



# EDGE

PERFORMANCE VCT

## HALF-YEARLY REPORT

for the six months ended 31 August 2011

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## Financial Highlights

Period ended	31 August 2011	28 February 2011	31 August 2010
<b>Net assets £'000:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	10,815	10,853	9,995
D Share	16,453	16,625	16,429
E Share	8,297	8,256	8,979
F Share	27,265	27,261	27,679
G Share	22,295	-	-
<b>Net asset value per share, p:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	81.14	81.42	74.99
D Share	85.56	86.46	85.44
E Share	84.55	84.13	91.49
F Share	92.70	92.69	93.48
G Share	92.30	-	-
<b>Dividends already paid in respect of the period, p:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	-	-	-
D Share	-	-	-
E Share	-	-	-
F Share	-	-	-
G Share	-	-	-
<b>Net asset value total return per share, p:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	102.14	102.42	88.99
D Share	99.56	100.46	92.44
E Share	91.55	91.13	91.49
F Share	92.70	92.69	93.48
G Share	92.30	-	-
<b>Dividends declared in respect of the period, p:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	-	7.00	-
D Share	-	7.00	-
E Share	-	7.00	-
F Share	-	7.00	-
G Share	-	-	-
<b>Share price at end of period, p:</b>			
Ordinary Share	n/a	n/a	n/a
C Share	73.0	62.0	71.5
D Share	76.0	69.5	77.5
E Share	75.5	75.5	85.0
F Share	98.0	100.0	100.0
G Share	100.0	-	-

## Chairman's Statement

The six months ended on 31 August 2011 have seen a number of important developments for the Company:

- The Company's offer for subscription of G Shares closed in June 2011, by which time applications for a total of 24.2 million G Shares were received.
- The Company completed new investments of £4.1 million.
- The Company has committed to making, or has the benefit of options to make, further investments which, once completed, will mean that the Company's E Share pool has met the requirement of full investment under VCT rules ahead of the key qualifying dates.
- During the period, specific investment opportunities were negotiated for the F and G Share pools, for a total investment of £2.5 million, and further specific investment opportunities identified for a total of £28.5 million.
- At the Company's annual general meeting in August, the shareholders approved payment of further dividends of 7p per C Share, 7p per D Share and 7p per E Share, to be paid in November 2011. Those further dividends bring the total dividends per C Share, D Share and E Share to 28p, 21p and 14p respectively. The Company has also now declared a maiden dividend of 7p per F share, again with payment to be made in November 2011.
- The Board has resolved to undertake further fundraising, through offers of H and I Shares, to which I refer later.

### Fundraising and Performance

The Board was very pleased with the success of the G Share offer, which greatly enhances the Company's capacity to take advantage of the current favourable investment climate.

The net asset value total return of each of the Company's share classes has remained comparatively stable during the period, despite the continuing low levels of return from cash and other non-qualifying investments.

The Board is also satisfied with the value of the Company's qualifying investments remaining strong, in the face of ongoing economic uncertainties.

It is also noteworthy that the Company continues to enjoy one of the lowest levels of running costs in the VCT sector. The Company took the pioneering approach of raising new funds each year through a separate share class, rather than through sister VCTs, in part so that the running costs of the Company could be spread across each of the share classes, and the low level of the Company's total expense ratio clearly vindicates this business model.

### Dividends

With the declaration of further dividends to the C, D and E Shareholders, and of the maiden dividend to F Shareholders, the Company is demonstrating its ongoing commitment to distributing an annual income stream to shareholders. In each of these share classes, the 7p per annum dividends have represented a regular, annual, tax-free income which equates to a yield of 10% of an investor's net cost of investment<sup>1</sup>.

<sup>1</sup> Assuming income tax reliefs at 30%.

## **Deal Flow**

The Investment Manager has reported a continued increase in the period in the quality and volume of investment opportunities. In the period, the Company completed new investments to a total value of £4.1 million. Of this a further £3.1 million was invested in an existing portfolio company, Global Dawn. Additionally, specific further investments to which the Company has committed, or which the Manager has identified and is in the course of progressing, mean that it is anticipated that full investment status for the E, F and G Share funds will be attained significantly before the end of the required periods under VCT rules. Further details are given in the Investment Manager's review on page 4.

