



HALF-YEARLY FINANCIAL REPORT
for the six months ended 31 August 2019

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Financial Highlights

Period ended	31 August 2019	28 February 2019	31 August 2018
Net assets (£'000)			
H Share	9,263	6,059	6,409
I Share	22,735	28,270	33,229
Total	31,998	34,329	39,638
Net asset value per Share (p)			
H Share	79.91	52.27	55.29
I Share	31.10	38.67	45.45
Dividends per Share already paid in respect of the current financial year (p)			
H Share	-	-	-
I Share	-	-	-
Net asset value total return per Share (p)*			
H Share	93.91	66.27	69.29
I Share	66.10	73.67	80.45
Share price at end of period (p)			
H Share	18.50	25.50	28.50
I Share	12.80	25.40	27.00
**Dividends per Share declared in respect of the six month period ended 31 August 2019 but not yet paid at the period end (p)			
H Share	-	-	-
I Share	-	-	-

* i.e. net asset value per share plus total dividends

** The Board is pleased to report that shortly after the six month period ended 31 August 2019, following the successful disposal of the Company's holding in deltaDNA, it resolved to declare an interim dividend of 4p per H Share, payable on 7 January 2020 with a record date of 13 December 2019.

Chairman's Statement

Following the Company's annual general meeting (AGM) on 28 August 2019 at which all three Directors standing for re-election were not re-elected, I was the Company's only Director. Under the Company's Articles, I was unable to take any decisions apart from appointing a new Director or calling a General Meeting.

I talked to shareholders to understand the reasons for the vote and consulted the Company's advisers. The shareholders who attended and voted against the resolutions told me this was a protest vote, aimed at focusing the Board's attention on three things: reducing VCT running costs, better shareholder communication, and completing the realisation of investments from the planned-exit I share class. I report on all three below.

Investment Performance

The overall value of the venture portfolio has reduced by approximately £1,688k (5.6%) in the reporting period; the H share class increased by £3,334k (78.2%) and the I share class decreased by £5,022k (19.4%).

The H share class increase was driven primarily by a write-up of the value of the Company's holding of deltaDNA by £3,242k (from £1,484k to £4,726k), the price at which our investment was sold shortly after the end of the half year. This represents approximately 5.5 times our initial entry valuation. This uplift has driven an increase in the H share class NAV per share by 27.64p per share, from 52.27p at the year end to 79.91p at the half year.

The I share class decrease was caused by a fall in the valuation of the sole significant remaining investment, in Coolabi Group. On 29 August an incentive scheme aligning Coolabi's senior management team with an exit of that company was finalised; the impact of the existing financing structure and the introduction of this new incentive scheme resulted in a diminution of value in respect of the Company's overall holding in Coolabi from £27,224k to £21,941k (19.4%). This decrease has driven a decrease in the I class NAV per share by 7.57p per share, from 38.67p at the year end to 31.10p at the half year.

Although we are supportive shareholders, the possibility of the disposal of the Company's interest in Coolabi is kept under constant review, in accordance with the mandate of the I share class. Coolabi continues to raise capital to grow the value of the business over and above the cash being generated and reinvested from its operating activities. Edge Performance VCT is unable to participate in this funding as Coolabi has already received the most it could from the Company under State Aid rules (VCT funding is designated as State Aid). We are fortunate, however, to have a co-investor in Coolabi with both the ability and desire to support the business. During the period this support became conditional on addressing the misalignment of interests between management and institutions. As a consequence, a scheme was introduced which incentivised management, at the cost of non-management investors. It should be noted that the financial impact of this incentive scheme is shared equitably across all the non-management investors in relation to both their equity and debt interests in Coolabi.

The new performance incentive scheme for the executive management team at Coolabi is only triggered by a realisation event. As such, management's interest in achieving this is very much brought to the fore.

No fundraising was undertaken in the period under review.

Details of the Company's investments and portfolio performance are contained in the Investment Manager's Review on pages 5 to 11.

Dividends

I am pleased to report that, following the successful disposal of the Company's holding in deltaDNA, the Board has resolved to declare an interim dividend of 4p per H Share, payable on 7 January 2020 with a record date of 13 December 2019. This payment will bring cumulative total H Share dividends to 18p per H Share.

VCT Running Costs

The Board has made good progress with both its strategic and cost cutting reviews and will, as undertaken in the Corporate Update which was announced on 13 September 2019, distribute its findings with the notice of, and agenda for, a general meeting to be held in February 2020.

