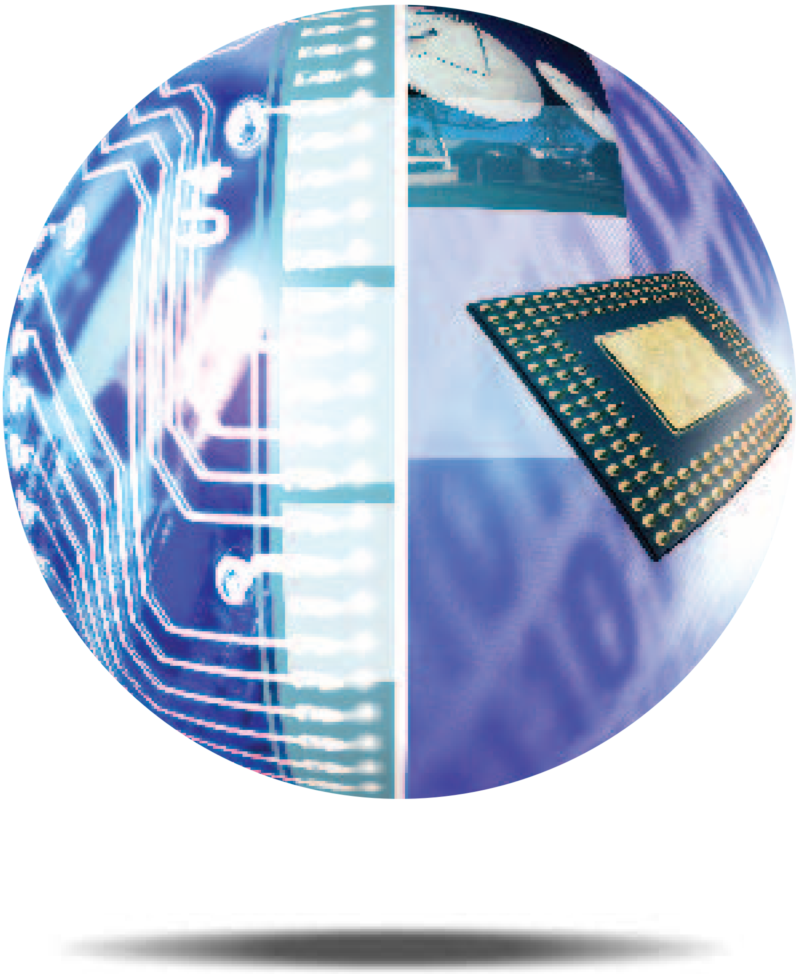
Finsbury Technology Trust PLC
Annual Report

for the year ended 30 November 2005



CLOSE FINSBURY
DIFFERENT BY DESIGN

COMPANY SUMMARY

Company Policy and Investment Objective

Finsbury Technology Trust PLC invests principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. During the year under review performance was measured against the Morgan Stanley Capital International ("MSCI") World Index (sterling adjusted without dividends reinvested). At the Extraordinary General Meeting held on 9 January 2006 the performance benchmark of the Company was changed to the Dow Jones World Technology Index (sterling adjusted, total return) with retrospective effect from 1 December 2005.

It is the Company's policy to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts). The Company does not, at the time of this report, have any holdings in an investment company of any sort and the Directors do not currently envisage circumstances in which it is likely to do so in future.

Dividends

The investments in the Company's portfolio typically provide little, if any, income. No dividend has been declared in respect of the year ended 30 November 2005 (2004: nil) and it is unlikely that any dividend will be paid in the foreseeable future.

Corporate Details

Capital structure	The Company has 25,490,312 Ordinary shares of 25p in issue, as at 24 February 2006.
Continuation Vote	Shareholders will have the opportunity to vote at the Annual General Meeting in 2011 whether to continue the Company and thereafter at five yearly intervals.

Management Details

Manager and Company Secretary	The Manager and Company Secretary is Close Finsbury Asset Management Limited, a specialist investment management house with over £1.6bn of funds under management. It is a wholly owned subsidiary of Close Brothers Group plc. The Manager is authorised and regulated by the Financial Services Authority.
Investment Manager	The Investment Manager is Reabourne Technology Investment Management Limited, which became a wholly owned subsidiary of Close Brothers Group plc in July 2004. Reabourne specialises exclusively in technology and biotechnology. The Investment Manager is authorised and regulated by the Financial Services Authority.
	Details of the principal terms of the Management, Administrative and Secretarial Services Agreement and Investment Management Agreement can be found in the Report of the Directors on pages 14 and 15. Details of the fees paid to the Manager and Investment Manager in the year under review can be found in the Notes to the Financial Statements on page 33.

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its

The Company is a member of the Association of Investment Trust Companies.

FINANCIAL HIGHLIGHTS

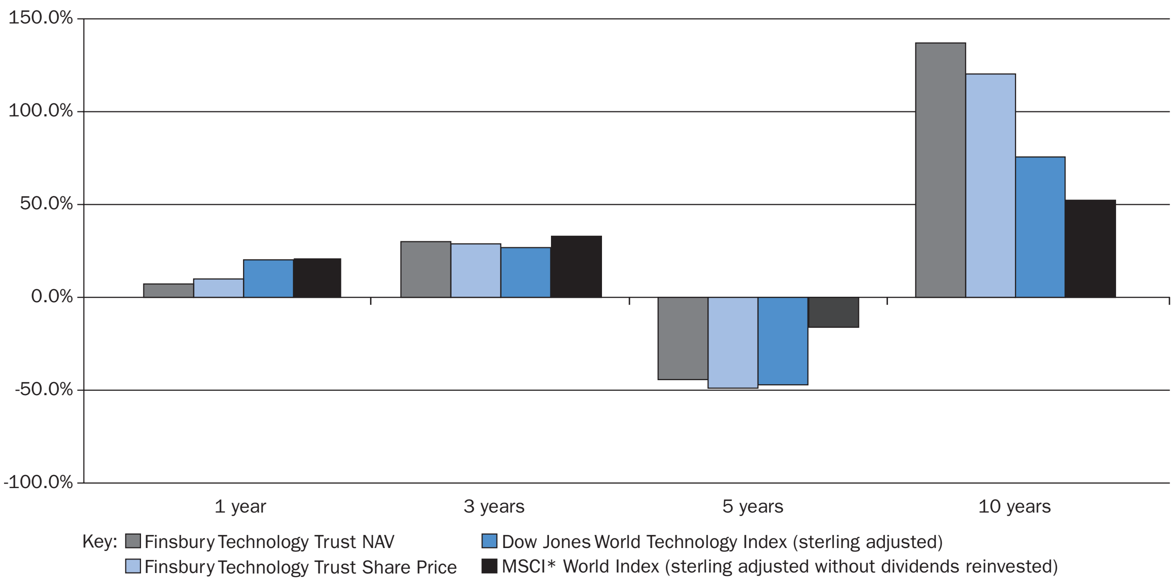
	30 November 2004	**30 November 2005**	% change
~Net Assets	£61.1m	**£62.0m**	+1.5
Net Asset Value per share	221.1p	**237.2p**	+7.3
Share Price	200.5p	**220.3p**	+9.9
Discount	9.3%	**7.1%**	–
*MSCI World Index (sterling adjusted without dividends reinvested)	1,415	**1,708**	+20.7
Dow Jones World Technology Index (sterling adjusted, calculated on a total return basis)	195.8	**235.4**	+20.2

~As reduced by the share buy-backs made in the year under review which amounted to £3,166,559.

FIVE YEAR PERFORMANCE SUMMARY

	30 November 2001	30 November 2002	30 November 2003	30 November 2004	**30 November 2005**
Shareholders' Funds	£88.8m	£49.8m	£68.2m	£61.1m	**£62.0m**
Net Asset Value per Share	321.7p	180.3p	246.8p	221.1p	**237.2p**
Share Price	318.0p	171.0p	210.0p	200.5p	**220.3p**
Discount	1.2%	5.2%	14.9%	9.3%	**7.1%**
*MSCI World Index	1,679	1,286	1,362	1,415	**1,708**

PERFORMANCE GRAPH



*Morgan Stanley Capital International World Index (sterling adjusted without dividends reinvested).
Source: Close Finsbury Asset Management Limited

THE BOARD

Left to right: David Quysner (Chairman), John Cornish, Paul Gaunt, Dr Chris Martin, Dr David Potter and Anthony Townsend

David Quysner[+*], MA (Cantab) (Chairman)

David Quysner, aged 59, joined the Board on 7 March 2003 and became Chairman on 28 April 2004. He is Chairman of Abingworth Management Limited, a venture capital fund management company and a former Chairman of the British Venture Capital Association. He is a Director of several companies including Foresight 2 VCT plc, Prelude Trust plc and Private Equity Investor plc.

John Cornish[*^], B.Sc(Econ), FCA

John Cornish, aged 62, joined the Board on 1 May 2005. John has over 30 years audit experience and retired as a senior partner of Deloitte & Touche in 2004. From the late 1980s John led the firm's Investment Trust Industry Team, achieving a high profile in the industry with the AITC and various fund management groups. During his career John acted as lead client service partner to many plcs, undertook a number of special assignments for regulatory bodies and latterly concentrated on practice development and the provision of advisory services to senior board level executives. He is currently a Director of Framlington Innovative Growth Trust PLC.

Paul Gaunt, B.Sc(Econ)

Paul Gaunt, aged 56, joined the Board on 7 November 1995. Paul has over 30 years' experience in the investment industry. He was formerly Senior Investment Manager and an Assistant General Manager of the Equitable Life Assurance Society. He is currently a Director of Finsbury Emerging Biotechnology Trust PLC and Finsbury Worldwide Pharmaceutical Trust PLC, both of which are also managed by the Manager to the Company.

Dr Chris Martin[*], D.Phil, FIChemE

Dr Chris Martin, aged 47, joined the Board on 7 March 2003. Chris is currently the Chairman of Sciona Inc., a genomic personalised health company and has experience in venture capital funding for technology companies. He is also Chief Executive Officer of Spirogen Limited, and a Director of Cascade Fund Management Limited.

Dr David Potter[*], MA(Cantab), PhD(London), FREng, CBE

Dr David Potter, aged 62, joined the Board on 7 November 1995 and was appointed as Senior Independent Director on 19 October 2004. David is currently Chairman and a Director of Psion PLC, as well as a Director of the Bank of England. He has over 25 years experience as an entrepreneur, Chief Executive and Chairman in the technology sector, and experience on many technology boards and venture funds.

Anthony Townsend, MA (Cantab)

Anthony Townsend, aged 58, joined the Board on 7 November 1995. Anthony has spent over 35 years working in the City and was Chairman of The Association of Investment Trust Companies from 2001 to 2003. He is Chairman of iimia Investment Trust plc, British and American Investment Trust PLC and The Ukraine Opportunities Trust plc and a Director of Brit Insurance Holdings PLC and F&C Smaller Companies PLC. He is also a Director of Finsbury Emerging Biotechnology Trust PLC, Finsbury Growth & Income Trust PLC and Finsbury Worldwide Pharmaceutical Trust PLC, all of which are managed by the Manager to the Company.

All Directors are non-executive
+ Chairman of the Nominations and Remuneration Committees
* Member of the Audit, Nominations and Remuneration Committees
^ Chairman of the Audit Committee

CHAIRMAN'S STATEMENT

Performance

In the year to 30 November 2005 the Company's net asset value ("NAV") per share increased by 7.3% from 221.1p to 237.2p. In the same period, the Company's share price rose by 9.9% from 200.5p to 220.3p and the share price discount to NAV per share narrowed from 9.3% to 7.1%.

The Company's net assets increased by 1.5% from £61.1 million to £62.0 million. However, the year-end net assets are stated after a reduction of £3.2 million arising from the buy-in of 1,460,000 shares during the period. The buy-in, which was effected at a discount to NAV per share, resulted in a small increase in NAV per share for the remaining shareholders.

With effect from 1 December 2005 the Company has adopted the Dow Jones World Technology Index (sterling adjusted, total return) as its performance benchmark. In the year to November 2005, this index increased by 20.2%. This compares with an increase of 20.7% in the MSCI World Index (sterling adjusted without dividends reinvested), which, to the end of the period under review was the Company's benchmark index.

The Company's investment performance compared with these benchmarks was disappointing. During the year, however, a number of measures were taken by the Board and the Manager, including a refinement of the investment mandate that we believe will impact favourably on performance in the future. A detailed commentary on the performance of the investment portfolio is contained in the Investment Manager's Review on pages 5 to 7.

