



EDGE
PERFORMANCE VCT

2013

Year ended 28 February	2013 C	2013 D	2013 E	2013 F	2013 G	2013 H	2013 I	2013 Total
Net assets £'000	2,888	13,234	6,257	22,811	19,994	2,081	14,362	81,627
Net asset value per Share, p	30.74	69.02	63.82	77.64	83.12	92.95	91.09	n/a
Net asset value total return per Share, p	98.74	97.02	84.82	91.64	90.12	92.95	91.09	n/a
Investment income £'000	347	892	469	1,183	880	25	489	4,285
Return on ordinary activities before tax £'000								
- Revenue	230	732	370	885	592	(1)	360	3,168
- Capital	(282)	(755)	(984)	(1,428)	(1,176)	(32)	(569)	(5,226)
- Total	(52)	(23)	(614)	(543)	(584)	(33)	(209)	(2,058)
Return per Share, p								
- Revenue	1.54	3.04	3.02	2.41	1.96	(0.05)	2.31	n/a
- Capital	(1.82)	(3.40)	(9.50)	(4.27)	(4.24)	(0.78)	(3.98)	n/a
- Total	(0.28)	(0.36)	(6.48)	(1.86)	(2.28)	(0.83)	(1.67)	n/a
Dividend per Share paid/recommended in respect of the year, p								
- Revenue	-	-	-	-	-	-	-	n/a
- Capital	40.00	7.00	7.00	7.00	7.00	-	-	n/a
- Total	40.00	7.00	7.00	7.00	7.00	-	-	n/a
Share price at end of year, p	31.50	70.00	69.00	80.00	86.00	100.00	100.00	n/a

2012

Year ended 29 February	2012 C	2012 D	2012 E	2012 F	2012 G	2012 H	2012 I	2012 Total
Net assets £'000	9,577	14,686	7,588	25,441	22,318	n/a	n/a	79,610
Net asset value per Share, p	72.04	76.38	77.30	86.50	92.40	n/a	n/a	n/a
Net asset value total return per Share, p	100.04	97.38	91.30	93.50	92.40	n/a	n/a	n/a
Investment income £'000	437	533	378	706	422	n/a	n/a	2,476

Return on ordinary activities before tax £'000

- Revenue	315	354	209	450	178	n/a	n/a	1,506
- Capital	(528)	(887)	(232)	(305)	(375)	n/a	n/a	(2,327)
- Total	(213)	(533)	(23)	145	(197)	n/a	n/a	(821)

Return per Share, p

Revenue	1.89	1.47	1.69	1.22	0.62	n/a	n/a	n/a
- Capital	(3.61)	(4.30)	(1.90)	(0.76)	(1.35)	n/a	n/a	n/a
- Total	(1.72)	(2.83)	(0.21)	0.47	(0.73)	n/a	n/a	n/a

Dividend per Share recommended in respect of the year, p

- Revenue	-	-	-	-	-	n/a	n/a	n/a
- Capital	-	7.00	7.00	7.00	7.00	n/a	n/a	n/a
- Total	-	7.00	7.00	7.00	7.00	n/a	n/a	n/a

Share price at end of year, p	73.00	77.00	77.00	85.00	95.00	n/a	n/a	n/a
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Safeguarding your capital; working hard for your profit

Edge Performance VCT plc ("Edge Performance VCT" or the "Company") offers the opportunity to invest in the entertainment and media industry in a broad range of companies (thereby diversifying risk), and seeks to allow investors to take advantage of VCT tax reliefs while combining the features listed below.

C, D, E, F, G and I Share Funds

Edge Performance VCT is seeking to achieve: high targeted returns, downside risk protection and liquidity.

The Company will balance VCT-qualifying investments with a high level of capital protection with other VCT-qualifying investments where the potential for significantly higher returns justifies a lower level of capital protection; the intention is that the investor's risk is thereby minimised, underpinning the return to the investor of up to 70p per Share (i.e. the investor's net cost of investment, assuming 30% income tax relief).

H Share Fund

Edge Performance VCT is seeking to achieve: growth, an annual yield for investors, risk reduction and liquidity.

Edge Performance VCT is targeting building to a consistent tax-free annual dividend yield for investors. To align the interests of Edge Investment Management Limited (the "Investment Manager") with this objective, the Investment Manager's performance fee is payable only if cumulative dividends are at least 7p per H Share per year on average (i.e. a yield of at least 10% of the investor's net cost of investment) and the net asset value per H Share grows. In the early years of the H Share Fund, the Company is seeking to pay out annual dividends of 3.5p per H Share per year (a 5% yield), while the anticipated returns from VCT-qualifying investments start to grow.

The Company will invest at least 70% of the H Share Fund in VCT-qualifying investments, using risk reduction strategies wherever available; the intention is that the majority of any gain made from realisation of VCT-

qualifying investments will be distributed to H shareholders, to maintain and improve the H Shareholders' yield, with the remaining proceeds of realisation being reinvested in further VCT-qualifying investments, in order to drive compound growth for the H shareholders.

Asset Allocation

Each of the Share Funds will initially be invested in a range of fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Up to 30% of each Share Fund will remain in such investments, while the balance will be realised to fund the making of VCT-qualifying investments.

In instances where more than one of the Company's Share Funds invests in a given portfolio business, the Company will, where practicable, arrange or rearrange the structure of the investment, so that each of the participating Share Funds holds, pro-rata to the amount invested by it, the same investment instruments. This approach is intended to ensure that, where the value of a portfolio business changes, that change is reflected, proportionately, to the same extent across all of the participating Share Funds, where appropriate.

In relation to the H Share Fund, the Company will seek to make VCT-qualifying investments which the Company believes are capable of generating an appropriate level of growth or return.

In relation to the C, D, E, F, G and I Share Funds, the Company will balance investments with a high level of capital protection, ideally with contractual revenues or capital guarantees from financially sound counter-parties, with other investments where lower capital protection offers significantly higher potential returns. Through the use of this blended investment strategy:

- the intention is that the shareholder's risk is thereby minimised, underpinning the return to the shareholder of up to 70p per Share (i.e. the shareholder's net cost of investment, assuming 30% income tax relief); and

- the targeted tax-free return is 130p per 70p invested (assuming tax relief at 30%, equivalent to a return of 160p per 100p invested).

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

Risk Mitigation

Wherever possible, the portfolio investments will be made through loan finance as far as is permitted under VCT rules, which should provide additional capital protection.

Borrowings

It is not intended that the Company will incur borrowings to fund its operations, although the Company may, under its articles of association, borrow in aggregate an amount up to 50% of its 'Adjusted Capital and Reserves' (as defined in the Company's articles of association, being the aggregate of the Company's paid up share capital and the amount standing to the credit of the consolidated capital and revenue reserves of the Company, after adjustments, including for tax and distributions, and such other adjustments as the Company's auditor may consider appropriate).

VCT Status and Maximum Exposures

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

Chairman's Statement

The year ended 28 February 2013 was another active and productive period for the Company, particularly in respect of realisation of investments held by the older Share Funds and distribution of the proceeds to Shareholders, and in respect of further investments made by the newer Share Funds.

Portfolio realisations and distributions

In line with the Board's policy of returning to Shareholders as much as possible of their net cost of investment by shortly after the end of the minimum shareholding period under VCT rules, the Company realised three of the five VCT-qualifying portfolio holdings in the C Share Fund. The proceeds of those realisations were distributed to C Shareholders as part of the dividend of 40p per C Share paid in December 2012.

As explained in the Investment Manager's review on pages 8 to 13, a broadly similar process is already underway in respect of the D Share Fund, with five of the VCT-qualifying portfolio holdings expected to be realised, and the proceeds distributed to D Shareholders, later in 2013.

For C and D Shareholders, this will mean the return, through total dividends paid since inception, of almost all of their original net cost of investment, leaving a remaining shareholding which has the potential for significant growth.

Investment activity

The year under review also saw continued activity in making new VCT-qualifying investments, with the F, G, H and I Share Funds between them investing £19.1 million in total, in 11 businesses.

Portfolio

As at the end of the year, the Company's portfolio encompassed a total of 42 businesses; with the further investments made during the year, the portfolio now represents a more diversified range of activities in the entertainment and media

sector than at any time previously; this includes live entertainment, social media, book publishing, digital marketing, mobile application and games development and children's entertainment.

Financial performance

The Company's investment policy requires all portfolio holdings to be valued at fair value, in line with the International Private Equity and Venture Capital Guidelines. This will ordinarily mean that investments are valued at cost for at least the first twelve months following investment, and thereafter valued through using a recognised valuation methodology for each investee business.

The consequence is that the net asset value per Share in most classes has not moved significantly over the year to 28 February 2013 after account is taken of dividend payments.

Fundraising

The offers for subscription for H Shares and I Shares, which had opened prior to the year, closed in November 2012, by which time applications for a total of 15.2 million Shares had been received by the Company.

Towards the end of the year, the Company opened a second offer for subscription for H Shares, which closed in June 2013. Across the two H Share offers, the Company received applications for almost 7 million H Shares; this represents an encouraging start for the "evergreen" H Share class.

During the year, the Company also launched two enhanced share buy-back offers to C Shareholders, the first of which closed in October 2012, and the second of which closed in April 2013, after the year end. Between them, the two offers resulted in the Company raising some £3.65 million.

These fundraising activities mean that the Company has now raised approaching £125 million for investment in the creative industries sector, since it started in 2006.

Dividends

Consistent with the Board's philosophy of paying out regular dividends to Shareholders, the Company paid dividends in November 2012 of 7p per D Share, 7p per E Share, 7p per F Share and 7p per G Share. In addition, the Company paid interim dividends of 40p per C Share in December 2012 (as noted above) and 3.5p per H Share in April 2013.

The Board is now recommending that the Shareholders approve, at this year's annual general meeting, further dividends of 7p per E Share, 7p per F Share, 7p per G Share and a maiden dividend of 7p per I Share, to be paid in November 2013. If these dividends are approved and paid, cumulative tax-free dividends per Share will be 68p per C Share, 28p per D Share, 28p per E Share, 21p per F Share, 14p per G Share, 3.5p per H Share and 7p per I Share, providing the Shareholder with an attractive consistent *tax-free* dividend flow.

The anticipated dividend to be paid later this year in respect of D Shares is covered in the Investment Manager's review.

Outlook

A measure of new investment activity is expected in the coming 12 months, albeit not at the same level as in the preceding two years. For the new year, the Company's primary focus is on overseeing and assisting the portfolio businesses to a profitable exit, with the aim of generating excellent returns for our Shareholders.

I thank you for your continued support of the Company.

Sir Robin Miller
Chairman

27 June 2013

The Directors and Investment Manager

Directors

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

As at the date of this report, the Company had 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 Investment Manager.

Sir Robin Miller (Chairman of Edge Performance VCT)

Robin Miller was formerly Chief Executive (1985-98 and 2001-03) and Chairman (1998-2001) of Emap plc, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events.

In 2003, Robin became senior media adviser to HgCapital, and was involved in the successful disposal of Boosey & Hawkes and Clarion Events Limited. He was previously a non-executive director of Channel 4 Television (1999-2006), and was Chairman of their New Business Board, was Non-Executive Chairman of the HMV Group (2004-2005), Senior Non-Executive Director at Mecom Group plc (2005-2009), and Chairman of Entertainment Rights plc (2008-2009) and Setanta Sports Holdings Limited in 2009.

Robin is currently also a non-executive director of The Racing Post and Time Out Group, Chairman of IBIS Media VCT plc, Golf Club Network, Crash Media Group and a director of Bikesportnews.com and a Trustee of the Golf Foundation and Riders for Health.

Kevin Falconer

Kevin Falconer has spent most of his professional life as a senior private banker specialising in the entertainment and media sector. Until 2005, he was the Head of HSBC Private Bank's global media practice. Since leaving the banking industry, he has devoted his time to providing strategic advice to a small group of highly successful media entrepreneurs, including Chris Blackwell (founder of Island Records) and Pete Waterman. He is currently a non-executive director of Pete Waterman Entertainment Limited and Audiotube Limited.

Michael Eaton

Michael Eaton is a qualified (non-practising) solicitor and was a partner at City law firm Stephenson Harwood, specialising in corporate finance. 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 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, including Eric Clapton, the Bee Gees, the Police, Enya and Frankie Goes to Hollywood in North America as well as Europe. He has also represented a number of successful businesses in the entertainment and media sector, such as Northern Songs, the Beatles' music publishing company. More recently he has represented Eric Clapton in relation to his world-wide touring activities and was one of the main organisers of the Crossroads Guitar Festivals in Dallas in 2004 and in Chicago in 2007 and 2010, and in New York in 2013. He is currently chief executive officer of Bushbranch Limited, a music management company providing management services to Eric Clapton.

Frank Presland

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 Twenty-First Artists, a music management company, of which he was Chief Executive Officer until 2010. From May 2006 to April 2008, he was Chief Executive Officer of The Sanctuary Group plc, in which role he brokered the sale of the group to Universal Music in 2007. He is currently Chairman of the Rocket Music Entertainment Group, which provides management services to Elton John, Lily Allen, James Blunt and a number of other artists.

David Glick

David Glick is an experienced venture capital investor in the creative industries sector who has specialised in various aspects of the sector and been involved in the sale and purchase of multi-million pound entertainment and media assets, with a particular emphasis on music, television, film, sport, theatre and fashion, and on their enabling technologies.

Previously a practising 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. In 2004 he formed the Edge group of companies as a specialist investment and advisory business for the entertainment and media sector. At Edge, he has brokered and advised clients on the sale and purchase of a range of entertainment and media related assets and businesses. He has also been both an executive and a non-executive director of Entertainment Rights (now part of DreamWorks), the UK media business which was quoted on the Official List. He is the founder of Edge Performance VCT and is married to Kate Glick.

Lord Flight

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

Investment Manager

The directors of the Investment Manager, who are all members of its investment committee, are listed below:

Gordon Power (Chairman of the Investment Manager)

Gordon Power has 28 years of venture capital and private equity experience, is chairman of the Investment Manager and is a private equity investor in his own right. He founded and was CEO of the private equity business, ProVen Private Equity (now re-named Beringea), and led its buy-out from Guinness Mahon in 1997. By 2002 ProVen, which specialised in media and intellectual property rights investments, had funds under management of US \$370 million including a highly successful range of VCTs. From 1984 to date, he has achieved an overall return in excess of 29% on 196 realised (i.e. sale, flotation or administration/liquidation) investments and unrealised investments.

Harvey Goldsmith CBE

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, Led Zeppelin 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 and was the worldwide tour producer for Pavarotti. He is responsible for the annual

Cirque du Soleil shows in the UK. Harvey was the instigator and producer of the Led Zeppelin reunion concert at the O2 Arena in London in December 2007. From 2008 until 2012, he managed Grammy award-winning guitarist, Jeff Beck. Harvey is Chairman of The British Music Experience.

David Glick

See above.

Alasdair George

Alasdair George is a former solicitor who has 28 years of experience of legal, strategic, commercial and operational management in the entertainment industry, having been Senior Vice President of Legal & Business Affairs at Sony Music UK & Ireland, sitting on its management board and on the Council of the UK record industry trade association, the BPI. He handled the merger of Sony Music and Warner Music's distribution businesses, the UK and Irish aspects of Sony Music's global merger with Bertelsmann's BMG, and the Sony-Michael Jackson joint venture (which created Sony/ATV Music Publishing). He has been a director of the Investment Manager since 2007.

Kate Glick ACA, CTA, ASI

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 tax advice on areas including capital gains tax, trust and other personal tax matters. She is the Company Secretary of the Investment Manager. She holds a BA in Economics from Cambridge University and is married to David Glick.

Aside from the principal investment committee members listed above, the further members of the Investment Manager's investment team collectively have a wealth of direct experience in venture capital, private equity, venture capital trusts, corporate finance, accountancy and tax.

In addition to the members of the Investment Manager's investment committee listed above, the other members of the investment team of the Investment Manager are as follows.

David Fisher

David Fisher has 20 years' experience in consulting, corporate finance, private equity, venture capital and VCTs, including investing in innovative UK companies in media and media technology. Between 1993 and 2000, he worked in strategy consulting and corporate finance at Deloitte and KPMG, following which he moved into venture capital fund management at Elderstreet Investments, where he invested in a range of technology, services, telecoms and new media companies. In 2004, he joined the South East Growth Fund where he invested in similar small enterprises, including businesses in areas such as embedded advertising in video and mobile content management for the music industry. He joined the Investment Manager in 2010.

Alison McCarthy ACA

Alison McCarthy began her career with the BBC in 1987, working in TV post-production, before becoming responsible for purchasing entertainment programming for the BBC and subsequently moving into television strategy for the corporation. In 2005, she moved to Shipleys, chartered accountants, where she specialised in media and entertainment, and in particular in relation to film tax credits, working with producers on over 50 films. In 2008, she joined Disney as finance manager for worldwide post-production, specialising in dubbing of Disney's TV product into foreign languages. She joined the Investment Manager in 2010.

Dan Tubb

Dan Tubb started his career in wealth management in 2000, before moving in 2002 to become a fund manager for Unicorn Asset Management, which operated their AIM-based VCT. In 2005, he left to set up his own marketing and design business focused on the corporate market in the City, successfully building the business and selling it in 2008. He then joined wealth managers, Bestinvest, where he was instrumental in rolling out a new financial trading platform for retail clients; he subsequently headed up Bestinvest's VCT department, where he covered the entirety of the VCT market. He joined the Investment Manager in early 2013.