## **Proposed H and I Share Offers**

Encouraged by the continuing quality and level of investment opportunities being seen by the Manager, the Board has decided that it would be in the best interests of the Company's shareholders to seek to raise more funds. The Board will shortly be distributing a circular outlining the opportunity to invest in two new classes of share: H Shares, a new "evergreen" share class targeting longer term income and growth and seeking to provide a tax free yield; and I Shares, similar to previous C, D, E, F & G shares seeking to provide shorter term income and planned return of capital.

## **The Board**

I am delighted to report that Lord Flight has agreed to join the board of the Company and the Company's audit committee. I am pleased that Howard brings to your Board more than 40 years' experience in investment banking and venture capital. He is Chairman of the EIS Association and a former member of the Shadow Cabinet as Shadow Chief Secretary to the Treasury.

Edge Performance continues to offer investors the opportunity to back an experienced specialist investment team making investments in the entertainment and media industry with the advantage of VCT tax reliefs.

I would like to take this opportunity to thank you for your continued support.

**Sir Robin Miller**

Chairman

21 October 2011

### Investment Overview

The Company currently has five separate investment pools under management – the C Share, D Share, E Share, F Share and G Share pools – each of which is managed separately.

For each share pool, a blended investment strategy is being applied, entailing some investments alongside established counter-parties offering a high level of underpinning of the amount invested, with other investments where the potential for significantly greater returns justifies a lower level of capital protection. This strategy is intended to achieve a targeted minimum return to shareholders of 130p for every 70p invested<sup>2</sup> (equivalent to a return of 160p per 100p invested), whilst at the same time seeking to underpin the shareholder's net cost of investment of 70p per Share<sup>3</sup>.

### VCT Qualifying Investments

The C and D Share pools have already met the target of full investment as required by VCT legislation. The Company has the benefit of contractual options to make further investments and has committed to making a number of additional new investments; these investments together will mean that the E Share Fund will be fully invested, as required by VCT legislation, within the coming months. Furthermore, the Company has identified sufficient suitable specific investment opportunities which, if concluded, will mean that the F and G Shares will similarly have met the requirement of full investment, well in advance of the time required by VCT regulations.

During the period, the Company invested £562,114 in Coolabi plc, £455,888 in Chapman Entertainment (Pavilion) Limited and £3.1 million in Global Dawn Limited. These new investments have been valued at cost as at the period end, in accordance with the IPEVC guidelines and the Company's valuation policy.

At the end of the period, the total value of the Company's venture capital portfolio investments was £29.2 million, as shown on page 16. The cost and valuation of Global Dawn includes short term loans of £4.9m made to the company within the last months, which the Company intends to transfer into equity investment once it is able to do so. The total investment by the Company in Global Dawn spread across all pools is £7.8 million and the valuation is £11.5 million, to reflect the third party pricing of the fund raising the company achieved in August 2010, and recognising the VCT's priority position in the company. Further third party funds were raised in April 2011 at a higher valuation and, after the end of the period, additional third party investment was made into the company at that same higher valuation. Whilst Global Dawn is still experiencing growing pains, in common with many early stage venture capital businesses, and needs to deliver its technical and sales objectives, the Company anticipates that Global Dawn's value will increase as it completes development of its software platform and moves to contract with some of its pipeline of prospective customers. It is expected that the Company will provide up to an additional £2.7 million of investment in Global Dawn to fund completion of the platform and further funds will be sought from existing and new investors to support the business beyond that commitment.

<sup>2</sup> Assuming income tax reliefs at 30%.

<sup>3</sup> Assuming income tax reliefs at 30%.

Prior to the period, the Company had already invested £2 million in North Promotions Limited for a 50% shareholding. North Promotions was founded to engage in the acquisition, development and creative management of intellectual property assets, particularly in the field of character merchandising. In August, North Promotions, announced its takeover approach for Coolabi plc, the AIM-listed business in the same field. The Company also holds a 16.7% equity interest in Coolabi, and, during the period, invested a further £562 thousand in Coolabi for convertible loan notes. After the end of the period, the board of Coolabi plc announced its support of North Promotions' potential takeover offer of 7.75p per Coolabi share.

The Company's policy is to value listed shares at bid price on the reporting date. At the period end, Coolabi's share price had seen a significant uplift to 9.5p per share, as a result of the approach by North Promotions. In line with its valuation policy, the Company's investment in Coolabi reflects this increase in value. Following the end of the period, the confirmation of North Promotions' offer of 7.75p per Coolabi share promoted a significant fall in the Coolabi share price to 6.25p on 20 October 2011.