Results and Dividend

The total return per share for the year was 15.1p (2004: loss of 25.7p per share). This was made up of a revenue deficit of 4.5p per share (2004: deficit of 3.2p per share) and a capital gain of 19.6p per share (2004: loss of 22.5p per share).

The investments making up the Company's investment portfolio typically provide a very low yield. No dividend has been declared in respect of the year ended 30 November 2005 (2004: nil) and it is unlikely that a dividend will be paid for the foreseeable future.

Continuation Vote and Extraordinary General Meeting

At the time of launch in 1995, the Company adopted Articles of Association that required a vote to be held in 2006 to decide whether or not the Company should continue as an investment trust for a further five-year period. During 2005, the Board conducted a thorough review of all aspects of the Company's affairs in order to be in a position to make an appropriate recommendation to shareholders. Following completion of this review, it was announced in November 2005 that the Board would be recommending approval of the continuation vote. The Board also announced a number of other proposals, including the introduction of a discount management policy and a revised basis of remuneration for the Manager and Investment Manager.

Following this announcement, the Company's brokers held discussions with existing and prospective shareholders. As a result, a number of significant new institutions invested in the Company, for the most part replacing shareholders who did not wish to participate in its longer term future. The Board believes that a stable and committed shareholder base is important and welcomes these new shareholders.

A circular, setting out details of the Board's proposals and convening an Extraordinary General Meeting to seek approval for the revised management contracts and for a number of changes in the Articles of Association was sent to shareholders in December 2005. I am pleased to report that all of the resolutions put to the meeting on 9 December 2005 were carried by an overwhelming majority.

CHAIRMAN'S STATEMENT (continued)

Summary of Changes

The principal changes resulting from adoption of the Board's proposals and the passing of the resolutions at the EGM may be summarised as follows:

- the next continuation vote is to be proposed at the AGM in 2011;
- the benchmark index has been changed, as noted above;
- the management fee remains at 1% but is to be based on the Company's market capitalisation rather than its NAV;
- a performance fee, calculated every three years, will be payable at 20% of the amount by which the NAV outperforms the benchmark or, if lower, exceeds the highest previous NAV. For the first time, there is a "high water mark" which must be exceeded before any further incentive fee is paid;
- the notice period under the relevant contract is reduced from 24 months to 12 months;
- the Company has adopted a discount management policy; and
- the investment mandate has been refined so that the Company will make no new investments in unquoted companies or in the biotechnology sector. The Company's portfolio of investments will also be more focused by number.

Discount Management Policy and Buy Back Authority

Under its newly adopted discount management policy, the Company intends to buy-back shares, for cancellation, at prices representing a discount greater than 7% to NAV where there is demand in the market for it to do so.

In pursuance of this policy, in the period to 24 February 2006 the Company has bought back, and cancelled 2,125,000 shares representing 7.7% of the outstanding shares in issue as at the date of the original announcement dated 16 November 2005.

In the event that the Board buys back the maximum permitted amount of 14.99% of its issued Ordinary share capital the Board will seek shareholder approval to renew this authority. The Board will closely monitor the effect of the discount management policy and will review the Company's future if it deems that the effect of the policy has been to reduce the Company's market capitalisation to the significant detriment of Shareholders.

Board of Directors

David Potter, the Senior Independent Director, will not be seeking re-election at the Annual General Meeting. David has served the Company since launch and I would like to thank him for the significant contribution he has made over the past ten years. David will be replaced as Senior Independent Director by John Cornish. The Board is in the process of recruiting an additional Independent Director with appropriate experience.

Outlook

Your Board continues to believe that there will be significant growth in the technology sector in the years ahead. The Board also believes that the extension of the Company's life for a further five year period, together with the other proposals that have been implemented, give the Company a stable basis from which to address the opportunities that will be available.

Annual General Meeting

The Annual General Meeting will be held at 10 Crown Place, London EC2A 4FT, on 6 April 2006 at 12 noon. I hope that as many shareholders as possible will be able to attend. Representatives of our Investment Manager, Reabourne Technology Investment Management Limited, will make a presentation to the meeting.

David Quysner
Chairman

27 February 2006

INVESTMENT MANAGER'S REVIEW

The year under review has seen what we believe will prove to be the beginning of a long-term recovery in the technology sector. After a strong period towards the end of 2004, the sector sold off heavily in early 2005, as investors worried about the sustainability of growth, only to recover as the year progressed and business conditions continued to improve.

Left to right: Michael Bourne and Jeremy Gleeson

Larger company technology shares in general performed stronger than smaller company ones, as is typical of the early stages of a recovery. The larger capitalisation weighted Dow Jones World Technology (sterling adjusted, total return) Index rose by 20.2% which compares to an increase in net asset value per share of 7.3%. The result for the year benefited from positive returns from European and US stocks, but was hindered by a poor year from the Company's UK holdings and a limited exposure to the strongly performing Asian markets.

Sector Overview

Business conditions remained healthy in most geographies and this fed through into consumer spending. Electronic products such as the Apple iPod, digital cameras and flat screen televisions saw rising demand and in many cases sales were boosted by transactions over the Internet. Many Internet companies prospered and there was an increase in the use of the Web for media delivery, advertising and search.

These services started to use the excess broadband capacity that had been put in place at the time of the previous technology boom and there were pockets of increased expenditure on communications and network equipment. However, consolidation amongst the US telecommunication carriers resulted in some non essential capital expenditure being delayed. Mobile phones continued to proliferate and there was an increased deployment of 3G networks, although the award of 3G licenses in China is yet to be announced. There continued to be a relative shortage of applications for the broadband wireless world, although there was growth in mobile games, location-based services and music downloads.

The expansion of these markets led to a better than expected market for semiconductors and manufacturing utilisation tightened further. New capacity was increased more cautiously than in the past, making market conditions difficult for semiconductor equipment makers, although in the case of leading edge technologies the utilisation rate is now above that at which historically new capacity is added.

Against this market backdrop, investors continued to be cautious and the markets for new issues were generally subdued. In many cases, industrial buyers saw greater value in the sector than investors and there were a number of takeovers at premium prices, many of which were in the software sector.

The Portfolio

The US

The strongest performing US stock in the portfolio was **24/7 Real Media** as demand for its online marketing solutions increased significantly. **Netlogic Microsystems** shares also rose strongly as their knowledge-based processors saw an increasing demand as customers implemented more intelligent switches to handle the rise in IP (Internet Protocol) based traffic. These shares hit our price target and have been sold. **Akamai** shares also performed strongly as their solutions were increasingly used for the local delivery of content, such as iTunes, over the Internet. The Company also benefited from a strong performance by **Broadcom** as sales of its semiconductors for broadband solutions experienced rapid growth.

The worst performing US share in the portfolio was **Zilog** where the turnaround is taking longer than we expected. The company has won a significant number of designs for its flash based microcontrollers, but has yet to see the sales from these because the customers' products have yet to reach the market. In the meantime its legacy business has declined faster than expected. **Digital River** shares were also weak because of concerns over the outlook for antivirus software, which is the most significant product it distributes electronically.

INVESTMENT MANAGER'S REVIEW (continued)

Europe

In general, our Continental European shares performed exceptionally well, while our UK shares had a disappointing year. The strongest performing stock in the portfolio was **Soitec** (France), increasing by 189.4%, as its silicon on insulator technology was adopted by the semiconductor industry. Advanced Micro Devices has made a major commitment to this technology, which has arguably enabled it to gain significant market share from Intel. We also realised a significant gain on **Synchronica**, formerly DAT Group, (UK) shares, which were bought and sold in the year. **Mamut** (Norway) shares also performed strongly, as investors focused on the solid growth that it has delivered throughout the downturn. This leading provider of solutions software for small businesses also won, for the second year running, a prestigious award for its accountancy software package. Finally, **Framfab** (Sweden) performed very strongly as demand for its digital marketing solutions grew under a turnaround management team.

On a disappointing note the worst performing share this year was **Gresham** as the customer uptake of its leading product (Real Time Nostro) proved to be painfully slow. We had been impressed by the strategic alliance that they had formed with Cable and Wireless. Although the market for their products is potentially very big, we are taking further customer references before deciding on our strategy for this holding. **Superscape** shares also had a bad year, despite the company achieving many of the objectives that the management set out to achieve. However some delayed product launches by its customers soon after fund raising caused many investors to exit their investment. We are encouraged by its recent progress however and have added to this position. **Bede** shares also fell significantly because of disappointing orders for its X-ray inspection devices used in the semiconductor industry. At this stage it is unclear whether this is because of overall industry conditions and we are giving the company the benefit of the doubt. It would only take a relatively small order to transform the fortunes of this company and we also think that it would make an attractive acquisition target.

Asia

The Company has not participated in the recovery that has occurred in the Asian technology sector and in particular Japan. This is partly due to our style, which focuses mainly on small and mid capitalisation companies which have the potential to grow at a sustainably fast and profitable rate. We have yet to find many companies that meet these criteria, as a lot of the strong performing companies in Japan have been large capitalisation restructuring plays, which in our opinion will not deliver sustainable long-term growth that meets our targets. The picture is somewhat different in Chinese speaking Asia and Korea where we have undertaken a lot of research. Here we expect the companies to move up the value chain, hence creating barriers to entry, but at the current time most of these companies are currently competing at the commodity end of the market.

Having said that the performance of most of the Asian stocks that the Company has held, have not lived up to our expectations with small losses or gains being realised on most holdings. The exception to this was our semiconductor related holdings, which recovered strongly, and **Entertech** a developer of karaoke and entertainment solutions where we benefited from adding to our position after the company's shares had fallen in value. It has since won some major accounts in the US.

Biotechnology

2005 proved to be a good year for large capitalisation biotechnology shares and a mixed one for small capitalisation shares. The Company's biotechnology shares made little contribution to its performance, although a number of individual shares had big percentage moves. **Pharmaceutical Product Development** and **Cutera** shares performed strongly as a result of good earnings growth while **Prometic** and **Neurochem** performed poorly following set backs.

Following an in depth review of the investments in the biotechnology sector by the Board of the Company, it was felt that being a subset of the overall portfolio it was hard to achieve sufficient diversity of risk while having meaningful positions. As a result, the decision has been made to desist from making new biotechnology investments.

INVESTMENT MANAGER'S REVIEW (continued)

Outlook

Technology companies tend to serve two main purposes. The first one is as an efficiency driver enabling manual tasks to be automated and as such done better and cheaper. The second one is to develop new products and enable new services. We consider that the outlook for both of these uses is bright.

In a world that is becoming increasingly globally competitive efficient production is becoming essential. A key enabler of this is information management. This is evolving from the historical applications built around record keeping to getting pertinent information to the right person, in an intelligible format, over whatever communications network that is available and in a secure manner. Users need to be protected from information overload and so the personalisation of information is becoming much more important.

There are also a lot of new products being developed around the theme of digital content and its delivery, be it over the internet, by broadcast or wirelessly. Electronics continues to move into almost every walk of life and the wide spread use of devices such as portable navigators is becoming a reality. Underlying these technologies are developments in the semiconductor and software industries and this is increasingly happening outside the US. These developments, as well as pressure for ever more efficient use of the worlds natural resources, is driving the materials sciences sector which will become increasingly important in the years ahead.

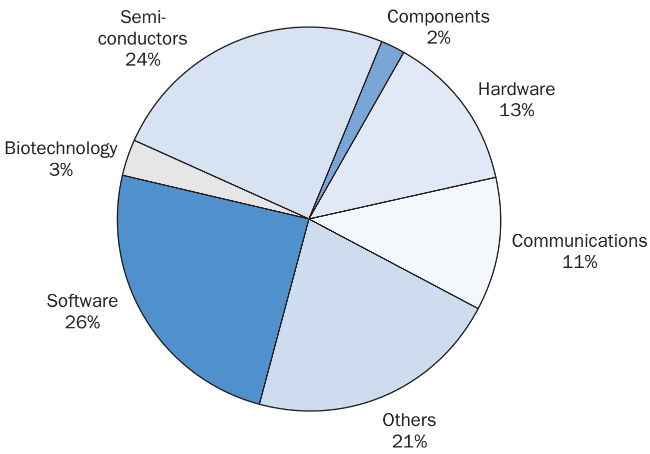
The technology industry has the potential and has shown considerable promise in addressing the markets outlined above. The last decade saw the development of a considerable infrastructure for the recording of information and the development of new products. This was an era of a relatively few, but hugely successful products from a number of dominant players who were mostly situated in the US. The years ahead are likely to see the leveraging of this infrastructure to tailor solutions and products much more to the needs of individuals. This will require much more domain specific expertise and the successful companies are likely to be drawn from a wider range of geographies. In our opinion the attributes for success are increasingly likely to be found in smaller companies who are more nimble and thus able to adapt to customers' needs. Many of these companies have been neglected by financial investors (although increasingly less so by corporate investors) and we believe that the Company's investment portfolio is well positioned to take advantage of a re-rating in this area of the market.