Safeguarding your capital; working hard for your profit

Overall strategy

In relation to the Company's "planned exit" classes of Share (i.e. all classes, save for the H Share), the Investment Manager employs a "blended" investment strategy, under which each Share class's VCT-qualifying portfolio entails a mix of:

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

With this strategy, and also with the retention in non-qualifying investments of up to 30% of the net proceeds of each offer of subscription for Shares, the Investment Manager's looks to:

- facilitate the return to Shareholders of as much of their net cost of investment as possible by shortly after the end of the five year minimum holding period under VCT rules;
- work closely with the companies in the portfolio, with the aim of delivering positive returns for Shareholders.

Taking into account the dividends which the Directors have recommended for payment in November 2013, the table on this page illustrates the progress made towards that aim.

	C Shares	D Shares	E Shares	F Shares	G Shares	I Shares
% of net cost of investment returned to Shareholders	97.1%	40.0%	40.0%	30.0%	20.0%	10.0%
% of net cost of investment represented by higher-underpinned investments, cash and near cash	0.0%	49.3%	44.2%	57.2%	73.5%	96.1%
% of net cost of investment represented by "higher return" investments	37.5%	47.4%	46.4%	52.3%	44.0%	30.6%

The above table assumes a gross cost of investment of £1.00 per Share, and the recovery of £0.30 per Share in initial income tax relief.

Dividends and other distributions

The Investment Manager is committed to the payment of regular dividends, and the timely distribution to Shareholders of the proceeds of realisation of the Company's VCT-qualifying investments. The further dividends recommended for payment in November 2013 demonstrate this, and will mean that the Company will have paid £31.9 million in total to Shareholders since it began in 2006.

Realisation of VCT-qualifying investments

In working towards the overall strategy explained above:

- During the year, the Company realised its investments in three portfolio companies, MK Ultrasound Limited, Saravid Promotions Limited and B & W Events Limited, for a total of £4.52 million, with the relevant proportion of the proceeds of these realisations forming part of the dividend of 40p per C Share which was paid by the Company in December 2012, and with the proportion of the realisation proceeds which was attributable to the I Share Fund to be reinvested;
- in February 2013, £250,000 of the Company's £2 million investment in Challi Productions Limited was realised, through redemption of loan notes; and
- the Investment Manager has now begun the process of looking to realise the D Share Fund's higher-underpinned VCT-qualifying investments.

VCT-qualifying investments made during the year

The year ended 28 February 2013 represented another period of significant investment activity, with total new investment of £19.1 million in 11 different companies

North Promotions Limited

During the year, the Company invested a further £355,000 in North Promotions, an existing portfolio business. Additionally, a total of £2.6 million of non-qualifying loans previously advanced by the Company to North Promotions were repaid and the proceeds, amounting to £3 million after taking into account accrued interest and redemption premiums, reinvested by the Company in North Promotions by way of further VCT-qualifying investment.

An overview of North Promotions is provided on page 19, and further information can be found in the *Significant VCT-qualifying investments* section of this review, below.

Intent HQ Limited (formerly Global Dawn Limited)

Another existing portfolio company, Intent HQ commenced a funding round of up to £8.6 million in total during the year. Of that £8.6 million, the Company agreed to invest £2.5 million; as at the date of this report, Intent HQ has secured investments, or commitments to invest, of a further £3.1 million from a range of other investors, meaning that £5.6 million has been invested or committed. Intent HQ has also received further offers of investment which, if concluded in full, will cover an additional £2 million of the round.

During the year under review, the Company therefore invested £875,000 on a VCT-qualifying basis, and a further £1.6 million on a non-qualifying basis, with the intention that this will be replaced by VCT-qualifying investment in due course.

Additionally, Intent HQ repaid the Company non-qualifying loans of £1.36 million during the year, together with £0.75 million of interest and redemption premium, with the Company then reinvesting that £2.11 million of proceeds.

More information on Intent HQ is provided on page 19, and also in the *Significant VCT-qualifying investments* section of this review, below.

WP Acquisitions Limited

In July 2012, the Company invested a total of £2.66 million in WP Acquisitions Limited, for a mix of ordinary shares (representing 50% of the issued share capital of the company) and secured loan stock. WP Acquisitions then utilised the Company's investment to acquire 92.5% of the issued share capital of the Working Partners group, and to secure an option to acquire the remaining 7.5% over the following 24 months.

Details of the business of the Working Partners group can be found on page 19.

MirriAd Limited

As explained on page 20, MirriAd seeks to capitalise on the increasing importance of non-linear advertising in television and video programming (such as product placement), through the provision of its unique in-entertainment technologies.

The Company invested £2 million for ordinary shares in MirriAd in the course of the year under review. Shortly following the year end, the Investment Manager was instrumental in securing a strategic investment of a further

£3 million by Asia Today Limited, part of the Zee media group, the largest producer and broadcaster of programming in the Asia region. MirriAd is now working with Zee to roll out its platform across Zee's extensive television networks, which include more than 670 million viewers in 169 countries.

Handmade Mobile Entertainment Limited

The Company first invested in Handmade, a developer of consumer mobile applications, prior to the year under review, in December 2011. At that time, the Company committed to a follow-on investment of a further £1 million, which was completed in August 2012; as a consequence the Company was issued with additional preference shares and ordinary shares in Handmade. As at the date of this report, the Company holds 13.1% of Handmade.

Further information on Handmade is provided on page 20.

Beast Quest Acquisitions Limited

In July 2012, the Company invested a total of £2.4 million in Beast Quest Acquisitions Limited. Beast Quest Acquisitions in turn acquired 100% of the issued share capital of Beast Quest Limited.

The Company's investment was made in part for ordinary shares in Beast Quest Acquisitions (representing 50% of its issued share capital) and in part for secured loan stock.

More information on Beast Quest can be found on page 20.

In the Company's prospectus for the offer for subscription for I Shares, published in November 2011, the Company set out its intention to complete all of the higher-underpinned qualifying investments which were to be made by the I Share Fund in line with the Company's "blended investment strategy" for that Fund. Consequently, the Company invested a total of £4.75 million across five newly established live events companies, in April 2012. Each of those companies has the benefit of arrangements with a suitable counterparty, affording them access to opportunities to promote live events and also providing them with a significant level of underpinning of the amount invested by the Company. Those investee companies are as follows:

Alchemy Live Limited

Alchemy Live was set up by Robert Horsfall, who has been involved in the UK music industry for 32 years. Initially a solicitor at Theodore Goddard, and subsequently at specialist entertainment law firm, Lee and Thompson, he has represented a range of clients in the music sector, including independent record companies, music publishers, managers, promoters, agents, performers and writers. In the late 1980s, he became Director of Business Affairs at London Records and London Music, part of the PolyGram (now Universal Music) Group, where London's signed roster of acts included New Order, Happy Mondays, Shakespeare's Sister, All Saints and Fine Young Cannibals. In 2006, he founded Sound Advice, providing legal, financial, management and live tour management services to clients; artists represented by Sound Advice have included Yusuf Islam (Cat Stevens) and James Morrison.

In April 2012, the Company invested £1,000,000 in Alchemy Live, for a mix of secured loan notes and equity.

Axis Live Entertainment Limited

In April 2012, the Company invested £1 million in Axis Live Entertainment.

Axis Live Entertainment had been established by Jeremy Pearce, who has been involved in many aspects of the music industry since 1975, first at United Artists and then CBS Records International in Paris, with operational and profit responsibility for CBS Songs affiliates across Europe. In 1987, he returned to CBS Records (later Sony Music), where he established its Licensed Repertoire Division, which entered into partnerships with independent record companies; as a result, Sony Music acquired rights to several of the most important independent acts of the time, including Oasis, Suede, Teenage Fanclub, Primal Scream and Gypsy Kings. In 1996, he left Sony to establish V2 Music, the vehicle for Richard Branson's re-entry into the music business. He prepared the initial business plan for the company, oversaw its funding by way of the first "junk bond" which had been issued in the music business and established V2 as a major international independent company, with offices in the major record markets; amongst the acts signed to V2 during his time there were Stereophonics, Tom Jones, Moby and Underworld. Since leaving V2 in 2002, he has carried on business as an artist manager and independent music publisher.

Done & Dusted Live Limited

Done & Dusted Live was founded by Miller Williams who has over 25 years' experience in the music industry, spanning music publishing, marketing, A&R, management and international in both the UK and USA, including at Terrace Music in Nashville, PWL (home to successful production team Stock Aitken & Waterman), BMG Records and Sony ATV. More recently, he was the UK Managing Director of Global Talent Publishing. Over his career, he has worked with acts such as Lisa Stansfield, Take That,

M People, Spice Girls, Bryan Adams, Celine Dion, Corinne Bailey Rae and Ellie Goulding.

The Company invested £750,000 in Done & Dusted Live in April 2012, and as a result holds secured loan notes and 50% of the issued share capital.

Real Gone Gigs Limited

The Company has invested £1 million in Real Gone Gigs, as to 30% for secured loan stock, and 70% for ordinary shares, representing a 49.9% equity interest.

Real Gone Gigs was founded by Adam Hollywood, who started in the early 1980s as a journalist. In 1986, he took up a marketing position at Epic Records, working with on campaigns for acts including Michael Jackson, George Michael, Sade, Luther Vandross. After spells at the fledgling BSB TV and Telstar Records, he joined Warner Bros Records in 2001, first as marketing director, and subsequently as General Manager, where was responsible for marketing and promotion campaigns for acts such as Madonna, Green Day, Muse and Michael Buble. Since 2008, he has been worked at Smile Entertainment and Portobello Records, specialising in providing marketing, creative and live music services.

SEL Live Entertainment Limited

The Company invested £1,000,000 in SEL Live Entertainment, in exchange for secured loan notes and a 49.9% equity interest.

The founder of the company, Richard Baskind, is an experienced media and entertainment lawyer and is a partner at London-based media law firm Simons Muirhead & Burton. He has been a lawyer in the entertainment industry for over 15 years and his clients range from artists to songwriters to producers to record labels and music publishers as well as promoters and event companies.

Significant VCT-qualifying investments

The Company and the Investment Manager apply internal diversification guidelines, under which no Share Fund will ordinarily invest in any single business more than 15% of the net proceeds of offers for subscription for Shares in that particular class. However, distributions to Shareholders and movements in portfolio valuations can give rise to the potential for the value of a given investment subsequently to exceed 15% of the relevant Share Fund's assets.

North Promotions Limited

As at the end of the year in review, the Company had invested a total of £7.7m million in North Promotions Limited in VCT-qualifying investment, and a further £1 million on a non-qualifying basis. After the year end, just over £519,000 of that non-qualifying investment was repaid, and the proceeds of repayment, coming to almost £532,000 after taking into account accrued interest and redemption premiums, reinvested in North Promotions on a VCT-qualifying basis.

Despite difficult global trading conditions, the North Promotions group (which includes Coolabi) performed satisfactorily in 2012. Much of the year's work was focussed on setting up new projects which will come to fruition in 2013 and beyond, including the production of new television series. At the same time, some of North Promotions' existing properties, notably *Poppy Cat*, gained increased traction and reach, moving in the UK from cable and satellite channel Nick Jr, to ITV and CiTV.

Although much of the Company's investment in North Promotions is now more than 12 months old, the Investment Manager has decided to continue to hold the value of the Company's investment at cost for the time being, rather than uplift the valuation, whilst the progress of the new projects mentioned above is monitored.

Intent HQ Limited (formerly Global Dawn Limited)

As at 28 February 2013, the Company had invested a total of £7.48 million in Intent HQ on a VCT-qualifying basis, and £6.13 million on a non-qualifying basis. That investment, totalling £13.61 million, has been valued as at 28 February 2013 at £17.87 million.

Intent HQ represents the Company's largest investment, in which all but one of the Company's Share Funds participate to some extent. All amounts invested by the Company in Intent HQ have been within the limits provided for in the Company's internal diversification guidelines; however, as outlined above, subsequent distributions to Shareholders and portfolio valuation movements have resulted in the investment in Intent HQ representing 21.9% of the Company's net assets as at the end of the year under review.

Although, as explained below, the Investment Manager, in common with all other recent investors in Intent HQ, believes that the business has the capability of generating significant returns, any venture capital investment of this nature must be regarded as high risk. As mentioned on page 9, Intent HQ is currently undertaking the second phase of a fundraising round of up to £8.6 million in total, of which, as at the date of this report, £5.6 million has been invested or committed. Further offers of investment totalling up to £2 million have been received towards the balance of the round; however, should those offers not proceed to completion, Intent HQ's development would be materially hampered. The Company's valuation of its holding in Intent HQ is based on the assumption that the funding round will achieve a total of at least £7.6 million. If this amount is not raised, then at best, this would result in delays to the growth in the

company's sales and necessitate a significant reduction in its running costs. Whilst the Investment Manager is of the view that the company is likely to be successful, this positive view must therefore be tempered having regard to the venture capital nature of the investment.

During the year, Intent HQ continued to develop its modular suite of software which analyses and profiles behaviour of users of social media, enabling customers to deliver highly relevant and personalised advertising messages.

Social networks such as Facebook and Twitter are daily destinations for millions of consumers. Increasingly, they offer the opportunity for brands to target consumers according to specific demographics, social connections, interests, and habits. As brands look across a fractured media landscape, where few digital properties offer any scale, social networks offer them an interesting proposition. Recent research suggests that, in the USA alone, advertising expenditure through the use of social media will jump to \$11 billion by 2017, driven in particular by continuing increases in the use of mobile devices such as phones and tablets.

As such, the Investment Manager believes that Intent HQ's technology has the potential to satisfy an increasingly important demand from brands in their efforts to utilise the internet for more effective reach. Intent HQ has recently expanded its sales function, and has already garnered a very encouraging pipeline of established and high-profile businesses as potential customers.

Portfolio performance

As at 28 February 2013, the NAV total return of each of the share funds stood at:

C Share Fund:

98.74p per Share (100.04p per Share as at 29 February 2012)

D Share Fund:

97.02p per Share (97.38p per Share as at 29 February 2012)

E Share Fund:

84.82p per Share (91.30p per Share as at 29 February 2012)

F Share Fund:

91.64p per Share (93.50p per Share as at 29 February 2012)

G Share Fund:

90.12p per Share (92.40p per Share as at 29 February 2012)

H Share Fund:

92.25p per Share (2012: not applicable)

I Share Fund:

91.09p per Share (2012: not applicable)

As explained on page 3, the Company's valuation policy requires unlisted qualifying investments normally to be valued at cost for the first twelve months following the date of making the investment, and with an appropriate valuation approach to be taken to any investment more than twelve months old, in order to reflect the fair value of that investment.

Non-qualifying investments

Initially, the net proceeds of each of the Company's offers for subscription for Shares are invested in various fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Whilst a suitable level of return is sought, the Investment Manager has regarded, and will continue to regard capital preservation as an important consideration. Subsequently, up to 30% of each share fund will be maintained in such investments whilst the balance is reinvested in VCT-qualifying investments.

The non-qualifying liquidity portfolios are currently managed in conjunction with UBS (for the C, F, G, H and I Share Funds), and (for the F & G Share funds) JP Morgan.

During the year, the return on all of these funds averaged 2.1%, reflecting the prevailing conditions in the European money markets.

As at 29 February 2013, the value of the non-qualifying portfolio was as follows:

Manager	Share Fund	Value (£'000)
UBS	C	118
UBS	F	226
JP Morgan	F	2,330
UBS	G	3,084
JP Morgan	G	748
UBS	H	1,213
UBS	I	3,473
Total		11,192

In addition, non-qualifying investments have been made in investee companies across each of the Share Funds. Details can be found in the Investment Portfolios on pages 14 to 18.

Fundraising

The Company launched an offer for subscription for I Shares in November 2011. By the time it closed in November 2012, applications for a total of just under 13 million I Shares had been received.

The Company also launched an offer for subscription for H Shares in November 2011, which closed in November 2012, and a top-up offer for subscription for H Shares in February 2013, which closed in June 2013. Across the two offers, applications for a total of just under 7 million H Shares were received by the Company.

In July 2012, the Company launched an "enhanced share buy-back" offer whereby holders of C Shares were able to sell their C Shares back to the Company at 100% of the then net asset value, namely 74.68p per C Share, on condition that the proceeds were then reinvested for new Shares in the Company, in its I Share class. That offer closed on October 2012, by which time a total of 3.75 million C Shares had been tendered for sale to the Company, and resulting in the reinvestment in the Company of new funds of approximately £2.8 million, increasing the I Share Fund to 15.8 million I Shares in aggregate.

In January 2013, the Company opened a further enhanced share buy-back offer to holders of C Shares. That offer closed after the year end, in April 2013, resulting in the repurchase by the Company of 2.4 million C Shares at 100% of the then net asset value, namely 34.31p per C Share (the reduced net asset value relative to that which applied under the first enhanced share buy-back offer being reflective of the 40p per C Share interim dividend which was paid by the Company in the intervening period), and a

total reinvestment by the participating Shareholders of £0.83 million.

The overall VCT fundraising market in 2012 and 2013 has not been easy, particularly with stiff competition for investors' funds from other investment schemes such as EIS. The market has also suffered from a backdrop of legislative and regulatory uncertainty caused, amongst other things, by the implementation of new VCT rules. In light of the market conditions, the Investment Manager regards the results of the Company's fundraising activities as satisfactory; in particular, as the H Share marks the expansion of the Company's business to include also "evergreen" funds, the outcome of the H Share offers is viewed as a very encouraging start.

Realisation of C and D Share Funds

C Share Fund

During 2012, the C Share Fund reached its fifth anniversary, enabling the start of the process of realisation of the C Share Fund's portfolio, and the distribution of proceeds to C Shareholders. As mentioned above, the Company's investments in MK Ultrasound Limited, Saravid Promotions Limited and B & W Events Limited were realised, with the proportion of proceeds of those investments which related to the C Share Fund being distributed to C Shareholders in December 2012.