Directors

Following my discussions with advisers and shareholders, I concluded that notwithstanding the result of the AGM, it would be in the best interests of the Company and its shareholders to re-appoint two of the former Directors, Robin Miller and Lord Flight. My reasons were fourfold; the Company urgently needed a quorate board to complete the deltaDNA sale; having spent two years on the Board with them, I knew and trusted the judgement of these two Directors; a great deal of institutional memory that I lacked resided with them; and finally, the old Board had commenced a review of the Company's strategy and its costs and I concluded it was in the best interests of the Company and its shareholders to allow that Board to complete this work. David Glick declined to be considered for re-appointment at this time and accordingly is no longer a director of the Company. The Board wishes to thank David, the founder of Edge, for his much-valued service and advice to the Board and the Company.

When reappointing Robin Miller and Lord Flight as Directors after the AGM, I committed the Board to appoint a further independent director. On 11 November 2019, the Board announced the appointment of Sir Aubrey Brocklebank to the Board. Sir Aubrey brings a wealth of VCT and corporate finance experience to the Board, which will be invaluable in the coming months.

It was also announced that Lord Flight would not be standing for re-election at the Company's next general meeting. The Board will miss the contribution made by Lord Flight and we thank him in particular for rejoining the Board in September in order to help complete the work commenced in the last financial year. The Board will not look to replace Lord Flight.

Auditor

Grant Thornton UK LLP was not re-appointed as auditor of the Company at the AGM. Following a tender process, I am pleased to report that the Board appointed UHY Hacker Young on 5 November 2019.

Outlook

The "planned exit" I Share class has one significant remaining asset, the holding in Coolabi. Your Board recognises that the exit from this investment, and consequent winding up of the I share class is overdue from the perspective of some I shareholders.

There is, however, a balance to be struck between retaining the shares in order to achieve a higher return for shareholders (after taking into account running costs and cost of capital) and exiting quickly to fulfil the I share class mandate. Your Board's emphasis here continues to be on working with the Manager to reduce the running costs and for the Manager to seek exit opportunities by working with Coolabi so that it is best positioned to capitalise on exit opportunities. The recent proposed acquisition of Entertainment One by Hasbro has confirmed that the market has an appetite for content-rich businesses in the kids' and family entertainment sector.

With the H Share class, the Investment Manager will continue to source opportunities for new investment and will continue to co-invest alongside Edge Creative Enterprise Fund on qualifying opportunities.

That said, the most significant event as we look ahead is the February 2020 general meeting. At that meeting, you will be given the opportunity to decide on the Board's recommendations for the future of the Company. I look forward to seeing you then and thank you for your continued support.

Terry Back

Chairman

29 November 2019

Investment Manager's Review

Overall strategy

In the period under review, the Company had two separate investment pools under management – the H Share and I Share funds, the latter of which includes all the interests of the C Share, D Share, E Share, F Share, and G Share classes prior to the share capital simplification in September 2016.

I Share fund

In relation to this planned exit share class, the Investment Manager employed a “blended” investment strategy, and the I Share fund’s VCT-qualifying portfolio comprised:

- investments in businesses with a high level of underpinning of the amount invested by the Company. All these investments have now been realised; and
- other investments in businesses which are higher risk but have the potential for much more significant growth.

With this strategy, the Investment Manager:

- has sought to facilitate the return to shareholders of as much of their net cost of investment as possible; and
- looks to work closely with the remaining companies in the portfolio, with the aim of delivering positive returns for shareholders.

H Share fund

For the H Share fund, the Company is seeking to achieve a mixture of growth, an annual yield for shareholders and liquidity. The Company will invest at least 70% (80% for accounting periods beginning on or after 6 April 2019) of the H Share fund in VCT-qualifying investments which the Company believes are capable of generating an appropriate level of growth or return, 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. The Investment Manager’s objective is to achieve a consistent tax-free annual dividend yield for H shareholders.

Initial non-qualifying investments

Each share fund originally invested in a range of fixed income securities, cash and cash equivalent assets as permitted by VCT rules, offering a high degree of capital preservation. Up to 30% (20% for accounting periods beginning on or after 6 April 2019) of each share fund will remain in such investments, unless required to meet the Company’s running costs, while the balance would subsequently be realised to fund investments in portfolio businesses.

New investments

The Company's H Share fund made a small (c.£6k) further investment in Newsflare in the period under review.