Michael Bourne/Jeremy Gleeson
Reabourne Technology Investment Management Limited, *Investment Manager*
Close Finsbury Asset Management Limited, *Manager*
27 February 2006

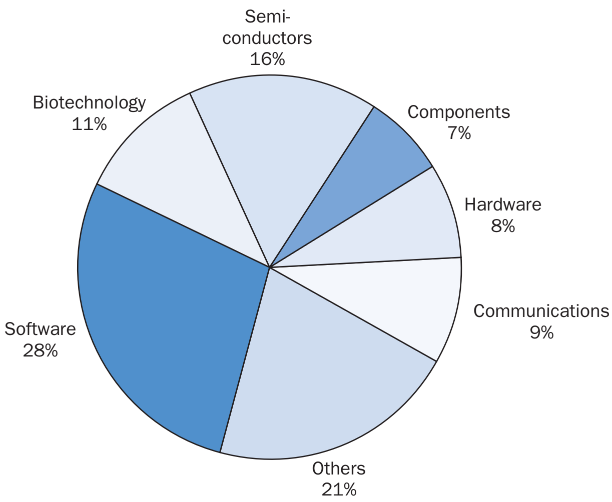
SECTOR AND GEOGRAPHIC ANALYSIS OF PORTFOLIO

Sector Analysis

2005

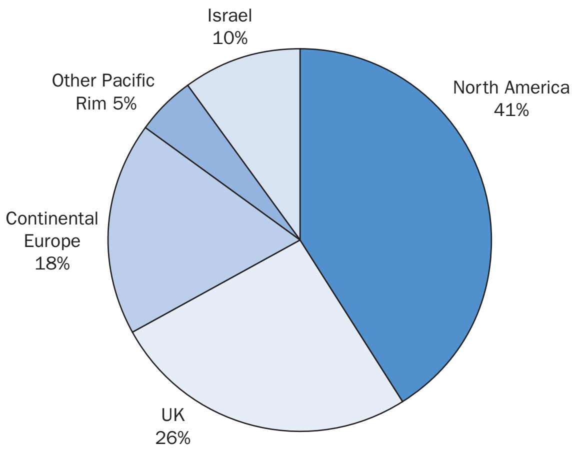


2004

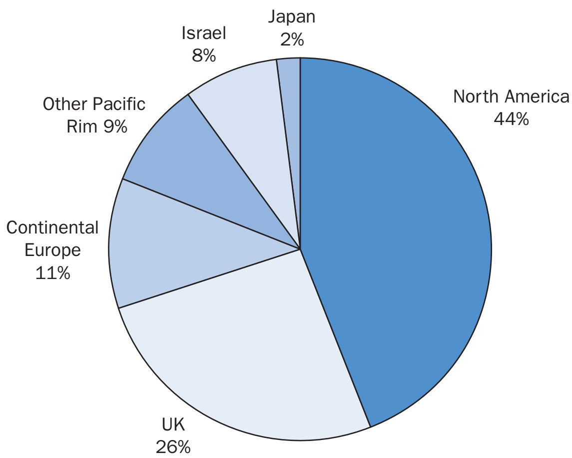


Geographic Analysis

2005



2004



INVESTMENTS

The investments as at 30 November 2005 were:

Investment	Sector	Country	Market value £'000	% of investments
Mamut	Software	Norway	2,282	3.7
Soitec	Semiconductors	France	2,137	3.5
Enter Tech Corporation	Electronics (other)	Republic of Korea	1,996	3.2
Photo-Me International	Hardware	United Kingdom	1,757	2.9
Framtidsfabriken	Internet	Sweden	1,755	2.9
ASM International	Semiconductors	Netherlands	1,630	2.6
Imagination Technologies	Electronics (other)	United Kingdom	1,507	2.4
Applied Films	Hardware	United States	1,493	2.4
Integrated Device Technology	Semiconductors	United States	1,470	2.4
Vanco	Communications	United Kingdom	1,427	2.3
Top 10 investments			**17,454**	**28.3**
Verisign	Internet	United States	1,390	2.3
24/7 Real Media	Internet	United States	1,384	2.2
Ultratech Inc	Semiconductors	United States	1,380	2.2
Check Point Software	Software	Israel	1,353	2.2
Cisco Systems	Communications	United States	1,328	2.2
Wind River Systems	Design	United States	1,318	2.1
Parametric Technology Corporation	Design	United States	1,236	2.0
Broadcom Corporation	Semiconductors	United States	1,195	1.9
Retalix	Software	Israel	1,165	1.9
On Track Innovations Ltd	Hardware	Israel	1,164	1.9
Top 20 investments			**30,367**	**49.2**
DSP Group	Semiconductors	Israel	1,127	1.8
Superscape Group	Software	United Kingdom	1,109	1.8
Akamai Technologies	Internet	United States	1,069	1.7
Infovista	Software	France	1,035	1.7
Ariba Inc	Software	United States	998	1.6
Sonicwall	Hardware	United States	988	1.6
Extreme Networks	Communications	United States	986	1.6
Altera Corporation	Semiconductors	United States	981	1.6
Melexis	Semiconductors	Belgium	976	1.6
DMX Technologies Group	Software	Bermuda	967	1.6
Top 30 investments			**40,603**	**65.8**

INVESTMENTS (continued)

The investments as at 30 November 2005 were:

Investment	Sector	Country	Market value £'000	% of investments
Pervasive Software	Software	United States	967	1.6
Sirf Technology	Semiconductors	United States	961	1.6
Ark Therapeutics Group	Biotechnology	United Kingdom	960	1.6
Vishay Intertechnology	Components	United States	952	1.5
Powerdsine Ltd	Semiconductors	Israel	900	1.4
Manpower Software[+]	Software	United Kingdom	900	1.4
Tandenberg Television	Communications	Norway	887	1.4
Orbotech	Hardware	Israel	845	1.4
Portrait Software[+]	Software	United Kingdom	805	1.3
Digital River	Internet	United States	789	1.3
Top 40 investments			**49,569**	**80.3**
Dicom Group Plc	Hardware	United Kingdom	736	1.2
TTI Team Telecom	Software	Israel	695	1.1
Inphonic	Communications	United States	682	1.1
Comino Group	Software	United Kingdom	666	1.1
Synchronica (formerly DAT Group)[+]	Software	United Kingdom	637	1.0
Silicon Image Inc	Semiconductors	United States	617	1.0
NXT Plc	Hardware	United Kingdom	596	1.0
Amino Technologies[+]	Communications	United Kingdom	583	0.9
Civica[+]	Software	United Kingdom	531	0.9
Petards Group Plc[+]	Hardware	United Kingdom	510	0.8
Top 50 investments			**55,822**	**90.4**
Bede	Semiconductors	United Kingdom	462	0.7
Gresham Computing	Software	United Kingdom	447	0.7
Innovision Research and Technology[+]	Semiconductors	United Kingdom	443	0.7
Zilog	Semiconductors	United States	437	0.7
Microdose Technologies[*]	Biotechnology	United States	413	0.7
Norman	Software	Norway	407	0.7
Ubiquity Software[+]	Software	United Kingdom	390	0.6
Amcom Telecommunications	Communications	Australia	362	0.6
Torex Retail[+]	Software	United Kingdom	361	0.6
Redstone	Communications	United Kingdom	344	0.6
Top 60 investments			**59,888**	**97.0**

INVESTMENTS (continued)

The investments as at 30 November 2005 were:

Investment	Sector	Country	Market value £'000	% of investments
Intelligent Environments Group+	Software	United Kingdom	319	0.5
Stockeryale Inc	Communication	United States	291	0.5
Getmobile Europe+	Communication	United Kingdom	289	0.5
Macrovision	Software	United States	268	0.4
Galapagos Genomics	Biotechnology	Belgium	212	0.4
Cyprotex Plc+	Biotechnology	United Kingdom	211	0.3
Atheros Communications	Communication	United States	209	0.3
Insignia Solutions Inc	Software	United Kingdom	46	0.1
Autron Corp War 04/06/07	Hardware	Australia	10	–
Authoriszor			—	–
Top 70 investments			**61,743**	**100.0**
Select Software Tools	Software	United States	–	–
Microvision Warrants 05/03/08	Hardware	United States	–	–
Thinkanalytics Warrants	Telecom	United States	–	–
Gentia Software Loan Notes*	Software	United States	–	–
Marchfirst Inc*	Others	United States	–	–
Photoelectron*	Biotechnology	United States	–	–
Total investments			**61,743**	**100.0**

+Stocks quoted on AIM (Alternative Investment Market)
*Unquoted investment

PORTFOLIO ANALYSIS

as at 30 November 2005

	£'000	%
Listed on a recognised stock exchange		
Listed	55,351	89.6
AIM	5,979	9.7
Unquoted	413	0.7
Total investments	**61,743**	**100.0**

INVESTMENT MANAGER PROFILE

Investment Philosophy

Selective stock-picking and early stage investment form the two cornerstones of Reabourne's investment philosophy. Reabourne believes that these principles deliver higher returns over the long term.

Stock Picking

Portfolios are constructed on a bottom-up basis, where stocks are selected primarily with regard to their individual merits, rather than a top-down basis, which subordinates stock selection to the implementation of macro-judgements of industry trends and the achievement of index-derived sector distribution targets. The sector and country distributions that result from this process are monitored only as a risk control mechanism.

Early Stage Investment

In the stock selection process a particular priority is given to identifying newer, leading-edge technology companies, with good management, and investing in them at an early stage. This inevitably involves investment in small end micro capitalisation issues, with the increased risks that this implies, but experience suggests that, if risks are diversified and the selection process backed up by appropriate expertise, the greater long term returns will fully justify this approach. Details of the investment process and the credentials for the investment team are set out below.

Investment Process

Using the scientific, business and financial experience within Reabourne, the investment process involves an initial assessment of the following in relation to each company in which investment is proposed:

(i) the scientific trends within the scientific technology area:

(ii) the stage(s) of development of that technology; and

(iii) the growth potential and market size for the applications of that technology.

Following this assessment, Reabourne identifies the universe of companies involved in the development of the relevant technology. In respect of potential investee companies, Reabourne seeks to:

(i) assess the research and development programme of the company on a scientific basis. Its soundness is verified by Reabourne's in-house expertise and cross-referenced to academic research and/or the company's peer group within the research field. In addition, further cross-referencing is undertaken, where appropriate, with customers, suppliers, competitors and partners;

(ii) assess the competitive positioning of the company and barriers to entry in the industry which may not necessarily be directly related to technologies (e.g. secured access to suppliers, exclusivity of partnership, customer base, brand name, access to capital markets);

(iii) identify the existing and future revenue and profit drivers and to test the financial forecasts derived from the company's business development with the market expectations for the potential of the technology in which the company is engaged; and

(iv) assess the quality of the management team and its level of interest in minority shareholders; Reabourne usually recommends investing in companies only where it has met the members of the management team.

INVESTMENT MANAGER PROFILE (continued)

The Reabourne Team

Reabourne has a multi-disciplined team of experts with considerable experience in a range of sectors. The team has a balance of scientific, business and technical skills. Portfolio management is conducted using a team approach under the direction of Michael Bourne. As well as conducting fundamental analysis, members of the team regularly meet with senior executives and scientific, research and development executives of investee and potential investee companies. Those members of the team directly involved with the management of the Company's investments include:

Michael Bourne BA, A.C.A

Michael Bourne, aged 47, founded Reabourne in 1995. He was formerly a Director of Henderson Investment Management, a division of Henderson Administration Group Plc. From 1988 to 1992 Michael was the fund manager of Prolific Technology Unit Trust which won Micropal awards in 1991 and 1992. Michael oversees the investment process for Reabourne products, which have won multiple awards.