This therefore means that the C Share Fund's holdings in North Promotions and Intent HQ are the only remaining investments in its VCT-qualifying portfolio. The Investment Manager believes that both of these companies have yet to reach the optimal point for realisation in terms of maximising returns for Shareholders and have potential

for growth. The Investment Manager has therefore decided to defer the realisation of the investments in these two portfolio investments, with the aim of unlocking that growth potential. As at the date of this report, the likely timeframe for those realisations cannot be predicted with certainty, although they are not expected to take place sooner than the next 12 to 18 months.

D Share Fund

As at the date of this report, the VCT-qualifying portfolio of the D Share Fund comprises investments in seven companies. In August 2013, the D Share Fund also reaches its fifth anniversary, meaning that the focus has now turned to realisation of the D Share Fund's portfolio. The Investment Manager anticipates being able to realise the investments in five of those companies, with a view to the proceeds being distributed to D Shareholders later in 2013; it is currently expected that that distribution will represent the majority of the current net asset value per D Share, and should therefore result in D Shareholders having received total cash payments of equal to substantially all of their original net cost of investment (assuming income tax relief was obtained at 30% of the amount invested).

The remaining investments held by the D Share Fund are those in North Promotions and Intent HQ, which, as explained above, have not, in the Investment Manager's view, yet reached the optimal stage for realisation.

Outlook

The Investment Manager anticipates that the continued quality of scope of its dealflow, coupled with the Investment Manager's and the Board's abilities to seek out investment opportunities, will ensure that sufficient further VCT-qualifying investments can be made in a reasonable time from the proceeds of recent offers for subscription for Shares.

With more now invested by the Company in its VCT-qualifying portfolio than at any time previously, a key aspect of the Investment Manager's remit is to work closely with the businesses in the portfolio, and to assist and guide their management teams, with a view to maximising the returns to the Company's Shareholders as those businesses reach an appropriate point for the realisation of the Company's investment in them.

Edge Investment Management Limited
Investment Manager

27 June 2013

Investment Portfolios

as at 28 February 2013

	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
C Share Portfolio						
Qualifying investments						
MK Ultrasound	n/a	n/a	-	2,008	1,740	18.2
Saravid Promotions	n/a	n/a	-	2,007	1,432	15.0
B&W Events	n/a	n/a	-	1,004	1,152	12.0
Intent HQ	1,447	2,809	97.2	2,025	3,931	41.0
North Promotions	172	172	6.0	242	242	2.5
Total qualifying investments	1,619	2,981	103.3	7,286	8,497	88.7
Non-qualifying investments						
North Promotions	1	1	-	1	1	0.0
Total non-qualifying investments	1	1	-	1	1	0.0
Total fixed asset investments	1,620	2,982	103.3	7,287	8,498	88.7
Net current assets		(94)	(3.5)		1,080	11.3
Net assets		2,888	100.0		9,578	100.0

	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
D Share Portfolio						
Qualifying investments						
Challi Productions	1,825	1,483	11.2	2,000	1,710	11.6
HTM Promotions	2,000	1,606	12.2	2,000	1,721	11.7
Intent HQ	1,973	3,878	29.3	1,972	3,878	26.4
TRP 2009	1,000	911	6.9	1,000	929	6.3
Granon Entertainment	1,735	1,614	12.2	1,735	1,652	11.3
North Promotions	2,476	2,477	18.7	2,477	2,477	16.9
Rose Productions	1,000	827	6.2	1,000	948	6.5
Total qualifying investments	12,009	12,796	96.7	12,184	13,315	90.7
Non-qualifying investments						
Rose Productions	29	29	0.2	-	-	-
TRP 2009	28	28	0.2	-	-	-
Total non-qualifying investments	57	57	0.4	-	-	-
Total fixed asset investments	12,066	12,853	97.1	12,184	13,315	90.7
Net current assets		381	2.9		1,371	9.3
Net assets		13,234	100.0		14,686	100.0

E Share Portfolio	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
Qualifying investments						
North Promotions	1,411	1,411	22.6	1,411	1,411	18.6
Rose Productions	300	257	4.1	300	284	3.7
Chapman Entertainment	391	-	-	391	391	5.2
Pepper Promotions	1,000	921	14.7	1,000	1,000	13.2
Lads on Tour	1,000	886	14.2	1,000	1,000	13.2
Cloudroom Music	1,000	973	15.6	1,000	1,000	13.2
Intent HQ	1,774	1,774	28.4	947	947	12.4
Total qualifying investments	6,876	6,222	99.5	6,049	6,033	79.5
Non-qualifying investments						
Intent HQ	-	-	-	531	600	7.9
Pepper Promotions	23	23	0.4	-	-	-
Lads on Tour	24	24	0.4	-	-	-
Cloudroom Music	24	24	0.4	-	-	-
Total non-qualifying investments	71	71	1.1	531	600	7.9
Total fixed asset investments	6,946	6,293	100.6	6,580	6,633	87.4
Net current assets		(36)	(0.9)		954	12.6
Net assets		6,257	100.0		7,587	100.0

F Share Portfolio	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
Qualifying investments						
Chapman Entertainment	285	-	-	285	285	1.2
North Promotions	2,951	2,951	12.9	239	239	0.9
Intent HQ	1,508	1,508	6.6	-	-	-
Clarksville Train	1,000	901	3.9	1,000	1,000	3.9
Daydream Believer	1,000	865	3.8	1,000	1,000	3.9
Black Dog Live	1,000	956	4.2	1,000	1,000	3.9
Aurora Rising	1,000	894	3.9	1,000	1,000	3.9
Closeto	1,000	993	4.4	1,000	1,000	3.9
Libra Live	1,000	977	4.3	1,000	1,000	3.9
Sweet Right Peg	1,000	975	4.3	1,000	1,000	3.9
Raphine	1,000	982	4.3	1,000	1,000	3.9
Motti & Porg	1,000	1,011	4.4	1,000	1,000	3.9
MirriAd	1,000	1,000	4.4	-	-	-
Handmade Mobile	1,000	1,000	4.4	1,000	1,000	3.9
WP Acquisitions	688	702	3.1	-	-	-
Beast Quest Acquisitions	502	502	2.2	-	-	-
Total qualifying investments	16,934	16,217	71.1	10,524	10,524	41.1
Non-qualifying investments						
North Promotions	-	-	-	2,099	2,099	8.4
Intent HQ	3,092	3,092	13.6	3,136	3,360	13.3
Clarksville Train	23	23	0.1	-	-	-
Daydream Believer	23	23	0.1	-	-	-
Black Dog Live	24	24	0.1	-	-	-
Aurora Rising	23	23	0.1	-	-	-
Closeto	23	23	0.1	-	-	-
Libra Live	24	24	0.1	-	-	-
Sweet Right Peg	23	23	0.1	-	-	-
Raphine	24	24	0.1	-	-	-
Motti & Porg	24	24	0.1	-	-	-
Total non-qualifying investments	3,303	3,303	14.5	5,235	5,459	21.7
Total fixed asset investments	20,237	19,520	85.6	15,759	15,983	62.8
Net current assets		3,291	14.4		9,458	37.2
Net assets		22,811	100.0		25,441	100.0

G Share Portfolio	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
Qualifying investments						
Intent HQ	425	425	2.1			
Black Sheep Music	1,000	954	4.8	1,000	1,000	4.5
UltraNation	1,000	984	4.9	1,000	1,000	4.5
Grove Music	1,000	898	4.5	1,000	1,000	4.5
Ramble On	1,000	976	4.9	1,000	1,000	4.5
La Cage Productions	1,000	963	4.8	1,000	1,000	4.5
MM Promotions	1,000	949	4.7	1,000	1,000	4.5
Two Bridges Live	1,000	985	4.9	1,000	1,000	4.5
E7 Live	1,000	975	4.9	1,000	1,000	4.5
Handmade Mobile	1,000	1,000	5.0	-	-	-
MirriAd	334	334	1.7	-	-	-
North Promotions	573	573	2.9	-	-	-
WP Acquisitions	1,140	1,163	5.8	-	-	-
Beast Quest Acquisitions	1,097	1,097	5.5	-	-	-
Total qualifying investments	12,569	12,276	61.4	8,000	8,000	36
Non-qualifying investments						
Intent HQ	2,810	2,810	14.1	2,052	2,052	9.1
Black Sheep Music	23	23	0.1	-	-	-
UltraNation	23	23	0.1	-	-	-
Grove Music	24	24	0.1	-	-	-
Ramble On	23	23	0.1	-	-	-
La Cage Productions	23	23	0.1	-	-	-
MM Promotions	24	24	0.1	-	-	-
Two Bridges Live	23	23	0.1	-	-	-
E7 Live	24	24	0.1	-	-	-
Total non-qualifying investments	2,997	2,997	15.0	2,052	2,052	9.1
Total fixed asset investments	15,566	15,273	76.4	10,052	10,052	45.1
Net current assets		4,721	23.6		12,266	54.9
Net assets		19,994	100.0		22,318	100.0

	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
H Share Portfolio						
Qualifying investments						
MirriAd	286	286	13.8	-	-	-
WP Acquisitions	153	156	7.5	-	-	-
Beast Quest Acquisitions	147	147	7.1	-	-	-
North Promotions	45	45	2.1	-	-	-
Total qualifying investments	631	634	30.5	-	-	-
Non-qualifying investments						
North Promotions	25	25	1.2	-	-	-
Total non-qualifying investments	25	25	1.2	-	-	-
Total fixed asset investments	656	659	31.7	-	-	-
Net current assets		1,422	68.3		-	-
Net assets		2,081	100.0		-	-

	2013			2012		
	Cost £	Valuation £	% of net assets by value	Cost £	Valuation £	% of net assets by value Restated
I Share Portfolio						
Qualifying investments						
WP Acquisitions	680	694	4.9	-	-	-
Alchemy Live	1,000	1,000	6.9	-	-	-
Axis Live Entertainment	1,000	1,000	6.9	-	-	-
Real Gone Gigs	1,000	1,000	6.9	-	-	-
SEL Live Entertainment	1,000	1,000	6.9	-	-	-
Done & Dusted Live	750	750	5.3	-	-	-
North Promotions	70	70	0.5	-	-	-
Beast Quest Acquisitions	654	654	4.6	-	-	-
Intent HQ	1,028	1,572	10.9	-	-	-
MirriAd	380	380	2.6	-	-	-
Total qualifying investments	7,562	8,120	45.5	-	-	-
Non-qualifying investments						
North Promotions	9	9	0.1	-	-	-
Total non-qualifying investments	9	9	10.9	-	-	-
Total fixed asset investments	7,571	8,129	56.4	-	-	-
Net current assets		6,233	43.6		-	-
Net assets		14,362	100.0		-	-

Venture Capital Investments

as at 28 February 2013

Investment Portfolio

An overview of the Company's ten largest (by valuation) VCT-qualifying investments is provided below:

Intent HQ (formerly Global Dawn Limited)

Cost:	£14,056k
Valuation:	£17,867k
Basis of valuation:	Third party/cost of short term loans and loan stock
Equity holding:	44.36% of voting rights

Intent HQ's trade is the creation of technology that enables businesses to use social media to target customers.

The company's technology allows businesses to increase customer numbers, decrease cost of customer acquisition and increase lifetime customer value. The product allows users to log into websites using their social logins, for example using their Facebook login. The technology then gathers user profiles from their social data to deliver personalised user experiences and marketing such as recommendations and personal messages. Users can also rate and recommend products to their friends offering a highly effective social referral service.

The company's most recent filed accounts cover the 53 weeks ended 6 July 2012. In that period, consistent with the stage of the company's evolution, it reported revenues of £173k and an operating loss of £6.8 million.

North Promotions Limited

Cost:	£7,734k
Valuation:	£7,734k
Basis of valuation:	Cost
Equity holding:	50% of voting rights

A leading player in the children's market, North and its principal subsidiary Coolabi specialise in the ownership, development, creative management and exploitation of high quality children's and family intellectual property assets. Coolabi's properties include the burgeoning success Poppy Cat and the iconic Purple Ronnie. It also represents established favourites such as Bagpuss and the Clangers.

In the year ended 31 December 2012, Coolabi recognised revenues of £1,229k and earnings before tax, depreciation and amortisation ("EBITDA") of £31k.

North Promotions continues to look for acquisition opportunities in order to build its portfolio of assets and capitalise on the company's strong management team.

WP Acquisitions Limited

Cost:	£2,660k
Valuation:	£2,715k
Basis of valuation:	Cost of investment plus cost of financing
Equity holding:	50% of voting rights

A proven success with over 1,000 titles already published, Working Partners creates and exploits intellectual property in serialised fiction for children aged 5-14.

Working Partners creates and exploits children's intellectual property, with a focus on book series for children aged between five and fourteen, which it sells to publishers in the UK, the USA and more than thirty other territories around the world. To date, Working Partners has created 80 book series, comprising more than 1,000 titles, sold into more than 30 languages. Ten book series have sold more than one million copies each. Successful titles include Seekers, Warriors, Dinosaur Cove and Animal Ark. Working Partners plans on launching at least eight new series in 2013 and additional series thereafter. The Working Partners Group also includes a rights agency, Rights People, representing the interests of intellectual property rights owners, and which has become the largest rights agency in the UK for children's literature; and Greenhouse, a small literary agency subsidiary which represents authors.

In the year ended 31 December 2012, Working Partners recognised revenues of £3.91 million and EBITDA of £1.6 million, thereby exceeding its budget for the year.

Beast Quest Acquisitions Limited

Cost:	£2,400k
Valuation:	£2,400k
Basis of valuation:	Cost
Equity holding:	50% of voting rights

Beast Quest Acquisitions Limited is the creator of the successful Beast Quest children's fiction series.

Formerly a part of the Working Partners group and operating in substantially the same area, Beast Quest creates children's books and other intellectual property for sale to publishers under the Beast Quest and new Sea Quest brands, the second of which was launched in March 2013.

The Beast Quest series of books now runs to 60 titles in print in over 30 countries around the world and has been translated into 27 languages and has sold 10 million copies. Beast Quest Limited has also developed games and a virtual online world to earn additional revenue and to support the book brand. Beast Quest is planning on launching 18 new Beast Quest titles in the next few years. Beast Quest has also recently concluded an option agreement with a film studio to produce a Beast Quest movie.

In the year ended 31 December 2012, the company recognised revenues of £717k and EBITDA of £325k.

MirriAd Limited

Cost:	£2,000k
Valuation:	£2,000k
Basis of valuation:	Third party
Equity holding:	10.9% of voting rights

MirriAd's business generates new revenue opportunities for content owners and new marketing opportunities for brands.

MirriAd is an innovative technology company targeting the potential \$15bn market for the placement of brands and advertising into television and other video content. MirriAd's unique proposition is a patented system to insert these marketing messages digitally at the point of broadcast rather than at the point of production. This means older content can be given a new commercial lease of life and brand placement can be targeted by territory and by channel in a way which would simply be uneconomic if it were done physically during the production of the programming.

In the year ended 30 September 2012, the date of the company's annual report, the company recognised revenues of £546k and an EBITDA loss of £2,165k

Handmade Mobile Entertainment Limited

Cost:	£2,000k
Valuation:	£2,000k
Basis of valuation:	Initial £1m based on comparable company valuations.
Follow-on	£1m investment at cost, having been held for fewer than 12 months
Equity holding:	13.1% of voting rights

Handmade Mobile Entertainment is a leading player in consumer mobile applications specialising, in products that allow social interaction between its customers. It has headquarters in London, with offices also in California.

The company developed the flirting/dating application, Flirtomatic, a dating service which over its lifetime to date has attracted over 6.3 million subscribers in the UK, USA and other markets in Europe. In any one month, Flirtomatic has several hundred thousand unique users. The company's revenues are derived from advertising and user revenue through the purchase of credits to send messages and buy other users virtual gifts. The company has built its technical platform to be highly scalable, modular and with the ability to be used by multiple social networks, either integrated with similar features or completely separate with a dedicated database of users and unique features. A second social network was launched in partnership with Freemantle Media and ITV, and was based on the successful game show Take Me Out.

Handmade has launched a new range of entertainment-driven consumer applications and services. These will often be in conjunction with existing entertainment brands, with Handmade providing the platform for the user-generated content and social interactions.

In the year ended 31 December 2012, the company recognised revenues £2,288k and a loss before interest, taxation, depreciation and amortisation of £1,261k

Granon Entertainment Limited

Cost:	£1,735k
Valuation:	£1,614k
Basis of valuation:	Net asset value
Equity holding:	50% of voting rights

Granon Entertainment was founded by Adam Driscoll, who was also the co-founder of MAMA Group plc, and its CEO until its sale to HMV in early 2010. Under Adam, MAMA Group expanded its business to include artist management, music publishing, live venue ownership, event ownership and event promotion and grew to a business with a market cap of £50m by the time of its sale.

Granon Entertainment co-promoted the inaugural London run of the iconic Parisian cabaret show, Crazy Horse, in the Autumn of 2012.

The company's management accounts 30 September 2012, showed an operating loss on ordinary activities of £17k.

HTM Promotions Limited

Cost:	£2,000k
Valuation:	£1,606k
Basis of valuation:	Net asset value
Equity holding:	49.5% of voting rights

HTM Promotions' founding director, Paul Crockford, is an established figure in the UK music business, having been both a promoter and an artist manager since the 1970s. As a promoter, he has worked with acts such as The Damned, Elton John, Police, Eric Clapton, Tears For Fears and Dire Straits. He managed Level 42 at the height of their career, when they became one of the most popular British acts of the 1980s, selling in excess of 20 million albums. He is currently managing former Dire Straits frontman, Mark Knopfler.

