EDGE PERFORMANCE VCT

ANNUAL REPORT & FINANCIAL STATEMENTS

for the period ended 28 February 2007

Contents

Financial Summary

Period ended 28 February	2007
Net assets	£5,997,660
Net asset value per share	93.70p
Investment income	£214,698
Return on ordinary activities before tax	
- Revenue	£64,550
- Capital	£(60,089)
- Total	£4,461
Return per share	
- Revenue	0.82p
- Capital	(0.94)p
- Total	(0.12)p
Dividend per share declared in respect of the period	
- Revenue	Nil
- Capital	Nil
- Total	Nil
Share price at end of period	100p

Investment Policy

Edge Performance VCT plc ("Edge" or the "Company") is an innovative VCT which offers the opportunity to invest in the entertainment industry, concentrating on live music, theatre, sports, festivals and other events, and utilising arrangements that seek to combine high targeted returns with reduced downside risk and enhanced liquidity whilst allowing investors to take advantage of VCT tax reliefs.

Edge invests in the equity capital and the loan capital of events companies ie companies in the business of, or formed for the purpose of, promoting or co-promoting a series of live events. Typically, 30% of each investment is in equity and 70% is in the form of loan stock secured by a debenture.

The fund managed by the Company for the benefit of its ordinary shareholders will invest only in events companies which have successfully made event licensing arrangements with an established event promoter under which the revenues received by the events company from the events promoted with that promoter will be at least 75% of the aggregate of the amount invested by Edge in the events company and the agreed running costs of the events company. With this emphasis on capital protection, the targeted minimum tax-free return for investors is 115p per 100p invested (equivalent to a return of 75p per 60p invested net of income tax).

The fund managed by the Company for the benefit of its C shareholders will also invest in events companies which have made event licensing arrangements with established event promoters. Unlike the ordinary shareholders' fund, however, investments will be spread amongst those offering high minimum guaranteed returns, with little of investors' capital at risk, and those with more modest minimum guaranteed returns but with significantly higher potential returns. The targeted tax-free return for this fund is 160p per 100p invested (equivalent to a return of 130p per 70p invested net of income tax).

Edge has reached agreement with SJM Limited, a leading UK concert promoter, and with AEG Live (UK) Limited, a UK subsidiary of leading music promotion firm, AEG Live, for the promotion of events with the event companies.

The Company's investment manager is Edge Investment Management Limited ("EIM").

C shares were first issued by the Company in March 2007, so the only funds under management in the period ended 28 February 2007 were those attributable to the holders of ordinary shares.

Chairman's Statement

The first annual report of Edge Performance VCT plc ("Edge" or the "Company") paints an encouraging picture. Our investment proposition has been well received by the IFA community and the leading VCT commentators; we have enjoyed two successful fund-raisings; and, in the period ended 28 February 2007, we made three venture capital investments with a fourth following shortly thereafter. The acid test, of course, is our investment performance and, while it is too early to offer any objective evidence of progress, the board of directors ("Board") has been impressed by the range and quality of investment opportunities which have been introduced by our investment manager, Edge Investment Management Limited ("EIM").

Fund-raising

Our initial offer for subscription which opened in February 2006 raised £6.3 million gross, a highly creditable result in a year which strongly favoured the established performers and proved remarkably difficult for newcomers. Against this background, the Board decided to launch a C share issue which opened in December 2006. As at the date of this report, £13.2 million gross had been raised under the offer taking our funds under management to almost £20 million. Not only have we more than doubled the sum raised under our first offer, we have done so despite a dramatic reduction in the overall VCT market.

The proceeds of the C share issue will be managed and accounted for as a separate pool of funds within Edge until the scheduled date of conversion into ordinary shares which is expected to be no later than 31 March 2013. This will necessitate a period of dual reporting of financial information commencing with the accounts for the six month period ending 31 August 2007.

As there were no C shares in issue during the period ended 28 February 2007, the accompanying financial statements and investment manager's review report only the performance of the ordinary shareholders' pool of funds.

Investment Activity

Our investment activity in the period under review is detailed in EIM's report on pages 7 and 8. The summary is that we made three venture capital investments each of £850,000 before 28 February with a fourth qualifying investment of £895,000 being completed shortly thereafter. Our venture capital portfolio, valued at cost as at 25 May 2007, totals £3,445,000 putting Edge comfortably on target to meet the VCT qualification criterion of having at least 70% of its net assets (attributable to ordinary shareholders) comprise venture capital investments by no later than 28 February 2009.

In future periods, with separately managed pools of funds for our ordinary shareholders and our C shareholders, our investment activity will become more diverse.

The focus of the management of the ordinary shareholders' fund is capital protection with a targeted minimum tax-free return for investors of 115p per 100p invested (equivalent to a return of 75p per 60p invested net of income tax). In pursuit of this objective, Edge will invest only in events companies which have successfully made event licensing arrangements with an established event promoter under which the revenues received by the events company from the events promoted with that promoter will be at least 75% of the aggregate of the amount invested by Edge in the events company and the agreed running costs of the events company.

The management of the C shareholders' fund will seek to realise a higher return – the targeted tax-free return for investors is 160p per 100p invested (equivalent to a return of 130p per 70p invested net of income tax) – through an investment strategy which will also feature investment in events companies which have made event licensing arrangements with established promoters but will accept a spread of investments amongst those offering high minimum guaranteed returns, with little of investors' capital at risk, and those with more modest minimum guaranteed returns but with significantly higher potential returns.

Financial Performance

The Company's net asset value per ordinary share as at 5 April 2006 was 93.84p after account was taken of the start-up costs (which were capped at 5.5% of total funds subscribed) and the early subscriber discount of 1.5%.

At 28 February 2007, the Company's net asset value per ordinary share was 93.70p. This compares with an effective cost of investment of 60p to those qualifying investors able to benefit fully from the front-end tax relief available under the 2005/06 tax regime or 58.5p for those who also received the early subscriber discount.

The reduction in net asset value per ordinary share of 0.14p over the period from 5 April 2006 to 28 February 2007 had two sources: a loss after tax for the period of £7,803 and legal costs of £750 incurred in redeeming 50,000 redeemable, non-voting preference shares (which costs were set against the Company's share premium account). The loss comprised a revenue profit of £52,286 and a capital loss of £60,089 giving rise to a revenue return per share of 0.82p and a capital return per share of (0.94)p over the period.

Corporate Activity

On 16 November 2006 Edge Music Limited, a company wholly owned by David Glick and Richard Baskind exercised an option to acquire the Company's interest in EIM. Up until this time the Company held a 51 per cent. interest in EIM with David Glick holding the remaining 49 per cent. This option was granted by the Company to Edge Music Limited on 3 February 2006 and was exercisable in the event that EIM became authorised by the FSA to carry out investment business. EIM received such authorisation on 31 October 2006. In accordance with the terms of the option instrument, Edge Music Limited paid £1 to exercise the option.

Following EIM's FSA authorisation on 31 October 2006, it entered into a new management agreement with the Company on 12 December 2006, which agreement replaced the original management agreement dated 3 February 2006. The new agreement is for a fixed term which shall expire on 6 April 2012 and shall continue in force thereafter unless and until terminated by either party giving to the other previous written notice of not less than 12 months so as to expire on 6 April 2012 or at the end of any month thereafter.

At an extraordinary general meeting of the Company on 15 November 2006, pursuant to a special resolution, the Company's authorised share capital was increased from £30,050,000 to £32,030,100 by the creation of 19,800,000 C ordinary shares of 10p each and 1,000 deferred shares of 10p each having the rights and being subject to the restrictions set out in the new Articles of Association which were also adopted pursuant to this resolution.

Our second offer for subscription which opened on 22 December 2006 had issued 13,345,312 C ordinary shares as at the date of this report. The proceeds of the issue will be managed and accounted for as a separate pool of funds within the Company until the scheduled date of conversion into ordinary shares which shall not be later than 2013.

Looking Forward

The Board is confident that, in the year ending 28 February 2008, the Company's ordinary share fund will be sufficiently invested to satisfy the VCT qualification criteria and that a solid foundation will have been laid for the realisation of the targeted minimum tax-free return.