Jeremy Gleeson M.Sc., CFA

Jeremy Gleeson, aged 32, has been with Reabourne since 1997 after gaining a degree in Mathematics from Cardiff University and a Master of Science in Systems Engineering. Whilst at Reabourne Jeremy has focused on global technology companies. Jeremy is a CFA charterholder.

Huaizheng Peng M.D., Ph.D.

Dr Huaizheng Peng, aged 43, joined Reabourne in 1999. He previously practised as a Doctor of Medicine having received his degree from Hunan Medical University in China and a PhD from University College London Medical School. While at UCL, Dr Peng was a lecturer in molecular pathology.

Richard Killingbeck

Richard Killingbeck, aged 43, has been involved in the financial services industry for 20 years, primarily as a fund manager. The early part of his career was spent with Cazenove & Co on the North American desk. He subsequently moved to Morgan Grenfell Asset Management and was seconded for most of this period to Morgan Grenfell Capital Management in New York. Upon his return to the UK he joined River and Mercantile Investment management as a director with responsibility for the management of the North American Investment Trust. In 1994 he joined Singer and Friedlander Investment management. In 2001 he was appointed Chief Executive of the investment management company. In 2005 he was appointed Managing Director of Reabourne, a wholly owned subsidiary of Close Brothers Group plc.

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 30 November 2005.

Status and Activities

During the year under review the Company has continued to conduct its affairs so as to qualify as an investment company, as defined under Section 266 of the Companies Act 1985, and an investment trust within the meaning of Section 842 of the Income and Corporation Taxes Act 1988. HM Revenue & Customs approval of the Company's status as an investment trust has been received for all years up to and including the year ended 30 November 2004. This is however subject to review should there be any enquiry under Corporate Tax Self Assessment. The Directors are of the opinion that the Company has subsequently directed its affairs so as to enable it to continue to obtain HM Revenue & Customs approval as an investment trust.

There has been no significant change in the activities of the Company during the year and the Directors anticipate that the Company will continue to operate in the same manner during the current year.

The Company currently manages its affairs so as to be a fully qualifying investment trust for ISA purposes. As a result, under current UK legislation, the shares qualify for investment in the stocks and shares component of a non-CAT Standard ISA up to the full annual subscription limit (currently £7,000 in each tax year up to and including 5 April 2010 for maxi-account ISAs and £4,000 for mini-account ISAs). The Company's shares are fully qualifying for inclusion in an existing general PEP. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA and PEP products.

Results and Dividends

The results attributable to shareholders for the year and the transfer from reserves are shown on page 28. No dividend is proposed in respect of the year ended 30 November 2005 (2004: Nil).

Fixed Asset Investments

The market value of the Company's investments, at 30 November 2005 was £61.7m (2004: £60.6m) showing an unrealised gain of £5.0m (2004: unrealised deficit of £11.1m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary share amounted to 237.2p at 30 November 2005 (2004: 221.1p).

International Financial Reporting Standards (IFRS)

The financial statements are prepared in accordance with the requirements of UK GAAP. The Company does not have any subsidiaries and is therefore not required to adopt IFRS. The requirements of UK GAAP are in the process of being updated to reflect much of IFRS. The preparation of the financial statements will therefore continue to be under review by the Board and the Auditors to the Company. UK GAAP requires that investments be designated as fair value through profit and loss. Investments will therefore be valued on a bid basis as opposed to a mid basis for the period ending 30 November 2006. As an indication of the effect of this, if investments were valued on a bid basis as opposed to a mid basis for the period under review, the effect on the NAV would be a reduction on investment value of £194,000.

Management

Management, Administrative and Secretarial Services Agreement:

Management and administrative, secretarial and other services are provided to the Company by Close Finsbury Asset Management Limited ("Manager"). The Manager is authorised and regulated by the FSA and is a wholly owned subsidiary of Close Brothers Group plc.

The Management, Administrative and Secretarial Services Agreement may be terminated by either party giving notice of not less than 12 months. In the year under review the relevant agreement had a notice period of 24 months.

The Manager, under the terms of the Agreement provides inter alia the following services:

- all usual and necessary services of a manager of an investment trust company including such management, accounting, administrative, consultancy, advisory, company secretarial and general management services to enable the Company to comply with the requirements of the Companies Act and any other applicable legislation and regulations (including the Listing Rules published by the UKLA) and otherwise as may be agreed between the Manager and the Company from time to time;
- give advice to the Board generally in relation to trends in the investment trust sector, and such other corporate, financial, legal, regulatory, accounting and other issues as are likely to affect the policies or strategies of the Company;

- promoting the Company in the secondary market and through savings plans, PEP, ISA and other plans and wrappers, conducting other marketing, promotional and corporate activities, with a view in particular to reducing or eliminating any discount to NAV at which the Company's shares trade in the market and enabling the Company to raise further funds through the issue of new shares or other securities, all such services as agreed with the Board from time to time;
- administrative services to such extent and from such dates as the Board may determine;
- maintain adequate books of account and records in respect of Company dealing, investments, transactions, dividends and other income, the revenue account, balance sheet and cash books and statements;
- preparation and despatch of the audited annual and unaudited interim report and accounts; and
- attending to general tax affairs where necessary.

The Manager has appointed Reabourne Technology Investment Management Limited to act as Investment Manager under the terms of the Investment Management Agreement, as detailed below.

Investment Management Agreement:
Investment Management services are provided by Reabourne Technology Investment Management Limited ("Investment Manager"), a wholly owned subsidiary company of Close Brothers Group plc. The Investment Advisory Agreement may be terminated by either party giving notice of not less than 12 months. In the year under review the relevant agreement had a notice period of 24 months. The Investment Manager under the terms of the Agreement provides inter alia the following services:

- seeking out and evaluating investment opportunities;
- recommending the manner by which monies should be invested, disinvested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the investment manager in relation to trends, market movements and other matters which may affect the investment policy of the Company.

Periodic Fee:
A periodic fee calculated monthly and payable in arrears at the rate of 1.0% per annum of the market capitalisation, calculated by reference to the market capitalisation on the last business day in that month.

Performance Fee:
The Manager and Investment Manager are also entitled to a performance fee. The calculation of such performance fee was changed with effect from 1 December 2005 to be equal to 20% of the lower of the amount by which the NAV exceeds (i) indexed NAV and (ii) the highest NAV on any previous calculation date in respect of which a performance fee has been paid or, if no performance fee has been paid under the agreement dated 16 December 2005, the NAV on 30 November 2005, multiplied by the weighted average number of Ordinary shares in the Company in issue in the period from the preceding date to that calculation date. No performance fee was payable for the year ended 30 November 2005 (2004: nil).

Secretarial Fee:
From 1 June 2005, the Manager, as Company Secretary, receives a fee for administrative and secretarial services of £54,484 per annum, such fee is subject to an annual increase on 1 June each year equivalent to any increase in the retail price index.

Details of the fees payable to the Manager and Investment Manager under the agreements for the year under review can be found in note 3 on page 33.

Continuing Appointment of the Manager, Investment Manager and Company Secretary:
The Board keeps under review the performance of the Manager, Investment Manager and Company Secretary. In late 2005, the Board carried out a full review of the contracts with and services provided by the Manager, Investment Manager and Company Secretary. It was agreed, subject to various amendments to the contractual arrangements and internal policies of the Company approved by shareholders at the Extraordinary General Meeting held on 9 January 2006 that, the continuing appointment of all parties was approved at a meeting of the Board held on 31 January 2006.

The Board believe the continuing appointment of the Manager, Investment Manager, and Company Secretary, under the terms described above, is in the interests of shareholders as a whole.

REPORT OF THE DIRECTORS (continued)

Directors

The members of the Board, who served during the year, all of whom are non-executive are detailed on page 2 and were as follows:

David Quysner *(Chairman)*
John Cornish *(appointed to the Board on 1 May 2005)*
Paul Gaunt
Chris Martin
David Potter
Anthony Townsend

Under the Articles of Association Paul Gaunt and Dr Chris Martin retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. The Board recommend the reappointment of both Paul Gaunt and Dr Chris Martin to the Board.

Independence

The Combined Code on Corporate Governance issued in July 2003 (the "Code") discusses the circumstances under which a Director may not be considered to be independent, including if the Director holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies or has served on the Board for more than nine years from the date of first election. The Code provides however for the Board to state its reasons if it determines that a Director is independent notwithstanding the existence of circumstances that may appear to determine otherwise.

Paul Gaunt and Anthony Townsend are non-executive Directors but are not considered to be independent by the Code or the Board. This position has been adopted as Paul Gaunt is also a Director of Finsbury Emerging Biotechnology Trust PLC and Finsbury Worldwide Pharmaceutical Trust PLC, and Anthony Townsend is also a Director of Finsbury Emerging Biotechnology Trust PLC, Finsbury Growth & Income Trust PLC and Finsbury Worldwide Pharmaceutical Trust PLC. Additionally, Anthony Townsend, until 1 October 2005 provided a consultancy service to Close Brothers Group plc, the parent company of Close Finsbury Asset Management, the Manager to the Company. The three noted investment trusts are also managed by the Manager to the Company. In addition, both Paul Gaunt and Anthony Townsend have served on the Board for more than nine years from the date of their first election. Neither Paul Gaunt nor Anthony Townsend have any other connections with the Manager or Investment Manager and is not employed by any of the companies in which the Company holds an investment.

Dr David Potter has served in excess of nine years on the Board since his first election. Nonetheless, the Board considers him to be independent in character and judgement and does not consider that the criterion of length of service should necessarily preclude him from being so considered. This position accords with the recommendation of the Association of Investment Trust Companies that a Director may be viewed as being independent notwithstanding service that could be considerably more than nine years.

Dr Chris Martin and David Quysner, having been first elected to the Board in 2003 and John Cornish, having been first elected to the Board in 2005, are considered by the Code and the Board to be independent.

In accordance with best practice, notwithstanding the determination by the Board of independence, all Directors not considered by the Code to be independent, with the exception of Dr David Potter who has decided to stand down from the Board at the Annual General Meeting, will stand for re-election at the Annual General Meeting each year.

Board Evaluation

The Board has chosen not to commission an independent review by an external body, however, each year an evaluation process is independently managed on behalf of the Board by a nominated independent Director and the Company Secretary. As a result of the evaluation the Board considers that all the current Directors contribute effectively and that all have skills and experience, which are relevant to the leadership and direction of the Company.

Dr Chris Martin and Dr David Potter have extensive experience in the technology sector and bring a wealth of knowledge to the Board in this and other areas of the industry.

John Cornish and Anthony Townsend have considerable financial, investment management and specifically investment trust experience. The Chairman, David Quysner, has considerable industry experience in both fund management and specifically technology investment management. The Directors are unanimously supportive of his continuance in the role. Paul Gaunt has over 30 years experience in the fund management industry and is considered to be a highly valuable member of the Board.

Having given careful consideration to the above, the Board unanimously supports the election of John Cornish and re-election of Paul Gaunt, Dr Chris Martin and Anthony Townsend.

Directors' Interests

The beneficial interests of the Directors and their families in the Company were as set out below:

	Ordinary shares of 25p each 30 November 2005	30 November 2004
David Quysner	5,592	5,592
John Cornish*	–	–
Paul Gaunt	–	–
Dr Chris Martin	3,113	3,113
Dr David Potter	5,000	5,000
Anthony Townsend	206,465	206,465

* John Cornish was appointed a Director on 1 May 2005, no beneficial interests were held at that time.

There have been no changes in the interests of the Directors up to the date of this report. None of the Directors were granted or exercised rights over shares during the year. None of the Directors has any contract (including service contracts) with the Company.

Directors' Fees

A report on Director's Remuneration is set out on pages 24 and 25.

Meeting Attendance

The number of meetings held during the year of the Board and its Committees, and each Director's attendance level is shown below:

Type and number of meetings held in 2004/5:	Board (7)	Audit Committee (2)	Nominations Committee (1)	Remuneration Committee (1)	Management Engagement Committee (1)
David Quysner	7	2	1	1	1
John Cornish*	3	1	1	1	1
Paul Gaunt	7	n/a	n/a	n/a	n/a
Dr Chris Martin	7	2	1	1	1
Dr David Potter	6	2	1	1	1
Anthony Townsend	6	n/a	n/a	n/a	n/a

* John Cornish was appointed a Director on 1 May 2005.

All of the Directors attended the Annual General Meeting held on 26 April 2005 and all attended the Extraordinary General Meeting held on 9 January 2006.