In August 2011, the Company invested £455,888 in Chapman Entertainment (Pavilion) Limited. Chapman specialises in children's television production and its licensing and distribution. The company has developed four brands under the creative direction of Keith Chapman; Fifi and the Flowertots, Roary the Racing Car, Little Charley Bear and Raa Raa the Noisy Lion. The Company believes that the assets have good market potential. The investment was in the form of a short term loan. After the period end the Company made an additional short term loan to the company of £220,000, on the same terms. Both loans will be replaced with equity shortly.

During the period, the Company reached agreement in principle over the terms of a series of further investments totalling £20 million; the Company anticipates completing these investments in the coming weeks.

### *Non-Qualifying Investments*

Up to 30% of each of the C Share, D Share, E Share, F Share and G Share pools will remain in a range of fixed income securities, cash and cash equivalent assets, with the aim of providing a high degree of capital preservation. Sums raised through share offers are invested in such assets pending investment in VCT-qualifying investments.

The non-qualifying portfolio is managed in conjunction with Rothschild, UBS, JP Morgan and Heartwood. At the reporting date the total value of the Company's non-qualifying investments was £53 million.

The portfolio of non qualifying investments has provided an average overall annualised return in the period of 1.6%, despite the uncertain market conditions of the last few months. The returns from the D Share portfolio were enhanced through a long term inflation-linked note from Morgan Stanley, while the returns from the C Share element of the portfolio are lower due to the need for a higher level of liquidity as this class of shares reaches its expected maturity. The E Share and F Share portfolios are both invested in a blend of fixed income holdings and liquidity funds. The portfolio managers continue to adopt a cautious investment approach looking to preserve capital while maintaining potential for income. The funds raised from the G Share issue have been invested in a similar blend of fixed income holdings and liquidity funds.

## **Fundraising**

The Company's offer for subscription for up to 10 million G Shares opened in November 2010. The Offer was oversubscribed and the Company agreed to extend the offer. By the close of the offer in June 2011, applications for a total of 24.2 million G Shares had been received. This represented the second consecutive year when the Company's offer for subscription was massively oversubscribed, a huge vote of confidence for which we thank our shareholders.

## **Outlook**

During the period, the Manager reviewed a large number of investment opportunities in a number of different entertainment businesses, encompassing opportunities in digital services, character merchandising, exhibitions, festivals, gaming, literary properties, music publishing, radio, recorded music, social networking, sports events, literary properties, and television amongst others.

The period has seen a heightened level of activity in identifying specific suitable opportunities, and in negotiating investment terms for the Company in relation to those opportunities, as can be evidenced by the targeted attainment of achieving full investment mentioned above.

Even beyond that, however, deal flow continues to be strong, with many approaches made to the Investment Manager for good quality investment opportunities in the wider entertainment sector. Coupled with that, continued use is made of the Investment Manager's and the Board's extensive network of contacts to seek out other investment opportunities. Moreover, the continuing reduced levels of funding generally available to businesses through borrowing means that the quality of the investment opportunities and terms of investment which the Company is able to seek have become and will remain increasingly attractive. The Investment Manager therefore believes that there will be a good range of suitable investment opportunities for funds raised through the Company's forthcoming H and I Share offers.



## Investment Portfolio Summary

as at 31 August 2011

### C Share Portfolio

	As at 31 August 2011			As at 28 February 2011		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments</b>						
M K Ultrasound	2,008	1,782	16.5	2,008	1,823	16.80
Saravid Promotions	2,007	1,457	13.5	2,007	1,489	13.72
B & W Events	1,004	1,161	10.7	1,004	1,085	10.00
Coolabi	251	298	2.8	251	235	2.17
Global Dawn	1,471	3,301	30.5	1,474	3,301	30.42
South Productions	553	538	5.0	553	553	5.10
<b>Total qualifying investments</b>	<b>7,294</b>	<b>8,537</b>	<b>78.9</b>	<b>7,297</b>	<b>8,486</b>	<b>78.20</b>
Global Dawn	501	501	4.6	0	0	0.00
<b>Total non-qualifying investments</b>	<b>501</b>	<b>501</b>	<b>4.6</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
Total fixed asset investments	7,795	9,038	83.6	7,297	8,486	78.20
Net current assets		1,776	16.4		2,366	21.80
<b>Net assets</b>		<b>10,814</b>	<b>100</b>		<b>10,852</b>	<b>100</b>