Realisations

As mentioned in the Chairman's Statement, the Manager realised the Company's H Share fund's holding in deltaDNA shortly after the end of the half year, crystallising a significant profit on that investment.

Portfolio and valuation

Valuation policy

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

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

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

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

The Company's listed investments are audioBoom plc and Mirriad Advertising plc, both being traded on the Alternative Investment Market of the London Stock Exchange. They were valued according to the closing bid price for shares in the investee company on 31 August 2019. This methodology is consistent with the IPEVC Valuation Guidelines insofar as they refer to quoted investments.

VCT Status and Maximum Exposures

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

Portfolio overview

An overview of the Company's growth investments, representing 89% of the Company's net assets as at 31 August 2019 is provided below.

Coolabi Group Limited

Cost of investment (£'000)	17,716
Valuation of investment (£'000)	21,941
Basis of valuation	Transaction and market comparables

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

The valuation methodology employed uses long-term evidence of transactions involving comparable businesses, as well as the trading EBITDA multiples of the quoted comparables. The valuation of the Company's investment in Coolabi was reduced by (c.£5.3m) to £21,941k, primarily as a consequence of a new incentive scheme for Coolabi's management team which was implemented on 27 August 2019. This management incentive scheme (also discussed in the Chairman's Statement) was a requirement of an existing investor in the business who continues to provide development funding for the business at a time when State Aid rules prevent the Company from doing so. The financial impact of this scheme comes into effect only upon a sale of the business, and as such provides a concrete incentive for management to secure such a transaction. For the avoidance of doubt, no person employed by or connected with the Company or the Manager is a beneficiary of this scheme.

Investment Manager's Review continued

deltaDNA Limited

Cost of investment (£'000)	1,000
Valuation of investment (£'000)	4,726
Basis of valuation	Sale of the business

The company provides an analytics platform that enables free to play mobile games companies to maximise player retention and thereby increase revenues. The business also offers consultancy services around the use of the analytics platform and analytics in general.

On 18th September 2019, deltaDNA was sold to Unity Software Inc. at a valuation which confidentiality restrictions prevent us from disclosing. The Company's share of this (after transaction costs) was c.£4,726k in a combination of cash and shares in the acquiring company which will form part of the Company's portfolio at the next valuation date. Given that the deal was under exclusivity and near completion at 31 August 2019, we have valued the Company's holding in deltaDNA at the value achieved at sale.

audioBoom plc

Cost of investment (£'000)	750
Valuation of investment (£'000)	581
Basis of valuation	Closing bid price on the balance sheet date

audioBoom has developed a cloud-based, Software as a Service (SaaS) platform that enables the creation, broadcast and syndication of digital audio content (i.e. podcasts) across multiple devices, networks and geographies. In the period under review, audioBoom has continued to make strong progress both operationally and in terms of revenue generation, progress which has not been reflected in the share price which - following a 1-for-100 share consolidation in the review period - was £2.05 per share on the balance sheet date (31 August 2019). The Investment Manager continues to believe this price fundamentally undervalues the company by comparison with its peers in the digital audio sector.

Newsflare Limited

Cost of investment (£'000)	150
Valuation of investment (£'000)	378
Basis of valuation	Comparable company valuation metrics

The Company's investments in Newsflare were made pursuant to its co-investment arrangements with Edge Creative Enterprise Fund.

Newsflare operates a two-sided marketplace platform for curated eye-witness video (sometimes called user generated content, or "UGC") which is used by third party organisations including news and social media outlets as well as film and television producers to generate revenue through advertising. Newsflare continues to make good progress, and its "trust algorithm" demonstrates to its customers that the videos it supplies has been appropriately rights-cleared for further distribution, something of critical importance to customers for whom rights infringement could be a costly problem.

Jungle Creations Limited

Cost of investment (£'000)	180
Valuation of investment (£'000)	371
Basis of valuation	Comparable company valuation metrics

The Company's investment in Jungle Creations was made pursuant to its co-investment arrangements with Edge Creative Enterprise Fund.

Jungle is a fast-growing online media company which owns a portfolio of media brands focusing on social media (Facebook, TikTok, Snap, YouTube and Instagram), video content and website traffic. Each brand targets different areas of interest including food, travel, animals and DIY. Its largest Facebook page is called VT (formerly Viral Thread). Jungle Creations is valued by reference to the revenues of its three business lines, applying discounted comparable company valuation metrics, then performing a sum of the parts exercise.