The Board also expects EIM to make significant progress in establishing a C share venture capital portfolio which will be capable of delivering the more ambitious targeted return for that fund.

We are convinced of the investment potential of the live events market in the UK, we believe Edge has made a promising start to realising some of that potential and we are confident that the Company will continue this progress.

Thank you for your support.

Sir Robin Miller

Chairman

The Directors and the Investment Manager

The collective experience of the Board and the Investment Manager's investment team - which covers concert promotion, artist management, legal representation of artists and promoters, deal structuring, accountancy and tax, venture capital and investment banking - will be employed in the selection and management of the Company's investments.

Directors

The Company has the following Directors, all non-executive, who are responsible for overseeing investment policy and will have overall responsibility for the Company's activities. The Directors are, with the exception of David Glick, independent of the Company's investment manager.

Sir Robin Miller (age 65) – Chairman of Edge Performance VCT plc

Robin Miller was chief executive (1985-98 and 2001-03) and chairman (1998-2001) of Emap, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events. At Emap he participated in their entry into commercial radio with the acquisition of a stake in Kiss FM followed by the acquisition of Radio City, Transworld and Metro Radio.

Since 2003, Robin has been senior media adviser to HgCapital, where he participates in the evaluation of media and music investments, and is currently chairman of two of their recent investments, Boosey & Hawkes and Clarion Events. HgCapital is a leading investor in the European private equity market with funds under management of some £900 million. He has also served as a non-executive director on the boards of HMV Group plc, Moss Bros Group plc and Channel 4 Television.

Michael Eaton (age 64)

Michael Eaton is a qualified (non-practising) solicitor and was a partner at City law firm Stephenson Harwood. In 1977 he joined the Dick James Music Organisation where he was responsible for the legal and administrative aspects of its publishing, recording and management activities. In 1979, he formed Eaton & Co. (subsequently re-named Eaton & Burley), a firm of solicitors specialising in the music industry, and in 1990 he was a co-founder of Eatons, a leading music and entertainment law firm, with David Glick. In 2000 he became a consultant to Mishcon de Reya following the merger of Eatons with that firm and in the same year founded MusicLore which has provided business management and legal advice to some of the world's leading recording and performing artists.

He has throughout his career acted for numerous highly successful popular music artists in negotiations with record companies, concert promoters and other entertainment entities in North America as well as Europe. More recently he has represented Eric Clapton in relation to his world-wide touring activities and was one of the main organisers of the concerts performed by Cream in London and New York in 2005. He is currently Chief Executive Officer of Bushbranch Limited, a music management company providing management services to Eric Clapton.

David Glick (age 44)

David Glick founded the Edge group of companies, a specialist advisory and investment business for the media and entertainment sector. He is a qualified (non-practising) solicitor who has experience in all areas of commercial media and entertainment with a particular emphasis on music, film, television, sport, theatre and fashion.

Upon qualifying as a solicitor, he 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. At Edge he has brokered, and advised clients on, the sale of multi-million pound assets such as the UK's largest privately-owned music library business to Viacom, the global media company. He has also been both an executive and a non-executive director of Entertainment Rights, the UK media business quoted on the Official List. He is married to Kate Glick.

Julian Paul FCA (age 62)

Julian Paul is a chartered accountant and ex-merchant banker who has held a number of senior positions with companies in the media and entertainment sector. He is Deputy Chairman of Eagle Rock Entertainment of which he was a founder shareholder: Eagle Rock, which is majority-owned by its management following an MBO in April 2007, operates in the music and entertainment business. It acquires and creates audio and visual programming rights, both music and factual, and exploits these rights through the release of own label CDs and DVDs and through the licensing of these rights for TV and other media. Eagle Rock has a production arm which produces live concert programming for distribution for TV, DVD and other media including concerts by Yes, Atomic Kitten and Fat Boy Slim.

He was, between 1994 and 1999, a shareholder and director and subsequently a consultant to Sanctuary Group which acted as manager to Iron Maiden amongst other artists. Other current directorships include: Entertainment Rights, a UK media business quoted on the Official List; Cellcast, an AIM quoted digital interactive broadcaster; Pilat Media Global, an AIM quoted broadcasting application software business; and Stagecoach Theatre Arts, an AIM quoted franchisor of performing arts schools. He is also Senior Non-Executive Director of Inspired Gaming Group plc, an AIM quoted provider of gaming machines for the leisure and gaming markets.

Frank Presland (age 63)

Frank Presland practised as a solicitor for 25 years, specialising in music and copyright. He advised numerous musicians including The Beatles, Dusty Springfield, The Troggs, Terence Trent D'Arby and Elton John as well as music publishing companies including BMG Music Publishing Limited and record companies including RCA Records. He became senior partner of law firm Frere Cholmeley Bischoff and later became joint chairman of the national law firm, Eversheds.

In 1999 he established and became chief executive officer of Twenty-First Artists, a music management company providing management services to Elton John and other artists including Jamiroquai. More recently Twenty-First Artists has focused on finding and developing new talent and has had great success with new artist James Blunt. In May 2006 he became Chief Executive Officer of The Sanctuary Group plc.

The Investment Manager

The Company's investment manager is Edge Investment Management Limited ("EIM"). The members of the EIM investment team are all directors of EIM; their details (other than those of David Glick, who is also a director of Edge and whose details are shown above) are as follows:

Gordon Power (age 52) – Chairman of Edge Investment Management Limited

Gordon Power has over 20 years of private equity experience and is currently chairman of Enterprise Private Equity Limited (an investment manager established to invest in small to medium-sized enterprises) and a consultant to Aberdeen Asset Management relating to certain investments in the unquoted portfolio of Guinness Flight VCT plc.

Prior to this he founded the private equity business ProVen Private Equity (now re-named Beringea) and led its buy-out from Guinness Mahon in 1997. As CEO of ProVen from 1984 until 2004, he spearheaded the creation and marketing of funds and the investment (he was head of the investment committee) and exit of deals. By 2002 ProVen, which specialised in media and intellectual property rights investments, had funds under management of £185 million including Guinness Flight VCT, ProVen VCT and ProVen Media VCT (now re-named ProVen Growth and Income VCT). From 1984 until March 2006, he has achieved an overall annual return of 30 per cent. on 171 realised (i.e. sale, flotation or administration/liquidation) investments and unrealised investments.

Harvey Goldsmith CBE (age 59)

Harvey Goldsmith is one of the UK's best known music industry impresarios, having since the 1960s produced and promoted shows with leading artists such as The Rolling Stones, The Who, Bruce Springsteen, The Eagles and Sting. He formed Artiste Management Productions in 1973 to produce and manage music artists, and Harvey Goldsmith Entertainments Limited in 1976, which became the UK's leading promoter of concerts and events. He became involved in the Prince's Trust in 1982, producing the first Prince's Trust Rock Gala, and joining the Trust's board. In 1985, he produced the Live Aid concert with Sir Bob Geldof, raising £140 million for famine relief in Africa and the more recent Live 8 concert in 2005. He has also produced major operatic productions, including Pavarotti in the Park, and was the primary promoter for Michael Flatley's Lord of the Dance and the series of Cirque du Soleil shows at the Royal Albert Hall.

Alasdair George (age 45)

Alasdair George is a qualified (non-practising) solicitor who has extensive experience of legal, strategic, commercial and operational management in the entertainment industry having been Senior Vice President of Legal & Business Affairs at Sony BMG UK, sitting on its management board, and on the Council of the record industry trade association, the BPI. He handled the merger of Sony & Warner's distribution businesses, UK aspects of the Sony BMG merger and the Sony-Michael Jackson JV (which created Sony/ATV Music Publishing).

Kate Glick ACA, CTA (age 36)

Kate Glick qualified as a chartered accountant and chartered tax adviser with Arthur Andersen where she worked from 1991 until 2002 and is also a member of the Securities & Investment Institute. Her experience at Arthur Andersen included insolvency and turnaround advice and latterly tax advice on areas including capital gains tax, trust and other personal tax matters. She is company secretary of the Edge Group of companies and has been responsible for the accounting function at the group; she has also advised Edge Group clients on accountancy and tax-related issues. She is the company secretary of EIM and was the initial company secretary of Edge until resigning from that post to concentrate on the increasing work flow through EIM. She holds a BA in Economics from Cambridge University and is married to David Glick.