### D Share Portfolio

	As at 31 August 2011			As at 28 February 2011		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments</b>						
Challi Productions	2,000	1,778	10.81	2,000	1,800	10.94
HTM Promotions	2,000	1,766	10.73	2,000	1,777	10.80
Global Dawn	1,472	3,301	20.06	1,472	3,301	20.06
Granon Entertainment	1,735	1,694	10.30	1,735	1,735	10.55
North Promotions	2,000	1,960	11.91	2,000	2,000	12.16
South Productions	500	485	2.95	500	500	3.04
Rose Productions	1,000	955	5.80	1,000	1,000	6.08
Coolabi	369	585	3.56	369	462	2.81
TRP 2009	1,000	943	5.73	1,000	953	5.79
<b>Total qualifying investments</b>	<b>12,076</b>	<b>13,467</b>	<b>81.86</b>	<b>12,076</b>	<b>13,528</b>	<b>82.23</b>
Global Dawn	453	453	2.75	n/a	n/a	n/a
<b>Total non-qualifying investments</b>	<b>453</b>	<b>453</b>	<b>2.75</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
Total fixed asset investments	12,529	13,920	84.61	12,076	13,528	82.23
Net current assets		2,532	15.39		3,097	18.82
<b>Net assets</b>		<b>16,452</b>	<b>100</b>		<b>16,625</b>	<b>101</b>

## E Share Portfolio

	As at 31 August 2011			As at 28 February 2011		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments</b>						
South Productions	947	947	11.41	947	947	11.47
Rose Promotions	300	300	3.62	300	300	3.63
Coolabi	562	562	6.77	n/a	n/a	n/a
<b>Total qualifying investments</b>	<b>1,809</b>	<b>1,809</b>	<b>21.80</b>	<b>1,247</b>	<b>1,247</b>	<b>15.10</b>
Global Dawn	1,877	1,877	22.62	n/a	n/a	n/a
<b>Total non-qualifying investments</b>	<b>1,877</b>	<b>1,877</b>	<b>22.62</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
Total fixed asset investments	3,686	3,686	44.43	1,247	1,247	15.10
Net current assets		4,611	55.57		7,009	84.90
<b>Net assets</b>		<b>8,297</b>	<b>100</b>		<b>8,256</b>	<b>100</b>

## F Share Portfolio

	As at 31 August 2011			As at 28 February 2011		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments</b>						
None						
<b>Total qualifying investments</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>n/a</b>	<b>n/a</b>	<b>-</b>
Global Dawn	2,067	2,067	7.6	n/a	n/a	n/a
Chapman Entertainment	456	456	1.7	n/a	n/a	n/a
<b>Total non-qualifying investments</b>	<b>2,523</b>	<b>2,523</b>	<b>9.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Total fixed asset investments	2,523	2,523	9.3	n/a	n/a	n/a
Net current assets		24,742	90.7		27,261	100
<b>Net assets</b>		<b>27,265</b>	<b>100</b>		<b>n/a</b>	<b>n/a</b>

## G Share Portfolio

	As at 31 August 2011			As at 28 February 2011		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments</b>	-	-	-	-	-	-
<b>Total qualifying investments</b>	<b>n/a</b>	<b>n/a</b>	<b>-</b>	<b>n/a</b>	<b>n/a</b>	<b>-</b>
Total fixed asset investments	n/a	n/a	-	n/a	n/a	-
Net current assets		22,295	100		-	-
<b>Net assets</b>		<b>22,295</b>	<b>100</b>		<b>-</b>	<b>-</b>

## 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 DTR 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 10 is a fair review of the information required by DTR 4.2.7R, 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 DTR 4.2.8R of the “Disclosure 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

21 October 2011

## 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 18 to the Financial Statements in the Company's Annual Report & Financial Statements for the year ended 28 February 2011. The Company's principal risks and uncertainties have not changed materially since the date of that report.