Hoop Industries Limited

Cost of investment (£'000)	181
Valuation of investment (£'000)	245
Basis of valuation	Net present value

The Company's investment in Hoop was made pursuant to its co-investment arrangements with Edge Creative Enterprise Fund.

Hoop is a digital two-sided marketplace that connects parents with organisers of kids' activities in their local area. The investment has been valued on an NPV basis, using the discounted forecast EBITDA, multiplied by comparable growth-stage marketplace multiples to which a discount has also been applied.

Mirriad Advertising plc

Cost of investment (£'000)	520
Valuation of investment (£'000)	225
Basis of valuation	Closing bid price on the balance sheet date

Mirriad's proprietary technology enables advertisements, brands and products to be inserted into finished TV and other audio-visual programming, including catalogue programmes, in such a way that it appears not to be advertising at all, but rather a part of the programme. It does this digitally, at scale, at the point of transmission rather than when the programme is made. This allows the advertising to be targeted by geography and demographic, as it can be different in each transmission and changed as often as required.

Mirriad listed on the AIM segment of the London Stock Exchange in December 2017, raising £26.2m at a post-money valuation of £63.2m (62p per share). However, since then its share price has continued on a downwards trajectory (to 13p at 31 August 2019). This results in a £225k valuation of the Company's holding in Mirriad.

Intent HQ Holdings Limited

Cost of investment (£'000)	13,527
Valuation of investment (£'000)	0
Basis of valuation	Price of last third party investment

Intent HQ's technology seeks to provide an important missing link in online and mobile marketing and advertising – a highly predictive human profile of each visitor to a company's website. This means that Intent HQ's customers can use data voluntarily provided by their users to enable one-to-one personalisation of their offers and content.

While Intent HQ continues to make progress in securing a wider customer base, in the course of the period under review it again needed to secure further long-term funding from its main investor. This resulted in further dilution of Edge Performance VCT's shareholding in the company and a greater reduction of monies attributable to Intent HQ's shareholders. As a consequence, the Company's valuation of its shareholding continues to be £nil.

Performance

Over the period under review, the net asset value of the H Share fund has increased by £3,205k, largely as a consequence of the successful deltaDNA realisation. The I Share fund value reduced by £5,534k, largely as a consequence of the reduction in the value of its holding in Coolabi.

Realisations

As mentioned in the Company's annual report for the year ended 28 February 2019, the Investment Manager continually reviews the strategic options available to it in relation to the Company's investments. This policy has resulted in the exceptional outcome for the Company's shareholding in deltaDNA and is the approach the Company will continue to apply. Coolabi remains the Company's largest (by both cost and valuation) and oldest investment; following the implementation of the management incentive scheme, the executive management team has a concrete incentive to seek an exit of the business, something which the Manager's two representatives on the Board will encourage at an appropriate time.

Post balance sheet event

Lean Forward Limited was dissolved on 6 November 2019.

I Share Outlook

With the single, consolidated, I Share fund fully invested, the focus is on working with the remaining investee companies in the portfolio, to achieve growth and value whilst considering strategies and opportunities for exit.

H Share Outlook

The H Share fund has money available to invest, and this will be bolstered by the realisation of deltaDNA. The Company has the benefit of a co-investment arrangement with Edge Creative Enterprise Fund, a non-tax advantaged fund managed by an associated company of the Investment Manager. There are currently three investments in the H Share fund which have been made pursuant to this co-invest arrangement: Jungle Creations, Hoop Industries, and Newsflare. They have a combined cost of £511k, and are already valued at a combined £994k, all having experienced value uplifts. The Investment Manager is confident that not only is there future value growth to come from these existing investments, but also with strong current dealflow, that new, exciting companies will be added to the portfolio thanks to this co-investment arrangement.