The company did not co-promote any tours in the six months to 31 October 2012 and the company's management accounts, reported an operating loss on ordinary activities of £56k. However, the company agreed to co-promote a date by Ne-Yo in February 2013.

Challi Productions Limited

Cost:	£1,825k
Valuation:	£1,482k
Basis of valuation:	Net asset value
Equity holding:	49.5% of voting rights

Challi Productions Limited's founding director, Jeff Golembo has spent over 25 years in the music and entertainment business and was formerly Managing Director of MCA Records in the UK, having held senior business and commercial roles at CBS Records in Paris, New York and London and Phonogram Records in the UK. He is currently on the Board of Entertainment Media Research, a leading online music research company, and consults for a number of media clients in the UK and Africa.

The company's management accounts, covering the period from 1 April 2012 to 30 September 2012, showed an operating loss on ordinary activities of £60k. However, with the benefit of an events licensing arrangement with AEG Live, the company agreed to co-promote a date by Justin Bieber in February 2013.

Rose Promotions Limited

Cost:	£1,329k
Valuation:	£1,113
Basis of valuation:	Net asset value
Equity holding:	50% of voting rights

Rose Promotions' founder, Richard Rowe, was a senior executive at CBS Records UK during its heyday in the 1980s, before becoming global president of Sony/ATV Music Publishing in the early 1990s where he oversaw the expansion of the business, including through its joint venture with Michael Jackson. In 2004, he left Sony, to establish a new independent music publishing business, R2M Management, with offices in the UK and the USA.

In March 2012 the company entered into a services agreement and events licensing agreement with AEG Live (UK) Ltd to co-promote live music and other events. In the 6 months to 30 September 2012 the company promoted events by Avicii, L'Arc en Ciel and Leonard Cohen. The company's management accounts for the six months to 30 September 2012 report a touring loss for the period of £80k.

The remaining VCT-qualifying investment in the Company's portfolio are summarised below. All companies specialise in the promotion of live events.

During the year ended 29 February 2012, the Company invested £1 million in each of 20 companies specialising in live events promotion.

Company	Cost of investment £'000	Valuation	Basis of valuation	Equity holding (voting rights)
Alchemy Live Limited	1,000	1,000	Cost	49.97%
Aurora Rising Limited	1,023	917	NAV	49.97%
Axis Live Entertainment Limited	1,000	1,000	Cost	49.97%
Black Dog Live Limited	1,024	980	NAV	49.95%
Black Sheep Music Limited	1,023	977	NAV	49.95%
Clarksville Train Limited	1,023	924	NAV	49.97%
Closeto Limited	1,023	1,017	NAV	49.97%
Cloudroom Music Limited	1,024	997	NAV	49.95%
Daydream Believer Limited	1,023	889	NAV	49.97%
Done & Dusted Live Limited	750	750	Cost	49.97%
E7 Live Limited	1,024	998	NAV	49.97%
Grove Music Limited	1,024	922	NAV	50.00%
La Cage Productions Limited	1,023	987	NAV	49.97%
Lads On Tour Limited	1,024	910	NAV	50.00%
Libra Live Limited	1,024	1,000	NAV	49.95%
MM Promotions Limited	1,024	972	NAV	49.97%
Motti & Porg Limited	1,024	1,034	NAV	49.95%
Pepper Promotions Limited	1,023	944	NAV	49.95%
Ramble On Limited	1,023	1,000	Cost	49.97%
Raphine Limited	1,024	1,007	NAV	49.97%
Real Gone Gigs Limited	1,000	1,000	Cost	49.97%
SEL Live Entertainment Limited	1,000	1,000	Cost	49.97%
Sweet Right Peg Limited	1,023	998	NAV	49.95%
TRP 2009 Limited	1,027	939	NAV	50.00%
Two Bridges Live Limited	1,023	1,008	NAV	49.97%
UltraNation Limited	1,023	1,007	NAV	49.97%

Directors' Report

The Directors present the financial statements of the Company (incorporated in England and Wales with registration number 5558025) for the year ended 28 February 2013 and their report on its affairs.

Business and Principal Activities

Edge Performance VCT has pioneered an approach which was designed to address the key issues which the Directors believe have in the past deterred some individuals from investing in VCTs, namely the ability to recover the net cost of investment as soon as possible after five years, and the perceived level of risk of the underlying investments. Edge, using the skills of the Directors and the investment team of the Investment Manager who collectively have a depth of sector experience in the entertainment industry, seeks to allow investors to take advantage of VCT tax reliefs whilst combining:

- high targeted returns;
- downside risk protection; and
- liquidity.

Edge's structure aims to minimise the risk to the investor, whilst still permitting the investor to benefit from attractive returns by utilising arrangements that seek to combine high targeted returns with reduced downside risk and enhanced liquidity. The majority of the portfolio investments will be made through loan finance which should provide additional capital protection.

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

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

VCT Status

The Company has been approved as a venture capital trust by HM Revenue & Customs under section 274 of the Income Tax Act 2007. The Directors intend to continue to manage the affairs of the Company in compliance with this section.

Business Review

This business review has been prepared in accordance with the requirements of Section 417 of the Companies Act 2006 and best practice. A detailed review of the Company's development and performance during the year and consideration of its future prospects may be obtained by reference to this Report, the Chairman's Statement (page 4) and the Investment Manager's Review (pages 8 to 13). Details of the venture capital investments made by the Company are given in the Investment Portfolios (pages 14 to 18) and the Venture Capital Investments report (pages 19 to 22). A summary of the Company's key financial measures is given on pages 1 and 2. Details of important events occurring after the balance sheet date can be found in Note 19 to the financial statements on page 59.

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

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

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

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

Net Asset Value Total Return per Share

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

	1 March 2012 Pence	28 February 2013 Pence
Net asset value total return per C Share	100.04	98.74
Net asset value total return per D Share	97.38	97.02
Net asset value total return per E Share	91.30	84.82
Net asset value total return per F Share	93.50	91.64
Net asset value total return per G Share	92.40	90.12
Net asset value total return per H Share	-	92.95
Net asset value total return per I Share	-	91.09

Over the same period, the FT All Share Media Index rose by 22.52%. Graphs comparing, for each of the Company's share classes, the Share price total return, the net asset value total return per Share and the total return from a notional investment of 100p in the FT All Share Media Index over the period from 5 April 2007 to 28 February 2013 are presented on page 30.

Results and Dividends

As shown in the Company's Income Statement on page 36 of the financial statements, the Company's returns per Share in the year ended 28 February 2013 were:

	C Share Fund	D Share Fund	E Share Fund	F Share Fund	G Share Fund	H Share Fund	I Share Fund
Revenue return per Share, pence	1.54	3.04	3.02	2.41	1.96	(0.05)	2.31
Capital return per Share, pence	(1.82)	(3.40)	(9.50)	(4.27)	(4.24)	(0.78)	(3.98)
Total return per Share, pence	(0.28)	(0.36)	(6.48)	(1.86)	(2.28)	(0.83)	(1.67)

Final dividends in respect of the year ended 29 February 2012 were paid during the year ended 28 February 2013 as follows:

- 7p per D Share
- 7p per E Share
- 7p per F Share
- 7p per G Share

An interim dividend in respect of the year ended 28 February 2013 of 40p per C Share was paid during the year ended 28 February 2013.

An interim dividend in respect of the year ended 28 February 2013 of 3.5p per H Share was paid after the end of the year, on 19 April 2013.

The Board recommends the payment of the following final dividends in respect of the year ended 28 February 2013:

- 7p per E Share
- 7p per F Share

- 7p per G Share
- 7p per I Share

Total Expense Ratio

The total expense ratio, calculated as the year's expenses (as disclosed in the profit & loss account) divided by the average net asset value across the year, was 2.88%. Under the terms of the investment management agreement, the running costs of the Company (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.0% of the net asset value of the Company. Any excess will be paid by the Investment Manager. For the year ended 28 February 2013, the relevant running costs were 2.63% of the Company's average net asset value; therefore, no excess was payable in respect of the year.

Future Developments

The Company's priorities in the short and medium term are (i) continuing to satisfy the requirement under VCT rules that, in respect of funds which are three or more years old, at least 70% by value of its investments are in shares or securities comprised in VCT-qualifying holdings and (ii) closely monitoring the performance of the investment portfolios with the aim of maximising their performance, and (iii) identifying suitable realisation opportunities in particular for the portfolio holdings in the C Share, D Share and E Share Funds.

Risk Management

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

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

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

Further information about the Company's internal controls is given in the Statement of Corporate Governance on pages 31 to 33.

Corporate Information

Directors

The Directors who have served throughout the year under review and who continue to serve are Sir Robin Miller, Michael Eaton, David Glick, Frank Presland, Kevin Falconer and Lord Flight.

In accordance with the Company's articles of association, Frank Presland will retire by rotation at the Company's 2013 annual

general meeting and will stand for re-appointment. Following a performance evaluation, the Chairman of the Company is satisfied that Mr Presland's performance continues to be effective, and that he has demonstrated commitment to his role, including devoting time for meetings of the Board and or relevant Board committees, and other duties. The Board therefore recommends that Mr Presland be re-elected as a Director at the annual general meeting.

David Glick is also a director of the Investment Manager, and is therefore required by the Listing Rules to submit himself for re-election, on an annual basis, by the Shareholders: the Company's 2013 annual general meeting will therefore consider a proposal for his re-election as a Director.

Brief biographical details of the current Directors are given on pages 5 and 6.

Directors' Interests

The interests of the current Directors and their connected persons in the share capital of the Company as at 28 February 2013 are shown below.

	No of C ordinary Shares as at 28 February 2013	Percentage holding %	No of D ordinary Shares as at 28 February 2013	Percentage holding %	No of E ordinary Shares as at 28 February 2013	Percentage holding %	No of F ordinary Shares as at 28 February 2013	Percentage holding %
Sir Robin Miller	-	-	-	-	53,000	0.54	-	-
Michael Eaton	-	-	-	-	-	-	-	-
David Glick	11,500	0.12	21,200	0.11	1,000	0.01	1,000	0.00
Frank Presland	-	-	10,600	0.06	10,500	0.11	-	-
Kevin Falconer	-	-	-	-	-	-	-	-
Lord Flight	-	-	-	-	-	-	-	-
			No of G ordinary Shares as at 28 February 2013	Percentage holding %	No of H ordinary Shares as at 28 February 2013	Percentage holding %	No of I ordinary Shares as at 28 February 2013	Percentage holding %
Sir Robin Miller			16,050	0.07	-	-	10,300	0.07
Michael Eaton			-	-	-	-	-	-
David Glick			21,600	0.09	26,125	1.17	98,280	0.62
Frank Presland			-	-	-	-	8,173	0.05
Kevin Falconer			-	-	-	-	-	-
Lord Flight			57,200	0.24	-	-	32,400	0.21

The G Shares shown above as held by Lord Flight include 20,800 G Shares held by his wife, Lady Flight, and 10,400 G Shares held by his daughter, Miss C Flight.

The H Shares shown above as held by Lord Flight include 10,800 I Shares held by his wife, Lady Flight, and 10,800 I Shares held by his daughter, Miss C Flight.

Since 28 February 2013:

David Glick bought 10,450 C Shares on 14 March 2013;

under the terms of the Company's enhanced share buy-back tender offer document dated 18 January 2013, David Glick sold 21,950 C Shares to the Company, and the Company allotted and issued 21,629 new C Shares to him, resulting in his having a total holding of 21,629 C Shares in the Company as at the date of this report; and

under the terms of the Company's further offer of subscription for H Shares, as set out in the Company's prospectus dated 18 February 2012, David Glick subscribed for 54,572 H Shares, which were allotted and issued to him on 5 April 2013, resulting in his having a total holding of 80,697 H Shares as at the date of this report.

There have been no further changes since 28 February 2013 to the interests of the

current Directors and their connected persons in the share capital of the Company.

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

An ordinary resolution to approve the Directors' Remuneration Report (presented on pages 29 and 30) will be put to the Company's 2013 annual general meeting.

Companies Act 2006 Disclosures

The Board recognises the requirement under Section 417(5) of the Act to detail information about environmental matters (including the impact of the Company's business on the environment), any Company employees and social and community issue; including information about any policies it has in relation to these matters and effectiveness of these policies. As the Company has no employees or policies in these matters this requirement does not apply.

Investment Management Agreement

On 18 February 2013, the Company entered into a new investment management agreement with the Investment Manager which replaced the previous investment management agreement with effect from 1 March 2013. The appointment is for an initial period ending on 11 April 2018 and may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

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

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

In respect of each class of Shares separately (save the H Shares), once total paid or declared dividends have reached £1.00 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board, are available to be distributed as dividends will be paid as to 80% as a dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be) and 19% to the Investment Manager by way of performance fee. Once total paid or declared dividends have reached £1.20 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board, are available to be distributed as dividends will be paid as to 70% as a Dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be) and 29% to the Investment Manager by way of performance fee.

In respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7p per H Share per annum, the Investment Manager will receive an annual performance fee equal to 19% of the net asset value per H Share in excess of £1.00. Once and for so long as cumulative dividends paid or declared equal or exceed an average of 14p per H Share

per annum, the Investment Manager will receive an annual performance fee equal to 29% of the net asset value per H Share in excess of £1.00. That calculation will be made on a six-monthly basis, by reference to the Company's published annual report and financial statements and the Company's published half-yearly financial statements.

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

Administrative Services Agreement

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

Annual Running Costs

If the annual running costs of the Company in any year exceed 3% of the net assets of the Company, the Investment Manager will be responsible for the excess. For these purposes, annual running costs of the Company include, amongst other things, the annual management fees described above, the administrative services fee described below, Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with shareholders, but exclude irrecoverable VAT, trail commission payable to financial intermediaries, the Investment Manager's performance fee described below and the cost of significant corporate activity.

Share Capital

On 20 March 2012, 5 April 2012, 23 May 2012, 10 October 2012 and 21 November 2012, a total of 2,239,100 H Shares were allotted and issued for cash to various subscribers who submitted valid applications under the offers for subscription made through the Company's prospectus dated 24 November 2011.

On 20 March 2012, 2 April 2012, 5 April 2012, 23 May 2012 and 10 October 2012,

a total of 12,426,232 I Shares were allotted and issued for cash to various subscribers who submitted valid applications under the offers for subscription made through the Company's prospectus dated 24 November 2011.

On 23 October 2012, under the terms of the Company's enhanced share buy-back offer document dated 9 July 2012, 3,754,208 existing C Shares were bought back by the Company, and 3,670,874 new C Shares

were allotted and issued. On 29 October 2012, those new C Shares were converted to 2,971,333 I Shares, by reference to the net asset value per C Share and the net asset value per I Share respectively.

The Company operates a policy of buying back Shares for cancellation. During the year, Shares were bought back at the request of the relevant shareholders, as follows:

Date of purchase	Share class	Number of Shares	Price paid per Share (p)	Percentage of relevant Share class as at the date of purchase
5 April 2012	C	50,750	66.25	0.38%
11 May 2012	C	50,000	63.00	0.38%
17 August 2012	C	46,301	64.84	0.35%
17 August 2012	D	56,338	76.39	0.29%
17 August 2012	E	11,780	77.30	0.12%
17 August 2012	F	26,455	86.50	0.09%
17 August 2012	G	76,500	92.40	0.32%
23 October 2012	F	5,450	86.75	0.02%
23 October 2012	G	20,000	93.50	0.08%
6 December 2012	I	200,000	100.00	1.25%

As at 28 February 2013, the issued share capital of the Company was as follows:

Share Class	Number of Shares in issue
C	9,393,438
D	19,172,500
E	9,801,952
F	29,379,532
G	24,056,803
H	2,239,100
I	15,766,414
Total	109,809,739

On 5 April 2013 and 8 April 2013, a total of 4,307,843 H Shares were allotted and issued for cash to various subscribers who submitted valid applications under the offer for subscription made through the Company's prospectus dated 18 February 2013.

Under the terms of the Company's enhanced share buy-back tender offer document dated 18 January 2013:

on 5 April 2013, 1,908,999 existing C Shares were bought back by the Company, and 1,863,264 new C Shares were allotted and issued; and

on 1 May 2013, 495,107 existing C Shares were bought back by the Company, and 483,430 new C Shares were allotted and issued.

As at the date of this report, the issued share capital of the Company is as follows:

Share Class	Number of Shares in issue
C	9,336,026
D	19,172,500
E	9,801,952
F	29,379,532
G	24,056,803
H	6,546,943
I	15,766,414
Total	114,060,170

Substantial Shareholdings

So far as the Company is aware, as at 28 February 2013 and as the date of this report, the only persons who, directly or indirectly, have an interest of 3% or more of the Company's issued share capital or voting rights are set out below:

Name	Shares held as at 28 February 2013	% of Share class as at 28 February 2013	Shares held as at the date of this report	% of Share class as at the date of this report
UBS Private Banking Nominees Limited	7,293,404	6.6%	7,036,632	6.2%
Chase Nominees Limited	9,174,400	8.4%	9,509,600	8.3%
Forest Nominees Limited	6,257,262	5.7%	6,364,062	5.6%

Authority to make Market Purchases of Shares

By a special resolution of the Company passed at the annual general meeting of the Company held on 6 August 2012, the Company was generally and unconditionally authorised (in accordance with section 701 of the Companies Act) to make market purchases of up to 14.99% of the issued C Share capital, 14.99% of the issued D Share capital, 14.99% of the issued E Share capital, 14.99% of the issued F Share capital, 14.99% of the issued G Share capital, 14.99% of the issued H Share capital and 14.99% of the issued I Share capital. The price paid must not be less than 10p per share nor more than 5 per cent above the average of the middle market quotations for a share as derived from the Official List of the London Stock Exchange for the five business days immediately preceding the date on which the shares are purchased.