## Related Parties

Edge Investment Management Limited ("Investment Manager") has been appointed as the Company's investment manager and administrator. The Investment Manager receives (a) an annual investment management fee of 1.75% of the net asset value attributable to the C shares, D shares, E shares, F shares and G shares, in each case plus VAT (if applicable) and (b) a performance fee. The Investment Manager also bears any excess of the total annual operating expenses of the Company over a cap of 3.0% of the net asset value of the Company. These arrangements are described in more detail in Note 3 to the Financial Statements in the Company's Annual Report & Financial Statements for the year ended 28 February 2011. During the period the Company has incurred investment management fees of £727,509 (exclusive of VAT), a performance related incentive fee of £nil (exclusive of VAT), an administration fee of £87,500 (exclusive of VAT) and an offer fee of £1,137,705 (exclusive of VAT). The Investment Manager does not owe the Company any payment in respect of the cap on the Company's annual running costs.

## Income Statement (Unaudited)

for the six months ended 31 August 2011

	Six months ended 31 Aug 2011			Six months ended 31 Aug 2010			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised/unrealised gains on investments	-	(326)	(326)	-	181	181	-	3,440	3,440
Income	1,003	-	1,003	525	-	525	1,184	-	1,184
Investment manager's fees	(181)	(546)	(727)	(135)	(407)	(542)	(269)	(806)	(1,075)
Other expenses	(201)	(79)	(280)	(245)	-	(245)	(573)	-	(573)
<b>Return on ordinary activities before tax</b>	621	(951)	(330)	145	(226)	(81)	342	2,634	2,976
Taxation on ordinary activities	(125)	125	-	(31)	31	-	(72)	72	-
<b>Return attributable to equity shareholders</b>	496	(826)	(330)	114	(195)	(81)	270	2,706	2,976
<b>Transfer to reserves</b>	496	(826)	(330)	114	(195)	(81)	270	2,706	2,976

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 C, D, E, F and G Share Funds Income Statement

for the six months ended 31 August 2011

	Revenue £'000	Capital £'000	C share fund Total £'000	Revenue £'000	Capital £'000	D share fund Total £'000
Realised/unrealised gains on investments	-	52	52	-	(159)	(159)
Income	45	-	45	176	-	176
Investment manager's fees	(23)	(67)	(90)	(36)	(107)	(143)
Other expenses	(26)	(10)	(36)	(34)	(16)	(50)
<b>Return on ordinary activities before tax</b>	(4)	(25)	(29)	106	(282)	(176)
Taxation on ordinary activities	1	15	16	(21)	25	4
<b>Return attributable to equity shareholders</b>	(3)	(10)	(13)	85	(257)	(172)
<b>Transfer to reserves</b>	(3)	(10)	(13)	85	(257)	(172)
<b>Return per share, p</b>	(0.02)	(0.07)	(0.09)	0.44	(1.34)	(0.90)

Revenue £'000	E share fund		Revenue £'000	F share fund		Revenue £'000	G share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	(25)	(25)	-	(43)	(43)	-	(151)	(151)
212	-	212	384	-	384	185	-	185
(19)	(56)	(75)	(62)	(185)	(247)	(43)	(129)	(172)
(46)	(8)	(54)	(52)	(26)	(78)	(40)	(21)	(61)
147	(89)	58	270	(254)	16	102	(301)	(199)
(30)	13	(17)	(54)	42	(12)	(21)	30	9
117	(76)	41	216	(212)	4	81	(271)	(190)
117	(76)	41	216	(212)	4	81	(271)	(190)
1.19	(0.78)	0.41	0.73	(0.72)	0.01	0.38	(1.27)	(0.89)

## Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Income Statement

for the six months ended 31 August 2010

	Revenue £'000	Capital £'000	C share fund Total £'000
Realised/unrealised gains on investments	-	20	20
Income	4	-	4
Investment manager's fees	(22)	(67)	(89)
Other expenses	(44)	-	(44)
<b>Return on ordinary activities before tax</b>	(62)	(47)	(109)
Taxation on ordinary activities	13	(11)	2
<b>Return attributable to equity shareholders</b>	(49)	(58)	(107)
<b>Transfer to reserves</b>	(49)	(58)	(107)
<b>Return per share, p</b>	(0.37)	(0.44)	(0.81)

## Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Income Statement

for the year ended 28 February 2011

	Revenue £'000	Capital £'000	C share fund Total £'000
Realised/unrealised gains on investments	-	1,887	1,887
Income	24	-	24
Investment manager's fees	(44)	(133)	(177)
Other expenses	(85)	-	(85)
<b>Return on ordinary activities before tax</b>	(105)	1,754	1,649
Tax on ordinary activities	22	12	34
<b>Return attributable to equity shareholders</b>	(83)	1,766	1,683
<b>Transfer to reserves</b>	(83)	1,766	1,683
<b>Return per share, p</b>	(0.62)	13.25	12.63