Repurchase of Shares

At the Annual General Meeting held on 26 April 2005, authority was granted for the repurchase of 4,139,535 Ordinary shares of 25p each, representing 14.99% of the issued share capital at that time. Subsequent to the Board's decision to implement a discretionary discount protection mechanism at a minimum level of 7% discount to NAV, in the year under review the Company bought back for cancellation 1,460,000 shares at a cost of £3,144,548 (excluding commission). Since the year-end and to the date of this report, the Company has bought back a further 665,000 shares at an aggregate cost of £1,477,588 (excluding commissions). In aggregate to the date of this report the shares bought back equate to a total of 7.7% of the original issued share capital, and the average discount to NAV of the repurchases was 7.5%.

REPORT OF THE DIRECTORS (continued)

Substantial Shareholdings

As at 20 February 2006 the Company was aware of the following interests in the Ordinary shares of the Company, which exceeded 3% of the issued share capital of that class:

Investment Fund Manager	Beneficial Owner	Number of shares	% of current Issued Share Capital
Lazard Asset Management	World Trust Fund	1,325,000	5.2
M & G Investment Management	Prudential Assurance Group	1,289,417	5.1
Lazard Freres Asset Management	Scottish & English Investments	1,287,644	5.1
East Riding of Yorkshire Council	East Riding of Yorkshire Council Pension Fund	1,220,000	4.8
JP Morgan Fleming Asset Management	JP Morgan ICVC Investment Trust Fund	1,140,000	4.5
British Airways Pension Investment Management	British Airways Pensions	1,009,263	4.0
Cavendish Asset Management	Advance UK Trust plc	1,000,000	3.9
Reliance Mutual Insurance Society	Reliance Mutual Insurance Society	760,000	3.0

Creditors' Payment Policy

Terms of payment are negotiated with suppliers when agreeing settlement details for transactions. While the Company does not follow a formal code, it is the Company's continuing policy to pay amounts due to creditors as and when they become due. As at 30 November 2005, the Company did not have any trade creditors (2004: Nil).

Charitable and Political Donations

The Company has not in the past and does not intend in future to make any charitable or political donations.

Environmental and Ethical Policy

The Company's primary objective is to invest principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Directors believe that the Company would be in breach of its fiduciary duties to shareholders if investment decisions were based solely on ethical or environmental considerations. However, it is considered that the high growth technology companies in which the portfolio invests tend to meet a broad range of ethical considerations.

Independent Auditors

RSM Robson Rhodes LLP have indicated their willingness to continue to act as Auditors to the Company and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

Statement of Directors' Responsibilities

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the return of the Company for that period. In preparing these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

REPORT OF THE DIRECTORS (continued)

The Directors are responsible for ensuring that the Report of the Directors and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

The financial statements are published on the www.closefinsbury.com website, which is a website maintained by the Company's Manager, Close Finsbury Asset Management Limited ("Close Finsbury"). The maintenance and integrity of the website maintained by Close Finsbury or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Close Finsbury. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the accounts as the assets of the Company consist mainly of securities that are readily realisable and, accordingly the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Corporate Governance

A formal statement on Corporate Governance and the Company's compliance with the various codes of practice is set out on pages 21 to 23.

Annual General Meeting

The formal Notice of Annual General Meeting is set out on pages 42 to 44.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(a) Authority to allot shares

Resolution 8 gives the Directors authority to allot new shares, otherwise than by a pro rata issue to existing shareholders, up to an aggregate nominal amount of £637,258 representing 2,549,031 Ordinary shares of 25p each, such amount being equivalent to 10% of the present issued share capital. As such issues would only be made at prices greater than the Net Asset Value per share ("NAV") they increase the assets underlying each share and spread administrative expenses, other than those charged as a percentage of assets, over a greater number of shares. If passed, this authority will remain in place until the conclusion of the next Annual General Meeting.

(b) Disapplication of pre-emption rights

Resolution 9 seeks shareholder approval for the disapplication of pre-emption rights in respect of a) the allotment of shares or the sale by the Company of shares held by it in treasury – see below ("treasury shares"), pursuant to a rights issue or a sale equivalent to a rights issue b) the allotment (other than as part of a rights issue) of shares or the sale of treasury shares for cash up to an aggregate nominal value of £637,258. No such allotment will be made at less than the NAV per share (as determined in the absolute discretion of the Directors). However, Ordinary shares held in treasury may be resold by the Company at a discount to such NAV provided that such shares are resold by the Company at a lower discount to NAV than the discount at which they were repurchased by the Company.

(c) Authority to repurchase shares

Resolution 10 seeks shareholder approval for the Company to have the power to repurchase its own Ordinary shares. The Board believes that the ability of the Company to purchase its own shares in the market will potentially benefit all shareholders of the Company. The repurchase of shares at a discount to the underlying NAV would enhance the NAV of the remaining shares.

At the Annual General Meeting the Company will seek shareholder approval to repurchase up to 3,820,998 Ordinary shares, representing approximately 14.99% of the Company's issued share capital (the maximum permitted under the Listing Rules) at a price that is not less than 25p a share (the nominal value of each share) and not more than the higher of (a) 105% of the average of the middle market quotations for the five business days preceding the day of purchase; and (b) the higher of the price of the last independent trade in shares and

REPORT OF THE DIRECTORS (continued)

the highest then current independent bid for shares on the London Stock Exchange. The decision as to whether to repurchase any shares will be at the absolute discretion of the Board. Shares repurchased under this authority may either be held by the Company in treasury for resale up to a maximum of 10% of the issued Ordinary shares or cancelled.

The authorities being sought under resolutions 8, 9 and 10 will last until the conclusion of the next Annual General Meeting or, if less a period of 15 months.

The Directors consider that the resolutions relating to the above items of special business are in the best interests of shareholders as a whole. Accordingly, the Directors unanimously recommend to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Close Finsbury Asset Management Limited
Company Secretary
27 February 2006

CORPORATE GOVERNANCE

The UK Listing Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code (the "Combined Code").

Throughout the year under review the Combined Code on Corporate Governance issued by the Financial Reporting Council in 2003 for periods commencing on or after 1 November 2003, was in force. In addition, the Association of Investment Trust Companies in July 2003 issued the AITC Code of Corporate Governance (the "AITC Code").

Application of the Principles of the Code

The Company is committed to high standards of corporate governance and the Board attaches importance to the matters set out in the Combined Code and continues to apply the Main and Supporting Principles where relevant.

As an investment trust company, 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 Combined Code are directly applicable to the Company. The Board has taken appropriate action to ensure that the appropriate level of corporate governance is attained and the Company's practices are consistent with the Principles of the Combined Code. The Board considers that unless otherwise stated the Company has complied with the Principles, other than those it believes are not appropriate to an investment trust company, throughout the year ended 30 November 2005, and the additional requirements of the AITC Code.

Internal Control

The Directors are responsible for overseeing the effectiveness of the internal control systems for the Company, which are designed to ensure that proper accounting records are maintained, that the financial information on which the business decisions are made and which are issued for publication is reliable, and that the assets of the Company are safeguarded. Such a system of internal control is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors, through the procedures outlined below, have kept the effectiveness of the Company's internal controls under review throughout the period covered by these financial statements and up to the date of approval of the Annual Report and Financial Statements. The Board has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as areas for the extended review. This accords with the guidance in "Internal Control – Guidance for Directors on the Combined Code" (the "Turnbull Report") published in September 1999.

The Board recognises its ultimate responsibilities for the Company's system of internal controls and for monitoring its effectiveness. The Manager has established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of its clients. The Manager's compliance and risk department on an ongoing basis assess the effectiveness of the internal controls. The Manager provides the Board with regular reports on all aspects of internal control (including financial, operational and compliance control, risk management and relationships with external service providers). Business risks have been analysed and recorded in a Risk Map, which is reviewed at each Audit Committee and at other times as necessary. It is believed that an appropriate framework is in place to meet the requirements of the Combined Code.

The Company does not have an internal audit department. The Company does not have any employees and all of the Company's management and administrative functions are delegated to independent third parties and it is therefore felt there is no need for the Company to have an internal audit facility. However this need is reviewed periodically.

Principles of the Combined Code

Directors

The Board currently consists of six members, all of whom are non-executive. The Directors' biographical details are set out on page 2. These demonstrate a breadth of investment, commercial and professional experience.

CORPORATE GOVERNANCE (continued)

The circumstances surrounding the independence of each Director are given in the Report of the Directors on page 16. The Chairman of the Company is an independent director. Dr David Potter was appointed as the Senior Independent Director in October 2004, but has elected to stand down from the Board at the Annual General Meeting to be held on 6 April 2006. Similarly, neither Anthony Townsend nor Paul Gaunt are independent due to both length of service and connections with the Manager. Notwithstanding independence, the Board considers that all the Directors have different qualities and areas of expertise on which they may lead when issues arise. Accordingly, concerns can be conveyed to any one of them.

The Board meets at least on a quarterly basis and at other times as necessary. The Board is responsible for the important aspects of the Company's affairs, including the setting of parameters for and the monitoring of investment strategy and the review of investment performance and investment policy. The Board has contractually delegated to external agencies the management of the investment portfolio, the custodial services which include safeguarding of the assets and the day-to-day accounting and company secretarial requirements. Each of these contracts is only entered into after proper consideration of the quality and cost of services.

A full report is received from the Investment Manager at each quarterly meeting on the investment holdings and performance. In the light of these reports, the Board gives direction to the Investment Manager as to the investment objectives and guidelines. The Investment Manager takes decisions as to the purchase and sale of individual investments. The Manager ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information.

Representatives of the Manager and Investment Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern. There is a formal schedule of matters reserved for the decision of the Board and there is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice if necessary at the Company's expense. The Directors have access to the advice and services of the corporate company secretary, through its appointed representative, who is responsible to the Board for ensuring that Board procedures are followed.

When a Director is appointed he or she is offered an induction briefing, which is organised by the Manager. Directors are also provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

A Board evaluation process is carried out on an annual basis. Full details of the evaluation can be found in the Report of the Directors on pages 16 and 17.

Board Committees

Copies of the full Terms of Reference of each Committee can be obtained from the Company Secretary.

Audit Committee

The Company's Audit Committee meets at least twice per year, is chaired by Mr John Cornish, and comprises all independent Directors; the non-independent Directors are invited to attend when required by the Chairman. The Audit Committee is responsible for the review of the annual report and the interim report, the nature and scope of the external audit and the findings therefrom and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them. The Audit Committee meets representatives of the Manager and its Compliance Officer who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company and the Manager operate. The Company's external Auditors also attend this Committee at its request and report on their work procedures, the quality and effectiveness of the Company's accounting records and their findings in relation to the Company's statutory audit. The Audit Committee reviews the need for non-audit services and authorises such on a case-by-case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the auditors.

CORPORATE GOVERNANCE (continued)

Management Engagement Committee

The Management Engagement Committee meets at least once per year, and is composed of the independent Directors and, by invitation, the non-independent Directors. The Management Engagement Committee is responsible for the regular review of the terms of the contracts with the Manager and Investment Manager and for making recommendations to the Board in respect of such contracts.

Nominations Committee

The independent Directors fulfil the function of a Nominations Committee, to which the non-independent Directors may be invited to attend. The Nominations Committee is responsible for the Board appraisal process and for making recommendations on the appointment of new Directors. Where appropriate each Director is invited to submit nominations and external advisers may be used to identify potential candidates. Directors are not appointed for specified terms, but are subject to re-election, in accordance with the Company's Articles of Association new Directors stand for election at the first Annual General Meeting following their appointment and as agreed by the Board at every third Annual General Meeting thereafter. Directors deemed to be non-independent stand for re-election on an annual basis.

Remuneration Committee

The independent Directors fulfil the function of a Remuneration Committee, to which the non-independent Directors may be invited to attend. The level of Directors' fees is reviewed on a regular basis relative to other comparable companies and in the light of Directors' responsibilities. Details of the fees paid to the Directors in the year under review are detailed in the Directors' Remuneration Report on pages 24 and 25.

Relations with Shareholders

The Company has regular contact with its institutional shareholders particularly through the Investment Manager. The Chairman also meets institutional shareholders from time to time. The Board supports the principle that the Annual General Meeting be used to communicate with private investors. The full Board attends the Annual General Meeting and the Chairman of the Board chairs the Annual General Meeting. Details of the proxy votes received in respect of each resolution are made available to shareholders at the meeting. The Investment Manager attends to give a presentation to the meeting. The Company has adopted a nominee share code, which is set out on page 43.

