ii) the minimum price (excluding expenses) which may be paid for such Shares is 10 pence per share, the nominal amount of each share;
   (iii) the maximum price (excluding expenses) which may be paid for such 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 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 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 2023, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

ISCA Administration Services Limited
Company Secretary
Dated: 29 June 2022

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes:

1. Although at the time of publication there are no Government restrictions on attendance at the Annual General Meeting, 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 19 August 2022, 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.vc.
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, The Mending Rooms, 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, The Mending Rooms, 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-agm.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, emailed scan or electronic appointment, as applicable, must be received as above, by no later than 11.00 am on Friday 19 August 2022, 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, The Mending Rooms, 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-agm.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 11.00 am on Friday 19 August 2022, 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 (29 June 2022), the Company's issued share capital comprises 11,595,682 H Shares. Each 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 (29 June 2022) is 11,595,682.
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 28 February 2022 (resolution 1); and
    - the Directors' Remuneration Report (resolution 2);
    - the Directors' letters of appointment (resolutions 3 to 5).
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 28 February 2022 (resolutions 3 to 5).

Corporate Information

Directors

Terry Back (Chairman)
Sir Peter Bazalgette
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

(until 19 April 2022)

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

Company Secretary

(from 19 April 2022)

ISCA Administration Services Limited
Suite 8
Bridge House
Courtenay Street
Newton Abbot TQ12 2QS

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
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Selling Your Shares

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon (UK) Limited, by emailing them at chris.lloyd@panmure.com. Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

The Board is planning to offer a share buyback of up to 7.5% of its shares to Shareholders in the four weeks following the publication of this Annual Report. Shareholders who wish to participate should take their own financial advice and if interested, register their interest with Chris Lloyd at Panmure Gordon (chris.lloyd@panmure.com). A further opportunity is planned to be offered in the four weeks following the publication of the Company's Half-Yearly Report.

Following the conversion of I shares into H shares Shareholders might be left with an odd share that would be uneconomic to sell. ShareGift are a charity whom accept donations of shares. Details can be found at https://www.sharegift.org/donate-shares/

EDGE PERFORMANCE VCT PUBLIC LIMITED COMPANY
1 MARYLEBONE HIGH STREET
LONDON
W1U 4LZ

WWW.EDGE.VC/EPVCT