Edge Investments

Investment Manager

29 November 2019

Investment Portfolio Summary

as at 31 August 2019

H Share Fund	As at 31 August 2019			As at 28 February 2019		
	Cost (\$'000)	Valuation (\$'000)	% of net assets by value	Cost (\$'000)	Valuation (\$'000)	% of net assets by value
Qualifying Investments						
Coolabi Group Limited	500	788 ¹	8.5	500	979 ¹	16.1
deltaDNA Limited	1,000	4,726	51.0	1,000	1,484	24.5
Intent HQ Holdings Limited	161	-	-	161	-	-
Lean Forward Limited	500	-	-	500	-	-
Mirriad Advertising plc	470	211	2.3	470	244	4.0
Newsflare Limited	150	378	4.1	144	259	4.3
Audioboom plc	750	581	6.3	750	567	9.4
Antidote Productions Limited	45	-	-	45	-	-
Hoop Industries Limited	181	245	2.6	181	181	3.0
Jungle Creations Limited	180	371	4.0	180	180	3.0
Total Qualifying Investments	3,937	7,300	78.8	3,931	3,894	64.3
Non-qualifying Investments						
Coolabi Group Limited	369 ¹	297 ¹	3.2	369 ¹	369 ¹	6.1
Total non-qualifying investments	369	297	3.2	369	369	6.1
Total fixed asset investments	4,306	7,597	82.0	4,300	4,263	70.4
Net current assets		1,666	18.0		1,796	29.6
Net assets		9,263	100.0		6,059	100.0

¹ The cost and valuation of Coolabi Group Limited has been restated to include a non-qualifying investment which was incorrectly reported in prior periods. For the avoidance of doubt, no new investment, qualifying or non-qualifying has been made into Coolabi in the period.

I Share Fund	As at 31 August 2019			As at 28 February 2019		
	Cost (\$'000)	Valuation (\$'000)	% of net assets by value	Cost (\$'000)	Valuation (\$'000)	% of net Assets by value
Qualifying Investments						
Coolabi Group Limited	14,888	18,934 ¹	83.2	14,888	23,492 ¹	83.1
Handmade Mobile Entertainment Limited	2,000	-	-	2,000	-	-
Intent HQ Holdings Limited	8,619	-	-	8,619	-	-
Mirriad Advertising plc	50	14	0.1	50	16	0.1
Total Qualifying Investments	25,557	18,948	83.3	25,557	23,508	83.2
Non-qualifying investments						
Coolabi Group Limited	1,959 ¹	1,922 ¹	8.5	1,959 ¹	2,384 ¹	8.4
Intent HQ Holdings Limited	4,747	-	-	4,747	-	-
Total non-qualifying investments	6,706	1,922	8.5	6,706	2,384	8.4
Total fixed asset investments	32,263	20,870	91.8	32,263	25,892	91.6
Net current assets		1,865	8.2		2,378	8.4
Net assets		22,735	100.0		28,270	100.0

1 The cost and valuation of Coolabi Group Limited has been restated to include a non-qualifying investment which was incorrectly reported in prior periods. For the avoidance of doubt, no new investment, qualifying or non-qualifying has been made into Coolabi in the period.

Responsibility Statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with the statement "Half-yearly financial reports" issued by the UK Accounting Standards Board.
- The Chairman's statement (constituting the interim management report) includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements.
- The "Statement of principal risks and uncertainties" on page 15 is a fair review of the information required by rule 4.2.7R of the Disclosure Guidance and Transparency Rules, being a description of the principal risks and uncertainties for the remaining six months of the year.
- The financial statements include a fair review of the information required by rule 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By Order of the Board

The City Partnership (UK) Limited

Company Secretary

Statement of Principal Risks and Uncertainties

The Company's assets consist of equities and fixed interest investments, cash and liquid resources.

Its principal risks are therefore market risk, interest rate risk, credit risk and liquidity risk. Other risks faced by the Company include economic, investment, financial and regulatory risks. These risks, and the way in which they are managed, are described in more detail in the Directors' report, the statement of corporate governance and note 17 to the financial statements in the Company's annual report & financial statements for the year ended 28 February 2019. The Company's principal risks and uncertainties have not changed materially since the date of that report.

Statement of Comprehensive Income

for the six months ended 31 August 2019

	Six months ended 31 August 2019 (unaudited)			Six months ended 31 August 2018 (unaudited)			Year ended 28 February 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	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	-	(1,777)	(1,777)	-	(705)	(705)	-	(5,362)	(5,362)
Income	91	-	91	75	-	75	155	-	155
Investment Manager's fees	(71)	(211)	(282)	(94)	(283)	(377)	(190)	(564)	(754)
Other expenses	(363)	-	(363)	(413)	-	(413)	(756)	-	(756)
Return before tax	(343)	(1,988)	(2,331)	(432)	(988)	(1,420)	(791)	(5,926)	(6,717)
Tax	-	-	-	-	-	-	-	-	-
Return for the financial year	(343)	(1,988)	(2,331)	(432)	(988)	(1,420)	(791)	(5,926)	(6,717)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders	(343)	(1,988)	(2,331)	(432)	(988)	(1,420)	(791)	(5,926)	(6,717)

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 total recognised gains and losses.