Accountability and Audit

The Directors' statement of responsibilities in respect of the accounts is set out on pages 18 and 19. The report of the Auditors is set out on pages 26 and 27. The Board has delegated contractually to external agencies, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day to day accounting, company secretarial and administration requirements and the registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required.

Exercise of Voting Powers

The Board has delegated authority to the Investment Manager to vote the shares held by the Company through its nominee, The Bank of New York (Nominees) Limited, which accords with current best practice whilst maintaining a primary focus on financial returns. The Investment Manager may refer to the Board on any matters of a contentious nature.

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 1985 (the Regulations). An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires your Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are noted as such. The Auditors' opinion is included in their report on page 27.

Remuneration Committee

The Company has six non-executive Directors. The independent Directors fulfil the function of a Remuneration Committee to which the non-independent Directors may be invited. The Board has appointed the Company Secretary, Close Finsbury Asset Management Limited, to provide advice when the Directors consider the level of Directors' fees.

Policy on Directors' Fees

The Board's policy is that the remuneration of non-executive Directors should reflect the responsibilities and experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure (Ordinary shares), and have a similar investment objective (technology companies). It is intended that this policy will continue for the year ending 30 November 2006 and subsequent years.

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles and Association, the maximum aggregate amount being £100,000. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

The Board has not received independent advice or services in respect of its consideration of the Directors' remuneration. The Board carried out a review of the level of Directors' fees during the year in relation to fees paid to the Boards of other investment trust companies within its peer group, and concluded that the amounts should remain unchanged from the previous year.

The Company's policy is for the Directors to be remunerated in the form of fees payable quarterly in arrears, to the Director personally or to a specified third party.

Directors' Service Contracts

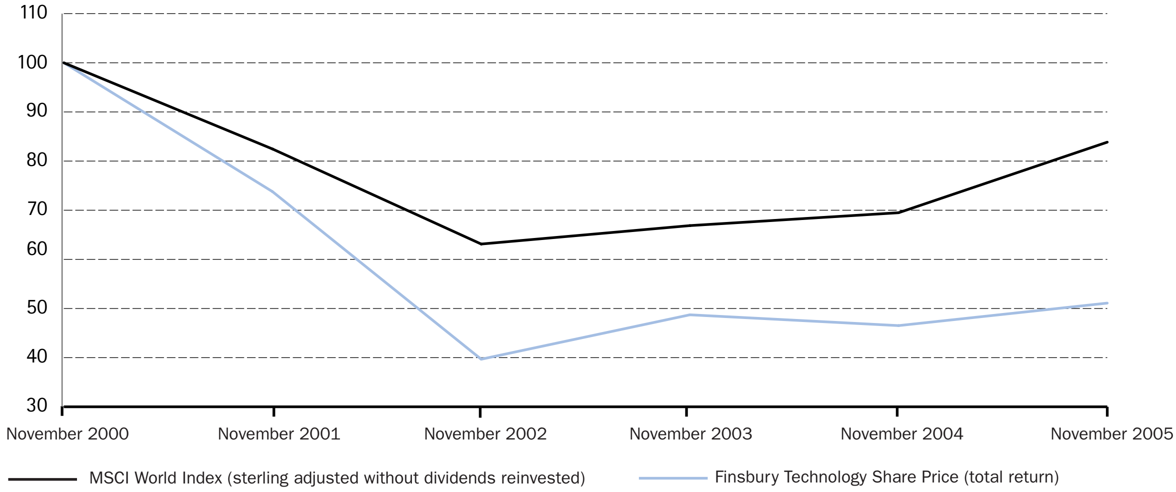
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to re-election at the first annual general meeting after their appointment, and at least every three years thereafter. The terms also provide that a Director may resign by notice in writing to the Board at any time and may be removed without notice and that compensation will not be due on leaving office.

Your Company's Performance

The Regulations require a line graph be included in the Directors' Remuneration Report showing total shareholder return for each of the financial years in the relevant period (maximum of 5 years). The graph set out on page 25 compares, on a cumulative basis, the total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the MSCI World Index (the Company's stated benchmark) is calculated. From 1 December 2005, the Company's stated benchmark was changed to the Dow Jones World Technology Index (total return, sterling adjusted).

DIRECTORS' REMUNERATION REPORT (continued)

Total Shareholder Return for the five years to 30 November 2005



Figures have been rebased to 100 as at 30 November 2000
Source: Close Finsbury Asset Management Limited

Directors' Emoluments for the Year (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	Fees 2005 £'000	Fees 2004 £'000
David Quysner	18	16
John Cornish*	7	–
Paul Gaunt	12	12
Chris Martin	12	12
David Potter	12	12
Anthony Townsend	12	12
Bryan Lenygon (former Chairman and Director)#	–	10
	73	74

*Appointed to the Board on 1 May 2005.
#Resigned from the Board on 19 July 2004.

No payments of Directors' fees were made to third parties.

Approval

The Directors' Remuneration Report on pages 24 and 25 was approved by the Board of Directors on 27 February 2006 and signed on its behalf by David Quysner (Chairman).

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders of Finsbury Technology Trust PLC

We have audited the financial statements on pages 28 to 41. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority. We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the Combined Code on Corporate Governance issued by the Financial Reporting Council in 2003 specified for our review by the Listing Rules and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Report of the Directors, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, the Investment Manager's Review, the Corporate Governance Statement and the five year Performance Summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

REPORT OF THE INDEPENDENT AUDITORS (continued)

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company as at 30 November 2005 and of its net revenue loss, total return and cashflow for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
London, England
27 February 2006

SHAREHOLDER ANALYSIS

as at 30 November

	2005 number of shares	2005 % of issued share capital	2004 number of shares	2004 % of issued share capital
Nominee Companies*	20,227,351	77.3	22,594,449	81.8
Other Institutions, Investment Funds and Companies	2,210,715	8.5	2,160,389	7.8
Banks and Bank Nominees~	1,919,758	7.3	419,642	1.5
Private Individuals	1,797,488	6.9	2,440,832	8.9
Total shares in issue†	26,155,312	100.0	27,615,312	100.0
*includes				
Close Finsbury Savings Scheme, PEP and ISA Clients	2,352,360	9.0	2,758,217	10.0

~Change in holding from 2004 to 2005 equates to movements of various registered share holdings from specific to nominee accounts.
†At the date of this report the issued share capital of the Company had decreased to 25,490,312 Ordinary Shares.

STATEMENT OF TOTAL RETURN

incorporating the revenue account for the year ended 30 November 2005

	Notes	Revenue 2005 £'000	Capital 2005 £'000	Total 2005 £'000	Revenue 2004 £'000	Capital 2004 £'000	Total 2004 £'000
Gains/(losses) on investments	*9*	–	5,543	5,543	–	(6,099)	(6,099)
Exchange losses on currency balances		–	(147)	(147)	–	(104)	(104)
Income	*2*	326	–	326	253	–	253
Investment management fee	*3*	(658)	–	(658)	(677)	–	(677)
Other expenses	*4, 5*	(851)	–	(851)	(417)	–	(417)
Net (loss)/return before finance costs and taxation		(1,183)	5,396	4,213	(841)	(6,203)	(7,044)
Interest payable and similar charges	*6*	(39)	–	(39)	(37)	–	(37)
(Loss)/return on ordinary activities before taxation		(1,222)	5,396	4,174	(878)	(6,203)	(7,081)
Taxation on ordinary activities	*7*	(28)	–	(28)	(23)	–	(23)
Transfer (from)/to reserves		(1,250)	5,396	4,146	(901)	(6,203)	(7,104)
(Loss)/return per Ordinary share	*8*	(4.5p)	19.6p	15.1p	(3.2p)	(22.5p)	(25.7p)

The Revenue column of this statement is the revenue account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of this statement.

BALANCE SHEET
as at 30 November 2005

	Notes	2005 £'000	2004 £'000
Fixed asset investments	*9*	61,743	60,561
Current assets			
Debtors	*10*	3,080	1,687
Cash at bank		2,432	722
		5,512	2,409
Creditors			
Amounts falling due within one year	*11*	(5,222)	(1,917)
Net current assets		290	492
Net assets		62,033	61,053
Capital and reserves			
Called up share capital	*12*	6,539	6,904
Share premium account	*13*	23,488	23,488
Capital redemption reserve	*13*	365	–
Capital reserve – realised	*13*	40,053	43,555
Capital reserve – unrealised	*13*	391	(5,341)
Revenue reserve	*13*	(8,803)	(7,553)
Total shareholders' funds	*15*	62,033	61,053
Net asset value per Ordinary share	*14*	237.2p	221.1p

The financial statements on pages 28 to 41 were approved by the Board of Directors on 27 February 2006 and were signed on its behalf by:

David Quysner
Chairman

The accompanying notes are an integral part of this statement.

CASH FLOW STATEMENT

for the year ended 30 November 2005

	Notes	2005 £'000	2004 £'000
Net cash outflow from operating activities	*17*	(779)	(2,528)
Servicing of finance			
Bank overdraft and loan interest paid		(39)	(37)
Taxation			
Tax recovered		8	12
Financial investment			
Purchases of investments		(47,362)	(26,054)
Sales of investments		53,180	30,548
Net cash inflow from financial investments		5,818	4,494
Financing			
Purchase of Ordinary shares		(3,166)	–
Repayment of loans		–	(1,100)
Net cash outflow from financing		(3,166)	(1,100)
Increase in cash		1,842	841
Reconciliation of net cash flow to movement in net funds			
Increase in cash as above		1,842	841
Cash outflow from loans		–	1,100
Exchange movements		(147)	(104)
Movement in net funds		1,695	1,837
Net funds/(debt) at 1 December		722	(1,115)
Net funds at 30 November	*18*	2,417	722

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year in the preparation of these accounts, are set out below:

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention except for the valuation of investments as set out below, and in accordance with applicable accounting standards and with the Statement of Recommended Practice ("SORP") 'Financial Statements of Investment Trust Companies', issued in January 2003.

(b) Investments held as Fixed Assets

The values of fixed asset investments are stated in the accounts on the following basis:

(i) Listed investments are stated at closing middle market prices on recognised stock exchanges.

(ii) Investments quoted on the Alternative Investment Market of the London Stock Exchange are stated at closing middle market prices.

(iii) Unquoted investments are stated at Directors' valuation, which is based upon information made available by the investee company.

(c) Investment Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established.

Underwriting commission is recognised as income in so far as it relates to shares not required to be taken up. Where a proportion of the shares underwritten is required to be taken up the same proportion of the commission received is treated as a deduction from the cost of the shares taken up, with the balance taken to the revenue account. Income from investments in fixed income securities is recognised on an accruals basis.

(d) Expenditure and Finance Costs

All expenses are accounted for on an accruals basis. Expenses (including the periodic investment management fees) are charged through the revenue account except as follows:

(i) expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or proceeds of that investment; and

(ii) performance related investment management fees and the related irrecoverable VAT are charged to realised capital reserve. The expenses are charged to capital as it is expected that virtually all of the Company's investment returns will come from capital appreciation.

(e) Taxation

Provision is made if necessary for taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

Any tax relief obtained in respect of performance fees is reflected in "Capital reserve – realised" and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of those capital expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(f) Foreign Currencies

Transactions denominated in foreign currencies are recorded in the local currency at the actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or in the revenue account, depending if the gain or loss is of a capital or revenue nature respectively.

(g) Financial Instruments

The Company has not utilised any derivative instruments during the year under review, and has taken advantage of the exemption allowed under Financial Reporting Standard 13 and excluded short term debtors and creditors from disclosures under financial instruments where allowed (see note 16).

(h) Reserves

Capital reserves – Realised

The following are taken to this reserve:

- gains and losses on the realisation of investments,
- realised exchange differences of a capital nature,
- expenses charged to this reserve in accordance with the above policies,
- any element of unrealised loss on the revaluation of an investment which is considered to be a permanent diminution in value.

Capital reserves – Unrealised

The following are taken to this reserve:

- increases and decreases in the valuation of investments held at the year end,
- unrealised exchange differences of a capital nature.