The authority expires at the conclusion of the 2013 annual general meeting and renewal of the authority will be sought at that meeting.

Cancellation of Share Premium Account

At an general meeting of the Company held on 21 March 2013, it was resolved that, subject to the confirmation of the High Court of Justice, the entire amount standing to the credit of the share premium account of the Company be cancelled.

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.

Creditor Payment Policy

It is the payment policy to obtain the best possible terms for all business and thereafter to abide by such terms. Therefore, there is no single policy as to terms used. There were £27,185 of trade creditors at 28 February 2013.

Independent auditor

Grant Thornton UK LLP has expressed the willingness to continue in office as auditor to the Company and resolutions proposing the reappointment and authorising the Directors to determine the remuneration for the ensuing year will be put to Shareholders at the forthcoming annual general meeting.

2013 Annual General Meeting

The Company's 2013 annual general meeting will be held at 4.00 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, and notices of the annual general meeting and of separate meetings of the holders of each class of Share, together with explanatory notes of the business of the annual general meeting, can be found on pages 60 to 77.

Corporate Governance

The statement on pages 31 to 33 form part of this Directors' Report.

By Order of the Board,

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and The Large and Medium sized Company and Groups (Accounts and Reports) Regulations 2008. A resolution to approve the report will be proposed at the 2013 annual general meeting.

The Company's auditor, Grant Thornton UK LLP, is required to give its opinion on certain information included in this report. The disclosures which have been audited are indicated as such. Its report is set out on page 35.

Remuneration Committee

During the year under review, the members of the Company's remuneration committee, a fully constituted board committee, were Sir Robin Miller and Michael Eaton. The committee's primary function is to determine each Director's remuneration.

The committee did not meet in the year ended 28 February 2013.

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

Directors' Remuneration Policy

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

At a general meeting held on 24 November 2010, it was resolved that:

The maximum aggregate amount which may be paid out of the funds of the Company as fees to Directors of the Company who are not managing or executive directors is:

in respect of the Company's financial year ending 28 February 2011, £110,000 (exclusive of VAT); and

in respect of each subsequent accounting period of the Company, the maximum amount applicable to the immediately preceding accounting period of the Company, increased by the percentage increase (if any) during such preceding accounting period in the general index of retail prices for all the items (RPO2) published by the Office for National Statistics (exclusive of VAT).

Prior to this resolution, the Company's articles of association had placed an overall annual limit of £75,000 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. Details of the scheme are set out on page 26.

Under the scheme, the performance fee payable to the Investment Manager is to be paid in cash and can be assigned by the Investment Manager to some or all of the Investment Manager's investment team. David Glick will benefit through his shareholding in the Investment Manager.

Under the letter of appointment between the Company and Robin Miller Consultants Limited, Robin Miller Consultants Limited is entitled, in respect of the C, D, E, F, G, H and I Share funds, to receive a performance

fee of 1% (calculated on the same basis as the Investment Manager's performance fee). Sir Robin Miller will benefit through his shareholding in Robin Miller Consultants Limited.

Directors' Fees (audited)

The fees payable to individual Directors in respect of the period ended 28 February 2013 are shown in the table below (net of VAT & NI). Sir Robin Miller's, Michael Eaton's and David Glick's fees were paid to Robin Miller Consultants Limited, MusicLore Limited and Edge Media Services Limited respectively in consideration for their services.

Terms of Appointment

The Company's 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, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. A Director's appointment may be terminated by the Director or by the Company on the expiry of six months' notice in writing given by the Director or the Company, as the case may be.

Director	Fee for year ended 28 February 2013 £	Annual fee £	Fee for year ended 29 February 2012 £	Annual fee £
Sir Robin Miller	20,000	20,000	22,406	20,000
Michael Eaton	15,000	15,000	16,805	15,000
Frank Presland	15,000	15,000	15,305	15,000
David Glick	15,000	15,000	15,000	15,000
Kevin Falconer	17,500	17,500	18,523	17,500
Lord Flight (appointed 18 October 2011)	11,250	15,000	8,254	15,000

Company Performance

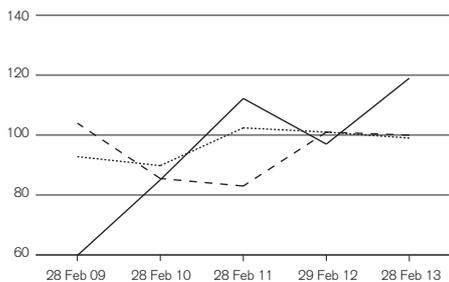
The graphs below compare the Share price total returns for the C, D, E, F, G, H and I Shares and the net asset value total returns per Share for the C, D, E, F, G, H and I Shares with the total returns from a notional

investment of 100p in the FT All Share Media Index over the same periods. This index is considered to be the most appropriate broad equity market index for comparative purposes.

The Share price total return and net asset value total return per Share comprise the Share price and net asset value per Share respectively together with the cumulative dividends paid.

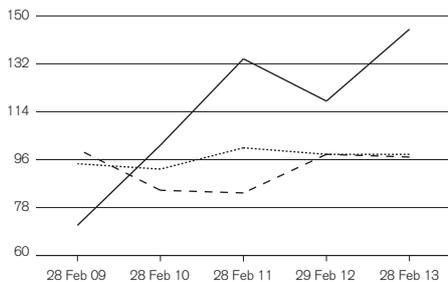
C Shares

Period from 5 April 2007 to 28 February 2013



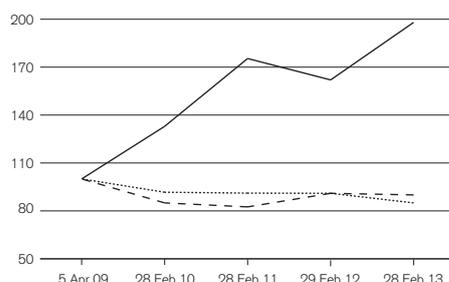
D Shares

Period from 5 April 2008 to 28 February 2013



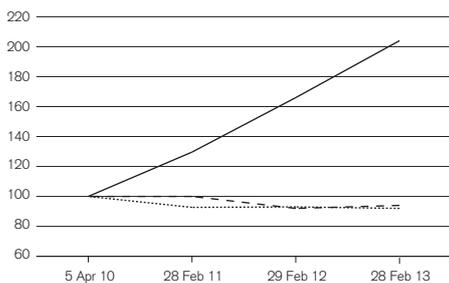
E Shares

Period from 5 April 2009 to 28 February 2013



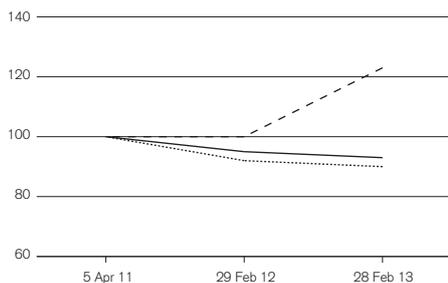
F Shares

Period from 5 April 2010 to 28 February 2013



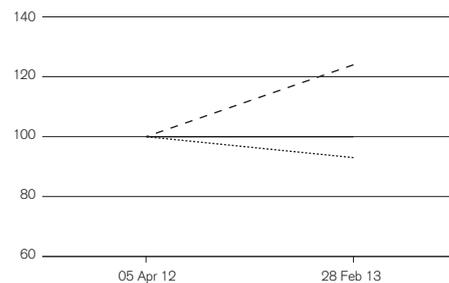
G Shares

Period from 5 April 2011 to 28 February 2013



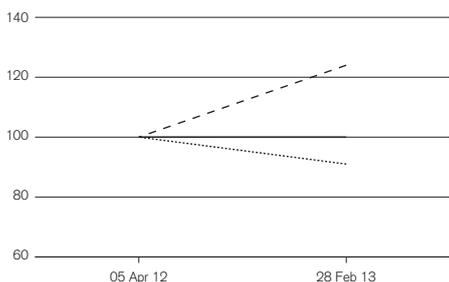
H Shares

Period from 5 April 2012 to 28 February 2013



I Shares

Period from 5 April 2012 to 28 February 2013



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

By order of the Board,

The City Partnership (UK) Limited
Company Secretary
27 June 2013

Statement of Corporate Governance

This statement forms part of the Directors' Report

Statement of Compliance

The Directors confirm that the Company has taken appropriate action to enable it to comply with the Principles of the UK Corporate Governance Code ("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 2013.

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. All Directors have rolling term appointments with a six month notice period. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as necessary. In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager 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 six non-executive Directors, five of whom are considered to be independent. The remaining Director, David Glick, is also a director of the Investment Manager. The Company has no staff.

Four of the Directors have signed letters confirming the terms of their appointment as non-executive Directors with effect from 18 January 2006; one Director has signed such a letter with effect from 19 January 2011;

the sixth Director has signed such a letter with effect from 18 October 2011.

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, the Company's VCT status adviser, the company secretary and the Investment Manager. The Board has direct access to corporate governance advice and compliance services through the company secretary, who is responsible for ensuring that board procedures are followed and compliance requirements are met.

All Directors may take independent professional advice in furtherance of their duties as necessary. Any newly appointed Director will be given a comprehensive introduction to the Company's business including meeting the Company's advisers.

When Directors have concerns that cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in a board minute. On resignation, a Director who has any such concerns is encouraged to provide a written statement to the Chairman, for circulation to the Board.

The Board is responsible to Shareholders for the proper management of the Company and aims to meet at least quarterly. It has formally adopted a schedule of matters which must be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. The chairman together with the company secretary establishes the agenda for each board meeting and all necessary papers are distributed in advance of the meetings. The Board considers all matters not included within the remits of the board committees.

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

Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

Board Committees

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

Audit Committee

The Audit Committee shall comprise of at least two independent Directors. The members of the committee are Michael Eaton, Lord Flight and Kevin Falconer (chairman). In accordance with the Code, at least one member of the Audit Committee has recent and relevant financial experience. A quorum shall be two members.

Written terms of reference have been constituted for the audit committee and include the following key duties:

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

During the year under review, the Committee discharged the responsibilities described above. Its activities included:

- formally reviewing the final Annual Report and Financial Statements, the Half-yearly Report, the Interim Management Statements and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system and examination of the Internal Controls Report produced by the Investment Manager;
- meeting with the external auditors and reviewing their findings; and
- reviewing the performance of the Investment Manager and making recommendations to the Board.

Remuneration Committee

This is a fully constituted board committee established primarily to determine each Director's remuneration.

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

A quorum shall be two members.

Nomination Committee

This is a fully constituted board committee established primarily to identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise and to monitor and review the effectiveness and performance of individual Directors.

In considering appointments to the Board, the Nomination Committee takes into account the ongoing requirements of the Company and the need to have a balance of skill and experience within the Board. The Nomination Committee also considers the annual re-election of Directors.

The committee shall comprise at least two members, no less than one of whom shall be an independent Director. The members of

the committee are Michael Eaton and Sir Robin Miller.

A quorum shall be two members.

During the year ended 28 February 2013, there were:

- 7 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)
- 4 meetings of the audit committee
- no meetings of the remuneration committee
- no meetings of the nomination committee

Internal Control

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

The Board has delegated to third parties the provision of: investment management services; legal and VCT status advisory services; day-to-day accounting, company secretarial and administration services; and share registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers

regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. The Board keeps under review the terms of the agreement with the Investment Manager.

Review of Internal Control

The process adopted by the Board for identifying, evaluating and managing the risks faced by the Company includes an annual review of the control systems. The review covers a consideration of the significant risks in each of five areas: statutory and regulatory compliance, financial reporting, investment strategy, investment performance and reputation.

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

The Board is satisfied with the effectiveness of the Company's controls.

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' responsibility in respect of the financial statements and the report of the independent auditor are presented on pages 34 and 35 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, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue to operate for the foreseeable future. In arriving at this conclusion, the Directors have considered the liquidity of the Company and its ability to meet obligations as they fall due. As at 28 February 2013, the Company held cash balances, corporate bonds and other liquidity funds with a combined value of £11.2 million. Cash flow projections have also been prepared and monitored and show that the Company has sufficient funds available.

Attendance at Board and Committee Meetings

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

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Robin Miller	7/7		No meeting in year	No meeting in year
Michael Eaton	5/7	4/4	No meeting in year	No meeting in year
David Glick	7/7			
Frank Presland	6/7			
Kevin Falconer	6/7	4/4		
Lord Flight	6/7	4/4		

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether all applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with these requirements.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report (including Business Review), Directors' Remuneration Report and Statement of Corporate Governance that complies with law and those regulations.

In the case of each of the persons who are Directors of the Company at the date of approval of this report:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

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

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

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

Sir Robin Miller
Chairman

27 June 2013

Independent Auditor's Report

to the members of Edge Performance VCT plc

We have audited the financial statements of Edge Performance VCT plc for the year ended 28 February 2013 which comprise the income statement, the balance sheet, the reconciliation of movements in Shareholders' funds, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2013 and of its net returns for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following:

Under The Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on page 33, in relation to going concern;
- the part of the Statement of Corporate Governance on pages 31 to 33 relating to the Company's compliance with the nine provisions of the June 2010 UK Corporate Governance Code specified for our review; and
- certain elements of the report to Shareholders by the Board on Directors' remuneration.

Julian Bartlett

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

27 June 2013

Income Statement

for the year ended 28 February 2013

		Year ended 28 February 2013			Year ended 29 February 2012		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss movements on investments		-	(3,808)	(3,808)	-	(1,062)	(1,062)
Income	2	4,285	-	4,285	2,476	-	2,476
Investment Manager's fees	3	(405)	(1,215)	(1,620)	(368)	(1,107)	(1,475)
Other expenses	4	(712)	(203)	(915)	(602)	(158)	(760)
Return on ordinary activities before tax		3,168	(5,226)	(2,058)	1,506	(2,327)	(821)
Tax on ordinary activities	6	(634)	634	-	(302)	302	-
Return attributable to equity Shareholders		2,534	(4,592)	(2,058)	1,204	(2,025)	(821)
Transfer to reserves		2,534	(4,592)	(2,058)	1,204	(2,025)	(821)
Return per Share							
Return per C Share	8	1.54p	(1.82)p	(0.28)p	1.89p	(3.61)p	(1.72)p
Return per D Share	8	3.04p	(3.40)p	(0.36)p	1.47p	(4.30)p	(2.83)p
Return per E Share	8	3.02p	(9.50)p	(6.48)p	1.69p	(1.90)p	(0.21)p
Return per F Share	8	2.41p	(4.27)p	(1.86)p	1.22p	(0.76)p	0.47p
Return per G Share	8	1.96p	(4.24)p	(2.28)p	0.62p	(1.35)p	(0.73)p
Return per H Share	8	(0.05)p	(0.78)p	(0.83)p	-	-	-
Return per I Share	8	2.31p	(3.98)p	(1.67)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 44 to 59 are an integral part of the financial statements.

Income Statement

for the year ended 28 February 2013

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

	Revenue £'000	Capital £'000	C Share Fund Total £'000	Revenue £'000	Capital £'000	D Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss movements on investments	-	(137)	(137)	-	(530)	(530)
Income	347	-	347	892	-	892
Investment Manager's fees	(42)	(125)	(167)	(64)	(193)	(257)
Other expenses	(75)	(20)	(95)	(96)	(32)	(128)
Return on ordinary activities before tax	230	(282)	(52)	732	(755)	(23)
Tax on ordinary activities	(46)	65	19	(146)	100	(46)
Return attributable to equity Shareholders	184	(217)	(33)	586	(655)	(69)
Transfer to reserves	184	(217)	(33)	586	(655)	(69)
Return per share	1.54	(1.82)	(0.28)	3.04	(3.40)	(0.36)
	Revenue £'000	Capital £'000	E Share Fund Total £'000	Revenue £'000	Capital £'000	F Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss movements on investments	-	(868)	(868)	-	(1,038)	(1,038)
Income	469	-	469	1,183	-	1,183
Investment Manager's fees	(33)	(99)	(132)	(111)	(334)	(445)
Other expenses	(66)	(17)	(83)	(187)	(56)	(243)
Return on ordinary activities before tax	370	(984)	(614)	885	(1,428)	(543)
Tax on ordinary activities	(74)	52	(22)	(177)	174	(3)
Return attributable to equity Shareholders	296	(932)	(636)	708	(1,254)	(546)
Transfer to reserves	296	(932)	(636)	708	(1,254)	(546)
Return per Share	3.02	(9.50)	(6.48)	2.41	(4.27)	(1.86)

Income Statement

for the year ended 28 February 2013

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

	Revenue £'000	Capital £'000	G Share Fund Total £'000	Revenue £'000	Capital £'000	H Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss movements on investments	-	(834)	(834)	-	4	4
Income	880	-	880	25	-	25
Investment Manager's fees	(97)	(293)	(390)	(10)	(32)	(42)
Other expenses	(191)	(49)	(240)	(16)	(4)	(20)
Return on ordinary activities before tax	592	(1,176)	(584)	(1)	(32)	(33)
Tax on ordinary activities	(118)	153	35	0	16	16
Return attributable to equity Shareholders	474	(1,023)	(549)	(1)	(16)	(17)
Transfer to reserves	474	(1,023)	(549)	(1)	(16)	(17)
Return per Share	1.96	(4.24)	(2.28)	(0.05)	(0.78)	(0.83)

	Revenue £'000	Capital £'000	I Share fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss movements on investments	-	(405)	(405)
Income	489	-	489
Investment Manager's fees	(46)	(139)	(185)
Other expenses	(83)	(25)	(108)
Return on ordinary activities before tax	360	(569)	(209)
Tax on ordinary activities	(72)	72	0
Return attributable to equity Shareholders	288	(497)	(209)
Transfer to reserves	288	(497)	(209)
Return per Share	2.31	(3.98)	(1.67)

Balance Sheet

as at 28 February 2013

Company Registration No: 05558025 (England and Wales)

	Note	As at 28 February 2013 £'000	As at 29 February 2012 £'000
Fixed assets			
Investments at fair value through profit or loss	1 & 9	65,709	54,481
Current assets			
Debtors	11	4,340	885
Corporate bond & other liquidity funds	1	11,191	22,263
Cash at bank		1,446	8,609
		16,977	31,757
Creditors: amounts falling due within one year	12	(1,059)	(6,628)
Net current assets		15,918	25,129
Net assets		81,627	79,610
Capital and reserves			
Called up share capital	13	11,051	9,590
Share premium account	14	14,842	45
Special reserve	14	56,833	69,426
Capital Redemption reserve	14	410	-
Realised capital reserve	14	(3,107)	(1,848)
Unrealised capital reserve	14	(2,488)	845
Revenue reserves	14	4,086	1,552
		81,627	79,610
Net asset value per C Share, pence	15	30.74	72.04
Net asset value per D Share, pence	15	69.02	76.38
Net asset value per E Share, pence	15	63.82	77.30
Net asset value per F Share, pence	15	77.64	86.50
Net asset value per G Share, pence	15	83.12	92.40
Net asset value per H Share, pence	15	92.95	-
Net asset value per I Share, pence	15	91.09	-

The accompanying notes on pages 44 to 59 are an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 27 June 2013 and signed on their behalf by:

Sir Robin Miller
Director

David Glick
Director

Balance Sheet

for the year ended 28 February 2013

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

as at 28 February 2013

Company Registration No: 05558025 (England and Wales)

Restated	C Share Fund £'000	D Share Fund £'000	E Share Fund £'000	F Share Fund £'000	G Share Fund £'000	H Share Fund £'000	I Share Fund £'000
Fixed assets							
Investments at fair value through profit or loss	2,982	12,853	6,293	19,520	15,273	659	8,129
Current assets							
Debtors	434	279	58	756	919	141	1,753
Corporate bond & other liquidity funds	117	-	-	2,557	3,832	1,212	3,473
Cash at bank	(635)	117	(72)	41	27	926	1,042
	(84)	396	(14)	3,354	4,778	2,279	6,268
Creditors: amounts falling due within one year	(10)	(15)	(22)	(63)	(57)	(857)	(35)
Net current assets	(94)	381	(36)	3,291	4,721	1,422	6,233
Net assets	2,888	13,234	6,257	22,811	19,994	2,081	14,362
Capital and reserves							
Called up share capital	939	1,917	980	2,938	2,406	224	1,647
Share premium account	-	45	-	-	-	1,873	12,924
Special reserve	1,273	10,770	6,112	20,373	18,305	-	-
Capital redemption reserve	410	-	-	-	-	-	-
Realised capital reserve	(1,170)	(429)	(301)	(375)	(428)	(15)	(388)
Unrealised capital reserve	728	(112)	(860)	(1,234)	(902)	-	(108)
Revenue reserves	708	1,043	326	1,109	613	(1)	287
	2,888	13,234	6,257	22,811	19,994	2,081	14,362
Net asset value per C Share, pence	30.74						
Net asset value per D Share, pence		69.02					
Net asset value per E Share, pence			63.82				
Net asset value per F Share, pence				77.64			
Net asset value per G Share, pence					83.12		
Net asset value per H Share, pence						92.95	
Net asset value per I Share, pence							91.09

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2013

	2013 £'000	2012 £'000
Total net assets attributable at 29 February 2012	79,610	62,995
Capital per share issues	17,855	23,792
Expenses of issue/buyback	(1,187)	(1,309)
Share buy-back	(3,068)	(25)
Return for the year	(2,058)	(821)
Dividends	(9,525)	(5,022)
Closing Shareholders' funds at 28 February 2013	81,627	79,610

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2013

	C Share Fund £'000	D Share Fund £'000	E Share Fund £'000	F share Fund £'000	G Share Fund £'000	H Share Fund £'000	I Share Fund £'000
Opening Shareholders' funds as previously reported	9,577	14,686	7,588	25,441	22,318	-	-
Share capital subscribed for in the year	-	-	-	-	-	2,239	15,616
Expenses of issue/buyback	-	-	-	-	-	(141)	(1,046)
Share buy-back	(2,900)	(42)	(10)	(27)	(89)	-	-
Return for the year	(33)	(69)	(635)	(545)	(551)	(17)	(208)
Dividends	(3,756)	(1,341)	(686)	(2,058)	(1,684)	-	-
Closing Shareholders' funds at 28 February 2013	2,888	13,234	6,257	22,811	19,994	2,081	14,362

Cash Flow Statement

for the year ended 28 February 2013

	Note	Year ended	
		28 February 2013	29 February 2012
		£'000	£'000
Operating activities			
Investment income received		-	-
Deposit and similar interest received		-	7
Investment Manager's fees paid		(1,617)	(1,468)
Company secretarial fees paid		(48)	(36)
Administration fees paid		(6,307)	(474)
Cash paid to and on behalf of Directors		(101)	(97)
Other cash payments		400	(220)
Net cash outflow from operating activities	16	(7,673)	(2,288)
Financial investment			
Purchase of unquoted investments		(17,063)	(28,466)
Sale of unquoted investments		4,239	3,125
Loans		(2,349)	(3,906)
Net cash outflow from financial investment		(15,173)	(29,247)
Equity dividends paid		(9,525)	(5,022)
Net cash outflow from dividends		(9,525)	(5,022)
Net cash outflow before financing		(32,371)	(36,557)
Movement of liquid resources		11,608	15,304
Financing			
Expense of cancellation of share premium accounts		-	-
Shares to be issued		-	6,352
Buy-back and cancellation of Shares		(3,068)	(25)
New Share issues		17,855	21,575
Share issue expenses		(1,187)	(1,309)
Net cash inflow from financing		13,600	26,593
(Decrease) / Increase in cash		(7,163)	5,340

Reconciliation of net cash flow to movement in net cash

Increase in cash	(7,163)	5,340
Opening cash position	8,609	3,269
Opening liquid funds position	22,263	36,541
Opening net funds position	30,872	39,810
Closing cash position	1,446	8,609
Closing liquid funds position	11,191	22,263
Closing net funds position	12,637	30,872

The accompanying notes on pages 44 to 59 are an integral part of the financial statements.

1. Accounting policies

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

a) Basis of Accounting

The accounts have been prepared in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("SORP"), revised in January 2009.

b) Fixed Asset Investments

The Company's investments are a portfolio of financial assets that is managed and has its performance evaluated on a fair value basis, in accordance with a documented investment policy, and information about the portfolio is provided internally on that basis to the Board.

The Company did not hold any listed investments at any time during the year under review. In accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), investments in unlisted companies, other than those traded on AIM/PLUS, are valued at fair value by the Directors. Upon initial recognition investments are designated by the Company as 'at fair value through profit or loss' and are included at their initial fair value, which is cost (excluding expenses incidental to the acquisition which are written off to the income statement). Subsequently, the investments are valued at 'fair value' which is measured as follows:

- 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 a reduction in valuation is made as appropriate
- Where a company is in the early stage of development, it will normally continue to be valued 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, valuing below cost or net asset value where such factors apply that make one of these methods more appropriate.
- Where more than one investment has been made into a company, consideration may be given to the timing of each of the separate investments, with a 'blended valuation' being used. Investment made within the last twelve months is 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. Investment made before the last twelve months is 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.
- Fixed asset loan note investments are initially recognised at their fair value. The initial fair value is determined on the basis of the expected future cash flows, discounted at Company's weighted cost of capital.
- Income from fixed asset loan notes is recognised to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course.

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.

Investments in companies traded on AIM will be valued at their bid prices as appropriate.

Surpluses and deficits on the disposal of investments and reduction below cost are taken to the capital reserve, as are investment holding gains and losses on the revaluation of investments.

It is not the Company's policy to exercise control or significant influence over investee companies. Therefore, in accordance with the exemptions under FRS 9 'Associates and Joint Ventures', those undertakings in which the Company holds more than 20 per cent, but less than or equal to 50 per cent, of the equity of an investment company, and the investment company, are not regarded as associates.

c) Current Asset Investments

These investments are classified as current asset investments as they are investments held for the short term. In accordance with FRS 26 investments in corporate bonds or similar liquidity funds used for cash management are classified as held for trading and included at their fair value.

d) 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 so as to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course.

e) 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 fees payable to the Investment Manager and 75% of irrecoverable VAT are charged against capital.

f) 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.

g) Financial Instruments

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

2. Income

	2013 £'000	2012 £'000
Interest receivable		
- from cash and corporate bonds or other liquidity investments	276	1,042
- from fixed asset investment loan notes	4,009	1,434
	4,285	2,476

3. Investment Manager's Fees

	2013 £'000	2012 £'000
Edge Investment Management	1,620	1,475

The Company entered into an agreement dated 3 February 2006 with the Investment Manager, which has responsibility for the management of the Company's portfolio of investments. The agreement has been amended and replaced with each new Share class issue. On 24 November 2011, the agreement was again replaced with a new agreement continuing for an initial period ending 5 years from Admission of the H and I Shares and which may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

The Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the C Shares, D Shares, E Shares, F Shares, G Shares and I Shares, in each case plus VAT (if applicable), (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable), and (c) a performance fee which is outlined in more detail below. Annual running costs of the Company will include, inter alia, the management fees described above (excluding the performance fee), Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with the Shareholders.

3. Investment Manager's Fees continued

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

Total annual operating expenses of the Company (excluding the Investment Manager's performance incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) have been capped at 3.0% of the net asset value of the Company with any excess being borne by the Investment Manager.

Performance related incentive fee

In respect of each class of Shares separately (save the H Shares), once total paid or declared dividends have reached £1.00 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as dividends, will be paid as to 80% as a dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be), and 19% to the Investment Manager by way of performance fee. Once total paid or declared dividends have reached £1.20 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as dividends, will be paid as to 70% as a dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be), and 29% to the Investment Manager by way of performance fee.

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

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

Under the terms of an agreement dated 9 July 2012 between the Company and the Investment Manager (the "First ESBB Offer Agreement"), the Investment Manager agreed to provide the Company with certain services with respect to the Company's enhanced share buy-back offer dated 9 July 2012 (the "First ESBB"). Under the terms of the First ESBB, holders of existing C Shares were entitled to sell those existing C Shares back to the Company at 100% of the net asset value per C Share most recently published prior to the closing date of the First ESBB, on condition that the proceeds of that sale would be applied in full in subscribing for new C Shares in the Company, at an issue price of 103% of that most recently published net asset value per C share and with those new C Shares subsequently being converted to I Shares. For its services under the First ESBB Offer Agreement, the Investment Manager was entitled to charge the Company a fee equal to the difference between (a) the aggregate proceeds of sale of the existing C Shares repurchased by the Company under the First ESBB, and (b) the aggregate issue price of the new C Shares issued under the First ESBB. From this fee, the Investment Manager was obliged to meet all costs of the First ESBB, save only for trail commission payable to authorised financial intermediaries. As at 23 October 2012, the closing date of the First ESBB, a total of 3,754,208 existing C Shares had been tendered for sale back to the Company at 74.68p per share, resulting in the Company issuing 3,670,874 new C Shares at an issue price of 76.93p per share; those 3,670,874 new C Shares were subsequently converted to 2,971,333 I Shares. Consequently, a fee of £82,635 was paid by the Company to the Investment Manager in accordance with the First ESBB Offer Agreement.

Under the terms of an agreement dated 30 January 2013 between the Company and the Investment Manager (the "Second ESBB Offer Agreement"), the Investment Manager agreed to provide the Company with certain services with respect to the Company's enhanced share buy-back offer dated 18 January 2013 (the "Second ESBB"). Under the terms of the Second ESBB, holders of existing C Shares were entitled to sell those existing C Shares back to the Company at 100% of the net asset value per C Share most recently published prior to the relevant closing date of the Second ESBB, on condition that the proceeds of that sale would be applied in full in subscribing for new C Shares in the Company, at an issue price of 103% of that most recently published net asset value per C share. For its services under the Second ESBB Offer Agreement, the Investment Manager was entitled to charge the Company a fee equal to the difference between (a) the aggregate proceeds of sale of the existing C Shares repurchased by the Company under the Second ESBB, and (b) the

aggregate issue price of the new C Shares issued under the Second ESBB. From this fee, the Investment Manager was obliged to meet all costs of the Second ESBB, save only for trail commission payable to authorised financial intermediaries. The Second ESBB closed after the end of the year in review, on 26 April 2013, by which date, a total of 2,404,106 existing C Shares had been tendered for sale back to the Company at 34.31p per share, resulting in the Company issuing 2,346,694 new C Shares at an issue price of 35.34p per share. Consequently, a fee of £24,171 was paid by the Company to the Investment Manager in accordance with the Second ESBB Offer Agreement.

4. Other Expenses

	2013 £'000	2012 £'000
Directors' remuneration	97	97
Company secretarial & accountancy fees	48	36
Administration fees (payable to the Investment Manager)	225	175
Audit fees – for audit services	52	19
VCT status adviser fees	7	8
Printing & stationery	46	10
Other costs	333	347
Irrecoverable VAT	107	68
	915	760

The Company has no employees.

5. Directors' Fees

	2013 £'000	2012 £'000
Frank Presland	15.0	15.3
Amounts paid and payable to third parties for the services of (net of VAT & NI):		
Sir Robin Miller	20.0	22.4
Michael Eaton	15.0	16.8
David Glick	15.0	15.3
Kevin Falconer	17.5	18.5
Lord Flight	11.3	8.3
	93.8	96.6

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

6. Tax on Ordinary Activities

a) Analysis of tax charge

	2013 £'000	2012 £'000
Revenue charge	(634)	(302)
Credited to capital return	634	302
Current and total tax charge (note (b))	-	-

b) Factors affecting tax charge for the year

Total return on ordinary activities before tax	(2,058)	(821)
Add: unrealised losses/(gains)	3,329	1,173
Add: non-taxable realised losses/(gains)	479	(111)
Add: transaction costs and investment management expense charged to capital	1,418	1,264
Revenue return on ordinary activities before taxation	3,168	1,506
Corporation tax at 20.08% (2011: 21.00%)	(634)	(302)
Taxation on revenue return	634	302
Allowable expenditure charged to capital return	1,418	1,264
Taxation on allowable expenditure charged to capital return at 20.08%	(285)	(254)
Relieved/unrelieved expenses	(349)	(48)
Credited to capital return	634	302
Tax charge for year (note (a))	-	-

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

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

There is no potential liability to deferred tax (2012: nil). There is an unrecognised deferred tax asset of £77,413 (2012: £40,805). The deferred tax asset relates to unutilised expenses.

7. Dividends Paid and Proposed

	2013 £'000	2012 £'000
Amounts recognised as distributions to equity holders in the year	9,525	5,022

The final dividends per D, E, F and G Shares in respect of the year ended 29 February 2012 were approved at the annual general meeting held on 6 August 2012. The record and payment dates for the dividends were 26 October 2012 and 8 November 2012 respectively.

During the year ended 28 February 2013, the Directors approved interim dividends of 40p per C Share and 3.5p per H Share which had respective record dates of 7 December 2012 and 12 April 2013 and respective payment dates of 14 December 2012 and 19 April 2013.

The Directors recommend final dividends of 7p per E Share, 7p per F Share, 7p per G Share and 7p per I Share to be paid on 15 November 2013 to all E Shareholders, F Shareholders, G Shareholders and I Shareholders, respectively, on the register as at the close of business on 4 October 2013. The proposed dividends are subject to approval by the Shareholders at the Company's 2013 annual general meeting and have not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year is set out below.