Non-Statutory Analysis (unaudited) between the H and I Share Funds Statement of Comprehensive Income

for the six months ended 31 August 2019

	H Share Fund			I Share Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	3,318	3,318	-	(5,095)	(5,095)
Income	13	-	13	78	-	78
Investment Manager's fees	(16)	(47)	(63)	(55)	(164)	(219)
Other expenses	(64)	-	(64)	(299)	-	(299)
Return before tax	(67)	3,271	3,204	(276)	(5,259)	(5,535)
Tax	-	-	-	-	-	-
Return for the financial year	(67)	3,271	3,204	(276)	(5,259)	(5,535)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders	(67)	3,271	3,204	(276)	(5,259)	(5,535)
Return per Share (p)	(0.58)	28.22	27.64	(0.38)	(7.19)	(7.57)

Non-Statutory Analysis (unaudited) between the H and I Share Funds Statement of Comprehensive Income

for the six months ended 31 August 2018

	H Share Fund			I Share Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	(619)	(619)	-	(86)	(86)
Income	11	-	11	64	-	64
Investment Manager's fees	(20)	(60)	(80)	(74)	(223)	(297)
Other expenses	(69)	-	(69)	(344)	-	(344)
Return before tax	(78)	(679)	(757)	(354)	(309)	(663)
Tax	-	-	-	-	-	-
Return for the financial year						
Other comprehensive income	(78)	(679)	(757)	(354)	(309)	(663)
Total comprehensive income attributable to equity shareholders	(78)	(679)	(757)	(354)	(309)	(663)
Return per Share (p)	(0.68)	(5.96)	(6.64)	(0.48)	(0.42)	(0.90)

Non-Statutory Analysis (unaudited) between the H and I Share Funds Statement of Comprehensive Income

for the year ended 28 February 2019

	H Share Fund			I Share Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	(826)	(826)	-	(4,536)	(4,536)
Income	22	-	22	133	-	133
Investment Manager's fees	(40)	(119)	(159)	(150)	(445)	(595)
Other expenses	(132)	-	(132)	(624)	-	(624)
Return before tax	(150)	(945)	(1,095)	(641)	(4,981)	(5,622)
Tax	-	-	-	-	-	-
Return for the financial year	(150)	(945)	(1,095)	(641)	(4,981)	(5,622)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders	(150)	(945)	(1,095)	(641)	(4,981)	(5,622)
Return per Share (p)	(1.31)	(8.22)	(9.53)	(0.88)	(6.81)	(7.69)

Balance Sheet

as at 31 August 2019

	As at 31 August 2019 (unaudited) £'000	As at 31 August 2018 (unaudited) £'000	As at 28 February 2019 (audited) £'000
Fixed assets			
Investments	28,467	37,039	30,155
Current assets			
Debtors	500	589	20
Bank deposits	2,964	403	1,707
Cash at bank	108	1,664	2,537
	3,572	2,656	4,264
Creditors: amounts falling due within one year	(41)	(57)	(90)
Net current assets	3,531	2,599	4,174
Net assets	31,998	39,638	34,329
Capital and reserves			
Called up share capital	8,470	8,470	8,470
Share premium account	3,330	3,342	3,330
Special reserve	45,229	45,229	45,229
Capital redemption reserve	4,115	4,115	4,115
Capital reserve – realised	(17,652)	(17,150)	(17,443)
Capital reserve – unrealised	(17,300)	(10,876)	(15,521)
Revenue reserve	5,806	6,508	6,149
Equity shareholders' funds	31,998	39,638	34,329

Non-Statutory Analysis (unaudited) between the H and I Share Funds Balance Sheet

as at 31 August 2019

	H Share fund £'000	I Share Fund £'000
Fixed assets		
Investments	7,597	20,870
Current assets		
Debtors	582	(82)
Cash at bank	972	2,100
	1,554	2,018
Creditors: amounts falling due within one year	112	(153)
Net current assets	1,666	1,865
Net assets	9,263	22,735
Capital and reserves		
Called up Share capital	1,160	7,310
Share premium account	3,259	71
Special reserve	4,386	40,843
Capital redemption reserve	-	4,115
Capital reserve – realised	(2,232)	(15,420)
Capital reserve – unrealised	3,106	(20,406)
Revenue reserve	(416)	6,222
Equity shareholders' funds	9,263	22,735
Net asset value per Share (p)	79.91	31.10