Investment Manager's Review

Investment Overview

At the end of the period, the portfolio consisted of investments in three qualifying companies, with a further qualifying investment completed after the period ended. The ordinary shareholders' fund ("Fund") needs to have at least 70% by value of its investments in qualifying holdings by no later than 28 February 2009 to comply with VCT regulations. With a fifth qualifying investment nearing completion, it is expected that this target will be reached by 31 August 2007.

In the period, the Fund looked to invest in a series of events companies, each of whose business is the promotion and organisation of shows, concerts, tours, festivals, exhibitions and other events before live audiences, and the marketing, advertising, promotion and management of those events. The events companies in which the Fund has invested have in turn contracted with one of two established promoters, SJM Limited or AEG Live (UK) Limited, to acquire the right to promote specific live events, selected by the relevant events company, over a defined period of time. Inevitably, given that the period represented only the early stages of the Fund, much of the activity centred on the conclusion of the initial investment arrangements with the events companies, and less on the promotion by the events companies of particular live events. However, promotion of two significant concert tours was undertaken in the period, one of which was concluded successfully in 2006, and the other of which took place after the period ended. It is expected that 2007 will bring a greater level of activity, not only in terms of investing in events companies, but particularly in those companies' activities in promoting events.

Qualifying Investments in the Period

Martha and George Productions Limited

In November 2006, £850,000 was invested in Martha and George Productions Limited for a 50% equity stake.

The company's founding director, Clive Black, has many years of experience within the entertainment industry, having been the youngest ever Managing Director of EMI Records. He now owns Edel Music and Blacklist Music. Drawing on his areas of specialism, the company's focus is, in particular, on "urban" music and other ethnic-influenced musical genres, as well as musical theatre.

In conjunction with SJM, Martha and George Productions co-promoted the tour in December 2006 by **The Pogues**, resulting in a positive net return to the company.

In Tandem Promotions Limited

In December 2006, £850,000 was invested in In Tandem Promotions Limited for a 49% equity holding.

Steven Howard, who is a director of and shareholder in the company, has over 25 years' experience within the music industry having until recently been Managing Director of Zomba Music Publishers, part of the leading independent music company, Zomba Group. He currently also manages Bryan Ferry and the ballerina Darcey Bussell, amongst others. The company's particular focus is events by performers from the rock, pop and classical fields.

In Tandem and SJM contracted to co-promote the April 2007 tour by **James.**

My Brother Promotions Limited

In February 2007, £850,000 was invested in My Brother Promotions Limited for a 45% equity stake

Jeremy Wakefield, a director and shareholder of the company, has many years of experience within the industry, as a solicitor with a particular focus in the music and entertainment sector. His role in running the company is to focus on opportunities to promote established artists, particularly artists from the 1970s and 1980s, together with looking at opportunities in musical theatre.

Qualifying Investments following the Period

LC Presents Limited

In March 2007, £895,000 was invested in LC Presents Limited for a 49% equity interest

The company's founding director, Lester Dales, has many years of experience within the entertainment industry as an accountant specialising in the music business, in particular dealing with tours and touring income. He will be seeking suitable events for the company to produce and promote, and will oversee the event management, production, media relations, merchandising and other aspects of the company's business. The focus of the company is rock, particularly live touring by non-UK artists; however, this will not preclude other investment opportunities.

Non-qualifying Investments

During the period, £844,427 was invested in the Rothschild Preferred Income Fund. As at the end of the period, the value of that investment stood at £840,274.

Fund-raising

In December 2006, the Company offered C Shares for subscription. So far, this offer has raised over £13 million.

Outlook

The Fund has started well, and is on track to attaining its 70% qualifying investment target by August 2007, eighteen months earlier than is required. Deal flow has been strong, with many approaches made to EIM for opportunities in the live performance area and also in the wider entertainment sector. EIM continues actively to review all approaches, as well as proactively seeking out investment opportunities through its board's extensive network of contacts in the sector.

Investment Portfolio

as at 28 February 2007

	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments			
Martha and George Productions Limited	850.5*	850.5*	14.2
In Tandem Promotions Limited	850.5*	850.5*	14.2
My Brother Promotions Limited	850.5*	850.5*	14.2
Total qualifying investments	**2,551.5**	**2,551.5**	**42.6**
Net current assets		3,446.2	57.4
Net assets		**5,997.7**	**100.0**

*This amount includes transaction costs of £500.

Venture Capital Investments

as at 28 February 2007

Martha and George Productions Limited

Cost:	£850,500
Valuation:	£850,500
Basis of valuation:	Cost
Equity holding:	50%

As the company was only incorporated on 6 June 2006, audited accounts have not yet been filed. First audited accounts will be for the period to 31 March 2007.

In Tandem Promotions Limited

Cost:	£850,500
Valuation:	£850,500
Basis of valuation:	Cost
Equity holding:	49%

As the company was only incorporated on 27 September 2006, audited accounts have not yet been filed. First audited accounts will be for the period to 31 March 2007.

My Brother Promotions Limited

Cost:	£850,500
Valuation:	£850,500
Basis of valuation:	Cost
Equity holding:	45%

As the company was only incorporated on 12 July 2006, audited accounts have not yet been filed. First audited accounts will be for the period to 31 July 2007.

Directors' Report

The Directors present the audited accounts of the Company for the period from incorporation, 8 September 2005, to 28 February 2007 and their report on its affairs.

Business and Principal Activities

The Company, launched in February 2006, is an innovative VCT which offers the opportunity to invest in the entertainment industry, concentrating on live music, theatre, sports, festivals and other events, and utilising arrangements that seek to combine high targeted returns with reduced downside risk and enhanced liquidity whilst allowing investors to take advantage of VCT tax reliefs.

Edge invests in the equity capital and the loan capital of events companies ie companies in the business of, or formed for the purpose of, promoting or co-promoting a series of live events. Typically, 30% of each investment is in equity and 70% is in the form of loan stock secured by a debenture.

The fund managed by the Company for the benefit of its ordinary shareholders will invest only in events companies which have successfully made event licensing arrangements with an established event promoter under which the revenues received by the events company from the events promoted with that promoter will be at least 75% of the aggregate of the amount invested by Edge in the events company and the agreed running costs of the events company. With this emphasis on capital protection, the targeted minimum tax-free return for investors is 115p per 100p invested (equivalent to a return of 75p per 60p invested net of income tax).

The fund managed by the Company for the benefit of its C shareholders will also invest in events companies which have made event licensing arrangements with established event promoters. Unlike the ordinary shareholders' fund, however, investments will be spread amongst those offering high minimum guaranteed returns, with little of investors' capital at risk, and those with more modest minimum guaranteed returns but with significantly higher potential returns. The targeted tax-free return for this fund is 160p per 100p invested (equivalent to a return of 130p per 70p invested net of income tax).

Edge has reached agreement with SJM Limited, a leading UK concert promoter, and with AEG Live (UK) Limited, a UK subsidiary of leading music promotion firm, AEG Live, for the promotion of events with the events companies.

C shares were first issued by the Company in March 2007, so the only funds under management in the period ended 28 February 2007 were those attributable to the holders of ordinary shares.

The Directors do not foresee any major changes in the activity undertaken by the Company in the foreseeable future.

Details of the venture capital investments made by the Company are shown on page 10.

A detailed review of the Company's business during the period and future prospects is contained in the Chairman's Statement and the Investment Manager's Review on pages 2-3 and 7-8 respectively.

Investment Company Status

Throughout the period under review the Company was an investment company as defined in section 265 and 266 of the Companies Act 1985.

VCT Status

The Company was granted provisional approval in April 2006 as a venture capital trust by HM Revenue & Customs under section 842AA of the Income and Corporation Taxes Act 1988. The Directors intend to continue to manage the affairs of the Company in compliance with this section.

Share Capital

The Company was incorporated on 8 September 2005 with the name Edge Performance VCT plc.

The Company's authorised share capital on incorporation was £30,050,000 divided into 60,000,000 ordinary shares of 50p each and 50,000 redeemable non-voting preference shares ("Redeemable Shares") of £1 each.