Revenue £'000	D share fund		Revenue £'000	E share fund		Revenue £'000	F share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	(14)	(14)	-	74	74	-	101	101
238	-	238	27	-	27	256	-	256
(36)	(109)	(145)	(19)	(60)	(79)	(57)	(171)	(228)
(78)	-	(78)	(42)	-	(42)	(82)	-	(82)
124	(123)	1	(34)	14	(20)	117	(70)	47
(26)	23	(3)	7	(6)	1	(25)	25	-
98	(100)	(2)	(27)	8	(19)	92	(45)	47
98	(100)	(2)	(27)	8	(19)	92	(45)	47
0.51	(0.52)	(0.01)	(0.28)	0.08	(0.20)	0.35	(0.17)	0.18

Revenue £'000	D share fund		Revenue £'000	E share fund		Revenue £'000	F share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	1,668	1,668	-	3	3	-	(118)	(118)
315	-	315	193	-	193	652	-	652
(73)	(215)	(288)	(39)	(118)	(157)	(113)	(340)	(453)
(156)	-	(156)	(90)	-	(90)	(242)	-	(242)
86	1,453	1,539	64	(115)	(51)	297	(458)	(161)
(18)	19	1	(14)	11	(3)	(62)	30	(32)
68	1,472	1,540	50	(104)	(54)	235	(428)	(193)
68	1,472	1,540	50	(104)	(54)	235	(428)	(193)
0.36	7.65	8.01	0.51	(1.07)	(0.56)	0.84	(1.54)	(0.70)

## Balance Sheet (Unaudited)

as at 31 August 2011

	As at 31 August 2011 £'000	As at 31 August 2010 £'000	As at 28 February 2011 £'000
<b>Fixed assets</b>			
Investments	29,167	16,382	23,261
<b>Current assets</b>			
Debtors	3,571	1,488	2,359
Corporate bond & other liquidity funds	53,004	43,874	36,541
Cash at bank	515	1,480	1,052
	57,090	46,842	39,952
<b>Creditors: amounts falling due within one year</b>	(1,134)	(142)	(218)
<b>Net current assets</b>	55,957	46,700	39,734
<b>Net assets</b>	85,124	63,082	62,995
<b>Capital and reserves</b>			
Called up share capital	9,590	7,198	7,178
Share premium account	20,113	24,716	45
Special reserve	54,381	32,855	54,402
Capital reserve – realised	(1,860)	(1,095)	(1,361)
Capital reserve – unrealised	2,499	(341)	2,826
Revenue reserve	401	(251)	(95)
<b>Equity shareholders' funds</b>	85,124	63,082	62,995

# Non-Statutory Analysis (Unaudited) between the C, D, E, F and G Share Funds

## Balance Sheet

as at 31 August 2011

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000	G share fund £'000
<b>Fixed assets</b>					
Investments	9,039	13,921	3,686	2,523	-
<b>Current assets</b>					
Debtors	219	744	327	1,567	710
Corporate bond & other liquidity funds	1,597	2,640	5,985	21,891	20,891
Cash at bank	7	(821)	(672)	1,301	703
	1,824	2,563	5,640	24,759	22,304
<b>Creditors: amounts falling due within one year</b>	(47)	(31)	(1,029)	(17)	(9)
<b>Net current assets</b>	1,776	2,532	4,611	24,742	22,295
<b>Net assets</b>	10,815	16,453	8,297	27,265	22,295
<b>Capital and reserves</b>					
Called up share capital	1,329	1,923	981	2,941	2,415
Share premium account	-	45	-	-	20,068
Special reserve	8,879	13,495	7,493	24,513	-
Capital reserve – realised	(748)	(355)	(161)	(477)	(119)
Capital reserve – unrealised	1,498	1,389	(74)	(162)	(151)
Revenue reserve	(143)	(44)	58	450	82
<b>Equity shareholders' funds</b>	10,815	16,453	8,297	27,265	22,295
<b>Net asset value per share, p</b>	81.14	85.56	84.55	92.70	92.30

## Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds

### Balance Sheet

as at 31 August 2010

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
<b>Fixed assets</b>				
Investments	7,069	9,313	-	-
<b>Current assets</b>				
Debtors	152	266	234	884
Corporate bond & other liquidity funds	3,020	9,666	6,232	24,956
Cash at bank	(191)	(2,763)	2,557	1,877
	2,981	7,169	9,023	27,717
<b>Creditors: amounts falling due within one year</b>	(55)	(53)	(44)	(38)
<b>Net current assets</b>	2,926	7,116	8,979	27,679
<b>Net assets</b>	9,995	16,429	8,979	27,679
<b>Capital and reserves</b>				
Called up share capital	1,333	1,923	981	2,961
Share premium account	-	45	-	24,671
Special reserve	9,834	14,841	8,180	-
Capital reserve – realised	(883)	(111)	(35)	(66)
Capital reserve – unrealised	(181)	(170)	(11)	21
Revenue reserve	(108)	(99)	(136)	92
<b>Equity shareholders' funds</b>	9,995	16,429	8,979	27,679
<b>Net asset value per share, p</b>	74.99	85.44	91.49	93.48

# Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Balance Sheet

as at 28 February 2011

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
<b>Fixed assets</b>				
Investments	8,487	13,527	1,247	-
<b>Current assets</b>				
Debtors	1,602	1,989	952	373
Corporate bond & other liquidity funds	1,825	2,908	6,189	25,619
Cash at bank	57	(739)	364	1,370
	3,484	4,158	7,505	27,362
<b>Creditors: amounts falling due within one year</b>	(1,118)	(1,060)	(496)	(101)
<b>Net current assets</b>	2,366	3,098	7,009	27,261
<b>Net assets</b>	10,853	16,625	8,256	27,261
<b>Capital and reserves</b>				
Called up share capital	1,333	1,923	981	2,941
Share premium account	-	45	-	-
Special reserve	8,901	13,495	7,493	24,513
Capital reserve – realised	(711)	(260)	(117)	(273)
Capital reserve – unrealised	1,471	1,551	(42)	(154)
Revenue reserve	(141)	(129)	(59)	234
<b>Equity shareholders' funds</b>	10,853	16,625	8,256	27,261
Net asset value per share, p	81.42	86.46	84.13	92.69

## Reconciliation of Movement in Shareholders' Funds (Unaudited)

for the six months ended 31 August 2011

	Six months ended 31 August 2011 £'000	Six months ended 31 August 2010 £'000	Year ended 28 February 2011 £'000
<b>Opening shareholders' funds</b>	62,995	35,531	35,091
Capital per share issue	24,153	29,240	29,240
Expenses of issue	(1,309)	(1,608)	(1,608)
Bonus issue of shares	(360)	-	-
Expenses of share premium account cancellation	-	-	(10)
Share buyback	(25)	-	(168)
Return on ordinary activities after tax	(330)	(81)	2,976
Dividends	-	-	(2,966)
<b>Closing shareholders' funds</b>	85,124	63,082	62,995

## Non-Statutory Analysis (Unaudited) between the C, D, E, F and G Share Funds

### Reconciliation of Movement in Shareholders' Funds

for the six months ended 31 August 2011

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000	G share fund £'000
<b>Opening shareholders' funds</b>	10,853	16,625	8,256	27,261	-
Share capital subscribed for in the year	-	-	-	-	23,792
Expenses of issue	-	-	-	-	(1,308)
C Share buyback	(25)	-	-	-	-
Return on ordinary activities after tax	(13)	(172)	41	4	(189)
Dividend	-	-	-	-	-
<b>Closing shareholders' funds</b>	10,815	16,453	8,297	27,265	22,295

## Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Reconciliation of Movement in Shareholders' Funds

for the six months ended 31 August 2010

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
<b>Opening shareholders' funds</b>	10,102	16,431	8,998	-
Share capital subscribed for in the year	-	-	-	29,240
Expenses of issue	-	-	-	(1,608)
Expenses of share premium account cancellation	-	-	-	-
Return on ordinary activities after tax	(107)	(2)	(19)	47
Dividend	-	-	-	-
<b>Closing shareholders' funds</b>	9,995	16,429	8,979	27,679

## Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Reconciliation of Movement in Shareholders' Funds (Unaudited)

for the year ended 28 February 2011

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
<b>Opening shareholders' funds</b>	10,102	16,431	8,998	-
Share capital subscribed for in the year	-	-	-	29,240
Expenses of issue	-	-	-	(1,608)
Expenses of share premium account cancellation	-	-	-	(10)
F Share buyback	-	-	-	(168)
Return on ordinary activities after tax	1,683	1,540	(54)	(193)
Dividend	(932)	(1,346)	(688)	-
<b>Closing shareholders' funds</b>	10,853	16,625	8,256	27,261