Non-Statutory Analysis (unaudited) between the H and I Share Funds Balance Sheet

as at 31 August 2018

	H Share fund £'000	I Share Fund £'000
Fixed assets		
Investments	4,458	32,581
Current assets		
Debtors	599	(10)
Cash at bank	1,244	823
	1,843	813
Creditors: amounts falling due within one year	108	(165)
Net current assets	1,951	648
Net assets	6,409	33,229
Capital and reserves		
Called up Share capital	1,159	7,311
Share premium account	3,271	71
Special reserve	4,386	40,843
Capital redemption reserve	-	4,115
Capital reserve – realised	(2,124)	(15,026)
Capital reserve – unrealised	(5)	(10,871)
Revenue reserve	(278)	6,786
Equity shareholders' funds	6,409	33,229
Net asset value per Share (p)	55.29	45.45

Non-Statutory Analysis (unaudited) between the H and I Share Funds Balance Sheet

as at 28 February 2019

	H Share fund £'000	I Share Fund £'000
Fixed assets		
Investments	4,263	25,892
Current assets		
Debtors	485	(465)
Bank deposits	283	1,424
Cash at bank	938	1,599
	1,706	2,558
Creditors: amounts falling due within one year	90	(180)
Net current assets	1,796	2,378
Net assets	6,059	28,270
Capital and reserves		
Called up share capital	1,160	7,310
Share premium account	3,259	71
Special reserve	4,386	40,843
Capital redemption reserve	-	4,115
Capital reserve – realised	(2,185)	(15,258)
Capital reserve – unrealised	(212)	(15,309)
Revenue reserve	(349)	6,498
Equity shareholders' funds	6,059	28,270
Net asset value per Share (p)	52.27	38.67

Statement of Changes in Equity

for the six months ended 31 August 2019

	Share Capital £'000	Share premium £'000	Special reserve £'000	Capital Redemption reserve £'000	Capital Reserve (Realised) £'000	Capital Reserve (Unrealised) £'000	Revenue reserves £'000	Total £'000
At 1 March 2019	8,470	3,330	45,229	4,115	(17,443)	(15,521)	6,149	34,329
Share issue	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	(209)	(1,779)	(343)	(2,331)
At 31 August 2019	8,470	3,330	45,229	4,115	(17,652)	(17,300)	5,806	31,998

Statement of Changes in Equity

for the six months ended 31 August 2018

	Share Capital £'000	Share premium £'000	Special reserve £'000	Capital Redemption reserve £'000	Capital Reserve (Realised) £'000	Capital Reserve (Unrealised) £'000	Revenue reserves £'000	Total £'000
At 1 March 2018	8,363	2,834	45,229	4,115	(16,908)	(10,130)	6,940	40,443
Share issue	107	508	-	-	-	-	-	615
Comprehensive income for the year	-	-	-	-	(242)	(746)	(432)	(1,420)
At 31 August 2018	8,470	3,342	45,229	4,115	(17,150)	(10,876)	6,508	39,638

Statement of Changes in Equity

for the 12 months ended 28 February 2019

	Share Capital £'000	Share premium £'000	Special reserve £'000	Capital Redemption reserve £'000	Capital Reserve (Realised) £'000	Capital Reserve (Unrealised) £'000	Revenue reserves £'000	Total £'000
At 1 March 2018	8,363	2,834	45,229	4,115	(16,908)	(10,130)	6,940	40,443
Share issues	107	537	-	-	-	-	-	644
Share issue expenses	-	(41)	-	-	-	-	-	(41)
Dividends paid	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	(535)	(5,391)	(791)	(6,717)
At 28 February 2019	8,470	3,330	45,229	4,115	(17,443)	(15,521)	6,149	34,329

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

Called up equity share capital represents the nominal value of shares that have been issued. The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. The special reserve was created on cancellation in the period down to September 2013 of the share premium account in respect of shares issued and is primarily used for the distribution of dividends. The capital redemption reserve maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It cannot be used to fund share repurchases and it is not distributable by way of dividend.