	2013 £'000	2012 £'000
Interim dividend – 40p per C Share (2012: nil)	3,756	-
Interim dividend – 3.5p per H Share (2012: nil)	229	-
Proposed final dividend – nil per D Share (2012: 7p)	1,341	1,342
Proposed final dividend - 7p per E Share (2012: 7p)	686	686
Proposed final dividend - 7p per F Share (2012: 7p)	2,058	2,057
Proposed final dividend - 7p per G Share (2012: 7p)	1,684	1,684
Proposed final dividend - 7p per I Share (2012: nil)	1,104	-
Totals	10,858	5,769

8. Return per Share

	Revenue	Capital	2013 Total	Revenue	Capital	2012 Total
Return per C Share	1.54p	(1.82)p	(0.28)p	1.89p	(3.61)p	(1.72)p
Return per D Share	3.04p	(3.40)p	(0.36)p	1.47p	(4.30)p	(2.83)p
Return per E Share	3.02p	(9.50)p	(6.48)p	1.69p	(1.90)p	(0.21)p
Return per F Share	2.41p	(4.27)p	(1.86)p	1.22p	(0.76)p	0.47p
Return per G Share	1.96p	(4.24)p	(2.28)p	0.62p	(1.35)p	(0.73)p
Return per H Share	(0.05)p	(0.78)p	(0.83)p	N/A	N/A	N/A
Return per I Share	2.31p	(3.98)p	(1.67)p	N/A	N/A	N/A

Basic revenue return per C Share is based on the net revenue profit from ordinary activities after taxation of £183,744 (2012: loss of £181,341) and on 11,928,956 C Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per C Share is based on the net capital loss after taxation of £217,316 (2012: profit of £480,213) and on 11,928,956 C Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

Basic revenue return per D Share is based on the net revenue profit from ordinary activities after taxation of £585,797 (2012: £283,366) and on 19,199,203 D Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per D Share is based on the net capital loss after taxation of £654,610 (2012: loss of £827,551) and on 19,199,203 D Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

Basic revenue return per E Share is based on the net revenue profit from ordinary activities after taxation of £296,454 (2012: £165,674) and on 9,807,535 E Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per E Share is based on the net capital loss after taxation of £931,749 (2012: loss of £186,072) and on 9,807,535 E Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

Basic revenue return per F Share is based on the net revenue profit from ordinary activities after taxation of £708,126 (2012: £360,169) and on 29,395,610 F Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per F Share is based on the net capital loss after taxation of £1,253,969 (2012: profit of £222,636) and on 29,395,610 F Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

8. Return per Share continued

Basic revenue return per G Share is based on the net revenue profit from ordinary activities after taxation of £473,329 (2012: £57,680) and on 24,106,048 G Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per G Share is based on the net capital loss after taxation of £1,023,398 (2012: profit of 307,164) and on 24,106,048 G Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

Basic revenue return per H Share is based on the net revenue loss from ordinary activities after taxation of £958 (2012: £nil) and on 1,997,339 H Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per G Share is based on the net capital loss after taxation of £15,528 (2012: £nil) and on 1,997,339 G Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

Basic revenue return per I Share is based on the net revenue profit from ordinary activities after taxation of £287,805 (2012: £nil) and on 12,461,342 I Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013. Basic capital return per G Share is based on the net capital loss after taxation of £495,642 (2012: £nil) and on 12,461,342 G Shares, being the weighted average number of Shares in issue during the period from 1 March 2012 to 28 February 2013.

9. Investments

Movements in investments during the year are summarised as follows:

	Venture capital Level 3 - unquoted £'000	Venture capital Level 1 - quoted £'000	Total £'000
Book cost at 29 February 2012	51,866	-	51,866
Unrealised gains at 29 February 2012	1,556	-	1,556
Capitalised interest at 29 February 2012	293	-	293
Accrued interest at 29 February 2012	766	-	766
Valuation at 29 February 2012	54,481	-	54,481
Movements in the year:			
- Short term loans reclassified from other debtors	2,349	-	2,349
- Purchases at cost	15,295	-	15,295
- Disposals - proceeds	(4,239)	-	(4,239)
- Net realised gains/(losses)	(576)	-	(576)
- Capitalised interest	-	-	-
Accrued interest	1,766	-	1,766
Movement in unrealised gains/(losses)	(3,367)	-	(3,367)
Valuation at 28 February 2013	65,709	-	65,709
Comprising:			
- Book cost at 28 February 2013	64,690	-	64,690
- Unrealised gains/(losses) at 28 February 2013	(1,811)	-	(1,811)
Capitalised interest	293	-	293
Accrued interest	2,537	-	2,537
Valuation at 28 February 2013	65,709	-	65,709

Movements in investments during the year ended 29 February 2012 are summarised as follows:

	Venture capital - unquoted £'000	Venture capital - quoted £'000	Total £'000
Book cost at 28 February 2011	20,002	620	20,622
Unrealised gains at 28 February 2011	2,562	77	2,639
Valuation at 28 February 2011	22,564	697	23,261
Movements in the year:			
- Short term loans reclassified from other debtors	1,814	-	1,814
- Purchases at cost	31,810	562	32,372
- Disposals - proceeds	(1,759)	(1,365)	(3,125)
- Net realised gains/(losses)	-	183	183
- Capitalised interest	293	-	293
Accrued interest	766	-	766
Movement in unrealised gains/(losses)	(1,006)	(77)	(1,083)
Valuation at 29 February 2012	54,481	-	54,481
Comprising:			
- Book cost at 29 February 2012	51,866	-	51,866
- Unrealised gains/(losses) at 29 February 2012	1,556	-	1,556
Capitalised interest	293	-	293
Accrued interest	766	-	766
Valuation at 29 February 2012	54,481	-	54,481

During the year, the Company incurred disposal transaction costs of £nil (2012: £nil).

As at 28 February 2013, the Company had no intention to dispose of any of its holdings.

9. **Investments** continued

Movements in corporate bonds and other liquidity funds during the period are summarised as follows

	Corporate bonds and other liquidity funds Level 1 £'000
Book cost at 29 February 2012	22,135
Unrealised gains at 29 February 2012	128
Valuation at 29 February 2012	22,263
Movements in the year:	
- Purchases at cost	88
- Disposals - proceeds	(567)
- Net realised gains/(losses)	97
- Interest received	433
- Purchased income	(3)
- Fees paid	(32)
Movement in unrealised gains/(losses)	39
Transfers to the Company	(11,127)
Valuation at 28 February 2013	11,191
Comprising:	
- Book cost at 28 February 2013	11,024
- Unrealised gains/(losses) at 28 February 2013	167

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

Quoted market prices in active markets – “Level 1”

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Valued using models with significant observable market parameters – “Level 2”

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has no investments classified in this category.

Valued using models with significant unobservable market parameters – “Level 3”

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company's unquoted equities and loan stock are classified within this category. As explained in Note 1, unquoted investments are valued in accordance with the International Private Equity and Venture Capital Association guidelines.

The Company has no plans to dispose of any Level 3 investments in the foreseeable future.

10. Significant interests

As at 28 February 2013, the Company held significant investments, amounting to 3% or more of the equity capital, in the following companies:

Company	Equity investment (ordinary shares) £	Equity investment (preference shares) £	Percentage of investee company's total equity, (voting rights) %
Alchemy Live Limited	700,000	-	49.97
Aurora Rising Limited	300,000	-	49.97
Axis Live Entertainment Limited	700,000	-	49.97
Beast Quest Acquisitions Limited	720,000	-	50.00
Black Dog Live Limited	300,000	-	49.95
Black Sheep Music Limited	300,000	-	49.95
Challi Productions Limited	600,000	-	49.50
Chapman Entertainment (Pavilion) Limited	202,767	-	27.60
Clarksville Train Limited	300,000	-	49.97
Closeto Limited	300,000	-	49.97
Cloudroom Music Limited	300,000	-	49.95
Daydream Believer Limited	300,000	-	49.97
Done & Dusted Live Limited	525,000	-	49.97
E7 Live Limited	300,000	-	49.97
Granon Entertainment Limited	520,500	-	50.00
Grove Music Limited	300,000	-	50.00
Handmade Mobile	600,000	1,400,000	13.10
Intent HQ Limited	1,516,585	2,027,738	44.36
HTM Promotions Limited	600,000	-	49.50
La Cage Productions Limited	300,000	-	49.97
Lads on Tour Limited	300,000	-	50.00
Libra Live Limited	300,000	-	49.95
MirriAd Limited	2,000,000	-	10.90
MM Productions Limited	300,000	-	49.97
Motti & Porg Limited	300,000	-	49.95
North Promotions Limited	2,296,675	3,958,913	50.00
Pepper Promotions Limited	300,000	-	49.95
Ramble On Limited	300,000	-	49.97
Raphine Limited	300,000	-	49.97
Real Gone Gigs Limited	700,000	-	49.97
Rose Productions Limited	390,000	-	50.00
SEL Live Entertainment Limited	700,000	-	49.97
Sweet Right Peg Limited	300,000	-	49.95
TRP 2009 Limited	300,000	-	50.00
Two Bridges Live Limited	300,000	-	49.97
UltraNation Limited	300,000	-	49.97
WP Acquisitions Limited	798,000	-	50.00

11. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Accrued interest and other accrued income	768	514
Amounts due from the Investment Manager	13	29
Prepayments and other debtors	3,559	342
	4,340	885

12. Creditors: Amounts Falling Due Within One Year

	2013 £'000	2012 £'000
Other creditors and accruals	1,059	6,628
	1,059	6,628

13. Called-up Share Capital

Allotted, called-up and fully paid:

	2013 £'000	2012 £'000
As at 28 February:		
9,393,438 Ordinary C Shares of 10p each (2012: 13,294,697)	939	1,330
19,172,500 Ordinary D Shares of 10p each (2012: 19,228,838)	1,917	1,923
9,801,952 Ordinary E Shares of 10p each (2012: 9,813,732)	981	981
29,379,532 Ordinary F Shares of 10p each (2012: 29,411,437)	2,938	2,941
24,056,803 Ordinary G Shares of 10p each (2012: 24,153,303)	2,406	2,415
2,239,100 Ordinary H Shares of 10p each (2012: nil)	224	-
15,766,414 Ordinary I Shares of 10p each (2012: nil)	1,646	-
	11,051	9,590

On 20 March, 5 April, 23 May, 10 October and 21 November 2012 a total of 2,239,100 H Shares were allotted and issued with a nominal value of 100p for a total of £2,239,100 to various subscribers who submitted valid applications under the offers for subscription made through a prospectus dated 24 November 2011. On 20 March, 2 April, 5 April, 23 May and 10 October 2012, a total of 12,426,232 I Shares were allotted and issued with a nominal value of 100p for a total of £12,426,232 to various subscribers who submitted valid applications under the offers for subscription made through a prospectus dated 24 November 2011.

Under the terms of the Company's enhanced share buy-back offer document published on 9 July 2012, on 23 October 2012, 3,754,208 existing C Shares were bought back and 3,670,874 new C Shares issued. Those 3,670,874 new C Shares were converted to 2,971,333 I Shares on 29 October 2012, by reference to the net asset value per C Share and the net asset value per I Share respectively.

The Company operates a policy of buying back shares for cancellation. During the year, 147,051 C Shares were bought back at an average price of 64.70p per C Share, 56,338 D Shares were bought back at a price of 76.39p per D Share, 11,780 E Shares were bought back at a price of 77.30p per E Share, 31,905 F Shares were bought back at an average price of 86.54p per F Share, 96,500 G Shares were bought back at an average price of 92.63p per G Share and 200,000 I Shares were bought back at a price of 100.00p per I Share.

14. Reserves

	Share Capital £'000	Share premium £'000	Special reserve £'000	Capital Redemption reserve £'000	Capital Reserve £'000	Revenue reserves £'000	Total £'000
At 1 March 2012 as previously reported	9,590	45	69,426	-	(1,003)	1,552	79,610
Share issues	1,871	15,984					17,855
Share issue expenses		(1,187)					(1,187)
Buyback of Shares	(410)		(3,068)	410			(3,068)
Dividends paid			(9,525)				(9,525)
Return for year					(4,592)	2,534	(2,058)
At 28 February 2013	11,051	14,842	56,833	410	(5,595)	4,086	81,627

Included in the capital reserve are investment holding gains of £3,328,534.

15. Net Asset Value per Share

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

	2013 Net asset values attributable		2012 Net asset values attributable	
	Net assets	Net assets per Share	Net assets	Net assets per Share
C Shares	£2.9m	30.74p	£9.6m	72.04p
D Shares	£13.2m	69.02p	£14.7m	76.38p
E Shares	£6.2m	63.82p	£7.6m	77.30p
F Shares	£22.8m	77.64p	£25.4m	86.50p
G Shares	£20.0m	83.12p	£22.3m	92.40p
H Shares	£2.1m	92.95p	-	-
I Shares	£14.4m	91.09p	-	-

Net asset value per Share is based on net assets at the year end and on the number of Shares in each class in issue at the year end, as shown in Note 13.

16. Reconciliation of Net Return before Taxation to Net Cash Outflow from Operating Activities

	2013 £'000	2012 £'000
Net return before taxation for the year	(2,058)	(821)
(Gains)/losses on investments	3,808	1,062
Adjustment to return for non-operating income	(432)	(1,298)
Adjustment to return for non-operating expenditure	33	108
(Increase)/decrease in debtors	(3,455)	(1,397)
Increase/(decrease) in creditors and accruals	(5,569)	58
Adjustment to decrease in debtors for capital-related balances	-	-
Adjustment to decrease in creditors for capital-related balances	-	-
Net cash inflow/(outflow) from operating activities	(7,673)	(2,288)

17. Analysis of Changes in Net Funds

	Cash £'000	Liquid funds £'000	Total £'000
At 1 March 2012	8,609	22,263	30,872
Cash flows	(7,163)	(11,110)	(18,273)
Unrealised adjustments in fair value	n/a	38	38
At 28 February 2013	1,446	11,191	12,637

18. 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 listed money market instruments. It is not the Company's policy to trade in financial instruments or derivatives.

Liquid resources are those investments held within the corporate bonds portfolio that can be redeemed at short notice by the Company. These resources are in the form of cash held within the portfolio.

Fixed asset investments are valued at fair value. For quoted investments this is bid 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 at cost or less than cost where necessary. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet.

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 28 February 2013:

	2013 (Book value) £'000	2013 (Fair value) £'000	2012 (Book value) £'000	2012 (Fair value) £'000
Assets at fair value through profit and loss				
- Investment portfolio	64,690	65,709	51,862	54,481
- Current asset investments	11,191	11,191	22,263	22,263
- Cash at bank	1,446	1,446	8,609	8,609
Loans and receivables				
- Accrued income	768	768	451	451
- Other debtors	3,572	3,572	362	362
- Other creditors	(1,059)	(1,059)	(6,628)	(6,628)
	80,608	81,627	76,919	79,538

Unquoted investments account for 100% of the investment portfolio (2012: 100%). The investment portfolio has a 100% concentration of risk towards small UK based, sterling denominated companies and represents 80.5% (2012: 68.5%) of net assets at the year end.

Current asset investments are money market funds which represent 13.7% (2012: 28.0%) of net assets at the year-end.

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

Credit risk

Credit risk is managed by settling all transactions on the basis of delivery against payment. It is estimated that if 10% of the Company's interest income for the year was not received this would increase the loss before tax for the year of £2,057,917 to a loss before tax for the year of £2,486,432.

Market price risk

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

The equity and fixed interest stocks of the Company's unquoted investee companies are very seldom traded and, as such, their prices are more uncertain than those of more frequently traded stocks. It is estimated that a 10% fall in the carrying value of the Company's unquoted investments would reduce profit before tax for the year by £6,570,838 and reduce the Company's net assets by the same amount.

Interest rate risk

Some of the Company's financial assets are interest bearing, some of which are at fixed rates and some at variable. 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 2013

Financial assets	Cost £000	%	Interest rate,%	Weighted average interest rate %	Weighted average period for which rate is fixed years
Ordinary shares	19,735	25%	n/a	n/a	n/a
Preference shares	7,072	9%	n/a	n/a	n/a
Loan stock – variable rate	4,387	6%	Floating	n/a	n/a
Loan stock – fixed rate	6,367	8%	6	6	n/a
Loan stock – fixed rate	14,000	18%	8	8	n/a
Loan stock – fixed rate	2,825	4%	14	14	n/a
Loan stock – fixed rate	473	1%	5	5	n/a
Loan stock – fixed rate	44	0%	4	4	n/a
Loan stock – fixed rate	2,625	3%	10	10	n/a
Loan stock – fixed rate	600	1%	5.925	5.925	n/a
On-demand loan – fixed rate	876	1%	6	6	n/a
On-demand loan – fixed rate	6,125	8%	13	13	n/a
On-demand loan – fixed rate	34	0%	4.2	4.2	n/a
Corporate bonds	10,926	14%	Floating	Floating	n/a
Cash equivalents	226	0%	Floating	Floating	n/a
Bank deposits	1,446	2%	Floating	Floating	n/a
	77,761	100%			

It is estimated that a one percentage point fall in interest rates would have increased the loss before tax for the year of £2,057,917 to a loss before tax for the year of £2,227,767. The risk from future fluctuations in interest rate movements should be mitigated by the Company's intention to complete its investment strategy and to hold a majority of its investments in instruments which are not exposed to market interest rate changes.

18. Financial Instruments continued

As at 29 February 2012

Financial assets	Cost £000	%	Interest rate, %	Weighted average interest rate %	Weighted average period for which rate is fixed years
Ordinary shares	17,173	35%	n/a	n/a	n/a
Loan stock – variable rate	9,198	19%	Floating	n/a	n/a
Loan stock – fixed rate	14,000	28%	8	8	n/a
Loan stock – fixed rate	605	1%	16	16	n/a
Loan stock – fixed rate	2,825	6%	14	14	n/a
On-demand loan – fixed rate	5,719	12%	13	13	n/a
Corporate bonds	19	0%	Floating	n/a	n/a
Cash equivalents	3	0%	Floating	n/a	n/a
Bank deposits	9	0%	Floating	n/a	n/a
	49,550	100%			

Liquidity risk

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

It is estimated that should the Company have to sell 10% of its investments at only 90% of their carrying values in order to find a buyer that additional losses totalling £657,084 would have to be recognised. Had this happened during the year to February 2013, loss before tax for the year of £2,057,917 would have increased to a loss before tax for the year of £2,715,001. Liquidity risk is mitigated by the Company's intention to complete its investment strategy and sell investments at planned intervals rather than as a matter of necessity.

Management of capital

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

As a VCT, the Company must have, and must continue to have, within three years of raising its capital at least 70% by value of its investments in VCT qualifying holdings which are a relatively high risk asset class of small UK companies. In satisfying this requirement, the Company's capital management scope is restricted. Subject to this restriction, the Company may adjust dividends, return capital to Shareholders, issue new Shares or sell assets to maintain the level of liquidity to remain a going concern.