## Cash Flow Statement (Unaudited)

for the six months ended 31 August 2011

Period ended	31 Aug 2011		31 Aug 2010		28 Feb 2011
	£'000	£'000	£'000	£'000	£'000
<b>Operating activities</b>					
Investment income received	-	-	-	11	
Deposit and similar interest received	218		5	5	
Other cash receipts (VAT recovery)	-		-	-	
Investment manager's fees paid	(1,658)		(1,075)	(1,075)	
Administration and company secretarial fees paid	(188)		(139)	(174)	
Cash paid to and on behalf of directors	(40)		(44)	(99)	
Other cash payments	(520)		(116)	(151)	
<b>Net cash outflow from operating activities</b>		(2,188)		(1,369)	(1,483)
<b>Financial investment</b>					
Purchase of unquoted investments	(563)		(319)	(688)	
Sale of unquoted investments	-		-	-	
Loans	(3,606)		(775)	(2,196)	
Purchase of liquidity funds	(21,344)		(25,000)	(28,655)	
Sale of liquidity funds	4,705		746	8,904	
		(20,808)		(25,348)	(22,635)
<b>Tax &amp; dividends</b>					
Tax	-		-	-	
Equity dividends paid	-		-	(2,966)	
<b>Net cash outflow from tax &amp; dividends</b>		-		-	(2,966)
<b>Net cash outflow before financing</b>		(22,996)		(26,717)	(27,084)
<b>Financing</b>					
Cancellation of share premium accounts	-		-	(10)	
Bonus issue of shares	(360)		-	-	
Buy back and cancellation of shares	(25)		-	(168)	
New share issues	24,153		28,827	28,943	
Share issue expenses	(1,309)		(1,425)	(1,424)	
<b>Net cash inflow from financing</b>		22,459		27,402	27,341
<b>(Decrease)/increase in cash</b>		(537)		685	257



### 1. Accounting Policies

The financial information for the six months ended 31 August 2011 has not been audited and comprises non-statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The statutory accounts for the year ended 28 February 2011 were unqualified. No statutory accounts in respect of any period after 28 February 2011 have been reported on by the Company's auditors or delivered to the Register of Companies.

### 2. Return per Share

The return per share has been calculated based on a weighted average number of shares in issue for the six months ended 31 August 2011 of: C Share fund – 13,324,338; D Share fund – 19,228,838; E Share fund – 9,813,732; F Share fund – 29,411,437; and G Share fund 21,355,339. (31 August 2010: C Share fund – 13,328,599; D Share fund – 19,228,838; E Share fund – 9,813,732; and F Share fund – 25,982,813. 28 February 2011: C Share fund – 13,328,599; D Share fund – 19,228,838; E Share fund – 9,813,732 and F Share fund – 27,731,802).

### 3. 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 2011: C Share fund – 13,294,697; D Share fund – 19,228,838; E Share fund – 9,813,732; F Share fund 29,411,437; and G Share fund 24,153,303. (31 August 2010: C Share fund – 13,328,599; D Share fund – 19,228,838; E Share fund – 9,813,732; and F Share fund 29,611,437. 28 February 2011: C Share fund – 13,328,599; D Share fund – 19,228,838, E Share fund – 9,813,732; and F Share fund – 29,411,437).

4. During the six months ended 31 August 2011 the Company bought back 33,902 C Shares which were cancelled. The shares were bought back under the Company's share buy back policy at a price of 73.28p per C Share.

5. Printed copies of this Half-Yearly Report will shortly be mailed to shareholders and will be available to the public at the Company's registered office. A copy is now available on the Company's website – [www.edge.uk.com/edgeperformancevct](http://www.edge.uk.com/edgeperformancevct).

## Corporate Information

As at 31 August 2011

### Directors

Sir Robin Miller (Chairman)  
Michael Eaton  
David Glick  
Frank Presland  
Kevin Falconer  
Lord Flight (appointed 5 September 2011)

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

### Auditors

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

### Company Secretary

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

### Bankers

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

### Promoter

RAM Capital Partners LLP  
74 Chancery Lane  
London WC2A 1AD

### Receiving Agent & Registrar

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

### Taxation advisers

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH