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

Statement of Cash Flows

for the six month period ended 31 August 2019

	Period ended 31 August 2019		Period ended 31 August 2018		Year ended 28 February 2019	
	£'000	£'000	£'000	£'000	£'000	£'000
Cash flows from operating activities						
Loss for the period	(2,331)		(1,420)		(6,717)	
Adjustments for:						
Gains/(losses) on investments held at fair value through the profit or loss	1,783		744		5,362	
Accrued income	(89)		(74)		(110)	
(Increase)/decrease in other debtors and prepayments	(480)		(568)		(1)	
Increase/(decrease) in other creditors and accruals	(49)		(150)		(129)	
Cash generated from operating activities		(1,166)		(1,468)		(1,595)
Tax paid		-		-		-
Net cash generated from operating activities		(1,166)		(1,468)		(1,595)
Cash flows from investing activities						
Sales of investments held at fair value	-		-		3,801	
Purchases of investments held at fair value	(6)		(611)		(611)	
Sale of unquoted investments	-		1,497		-	
Net cash from investing activities		(6)		886		3,190
Cash flows from financing activities						
Issue of ordinary share capital	-		615		644	
Share issue expense	-		-		(29)	
Net cash used in financing activities		-		615		615
Net increase in cash		(1,172)		33		2,210
Reconciliation of cash and cash equivalents						
(Decrease)/increase in cash		(1,172)		33		2,210
Opening cash and cash equivalents position		4,244		2,034		2,034
Closing cash and cash equivalents position		3,072		2,067		4,244

1. Accounting policies

The financial information for the six months ended 31 August 2019 has not been audited and comprises non-statutory accounts as defined in sections 434 to 436 of the Companies Act 2006.

The Company's auditor issued an unqualified opinion on the statutory accounts for the year ended 28 February 2019. This report is prepared on the basis of the accounting policies set out in the Company's statutory accounts for the year ended 28 February 2019. No statutory accounts in respect of any period after 28 February 2019 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

2. Going concern

After making enquires and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence 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 for a period of at least twelve months from the date that these financial statements were approved. As at 31 August 2019, the Company held cash balances and current asset investments with a combined value of £3.1 million. Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both contractual expenditure and its discretionary expenses.

3. Related parties

Edge Investments (the "Investment Manager") has been appointed as the Company's investment manager and administrator. The Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the I Shares, plus VAT (if applicable), (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable), (c) a performance fee and (d) an annual administration fee of £316,630 plus VAT. The Investment Manager also bears any excess of the total annual operating expenses of the Company over a cap of 3.75% of the net asset value of the Company. These arrangements are described in more detail in note 22 to the financial statements in the Company's annual report & financial statements for the year ended 28 February 2019. During the period, the Company has incurred investment management fees of £280,832 (exclusive of VAT), a performance related incentive fee of £nil (exclusive of VAT), an administration fee of £158,315 (exclusive of VAT) and an offer fee of £nil (exclusive of VAT). The Investment Manager owes the Company £nil in respect of the cap on the Company's annual running costs.

The Performance Fee in respect of the I share class has been waived by agreement with the Investment Manager and as a result, currently there is no Performance Fee scheme in effect in respect of the I share class.

4. Return per share

The return per Share has been calculated on a weighted average number of Shares in issue for the six months ended 31 August 2019 of:

Share class	Weighted average for the 6 months ended:		Year to 28 February 2019
	31 August 2019	31 August 2018	
H	11,592,430	11,387,891	11,489,599
I	73,103,650	73,103,650	73,103,650

5. Net asset value per share

The net asset value per Share has been calculated based on the number of Shares in issue as at 31 August 2019:

Share class	31 August 2019	Number of shares in issue as at:	
		31 August 2018	28 February 2019
H	11,592,430	11,592,430	11,592,430
I	73,103,650	73,103,650	73,103,650

During the six months ended 31 August 2019, the Company did not buy back any Shares.

Copies of the half-yearly report are being made available to all shareholders - by post, if requested, or by reference to the Company's website, at www.edge.uk.com. Further hard copies are available free of charge from Edge Investments Limited by telephoning 020 7317 1300 or by email to info@edge.uk.com.

Corporate Information

as at 31 August 2019

Directors

Terry Back (Chairman)
Lord Flight
Sir Robin Miller

all of

1 Marylebone High Street
London W1U 4LZ
which is the registered office of the Company

Investment Manager

Edge Investments Limited
1 Marylebone High Street
London W1U 4LZ
(authorised and regulated by the Financial Conduct
Authority; registration number 455446)

Company Secretary

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

Taxation advisers

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

Auditor*

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Bankers

Metro Bank Plc
One Southampton Row
London WC1B 5HA

Receiving Agent & Registrar

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

Broker

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

* Grant Thornton UK LLP was not re-appointed as auditor of the Company at the AGM held on 28 August 2019. Following a tender process, the Board appointed UHY Hacker Young on 5 November 2019.

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