19. Post Balance Sheet Events

The following Shares were allotted and issued for cash to various subscribers who submitted valid applications under the offer for subscription for H Shares made through the Company's prospectus dated 18 February 2013:

5 April 2013: 4,033,688 H Shares;

8 April 2013: 274,155 H Shares.

Under the terms of the Company's enhanced share buy-back tender offer document dated 18 January 2013:

- on 5 April 2013, 1,908,999 existing C Shares were bought back by the Company, and 1,863,264 new C Shares were allotted and issued; and
- on 1 May 2013, 495,107 existing C Shares were bought back by the Company, and 483,430 new C Shares were allotted and issued.

20. Geographical Analysis

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

21. Contingencies, Guarantees and Financial Commitments

There were no contingencies or guarantees as at 28 February 2013.

22. Capital Commitments

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

23. Transactions with the Investment Manager

During the year ended 28 February 2013 (year ended 29 February 2012), the Company incurred costs of £1,845,510 (2012: £2,958,925) (exclusive of VAT) payable to the Investment Manager. This sum comprised:

- An investment management fee of £1,620,510. (2012: £1,475,343).
- An administration fee of £225,000 (2012: £175,000).

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

Notices of the Annual General Meeting

Notices of the annual general meeting and class meetings are set out on pages 62 to 77 of this report. The resolutions to be put to the meetings are important.

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

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

2013 Annual General Meeting

The Company's seventh annual general meeting will be held at 4.00 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW. Notice of the meeting is set out on pages 62 and 63 of this report.

The business of the meeting is outlined below.

Resolution 1 - Annual Report and Financial Statements

The Directors are required to present to the annual general meeting the annual report and financial statements for the financial year ended 28 February 2013.

Resolution 2 - To declare a final dividend

A final dividend cannot exceed the amount recommended by the Directors and can only be paid after the members at a general meeting have approved it. The Directors recommend:

- (i) a final dividend, in respect of the year ended 28 February 2013, of 7p per Share payable on 15 November 2013 to the holders of E Shares registered at the close of business on 4 October 2013;
- (ii) a final dividend, in respect of the year ended 28 February 2013, of 7p per Share payable on 15 November 2013 to the holders of F Shares registered at the close of business on 4 October 2013;
- (iii) a final dividend, in respect of the year ended 28 February 2013, of 7p per Share payable on 15 November 2013 to the holders of G Shares registered at the close of business on 4 October 2013; and
- (iv) a final dividend, in respect of the year ended 28 February 2013, of 7p per Share payable on 15 November 2013 to the holders of I Shares registered at the close of business on 4 October 2013.

Resolution 3 - Directors' Remuneration Report

Regulation 11 and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, the Company is required to produce a Directors' remuneration report for each relevant financial year and to seek shareholder approval for that report at the annual general meeting. The Directors' remuneration report is on pages 29 and 30 of the annual report for the year ended 28 February 2013.

Resolution 4 - Re-election of Frank Presland

Frank Presland retires by rotation in accordance with the Company's articles of association and, being eligible, offers himself for re-election as a Director.

Resolution 5 Re-election of David Glick

David Glick, being a non-independent Director, retires in accordance with Listing Rule 15.2.13A and, being eligible, offers himself for re-election as a Director.

Resolution 6 - Re-appointment of the auditor

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

Resolution 7 - Remuneration of the auditor

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

Resolution 8 - Renewal of Directors' authority to allot Shares

By virtue of section 551 of the Companies Act 2006, the Directors require the authority of the shareholders of the Company to allot Shares or other relevant securities in the Company. This resolution authorises the Directors to make allotments of up to an additional 22.102m Shares (representing approximately 20% of the issued share capital of the Company as at the date of this report, being the latest practicable date prior to the publication of this document). The existing authority will expire at the forthcoming annual general meeting and, by proposing this resolution, the Board seeks its renewal. The Directors have no present intention of exercising the authority given by this resolution. This authority will be effective until the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 9 - Disapplication of pre-emption rights

Resolution 9, which will be proposed as a special resolution, supplements the Directors' authority to allot Shares in the Company given to them by resolution 8, by renewing their authority to disapply pre-emption rights in respect of their authority to allot unissued Shares of the Company up to an aggregate nominal value of £2.21m which represents approximately 20% of the share capital of the Company as at the date of this report. This authority will be effective until the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 10 - Purchase of Shares by the Company

Resolution 10, which will be proposed as a special resolution, will, if passed, authorise the Company for the purpose of section 701 of the Companies Act to make one or more market purchases of C, D, E, F, G, H and I Shares provided that:

- (i) such authority is limited to the purchase of 14.99% of the issued C Share capital, 14.99% of the issued D Share capital, 14.99% of the issued E Share capital, 14.99% of the issued F Share capital, 14.99% of the issued G Share capital, 14.99% of the issued H Share capital and 14.99% of the I Share capital, in each case as immediately prior to the passing of this resolution;
- (ii) the maximum price (exclusive of expenses) which may be paid for such C, D, E, F, G, H or I Shares shall be the higher of:
 - (a) an amount equal to 105% of the average of the middle market quotations for such class of the Company's Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and
 - (b) the value of such class of the Company's Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's Shares on the trading venue where the purchase is carried out;

- (iii) the Company may make a contract to purchase its own C, D, E, F, G, H or I Shares under this authority prior to the expiry of this authority, and the Company may make a purchase of its own C, D, E, F, G, H or I Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed shall come to an end at the conclusion of the Company's 2014 annual general meeting or, if later, on the expiry of 15 months from the date of the passing of this resolution.

Class Meetings

Separate class meetings of holders of C, D, E, F, G, H and I Shares will also be held on 31 July 2013, where the relevant resolutions referred to above will be proposed.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventh annual general meeting of the Company will be held at 4.00 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolutions (of which resolutions 1 to 8, inclusive, will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions).

Ordinary Resolutions

1. To receive and adopt the directors' and the independent auditor's reports and the Company's financial statements for the year ended 28 February 2013.
2. To declare:
 - (i) a final dividend of 7p per E Share, such dividend to be paid on 15 November 2013 to all E shareholders on the Company's register of members as at the close of business on 4 October 2013;
 - (ii) a final dividend of 7p per F Share, such dividend to be paid on 15 November 2013 to all F shareholders on the Company's register of members as at the close of business on 4 October 2013;
 - (iii) a final dividend of 7p per G Share, such dividend to be paid on 15 November 2013 to all G shareholders on the Company's register of members as at the close of business on 4 October 2013; and
 - (iv) a final dividend of 7p per I Share, such dividend to be paid on 15 November 2013 to all I shareholders on the Company's register of members as at the close of business on 4 October 2013.
3. To approve the directors' remuneration report for the year ended 28 February 2013.
4. To re-elect Frank Presland who is retiring in accordance with Article 111 of the Company's articles of association and who, being eligible, offers himself for re-election as a director of the Company.
5. To re-elect David Glick as a director of

the Company, pursuant to Listing Rule 15.2.13A.

6. To re-appoint Grant Thornton LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the directors to fix the remuneration of the auditor.

Special Business

As special business, to consider and, if thought fit, to pass the following resolutions, resolution 8 as an ordinary resolution and resolutions 9 and 10 as special resolutions of the Company:

8. (i) That the directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £2.21m during the period commencing on the passing of this resolution and expiring on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting) but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require relevant securities to be allotted after such expiry; and
(ii) That all previous authorities given to the directors in accordance with section 551 of the Act be and are hereby revoked, provided that such revocation shall not have retrospective effect.

Special Resolutions

9. That the directors be and are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot or make offers or agreements to allot equity securities (as defined in section 560 of

the Act) for cash pursuant to the authority given pursuant to resolution 8 set out in this notice of annual general meeting as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed and provided further that this power shall be limited to:

- (i) the allotment of equity securities from time to time with an aggregate nominal value of up to, but not exceeding, 10% of the issued ordinary share capital as at the date of this resolution where the proceeds of the allotment are to be used in whole or in part to purchase the Company's ordinary shares, and, in addition to, but without prejudice to that;
 - (ii) the allotment of equity securities from time to time with an aggregate nominal value of up to but not exceeding 10% of the issued ordinary share capital of the Company as at the date of this resolution.
10. That the Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Act, to make market purchases of C Shares, D Shares, E Shares, F Shares, G Shares, H Shares and I Shares of 10p each in the capital of the Company, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued C Share capital, 14.99 per cent of the issued D Share capital, 14.99 per cent of the issued E Share capital, 14.99 per cent of the issued F Share capital, 14.99 per cent of the issued G Share capital, 14.99 per cent of the issued H Share capital, and 14.99 per cent of the issued I Share capital, in each case as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such C, D, E, F, G, H or I Shares is 10p per share, the nominal amount of each such share;

- (iii) the maximum price (exclusive of expenses) which may be paid for such C, D, E, F, G, H or I Shares shall be the higher of:
- (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and
- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own C, D, E, F, G, H or I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own C, D, E, F, G, H or I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board:

The City Partnership (UK) Limited
Company Secretary

Dated: 27 June 2013

Registered Office

1 Marylebone High Street
London W1U 4LZ

Notes and Instructions:

- Only those shareholders registered on the Company's register of members at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
- Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
- If you are a shareholder of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
- To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 4.00 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).
- In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.

In each case, the revocation notice must be received as above by no later than 4.00 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48

hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170.
- Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
- You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.
- Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and public holidays excluded) from the date of this notice, until the end of the annual general meeting, and at the place of the annual general meeting for at least 15 minutes prior to and during the annual general meeting:
 - the directors' and the independent auditor's reports and the Company's financial statements for the year ended 28 February 2013 (resolution 1); and
 - the directors' remuneration report (resolution 3); and
 - the directors' letters of appointment and the register of directors' interests in the shares of the Company (resolutions 4 and 5).
- Information about the directors who are proposed for re-election at the meeting is shown in the Company's annual report and financial statements for the year ended 28 February 2013 (resolutions 4 and 5).

NOTICE OF CLASS MEETING OF HOLDERS OF C SHARES

Notice is hereby given that a class meeting of holders of C Shares in the Company will be held at 4.20 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing the resolution below as a special resolution of the Company:

THAT:

The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of C Shares of 10p each in the capital of the Company, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued C Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such C Share is 10p per C Share, the nominal amount of such C Shares;
- (iii) the maximum price (exclusive of expenses) which may be paid for such C Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for C Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and
 - (b) the value of C Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of C Shares on the trading venue where the purchase is carried out; and

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

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of C Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of C Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 4.20 pm on 29 July 2013 (or if

this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

In each case, the revocation notice must be received as above by no later than 4.20 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each C Share carries the right to one vote at a class meeting of the holders of C Shares and, therefore, the total number of voting rights in the class of holders of C Shares as at the date of this notice is 9,336,026.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF D SHARES

Notice is hereby given that a class meeting of holders of D Shares in the Company will be held at 4.30 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing the resolution below as a special resolution of the Company:

THAT:

The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of D Shares of 10p each in the capital of the Company, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued D Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such D Share is 10p per D Share, the nominal amount of such D Shares;
- (iii) the maximum price (exclusive of expenses) which may be paid for such D Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for D Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

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

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

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of D Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of D Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as

above, by no later than 4.30 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

In each case, the revocation notice must be received as above by no later than 4.30 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each D Share carries the right to one vote at a class meeting of the holders of D Shares and, therefore, the total number of voting rights in the class of holders of D Shares as at the date of this notice is 19,172,500.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF E SHARES

Notice is hereby given that a class meeting of holders of E Shares in the Company will be held at 4.40 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing resolution 1 below as an ordinary resolution and resolution 2 below as a special resolution of the Company:

Ordinary Resolution

THAT:

1. The payment of a dividend of 7p per E Share, such dividend to be paid on 15 November 2013 to all those shareholders registered as holding E Shares on the register of members of the Company as at the close of business on 4 October 2013, be and is hereby approved.

Special Resolution

THAT:

2. The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of E Shares of 10p each in the capital of the Company, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued E Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such E Share is 10p per E Share, the nominal amount of such E Shares;
 - (iii) the maximum price (exclusive of expenses) which may be paid for such E Shares shall be the higher of:

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

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

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

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of E Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of E Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 4.40 pm on 29

July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.

In each case, the revocation notice must be received as above by no later than 4.40 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each E Share carries the right to one vote at a class meeting of the holders of E Shares and, therefore, the total number of voting rights in the class of holders of E Shares as at the date of this notice is 9,801,952.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF F SHARES

Notice is hereby given that a class meeting of holders of F Shares in the Company will be held at 4.50 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing resolution 1 below as an ordinary resolution and resolution 2 below as a special resolution of the Company:

Ordinary Resolution

THAT:

1. The payment of a dividend of 7p per F Share, such dividend to be paid on 15 November 2013 to all those shareholders registered as holding F Shares on the register of members of the Company as at the close of business on 4 October 2013, be and is hereby approved.

Special Resolution

THAT:

2. The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of F Shares of 10p each in the capital of the Company, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued F Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such F Share is 10p per F Share, the nominal amount of such F Shares;
 - (iii) the maximum price (exclusive of expenses) which may be paid for such F Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for F Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

- (b) the value of F Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of F Shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own F Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own F Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of F Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of F Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as

above, by no later than 4.50 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

In each case, the revocation notice must be received as above by no later than 4.50 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each F Share carries the right to one vote at a class meeting of the holders of F Shares and, therefore, the total number of voting rights in the class of holders of F Shares as at the date of this notice is 29,379,532.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF G SHARES

Notice is hereby given that a class meeting of holders of G Shares in the Company will be held at 5.00 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing resolution 1 below as an ordinary resolution and resolution 2 below as a special resolution of the Company:

Ordinary Resolution

THAT:

1. The payment of a dividend of 7p per G Share, such dividend to be paid on 15 November 2013 to all those shareholders registered as holding G Shares on the register of members of the Company as at the close of business on 4 October 2013, be and is hereby approved.

Special Resolution

THAT:

2. The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of G Shares of 10p each in the capital of the Company, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued G Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such G Share is 10p per G Share, the nominal amount of such G Shares;
 - (iii) the maximum price (exclusive of expenses) which may be paid for such G Shares shall be the higher of:

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

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

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

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of G Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of G Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as

above, by no later than 5.00 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

In each case, the revocation notice must be received as above by no later than 5.00 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each G Share carries the right to one vote at a class meeting of the holders of G Shares and, therefore, the total number of voting rights in the class of holders of G Shares as at the date of this notice is 24,056,803.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF H SHARES

Notice is hereby given that a class meeting of holders of H Shares in the Company will be held at 5.10 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing the resolution below as a special resolution of the Company:

THAT:

The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of H Shares of 10p each in the capital of the Company, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued H Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such H Share is 10p per H Share, the nominal amount of such H Shares;
- (iii) the maximum price (exclusive of expenses) which may be paid for such H Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for H Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

- (b) the value of H Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of H Shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own H Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own H Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of H Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of H Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed form of proxy by e-mail to Share Registrars Limited, at proxies@shareregistrars.uk.com; or
 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 5.10 pm on 29 July 2013 (or

if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.In each case, the revocation notice must be received as above by no later than 5.10 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each H Share carries the right to one vote at a class meeting of the holders of H Shares and, therefore, the total number of voting rights in the class of holders of H Shares as at the date of this notice is 6,546,943.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF I SHARES

Notice is hereby given that a class meeting of holders of I Shares in the Company will be held at 5.20 pm on 31 July 2013 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, for the purpose of considering and, if thought fit, passing resolution 1 below as an ordinary resolution and resolution 2 below as a special resolution of the Company:

Ordinary Resolution

THAT:

1. The payment of a dividend of 7p per I Share, such dividend to be paid on 15 November 2013 to all those shareholders registered as holding I Shares on the register of members of the Company as at the close of business on 4 October 2013, be and is hereby approved.

Special Resolution

THAT:

2. The Company be and is hereby generally and unconditionally authorised, within the meaning of section 693(4) of the Companies Act 2006, to make market purchases of I Shares of 10p each in the capital of the Company, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued I Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such I Share is 10p per I Share, the nominal amount of such I Shares;
 - (iii) the maximum price (exclusive of expenses) which may be paid for such I Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for I Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and

- (b) the value of I Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of I Shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of the date of the annual general meeting of the Company to be held in 2014 and the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

27 June 2013

Notes and Instructions:

1. Only those shareholders registered on the Company's register of members as holders of I Shares at 6.00 pm on 29 July 2013 (or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.edge.uk.com/shareholder-relations>.
3. If you are a holder of I Shares in the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
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 - send a legible copy of the completed form of proxy by fax to Share Registrars Limited, on 01252 719232.

For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as

above, by no later than 5.20 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting).

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 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com; or
 - by sending a fax, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, on 01252 719232.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

In each case, the revocation notice must be received as above by no later than 5.20 pm on 29 July 2013 (or if this meeting is adjourned, by no later than 48 hours prior to the time and date set for the adjourned meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to note 7 below, your proxy appointment will remain valid.

8. As at the date of this notice, the Company's issued share capital comprises 9,336,026 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 6,546,943 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 114,060,170. Each I Share carries the right to one vote at a class meeting of the holders of I Shares and, therefore, the total number of voting rights in the class of holders of I Shares as at the date of this notice is 15,766,414.
9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
11. You may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.

Corporate Information

Directors

Sir Robin Miller (Chairman)
Michael Eaton
David Glick
Frank Presland
Kevin Falconer
Lord Flight

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

Company Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Taxation advisers

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Bankers

HSBC Private Bank (UK) Limited
78 St. James's Street
London SW1A 1JB

Receiving Agent & Registrar

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Broker

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

EDGE PERFORMANCE VCT PLC
1 MARYLEBONE HIGH STREET
LONDON
W1U 4LZ

WWW.EDGE.UK.COM