2. Income

	2005 £'000	2004 £'000
Income from investments		
Dividends:		
– UK listed	50	38
– Overseas listed	188	115
Fixed interest:		
– UK listed	53	23
– Overseas listed	–	5
Stock dividends	12	40
	303	221
Interest receivable and other income		
– Deposit interest	23	12
– Underwriting commission	–	20
	23	32
Total income	326	253

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Investment Management Fees

	Revenue 2005 £'000	Capital 2005 £'000	Total 2005 £'000	Revenue 2004 £'000	Capital 2004 £'000	Total 2004 £'000
Periodic fee	630	–	630	640	–	640
Irrecoverable VAT thereon	28	–	28	37	–	37
	658	–	658	677	–	677

The Company's Manager is Close Finsbury Asset Management Limited ('the Manager') and its Investment Manager is Reabourne Technology Investment Management Limited ('the Investment Manager'). In the period under review the Manager received a Periodic Fee, payable quarterly in arrears, at an annual rate of 1 per cent. of the valuation of the Company's portfolio (including uninvested cash). It was also entitled to (i) an Annual Performance Fee, calculated at the date to which the Company makes up audited accounts, of 10 per cent. of the amount the Net Asset Value ("NAV") has exceeded the NAV in the previous audited accounts as increased by the greater of 10 per cent. or LIBOR plus 2 per cent., and (ii) a Long Term Performance Fee, payable every five years, calculated as 10 per cent. of the amount the NAV has outperformed the Morgan Stanley Capital International World Index (sterling adjusted without dividends reinvested). No Long Term Performance Fee became payable as at 30 November 2005. The Investment Manager was entitled to receive from the Manager one half of the Periodic Fee and three quarters of the Annual Performance Fee and the Long Term Performance Fee. In addition to the investment management fees above, the Company also obtains secretarial services from the Manager; the fees in respect of these services are dealt with in other expenses (note 5). With effect from 1 December 2005 the calculation of the performance fee was changed as detailed in the Report of the Directors on pages 14 and 15.

4. Directors' Emoluments

The Directors' fees paid during the year amounted to £73,000 (2004: £74,000). Details of the amounts paid to Directors are included in the Directors' Remuneration Report on pages 24 and 25.

5. Other Expenses

	2005 £'000	2004 £'000
Administrative and secretarial services	54	52
Auditors' remuneration for audit services	16	16
Auditors' remuneration for non-audit services	2	1
Irrecoverable VAT	26	12
Marketing	64	65
Printing	36	40
Other expenses*	580	157
	778	343

Details of the administrative and secretarial services fee may be found in the Report of the Directors on page 15.

*The increase in 'Other expenses' from 2004 to 2005 was attributable to the costs incurred in refreshing the shareholder register, the bringing forward of the continuation vote and other changes to the management agreements and investment objective of the Company. Such costs amounted to £409,000 net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Interest Payable and Similar Charges

	2005 £'000	2004 £'000
Bank interest	39	37

7. Taxation Charge on Ordinary Activities

	2005 £'000	2004 £'000
Overseas tax suffered	28	23
Overseas taxation recoverable	–	–
	28	23

Factors affecting current tax charge for the year

The tax charged for the period is higher than the standard rate of corporation tax in the UK for a large company (30%). The difference is explained below.

	2005 £'000	2004 £'000
Net loss on ordinary activities before taxation	(1,222)	(878)
Corporation tax at 30%	(367)	(264)
Effects of:		
Non-taxable UK dividends	(14)	(11)
Non-taxable stock dividends	(4)	(12)
Withholding tax written off net of tax relief	28	23
Deferred tax	2	–
Excess expenses for which no tax relief is available	360	248
Disallowable expenses	23	39
Current tax charge for the year	28	23

The Company has not recognised as a deferred tax asset £8,236,000 (2004: £7,834,000) arising as a result of having unutilised management expenses and unused double tax relief. These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

8. (Loss)/return per Ordinary share

	Revenue 2005 pence	Capital 2005 pence	Total 2005 pence	Revenue 2004 pence	Capital 2004 pence	Total 2004 pence
(Loss)/return per Ordinary share	(4.5p)	19.6p	15.1p	(3.2p)	(22.5p)	(25.7p)

Revenue loss per Ordinary share is based upon the loss attributable to ordinary shareholders of £1,250,000 (2004: £901,000) and 27,559,312 (2004: 27,615,312) Ordinary shares being the weighted average number of shares in issue during the year.

Capital return per Ordinary share is based upon net capital gain attributable to Ordinary shareholders of £5,396,000 (2004: loss of £6,203,000) and 27,559,312 (2004: 27,615,312) Ordinary shares being the weighted average number of shares in issue during the year.

9. Fixed Asset Investments

	Listed £'000	AIM £'000	Unlisted £'000	2005 Total £'000
Cost at 1 December 2004	64,248	4,454	2,962	71,664
Opening unrealised depreciation	(3,097)	(1,819)	(425)	(5,341)
Opening provision for permanent impairment	(3,599)	–	(2,163)	(5,762)
Valuation at 1 December 2004	57,552	2,635	374	60,561
Movements in the year:				
Purchases at cost	45,594	4,615	–	50,209
Sales – proceeds	(52,382)	(2,188)	–	(54,570)
realised losses on sales	(73)	(116)	–	(189)
Movement in unrealised depreciation	4,660	1,033	39	5,732
Valuation at 30 November 2005	55,351	5,979	413	61,743
Cost at 30 November 2005	56,980	6,765	2,962	66,707
Closing unrealised appreciation/(depreciation)	1,563	(786)	(386)	391
Closing provision for permanent diminution in value	(3,192)	–	(2,163)	(5,355)
	55,351	5,979	413	61,743

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Fixed Asset Investments (continued)

Listed investments include convertible bonds and loan notes with a value of nil (2004: nil).

	2005 £'000
(Losses)/gains on investments:	
Realised losses based on historical cost	(189)
Add: amount recognised as unrealised loss in the previous year	(3,773)
Realised losses based on carrying value at 30 November 2004	(3,962)
Increase in unrealised appreciation	9,505
Gains on investments	5,543

10. Debtors

	2005 £'000	2004 £'000
Securities sold for future settlement	3,010	1,620
Taxation recoverable	12	8
Other debtors	46	29
Prepayments and accrued income	12	30
	3,080	1,687

11. Creditors

Amounts falling due within one year

	2005 £'000	2004 £'000
Bank overdraft	15	–
Securities purchased for future settlement	4,473	1,636
Other creditors and accruals	734	281
	5,222	1,917

12. Share Capital

	2005 £'000	2004 £'000
Authorised:		
60,000,000 Ordinary shares of 25p	15,000	15,000
Allotted, issued and fully paid:		
*26,155,312 Ordinary shares of 25p (2004: 27,615,312)	6,539	6,904

*During the year under review the Company bought back 1,460,000 Ordinary shares for cancellation at a consideration of £3,166,559.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Share Premium and Other Reserves

	Share Premium Account £'000	Capital Redemption Reserve £'000	Capital Reserve realised £'000	Capital Reserve unrealised £'000	Revenue Reserve £'000
Balance as at 1 December 2004	23,488	–	43,555	(5,341)	(7,553)
Revenue deficit	–	–	–	–	(1,250)
Realised losses on investments	–	–	(3,962)	–	–
Transfer on disposal of investments	–	–	3,773	(3,773)	–
Increase in unrealised appreciation on investments	–	–	–	9,505	–
Shares purchased and cancelled	–	365	(3,166)	–	–
Exchange movements	–	–	(147)	–	–
Balance as at 30 November 2005	**23,488**	**365**	**40,053**	**391**	**(8,803)**

14. Net Asset Value per Ordinary share

	2005 pence	2004 pence
Net asset value per Ordinary share	237.2p	221.1p

The net asset value per Ordinary share is based on the net assets attributable to equity shareholders of £62,033,000 (2004: £61,053,000) and on 26,155,312 (2004: 27,615,312) Ordinary shares in issue at 30 November 2005.

15. Movement in Shareholders' Funds

	2005 £'000	2004 £'000
Total recognised gains/(losses) for the year	4,146	(7,104)
Shares purchased and cancelled	(3,166)	–
Opening shareholders' funds	61,053	68,157
Closing shareholders' funds	62,033	61,053

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Financial instruments

Background

The Company's financial instruments comprise securities, cash balances, and debtors and creditors that arise from its operations, e.g. in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below (except for the currency exposure table), exclude short-term debtors and creditors.

The Company has little exposure to credit and cash flow risk. Fixed asset investments in the portfolio are subject to liquidity risk. This risk is taken into account by the Directors and Investment Manager when making their investment decisions. The principal risks the Company faces in its portfolio management activities are:

– market price risks i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement,
– foreign currency risk,
– interest rate risk.

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year.

Financial assets

	Floating rate cash balances 2005 £'000	Non-interest bearing investments 2005 £'000	Total 2005 £'000	Floating rate cash balances 2004 £'000	Fixed interest investments 2004 £'000	Non-interest bearing investments 2004 £'000	Total 2004 £'000
Sterling	2,276	15,990	18,266	722	1,091	14,525	16,338
US Dollars	–	32,728	32,728	–	–	32,556	32,556
Euros	–	4,359	4,359	–	–	4,071	4,071
Norwegian Kroner	–	3,576	3,576	–	–	2,098	2,098
Swedish Krona	–	1,755	1,755	–	–	782	782
Canadian Dollars	–	–	–	–	–	1,492	1,492
Australian Dollars	–	362	362	–	–	829	829
Japanese Yen	–	–	–	–	–	862	862
South Korean Won	–	1,996	1,996	–	–	1,039	1,039
Singapore Dollars	–	977	977	–	–	690	690
Taiwan Dollars	156	–	156	–	–	526	526
	2,432	61,743	64,175	722	1,091	59,470	61,283

Financial assets

	Fixed rate financial assets 2005 £'000	Weighted average interest 2005 %	Period for which interest is fixed 2005	Fixed rate financial assets 2004 £'000	Weighted average interest 2004 %	Period for which interest is fixed 2004
Sterling Fixed Interest	–	–	–	1,091	4.50	3.27
	–	–	–	1,091	4.50	3.27

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Financial instruments (continued)

Foreign Currency Risk
A proportion of the Company's portfolio is invested in overseas securities and their sterling value may be significantly affected by movements in foreign exchange rates. The Company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions.

Currency exposure

	Overseas investments 2005 £'000	Net monetary assets/ liabilities 2005 £'000	Total currency exposure 2005 £'000	Overseas investments 2004 £'000	Net monetary assets 2004 £'000	Total currency exposure 2004 £'000
US Dollars	32,728	(15)	32,713	32,556	–	32,556
Euros	4,359	–	4,359	4,071	–	4,071
Norwegian Kroner	3,576	–	3,576	2,098	–	2,098
Swedish Krona	1,755	–	1,755	782	–	782
Canadian Dollars	–	–	–	1,492	–	1,492
Australian Dollars	362	–	362	829	–	829
Japanese Yen	–	–	–	862	–	862
South Korean Won	1,996	–	1,996	1,039	–	1,039
Singapore Dollars	977	–	977	690	–	690
Taiwan Dollars	–	156	156	526	–	526
	45,753	141	45,894	44,945	–	44,945

Interest Rate Risk
Interest rate risk is managed by the utilisation of borrowing facilities via short term loans.

Market Price Risk
By the nature of its activities, the Company's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the Investment Manager's Review.

Use of Derivatives
It is not the Company's policy to enter into derivative contracts.

Financial Liabilities
At the year-end the Company had an unsecured borrowing facility of £2,000,000 with Allied Irish Banks plc. Interest is charged at LIBOR plus 0.6% per annum. The interest period is agreed at the time of drawing. The facility with Allied Irish Banks plc is for an indefinite period. Any loans made to the Company under the Allied Irish Banks plc facility are repayable on demand. At the year end the loan facility utilised was £nil (2004: nil) and the bank overdraft amounted to £15,000 (US$26,000) (2004: nil). See note 11.

Primary Financial Instruments
All financial assets and liabilities of the Company are shown at fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Reconciliation of operating revenue to net cash outflow from operating activities

	2005 £'000	2004 £'000
Net loss before interest payable and taxation	(1,183)	(841)
Decrease/(increase) in accrued income and prepayments	18	(16)
Increase in other debtors	(17)	(11)
Increase/(decrease) in other creditors and accruals	453	(1,597)
Tax on investment income	(38)	(23)
Stock dividends included in investment income	(12)	(40)
Net cash outflow from operating activities	(779)	(2,528)

18. Analysis of changes in net funds

	At 1 December 2004 £'000	Cash flow £'000	Exchange movements £'000	At 30 November 2005 £'000
Cash at bank	722	1,857	(147)	2,432
Bank overdraft	–	(15)	–	(15)
Net funds	722	1,842	(147)	2,417

19. Related parties

Details of the relationship between the Company and Close Finsbury Asset Management Limited and Reabourne Technology Investment Management Limited are described in the Report of the Directors. The periodic management fee payable to Close Finsbury Asset Management Limited for the year ended 30 November 2005 was £630,000 excluding VAT (2004: £640,000) of which £154,000 (2004: £153,000) was outstanding at the year end. The annual performance fee payable to Close Finsbury Asset Management Limited for the year ended 30 November 2005 was £nil, excluding VAT (2004: nil) of which £nil (2004: nil) was outstanding at the year end. The next long term performance fee payable to Close Finsbury Asset Management Limited was due on 30 November 2005, however, no fee was crystallised. The administrative and secretarial services fee payable to Close Finsbury Asset Management Limited for the year ended 30 November 2005 was £54,000 excluding VAT (2004: £52,000) of which £14,000 (2004: £13,000) was outstanding at the year-end. Details of the periodic management fee, annual performance fee, long term performance fee and administrative and secretarial services fee can be found in the Report of the Directors on page 15, note 3 on page 33 and note 5 on page 33.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Substantial interests

The Company holds interests in 3% or more of any class of capital in the following companies:

Company	Shares held	% of issued share capital	Market value £'000
Mamut	2,014,000	4.19	2,282
Manpower Software	3,427,950	7.71	900
Portrait Software	3,834,091	4.52	805
Synchronica (formerly Dat Group)	1,900,000	5.22	637
Petards Group PLC	41,500,000	6.67	510
Bede	3,625,480	4.15	462
Intelligent Environments Group	9,112,301	5.64	319

CAPITA REGISTRARS – SHARE DEALING SERVICE

A quick and easy share dealing service is available to either sell or buy more shares. An online and telephone dealing facility is available providing shareholders with an easy to access and simple to use service, stamp duty may also be payable on purchases:

All transactions incur a compliance charge of £2.50 in addition to the charges below, stamp duty may also be payable on purchases:

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £17.50, max £40)	1.25% of the value of the deal (Minimum £20, max £50)

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade "real time" at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or Certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact:
www.capitadeal.com (online dealing) or 0870 458 4577 (telephone dealing)

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Finsbury Technology Trust PLC will be held at 10 Crown Place, London EC2A 4FT on Thursday, 6 April 2006 at 12.00 noon, for the following purposes:

Ordinary Business

1 To receive and consider the audited accounts and the Report of the Directors for the year ended 30 November 2005.

2 To elect John Cornish, as a Director of the Company.

3 To re-elect Paul Gaunt, who retires by rotation, as a Director of the Company.

4 To re-elect Dr Chris Martin, who retires by rotation, as a Director of the Company.

5 To re-elect Anthony Townsend, as a Director of the Company.

6 To re-appoint RSM Robson Rhodes LLP as Auditors to the Company and to authorise the Directors to determine their remuneration.

7 To approve the Directors' Remuneration Report.

Special Business

To consider, and if thought fit, pass the following resolutions, of which resolutions 9 and 10 will be proposed as special resolutions:

Authority to allot shares

8 THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum aggregate nominal amount of £637,258 (representing 2,549,031 Ordinary shares of 25p each, such amount being equivalent to 10 per cent. of the present issued share capital) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless previously revoked, varied or renewed, by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of pre-emption rights

9 THAT in substitution of all existing powers the Directors be and are hereby generally empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the authority conferred by resolution 8 above as if sub-section (1) of Section 89 of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of Section 94 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 162a of the Act ("treasury shares")), for cash as if Section 89(1) of the Act did not apply to any such sale provided that this power shall be limited to the allotment of equity securities and the issue of treasury shares:

(a) the offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of the Ordinary shares of 25p each in the Company ("Ordinary shares") are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate, or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

NOTICE OF THE ANNUAL GENERAL MEETING (continued)

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £637,258 or, if less, the number representing 10 per cent. of the issued Ordinary share capital of the Company at the date of the meeting at which this resolution is passed

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or 15 months from the date of passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Board may allot equity securities or sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to Repurchase Ordinary Shares

10 THAT the Company be generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 (the "Act") to make one or more market purchases (within the meaning of section 163(3) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") provided that:

(a) the maximum aggregate number of Ordinary shares authorised to be purchased is 3,820,998 or, if less, the number representing 14.99 per cent. of the issued Ordinary share capital of the Company at the date of the meeting at which this resolution is proposed;

(b) the minimum price (exclusive of expenses) which may be paid for an Ordinary share is 25p;

(c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for an Ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary share is purchased; and (b) the higher of the price of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange;

(d) the authority hereby conferred shall expire at the earlier of, the conclusion of the Annual General Meeting of the Company to be held in 2007 or, the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Ordinary shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Ordinary shares in pursuance of any such contract.

By order of the Board

10 Crown Place
London EC2A 4FT

Close Finsbury Asset Management Limited
Company Secretary
27 February 2006

Nominee share code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

Investors who hold shares through the Close Finsbury Savings Scheme, PEP or ISA receive all shareholder communications and a letter of direction is provided to facilitate voting at general meetings of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING (continued)

Notes

1. Ordinary shareholders, proxies and authorised representatives of corporations which are Ordinary shareholders are entitled to attend the meeting. Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the Company has specified that to be entitled to attend and vote at the meeting (and for the purposes of determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 12 noon on 4 April 2006. Changes to the entries on the Register of Members after 12 noon on that date shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote in their place. A proxy need not be a member of the Company.
3. A form of proxy is provided. To be effective, a form of proxy must be completed, signed and lodged with the registrar not later than 48 hours before the time for holding the meeting. Deposit of a form of proxy will not preclude a member from attending the meeting and voting in person.
4. If the meeting is adjourned to a time not more than 48 hours after the time applicable to the original meeting, the specified time noted above will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
5. The Register of Directors' Interests is available at the Company's registered office during normal business hours on any weekday and will be available for inspection at the above meeting. No Director has a service contract with the Company.

Location of Annual General Meeting

to be held at 10 Crown Place, London EC2A 4FT on
Thursday, 6 April 2006 at 12 noon.

COMPANY INFORMATION

Directors
David Quysner, Chairman
John Cornish
Paul Gaunt
Dr Chris Martin
Dr David Potter
Anthony Townsend

Company Registration Number
3117355 (Registered in England)

Registered Office
10 Crown Place
London EC2A 4FT
Telephone: 020 7426 4000

Manager and Company Secretary
Close Finsbury Asset Management Limited
10 Crown Place, London EC2A 4FT
Authorised and regulated by the Financial Services Authority

Investment Manager
Reabourne Technology Investment Management Limited
4 Crown Place
London EC2A 4BT
Authorised and regulated by the Financial Services Authority

Auditors
RSM Robson Rhodes LLP
30 Finsbury Square
London EC2P 2YU

Stockbrokers
Winterflood Investment Trusts
The Atrium Building, Cannon Bridge
25 Dowgate Hill, London EC4R 2GA

Registrars
Capita IRG plc
The Registry, 34 Beckenham Road,
Beckenham, Kent BR3 4TU.
Telephone: 0870 162 3100
Facsimile: 020 8639 2342
E-Mail: ssd@capitaregistrars.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

Close Finsbury Savings Scheme MileStones Plan, ISA and PEP
Block C, Western House, Lynchwood Business Park,
Peterborough PE2 6BP

Investor Helpline: 0800 169 6968*
Professional Advisors Helpline: 020 7426 4372
E-Mail: info@closefinsbury.com

*calls to this number are recorded for monitoring purposes

Please contact the Close Finsbury Helpline to obtain information and literature concerning the Company or other Close Finsbury investment trusts, or if you have a query concerning a Close Finsbury Savings Scheme MileStones Plan, ISA or PEP account.

Online investment and account management is available for the Close Finsbury Savings Scheme MileStones Plan, ISA and PEP at www.closefinsbury.com

Share Price Listings
The price of your shares can be found in various publications including the Financial Times under the heading Investment Companies and in the Daily Telegraph under the heading Investment Trusts.

The Company's net asset value per share is announced daily and is available daily on the Close Finsbury website at www.closefinsbury.com and on the TrustNet website at www.trustnet.com

The London Stock Exchange Daily Official List (SEDOL) code is 0339072

Disability Act
Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Capita IRG plc, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 020 8639 2062. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

GLOSSARY OF TERMS

Net Asset Value ("NAV")

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities for which the Company is responsible, e.g. money owed to other people. The NAV is also sometimes described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided buy the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply for the shares.

Discount or Premium

A description of the situation when the share price is lower or higher than the NAV per share. The size of the discount or premium is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage (%) of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium, if the share price is lower than the NAV per share, this situation is called a discount.

Total Assets

Total assets less current liabilities, before deducting prior charges.

Prior charges are defined as including all debentures, all loans and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Total Return

The methodology has been in place for the AITC database for over 20 years. Price Total Return involves reinvesting the net dividend in the month that the share price is declared ex dividend. The NAV Total Return involved reinvesting the same net dividend in the NAV of the Company on the date to which that dividend was earned, e.g. quarter end, half year to year end date.

Gearing

Also known as leverage, particularly in the USA. Gearing is the process whereby capital growth (and conversely any capital depreciation) and income to the Ordinary shareholders of the Company are boosted by borrowings, which provide some scope for additional investment but which carry a fixed liability. The return on this extra investment minus the cost of borrowing the money gives the shareholder an enhanced or geared profit or loss.

The Gearing of the Company is calculated by the total assets including all debt being used for investment purposes (irrespective of how long the debt has to run until repayment) divided by shareholders' funds. The actual Gearing of the Company is the total assets less all cash and fixed interest assets (excluding convertibles) divided by shareholders' funds.

Initial Public Offering ("IPO")

The initial offer by a company of its shares to be quoted on a stock exchange. Often known as a flotation.

INVESTING WITH FINSBURY TECHNOLOGY TRUST PLC

There are a variety of ways you can buy shares in the Company. You have the choice of lump sum or regular savings within a Close Finsbury ISA or Savings Scheme. There is also a PEP transfer facility if you already hold a PEP. Alternatively you can buy shares direct through your stockbroker or bank.

Although the Company does not anticipate paying dividends, if you hold other shares within the Close Finsbury Schemes, you have the benefit of automatic income reinvestment, therefore compounding your returns.

The ***CLOSE FINSBURY SAVINGS SCHEME***
– is open to lump sum investment or regular savings

INVESTING FOR CHILDREN 'MILESTONES PLAN'
– is available within the Savings Scheme with a lower investment entry level

The ***CLOSE FINSBURY ISA***
– enables investors to invest tax free up to £7,000 each year

Investment in the ISA and Savings Scheme can be made by lump sum from £1,000 or regular monthly savings from as little as £100 per month. Once invested, you can top up your Schemes at any time subject to a minimum of £100. For the MileStones Plan, the minimums are £25 monthly savings, or £100 lump sums or top ups.

The ***CLOSE FINSBURY PEP TRANSFER***
– can be used to transfer the value of your existing PEP. A minimum of £1,000 can be invested in shares of the Company.

You can open an account and deal ***ONLINE*** for the Savings Scheme and ISA (but not the MileStones Plan or PEP) on the Close Finsbury website **www.closefinsbury.com**. Account management for all the Investment Schemes is also available on the website. This enables you to:

Access your account 24 hours a day	Amend your personal details
Obtain up-to-date valuations	Change Direct Debit details
View current and historic statements	Set up income payments
Purchase online by debit card	Sell online

To find out more either:

Phone: **0800 169 6968***

Click: **www.closefinsbury.com**

Email: **info@closefinsbury.com**

All of the Close Finsbury managed investment trusts are available within the Close Finsbury Savings Scheme, MileStones Plan, ISA or PEP. The range includes:

Close Finsbury EuroTech Trust PLC

Finsbury Emerging Biotechnology Trust PLC

Finsbury Growth & Income Trust PLC

Finsbury Technology Trust PLC

Finsbury Worldwide Pharmaceutical Trust PLC

*calls to this number are recorded for monitoring purposes

Close Finsbury Asset Management Limited is authorised and regulated by the Financial Services Authority

Past performance is not a guide to future performance, the value of your investment is not guaranteed and you may not get back your original investment.

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