On incorporation, two ordinary shares of 50p each were issued, fully paid-up, and 49,999 Redeemable Shares were allotted, one-quarter paid-up. The Redeemable Shares were redeemed on 19 October 2006.

At an extraordinary general meeting of the Company on 6 December 2005, pursuant to an ordinary resolution, each issued and unissued ordinary share of 50p was sub-divided into five ordinary shares of 10p each.

On 5 April 2006, 6,400,630 ordinary shares were allotted and issued for cash to various subscribers who submitted valid applications under the offer for subscription made through a prospectus dated 6 February 2006.

At an extraordinary general meeting of the Company on 15 November 2006, pursuant to a special resolution, (i) the Company's authorised share capital was increased from £30,050,000 to £32,030,100 by the creation of 19,800,000 C ordinary shares of 10p each and 1,000 deferred shares of 10p each having the rights and being subject to the restrictions set out in the new Articles of Association and (ii) the new Articles of Association were approved and adopted as the Company's Articles of Association in substitution for and to the exclusion of all existing Articles of Association.

As at 28 February 2007 a total of 6,400,640 ordinary shares of 10p each of the Company were in issue.

Authority to make Market Purchases of Shares

By an ordinary resolution of the Company passed at an extraordinary general meeting of the Company held on 6 December 2005, the Company was generally and unconditionally authorised (in accordance with section 166 of the Companies Act) to make market purchases of up to 10% of the ordinary shares in issue from time to time. The price paid must not be less than 10p per ordinary share nor more than 5 per cent above the average of the middle market quotations for an ordinary share as derived from the Official List of the London Stock Exchange for the five business days immediately preceding the date on which the ordinary shares are purchased.

Cancellation of Share Premium Account

By a special resolution of the Company passed at an extraordinary general meeting of the Company held on 6 December 2005, it was resolved that, subject to the approval of the High Court of Justice, the share premium account of the Company be cancelled following the final closing of the offers for subscription made through a prospectus dated 6 February 2006.

The cancellation of the share premium account will create a special reserve that can be used, amongst other things, to fund buy-backs of the Company's shares when the Board considers that it is in the best interests of the Company to do so.

As at the date of this report, the share premium account had not been cancelled.

Results, Dividends and Performance

As shown in the Company's Income Statement on page 24 of the financial statements, the Company's returns in its opening period were:

Revenue return per share	0.82p
Capital return per share	(0.94)p
Total return per share	(0.12)p

The Directors do not recommend the payment of a final dividend in respect of the period ended 28 February 2007.

The Balance Sheet on page 25 of the financial statements shows that the Company's net assets and the net asset value per share have decreased over the year, reflecting the payment of the ongoing costs of the Company whilst the investment portfolio remains at an immature stage.

Cash flow for the business has been positive over the period, reflecting the Company's fund-raising activities.

The total expense ratio for the Company for the period from 5 April 2006 to 31 January 2007 was 4.2%.

Under the terms of the investment management agreement, the operating costs of the Company (excluding the investment manager's performance related incentive fee, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.5% of the value of the Company's net assets. Any excess will be paid by the investment manager.

The Company operates a policy of buying back shares for cancellation.

Post Balance Sheet Events

Details of important events occurring after the balance sheet date can be found in note 18 to the financial statements on page 34.

Directors

The Directors on incorporation were David Glick and Glynne Stanfield. The latter resigned on 18 January 2006 and, on that date, Sir Robin Miller, Julian Paul, Michael Eaton and Frank Presland were appointed as Directors. No other person was a Director during any part of the period under review.

Julian Paul and Frank Presland resigned and were re-appointed at the Company's first annual general meeting which was held on 7 March 2007.

Brief biographical details of the current Directors are given on pages 4 and 5.

Directors' Interests

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

	No of ordinary shares as at 28 Feb 2007 and 25 May 2007	Percentage holding %	No of C ordinary shares as at 25 May 2007*	Percentage holding %
Sir Robin Miller	50,000	0.8	-	-
Michael Eaton	50,000	0.8	-	-
David Glick	100,000	1.6	101,500	0.8
Julian Paul	12,500	0.2	10,000	0.1
Frank Presland	10,000	0.2	10,300	0.1

*No C shares had been issued as at 28 February 2007 under the C share issue which opened on 22 December 2006.

No options over shares in the capital of the Company have been granted to the Directors.

Directors' Remuneration Report

An ordinary resolution to approve the Directors' Remuneration Report (presented on page 15) will be put to an extraordinary general meeting to be held on 26 June 2007.

Substantial Shareholdings

As at the date of this report the Company was not aware of any individual shareholdings exceeding 3% of the issued share capital.

Auditors

A resolution to re-appoint Scott-Moncrieff as auditors to the Company will be proposed at the forthcoming extraordinary general meeting. A separate resolution will be proposed at the meeting authorising the Directors to determine the remuneration of the auditors.

Creditor Payment Policy

The Company's policy is to pay all suppliers' invoices in accordance with agreed terms. There was one trade creditor as at 28 February 2007.

Investment Management Agreement

Edge Investment Management Limited ("EIM") was originally appointed, through an agreement dated 3 February 2006, as the Company's investment adviser. On 12 December 2006 this agreement was amended and replaced with a new agreement for a fixed term which shall expire on 6 April 2012 and shall continue in force thereafter unless and until terminated by either party giving to the other previous written notice of not less than 12 months so as to expire on 6 April 2012 or at the end of any month thereafter. Under the revised agreement, EIM was appointed as the Company's investment manager following its authorisation, with effect from 31 October 2006, by the FSA to carry out investment business.

EIM receives an annual management fee of 2.0% of the net asset value attributable to the Company's ordinary shares. The fee is payable annually in advance.

Total annual operating expenses (excluding EIM's performance incentive fee, irrecoverable VAT and costs of any significant corporate activity) have been capped at 3.5% of the net asset value attributable to the ordinary shares with any excess being borne by EIM.

Performance Related Incentive Fee

EIM is also entitled to a performance related incentive fee equal to 19% of the cumulative cash returned to ordinary shareholders in excess of 75p per share per 60p invested (net of income tax) although no such fee will be payable unless the cumulative cash returned to the ordinary shareholders exceeds the initial investment of 60p per share (net of income tax) increased by 8% per annum (simple). This fee is to be paid in cash and can be assigned by EIM to some or all of EIM's investment team.

Annual General Meeting

The Company's first annual general meeting was held on 7 March 2007 in order to comply with the company law requirement that a company's first annual general meeting be held within 18 months of the company's date of incorporation. The only business of the meeting was two ordinary resolutions, both of which were passed, for the re-election of the Directors Julian Paul and Frank Presland, both of whom retired by rotation in accordance with the Company's Articles of Association. Because the Company had changed its accounting reference date to 28 February, accounts for the Company's opening period to 28 February 2007 were not available for presentation to the meeting. Shareholders were informed that the Company's first annual report and financial statements would be presented to an extraordinary general meeting to be held in June 2007. This meeting will be held on 26 June 2007.

By order of the Board

R C Smeaton
For and on behalf of
The City Partnership (UK) Limited
Company Secretary

28 May 2007

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of Schedule 7A to the Companies Act 1985. A resolution to approve the report will be proposed at an extraordinary general meeting to be held on 26 June 2007.

The Company's auditors, Scott-Moncrieff, are required to give their opinion on certain information included in this report. The disclosures which have been audited are indicated as such. Their report is set out on page 22.

Remuneration Committee

During the period under review, the members of the Company's remuneration committee, a fully constituted board committee, were Sir Robin Miller, Michael Eaton and Julian Paul. The committee's remit regarding remuneration is included in the Statement of Corporate Governance which is set out on page 17.

The committee did not meet in the period ended 28 February 2007. Such a meeting in the Company's first year of business was thought unnecessary given that no Director retired and that the Directors' initial fees had been agreed in their letters of appointment.

The committee has not received any advice or services from any person in respect of the Directors' remuneration during the period.

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. The Company's Articles of Association do not place an overall limit on the Directors' remuneration. None of the Directors is eligible for pension benefits, share options, bonuses or other benefits in respect of their services as non-executive Directors of the Company.

The Company operates a performance related incentive scheme from which two Directors may benefit.

EIM is entitled to a performance related incentive fee equal to 19% of the cumulative cash returned to ordinary shareholders in excess of 75p per share per 60p invested (net of income tax) although no such fee will be payable unless the cumulative cash returned to the ordinary shareholders exceeds the initial investment of 60p per share (net of income tax) increased by 8% per annum (simple). This fee is to be paid in cash and can be assigned by EIM to some or all of EIM's investment team. David Glick may benefit through his shareholding in EIM.

Under his letter of appointment, Sir Robin Miller is entitled to receive 1% of cumulative cash returned to investors by the Company's ordinary shares in excess of 75p per share per 60p invested (net of income tax) although no such fee will be payable unless the cumulative cash returned to the ordinary shareholders exceeds the initial investment of 60p per share (net of income tax) increased by 8% per annum (simple).

Directors' Fees

The fees paid to individual Directors in respect of the period ended 28 February 2007 are shown in the table below. Sir Robin Miller's, Julian Paul's and David Glick's fees were paid to RMC Limited, Julian Paul & Co, and Edge Media Services Limited respectively in consideration for their services.

Director	Fee for period ended 28 February 2007 £	Annual fee £
Sir Robin Miller	11,162	15,000
Michael Eaton	9,301	12,500
Julian Paul	9,301	12,500
Frank Presland	9,301	12,500
David Glick	9,301	12,500

Each Director accepted, for the period under review, a reduction of 30% in his annual fee.

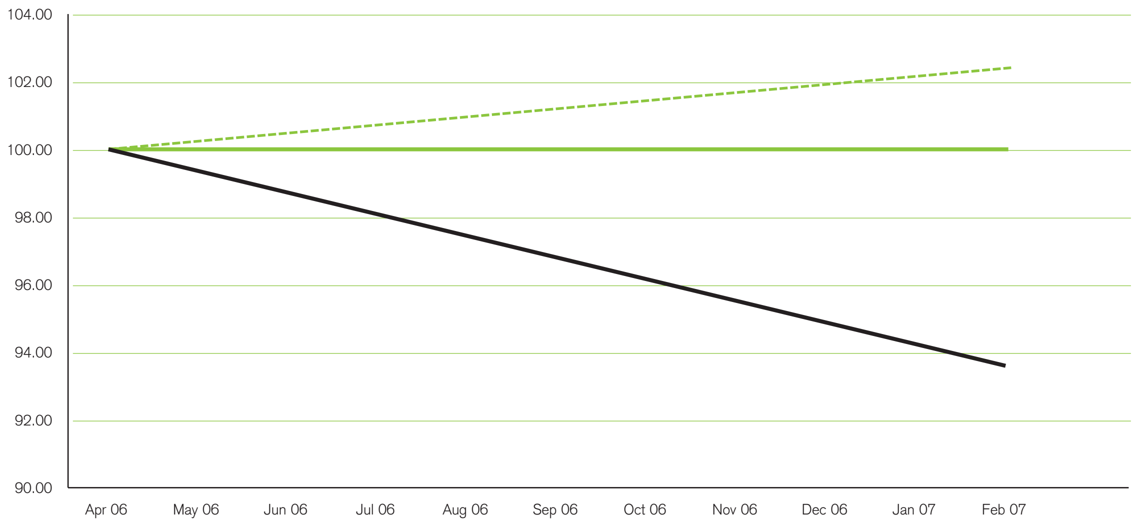
Terms of Appointment

The Articles of Association provide that the Directors shall retire and be subject to re-election at least every three years. None of the Directors has a service contract with the Company. On being appointed or re-elected, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. Sir Robin Miller and David Glick have each been appointed for a three year term with a six months' notice period whereas the other Directors have been appointed for a rolling term with a six months' notice period.

Company Performance

The graph below compares the Company's share price (total return) and the company's net asset value per share (total return) with the total return from a notional investment in the FT All Share Media Index over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes.

Return to ordinary shareholders in Edge Performance VCT plc
Period from 5 April 2006 to 28 February 2007



Edge share price total return
Edge net asset value per share total return
FT All Share Media Index

By order of the Board

R C Smeaton
For and on behalf of
The City Partnership (UK) Limited
Company Secretary

28 May 2007

Statement of Corporate Governance

Statement of Compliance

The Directors of Edge Performance VCT plc ("Edge" or the "Company") confirm that the Company has taken appropriate action to enable it to comply with the Principles of the Combined Code on Corporate Governance (2003) (the "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 Code are directly applicable to the Company. Apart from the matters referred to in the following paragraphs, the requirements of the Code were complied with throughout the period ended 28 February 2007.

In view of its non-executive nature and the requirements of the Company's Articles of Association that all Directors retire by rotation at the annual general meeting, the Board considers that the Directors need not be appointed for a specific term as recommended by the Code. That said, Sir Robin Miller and David Glick have each been appointed for a three year term with a six months' notice period whereas the other Directors have been appointed for a rolling term with a six months' 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 Edge Investment Management Limited and the company secretary, the Company has not appointed a chief executive, deputy chairman or a senior independent non-executive director. There is no formal induction programme for Directors.

Board of Directors

The Company has a board of five non-executive Directors, four of whom are considered to be independent. The remaining Director, David Glick, is also a director of the Company's investment manager, Edge Investment Management Limited. The Company has no staff.

All non-executive Directors have signed letters confirming the terms of their appointment as non-executive Directors with effect from 18 January 2006.

At each annual general meeting of the Company, at least one-third of the Directors shall retire from office by rotation. A retiring Director is eligible for re-election.

Directors are provided with key information on the Company's activities including regulatory and statutory requirements and internal controls by the Company's solicitors, Eversheds, and by the company secretary. 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.

The Board is responsible to shareholders for the proper management of the Company and meets 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.

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

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board:

- 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 judgments contained in them.
- To review the Company's internal financial controls and, unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's internal control and risk management systems.
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors.
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- To review the half-year and annual financial statements before submission to the Board.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary).
- To monitor and review the effectiveness of any internal audit activities. If there is no internal audit function, to consider annually if there is a need for such an audit and to make a recommendation to the Board.
- To review the external auditors' management letter and management's response.

The committee shall comprise at least two independent Directors. The first members of the committee are Michael Eaton and Julian Paul.

A quorum shall be two members.

Remuneration Committee

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board.

- To determine and agree with the Board the framework or broad policy for the remuneration of the chairman, the Directors and the secretary. No Director or manager shall be involved in any decisions as to their own remuneration.
- To determine targets for any performance-related pay schemes operated by the Company; to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; within the terms of the agreed policy, to determine the total individual remuneration package of each Director including, where appropriate, bonuses, incentive payments and share options.
- In determining such packages and arrangements, to give due regard to the contents of the Code as well as the UK Listing Authority's Listing Rules and associated guidance.
- To agree the policy for authorising claims for expenses from the Directors.
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
- To report the frequency of, and attendance by members at, remuneration committee meetings in the annual reports.

The committee shall comprise at least two independent Directors. The first members of the committee are Michael Eaton, Julian Paul and Sir Robin Miller.

A quorum shall be two members.

Nomination Committee

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board.

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.
- Before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- To review annually the time required from a non-executive Director. Performance evaluation should be used to assess whether the non-executive Director is spending enough time to fulfil their duties.
- To monitor and review the effectiveness and performance of individual Directors of the Company.
- To review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- To keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- To make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the committee, number of committee meetings and attendance over the course of the year.
- To ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

The committee shall comprise at least two members, no less than one of whom shall be an independent Director. The first members of the committee are Michael Eaton, Julian Paul and Sir Robin Miller.

A quorum shall be two members.

Attendance at Board and Committee Meetings

During the period ended 28 February 2007 there were:

- 4 board meetings convened to consider general business (and several other board meetings convened to consider business specific to the offers for subscription made by the Company during the period under review)
- No meetings of the audit committee
- No meetings of the remuneration committee
- No meetings of the nomination committee

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

Director	Meetings attended
Robin Miller	4
Michael Eaton	3
David Glick	4
Frank Presland	2
Julian Paul	4

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, through reporting and at Board level, with regard to the likelihood of occurrence, the probable impact on the Company and the controls exercised at source.

The Board has identified no significant problems with the Company's internal controls but has resolved to improve the documentation of the internal controls applied to the Company's business.

Relations with Shareholders

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

All written communication with shareholders is reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

Shareholders are encouraged to attend the Company's general meetings where the Directors and representatives of the Company's advisers will be available to answer any questions members may have.

The Board also communicates with shareholders through interim and annual reports which will include a chairman's statement and an investment manager's report both of which are reviewed and approved by the Board to ensure that they present a fair assessment of the Company's position and future prospects.

Accountability and Audit

The statement of the Directors' responsibilities in respect of the financial statements and the independent auditors' report are presented on pages 21 and 22 respectively of this report.

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

After making enquiries, the Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of the Company's financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements. The Directors have chosen to prepare the accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view in accordance with the UK GAAP of the state affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period and which comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with these requirements.

The Directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

to the shareholders of Edge Performance VCT plc

We have audited the financial statements of Edge Performance VCT plc which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow statement and the relevant notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with applicable law and regulatory requirements and relevant International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the corporate governance and directors' responsibilities statements on pages 17 and 21 reflect the Company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statement on Internal Control covers all risks or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. The other information comprises the Financial Summary & Investment Policy, Chairman's Statement, Investment Manager's Review, Investment Portfolio, Venture Capital Investments, Directors' Report, Directors' Remuneration Report, Statement of Corporate Governance, Statement of Directors' Responsibilities, Notice of Extraordinary General Meeting and Corporate Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' remuneration report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 28 February 2007 and of the total return of the Company for the period then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Scott-Moncrieff
Chartered Accountants
Registered Auditor

17 Melville Street
Edinburgh
28 May 2007

Income Statement

for the period ended 28 February 2007

	Note	Period ended 28 February 2007 Revenue £'000	Capital £'000	Total £'000
Realised/unrealised movements in investments		-	(5)	(5)
Income	2	215	-	215
Investment manager's fees	3	(18)	(55)	(73)
Other expenses	4	(133)	-	(133)
Return on ordinary activities before tax		64	(60)	4
Tax on ordinary activities	6	(12)	-	(12)
Return attributable to equity shareholders		52	(60)	(8)
Dividends paid	7	-	-	-
Transfer to reserves		52	(60)	(8)
Return per share				
Return per ordinary share	8	0.82p	(0.94)p	(0.12)p

The total column of this statement represents the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits. The Company has no gains and losses other than those recognised in the Income Statement above and has not therefore prepared a separate statement of recognised gains and losses.

The accompanying notes on pages 27 to 34 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

for the period ended 28 February 2007

	Total £'000
Capital per sums subscribed	6,288
Capital per waived commission	64
Capital per "early bird"	4
Expenses of issue	(349)
Expenses of share redemption	(1)
Return for the period	(8)
Total net assets attributable at 28 February 2007	5,998

Balance Sheet

as at 28 February 2007

	Note	As at 28 February 2007 £'000
Fixed assets		
Investments	1 & 9	2,552
Current assets		
Debtors	11	82
Corporate bond & other liquidity funds	1 & 9	1,703
Cash at bank		1,740
		3,525
Creditors: amounts falling due within one year	12	(79)
Net current assets		3,446
Net assets		5,998
Capital and reserves		
Called up share capital	13	640
Share premium account	14	5,366
Realised capital reserve	14	(56)
Unrealised capital reserve	14	(4)
Revenue reserves	14	52
		5,998
Net asset value per share	15	93.70p

The accompanying notes on pages 27 to 34 are an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 28 May 2007 and signed on their behalf by:

David Glick

Director

Cash Flow Statement

for the period ended 28 February 2007

	Note	Period ended 28 February 2007 £'000	£'000
Operating activities			
Investment income received		49	
Deposit and similar interest received		159	
Investment manager's fees paid		(142)	
Company secretarial fees paid		(47)	
Cash paid to and on behalf of Directors		(49)	
Other cash payments		(15)	
Net cash outflow from operating activities	16		(45)
Financial investment			
Purchase of unquoted investments	9	(4,259)	
Purchased interest		(2)	
Recovery of purchased interest		2	
Net cash outflow from financial investment			(4,259)
Net cash outflow before financing			(4,304)
Financing			
New share issue		6,288	
Share issue expenses		(244)	
Net cash inflow from financing			6,044
Increase in cash			1,740

The accompanying notes on pages 27 to 34 are an integral part of the financial statements.

Notes to the Accounts

for the period ended 28 February 2007

1. Accounting policies

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

a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies' ("SORP"), issued in December 2005.

b) Investments

The Company did not hold any listed investments at any time during the period under review. In accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), investments in unquoted companies, other than those traded on AIM/OFEX, are valued at fair value by the Directors with reference to the International Private Equity and Venture Capital Valuation Guidelines:

- Investments which have been made within the last twelve months are valued at cost except where the company's performance against plan is significantly below the expectations on which the investment was made, in which case provision against cost is made as appropriate.
- Where a company is in the early stage of development, it will normally continue to be held at cost on the basis described above.
- Where a company is well established after one year from the date of investment the shares may be valued by applying a suitable price-earnings ratio to that company's historical post tax earnings. The ratio used is based on a comparable listed company or sector but discounted to reflect lack of marketability. Alternative methods of valuation will include cost, provision against cost or net asset value where such factors apply that make one of these methods more appropriate.

Alternatively, where a value is indicated by a material arm's-length transaction by a third party in the shares of a company, the valuation will normally be based on this.

Realised surpluses or deficits on the disposal of investments and impairments in the value of investments are taken to realised capital reserves, and unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves.

c) Income

Dividends receivable on listed equity shares are brought into account on the ex-dividend date. Dividends receivable on unlisted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

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, which are included within the cost of the investment or deducted from the disposal proceeds as appropriate, and with the exception that 75% of the investment management fees payable to Edge Investment Management Limited are charged against capital.

e) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Due to the Company's status as a venture capital trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising in the revaluation or disposal of investments.

f) Financial instruments

The Company's financial instruments comprise its investment portfolio and cash balances. The Company holds financial assets that comprise investments in unlisted companies. The fair value is not materially different from the carrying value for all financial assets and liabilities.

2. Income

	2007 £'000
Interest receivable	
- from Rothschild Preferred Income Fund	32
- from cash and cash equivalents	183
	215

3. Investment manager's fees

	Revenue £'000	Capital £'000	2007 Total £'000
Edge Investment Management	18	55	73

Edge Investment Management Limited ("EIM") was originally appointed, through an agreement dated 3 February 2006, as the Company's investment adviser. On 12 December 2006 this agreement was amended and replaced with a new agreement. The new agreement is for a fixed term which shall expire on 6 April 2012 and shall continue in force thereafter unless and until terminated by either party giving to the other previous written notice of not less than 12 months so as to expire on 6 April 2012 or at the end of any month thereafter. Under the revised agreement, EIM was appointed as the Company's investment manager following its authorisation, with effect from 31 October 2006, by the FSA to carry out investment business.

EIM receives an annual management fee of 2.0% of the net asset value attributable to the Company's ordinary shares. The fee is payable annually in advance. 75% of the investment management fee is charged against capital.

EIM is also entitled to a performance incentive fee equal to 19% of the cumulative cash returned to ordinary shareholders in excess of 75p per share per 60p invested (net of income tax) although no such fee will be payable unless the cumulative cash returned to the ordinary shareholders exceeds the initial investment of 60p per share (net of income tax) increased by 8% per annum (simple). This fee is to be paid in cash and can be assigned by EIM to some or all of EIM's investment team.

Total annual operating expenses (excluding EIM's performance incentive fee, irrecoverable VAT and costs of any significant corporate activity) have been capped at 3.5% of the net asset value attributable to the ordinary shares with any excess being borne by EIM.

EIM also receives an annual administrative fee which was £40,000 until 31 December 2006 and increased to £50,000 with effect from 1 January 2007. Both the investment management and administration fees are subject to VAT at the appropriate rate.

4. Other expenses

	2007 £'000
Directors' remuneration (inc expenses of £700)	49
Company secretarial fees	38
Audit fees – for audit services	9
Printing & stationery	12
Other costs	12
Irrecoverable VAT	13
	133

The auditors also received a fee of £6,700 (exclusive of VAT) from Brewin Dolphin Securities Limited (the promoter for the offer) in respect of their review of the financial statements presented in the Company's prospectus for the offer for subscription opened on 22 December 2006. The audit committee, which reviews the nature and extent of non-audit services provided by the auditors to ensure that the auditors' independence is maintained, was satisfied that this fee did not jeopardise the auditors' independence.

The Company has no employees.

5. Directors' fees

	2007 £'000
Michael Eaton	9.3
Frank Presland	9.3
Amounts paid and payable to third parties for the services of:	
Sir Robin Miller	11.2
Julian Paul	9.3
David Glick	9.3
	48.4

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

6. Tax on ordinary activities

	2007 £'000
Based on profits for the period :	
Revenue profit on ordinary activities before tax	64
UK corporation tax at 19%	12

No tax charge arises in respect of the capital gains in the period. There is no provision required for deferred taxation.

7. Dividends paid and proposed

There were no dividends paid or proposed in the period under review.

8. Return per share

	Revenue	Capital	2007 Total
Return per ordinary share	0.82p	(0.94)p	(0.12)p

Basic revenue return per share is based on the net revenue profit from ordinary activities after taxation of £52,286 and on 6,400,640 ordinary shares, being the weighted average number of shares in issue during the period from 5 April 2006 to 28 February 2007. Basic capital return per share is based on the net capital loss after taxation of £(60,089) and on 6,400,640 ordinary shares, being the weighted average number of shares in issue during the period from 5 April 2006 to 28 February 2007.

9. Investments

Movements in investments during the period are summarised as follows:

	Total £'000
Purchases at cost	4,259
Movement in unrealised gains/(losses)	(4)
Valuation at 28 February 2007	4,255
Book cost at 28 February 2007	4,255

The valuation at 28 February 2007 comprises current asset investments valued at £1,703,000 (corporate bond, £841,000, and cash equivalents, £862,000) and fixed asset investments valued at £2,552,000.

During the period, the Company incurred purchase transaction costs of £1,500.

10. Significant interests

As at 28 February 2007, the Company held significant investments, amounting to 3% or more of the equity capital, in the following companies:

Company	Equity investment (ordinary shares) £	Loan stock £	Total investment £	Percentage of investee company's total equity %
Martha and George Productions Limited	255,000	595,000	850,000	50
In Tandem Promotions Limited	255,000	595,000	850,000	49
My Brother Promotions Limited	255,000	595,000	850,000	45

11. Debtors

	2007 £'000
Amounts falling due within one year:	
Amounts due from the Investment Manager	57
Income tax recoverable	6
Prepayments and other debtors	19
	82

12. Creditors: amounts falling due within one year

	2007 £'000
Sundry creditors and accruals	30
Corporation tax	12
Amounts due to the Investment Manager	37
	79

13. Called-up share capital

	£
Authorised:	
300,000,000 ordinary shares of 10p each	30,000,000
19,800,000 C shares of 10p each	1,980,000
50,000 redeemable non-voting preference shares of £1 each	50,000
1,000 deferred shares of 10p each	100
Allotted, called-up and fully paid:	
6,400,640 ordinary shares of 10p each	640,064

During the period, pursuant to the prospectus dated 6 February 2006, the Company issued 6,400,630 ordinary shares on 5 April 2006.

13. Called-up share capital (continued)

Allotted, called-up and fully paid:

No. of shares		Nominal value £	Consideration received £'000
10	Ordinary shares issued on incorporation	1	-
6,400,630	Ordinary shares issued on 5 April 2006	640,063	6,357
6,400,640	Totals	640,064	6,357

14. Reserves

	Share premium £'000	Capital reserve (realised) £'000	Capital reserve (unrealised) £'000	Revenue reserves £'000	Total £'000
Share issue					
Subscriptions	5,659	-	-	-	5,659
Waived commission	57				57
Share issue expenses					
"Capped" offer costs	(346)	-	-	-	(346)
"Early bird"	(3)	-	-	-	(3)
Redemption of preference shares	(1)	-	-	-	(1)
Return for the period	-	(56)	(4)	52	(8)
At 28 February 2007	5,366	(56)	(4)	52	5,358

15. Net asset value per share

The net asset value per ordinary share at the period end was as follows:

	Net asset values attributable	
	Net assets	Net assets per share
Ordinary shares (basic)	£5.998m	93.70p

Net asset value per share is based on net assets at the period end and on 6,400,640 ordinary shares, being the number of shares in issue at the period end.

16. Reconciliation of net revenue before taxation to net cash outflow from operating activities

	2007 £'000
Net return before taxation	4
(Gains)/losses on investments	5
(Increase)/decrease in debtors	(82)
Increase/(decrease) in creditors and accruals	67
Transaction costs included in cost of investments	(2)
Cost of preference shares' redemption charged to share premium account	(1)
Outstanding balance of offer fee charged to share premium account	(36)
Net cash outflow from operating activities	(45)

17. Financial instruments

The Company's financial instruments comprise:

- Equity, loan stock and corporate bonds
- Cash balances and liquid resources

Investments are made in a combination of equity and loans. Surplus funds are held on bank deposit or in money market instruments. It is not the Company's policy to trade in financial instruments or derivatives.

Fixed asset investments are valued at fair value. For quoted investments this is either bid price or the latest traded price. In respect of unquoted investments, these are valued by the Directors in accordance with current industry guidelines. Where no reliable fair value can be estimated, unquoted investments are carried at cost subject to provision for impairment where necessary. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet.

All assets and liabilities are denominated in sterling, hence there is no currency risk.

Credit risk is managed by settling all transactions on the basis of delivery against payment.

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.

Some of the Company's financial assets are interest bearing, some of which are at fixed rates and some at variable. 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.

As at 28 February 2007, the Company's financial assets by value, excluding short-term trade debtors and creditors as permitted by Financial Reporting Standard 25 "Financial Instruments: Disclosure and Presentation", comprised:

Financial assets	£000	%	Interest rate	Weighted average interest rate %	Weighted average period for which rate is fixed Years
Ordinary shares	766	12.7	n/a	n/a	n/a
Loan stock – variable rate	1,786	29.8	Floating	n/a	5 years + 1 day
Corporate bonds	841	14.1	Floating	n/a	n/a
Cash equivalents	862	14.4	Floating	n/a	n/a
Bank deposits	1,740	29.0	Floating	n/a	n/a
	5,995	100			

18. Post Balance Sheet events

On 21 March 2007, the Company completed a fourth unquoted company investment. Edge invested £895,000 in L C Presents Limited.

The Company's offer for subscription in respect of the 2006/07 tax year closed having raised £12,520,320 gross. The offer in respect of the 2007/08 tax year closed on 25 May 2007 having raised £722,000.

19. Geographical analysis

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

20. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company as at 28 February 2007.

21. Transactions with the Investment Manager

During the period ended 28 February 2007, the Company paid to Edge Investment Management Limited, the Company's Investment Manager:

- A fund raising fee of £345,848 (representing 5.5% of the gross sum raised under the Company's original offer for subscription) from which EIM had to pay all costs associated with the offer.
- An investment advisory/management fee of £127,610 (which included £19,005 of irrecoverable VAT). As at 28 February 2007, the Investment Manager owed the Company £45,709 (plus VAT of £7,999) in respect of the cap on the Company's annual operating expenses. (This debt was settled, per the investment management agreement, by deducting the amount due from the 2007/08 investment management fee.)
- An administration fee of £44,451 (which included £6,620 of irrecoverable VAT).

Details of the Investment Manager's fee arrangements are given in Note 3.

The Company invested £850,000 in each of Martha and George Productions Limited, In Tandem Promotions Limited and My Brother Promotions Limited. David Glick, a director of both EIM and Edge, is also a director of each of these three companies.

Corporate Information

Directors	Sir Robin Miller (Chairman) Michael Eaton David Glick Julian Paul FCA Frank Presland all of 1 Marylebone High Street London W1U 4LZ which is the registered office of the Company
Investment Manager	Edge Investment Management Limited 1 Marylebone High Street London W1U 4LZ
Company Secretary	The City Partnership (UK) Limited Box 41 196 Rose Street Edinburgh EH2 4AT
Sponsor	Brewin Dolphin Securities Limited PO Box 512, National House 36 St Ann Street Manchester M60 2EP
Promoter	Brewin Dolphin Securities Limited 12 Smithfield Street London EC1A 9BD
Legal advisers	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL
Taxation advisers	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditors	Scott-Moncrieff 17 Melville Street Edinburgh EH3 7PH
Bankers	HSBC Private Bank (UK) Limited 78 St. James's Street London SW1A 1JB
Receiving Agent & Registrar	The City Partnership (UK) Limited Box 41 196 Rose Street Edinburgh EH2 4AT

Reporting Calendar

Year end:	28 February
Results announced:	Interim - October
	Annual - May
Annual general meeting:	June

Edge Performance VCT plc was incorporated in England and Wales with registration number 5558025

Notice of Extraordinary General Meeting

Notice is hereby given that an extraordinary general meeting of Edge Performance VCT plc will be held at Arram Berlyn Gardner, 30 City Road, London EC1Y 2AB on Tuesday, 26 June at 11.30am, to transact the following business:

Ordinary Business

1. To receive the Company's financial statements for the period from the date of incorporation to 28 February 2007 together with the Reports of the Directors and of the Auditors thereon.
2. To approve the Directors' Remuneration Report for the period from the date of incorporation to 28 February 2007.
3. To re-appoint Scott-Moncrieff as auditors to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
4. To authorise the Directors to determine the remuneration of the auditors of the Company.

Special Business

As special business, to consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions:

5. THAT, in accordance with Article 17 of the Articles of Association of the Company, the Directors be empowered pursuant to section 95 of the Companies Act 1985 ("the Act") to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the general authority conferred by resolutions 3 and (d) passed at the Extraordinary General Meetings held on 6 December 2005 and 15 November 2006 respectively, as if section 89(1) of the Companies Act 1985 did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:

   (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and

   (ii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £98,725

   and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2008 or, if earlier, on the expiry of 15 months from the passing of this resolution, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

6. The Company be generally and unconditionally authorised pursuant to section 166 of the Act to make one or more market purchases (as defined in section 163 of the Act) of shares (the "Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

   6.1 the maximum aggregate number of Shares authorised to be purchased is such number thereof being 10% of the issued ordinary share capital at the date of passing of this resolution;

   6.2 the minimum price paid for a Share is £0.10;

   6.3 the maximum price paid for a Share is an amount, exclusive of expenses, equal to 105% of the average of the middle-market prices shown in the quotations for a Share in the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that share is purchased;

   6.4 the Company may validly make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may validly make a purchase of Shares in pursuance of any such contract; and, unless renewed, the authority conferred in this Resolution 6 shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2008 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry.

7. That, subject to approval of the High Court of Justice, the amount standing to the credit of the share premium account of the Company at the date of passing of this resolution be cancelled.

28 May 2007

By Order of the Board

R.C. Smeaton
For and on behalf of
The City Partnership (UK) Limited
Secretary

Registered Office:
1 Marylebone High Street
London
W1U 4LZ

Notes:

1. Any member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7BR not later than 5.00pm on Friday 22 June 2007 or not less than 48 hours before any adjournment of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's share register at 5.00pm on Friday 22 June 2007 in order to be entitled to attend and vote at the Extraordinary General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Copies of the letters of appointment of each of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting from at least 15 minutes prior to and until the conclusion of the Extraordinary General Meeting.

Explanatory Comments on the Proposed Special Resolutions

Resolution 5: Disapplication of Pre-emption Rights

Resolution 5 supplements the authority already given to the Directors to allot shares in the Company. The resolution authorises the Directors to allot equity shares for cash (otherwise than pro rata to existing shareholders) in connection with a rights (or similar) issue or in relation to allotments of shares for cash up to a total nominal value of £98,725 (representing 5% of the Company's issued share capital at the date of the notice convening the extraordinary general meeting).

The authority will be effective until the conclusion of the 2008 annual general meeting of the Company or, if earlier, 15 months from the date of the passing of the resolution, except insofar as commitments to allot shares have been entered into before that date.

Resolution 6: Purchase of Ordinary Shares by the Company

Resolution 6 authorises the Company to purchase in the market up to 1,974,595 Shares (equivalent to 10% of the issued ordinary share capital at the date of the passing of the resolution) at a minimum price per Share of 10p and a maximum price per Share of 105% of the average market value for the Shares of the Company for the five business days prior to the date on which the Shares are purchased. Unless previously renewed, varied or revoked, the authority will be effective until the conclusion of the 2008 annual general meeting of the Company or, if earlier, 15 months from the date of the passing of the resolution.

Purchases of Shares will be made only within the guidelines established and to be reviewed from time to time by the Board, and where it is considered that such purchases would be to the advantage of the Company and its shareholders as a whole. It is the Directors' intention that purchases will be made in the market for cash only at prices below the prevailing net asset value per Share, thereby enhancing the net asset value per Share for the Company's remaining shareholders.

Resolution 7: Cancellation of the Company's Share Premium Account

Resolution 7 allows, subject to the approval of the High Court of Justice, the amount standing to the credit of the share premium account of the Company at the date of the passing of the resolution to be cancelled whereas the authority already given (by a special resolution passed at an extraordinary general meeting held on 6 December 2005) for the cancellation of the Company's share premium account referred only to the amount standing to the credit of the account as at the closing date of the Company's original offer for subscription. The cancellation of the share premium account will create a special reserve that can be used, amongst other things, to fund buy-backs of the Company's shares when the Board considers that it is in the best interests of the Company to do so.

Form of Proxy

Edge Performance VCT plc

Extraordinary General Meeting - 26 June 2007

I/We ____

(*Please insert full name(s) and address(es) in block letters*)

of ____

____

being (a) member/members of Edge Performance VCT plc hereby appoint the Chairman of the Meeting, or (see Note 1 below)

____

of ____

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on 26 June 2007 and at any adjournment thereof, and to vote as indicated below.

Please indicate how you wish your proxy to vote by inserting "X" in the box below. If no indication is given, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit.

The vote withheld option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "vote withheld" is not a vote in law, and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.

RESOLUTIONS:		FOR	AGAINST	VOTE WITHHELD
1	To receive the financial statements for the period ended 28 February 2007			
2	To approve the Directors' Remuneration Report			
3	To re-appoint Scott-Moncrieff as auditors			
4	To authorise the Directors to determine the auditors' remuneration			
5	To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985			
6	To approve the purchase of shares pursuant to section 166 of the Companies Act 1985			
7	To approve the cancellation of the amount standing to the credit of the share premium account			

NAME: (*Block capitals*) ____

ADDRESS: ____

____

SIGNATURE(S): ____

Date: ______________________

Notes

1. Any member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) of his own choice to attend and, on a poll, to vote in his/her place. If a member wishes to appoint a proxy other than the Chairman, delete the words "the Chairman of the Meeting or," initial the alteration and insert the name of the person you wish to appoint as your proxy.
2. All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
3. If you indicate that you want your vote withheld your proxy may abstain from voting and therefore there is no vote at law to be counted in the calculation of the proportion of votes for and against the resolution.
4. If a member is a corporation, this form of proxy must be executed under its common seal or by the signature of an officer or attorney duly authorised in writing. A copy of the authorisation of such officer or attorney must be lodged with the form of proxy.
5. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated, and the vote of the senior holder who tenders a vote will be accepted to the exclusion of the vote(s) of other joint holder(s), seniority being determined by the order in which the names stand in the register of members of the Company.
6. In order to be valid, this form of proxy, duly executed together with any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be lodged at Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7BR not later than 5.00pm on Friday 22 June 2007 or not less than 48 hours before any adjournment of the meeting.
7. Any alterations made to this form of proxy should be initialled.

Attendance indication

Shareholders who intend to attend the extraordinary general meeting are requested to place a tick in the box below in order to assist with administrative arrangements. I intend to attend the extraordinary general meeting at Arram Berlyn Gardner, 30 City Road, London EC1Y 2AB on Tuesday, 26 June at 11.30am ☐

#

Second Fold

Business Reply Service:
GI 2155

Share Registrars Limited
Craven House
West Street
Farnham
Surrey
GU9 7BR

First Fold

Third fold and tuck in.