RCM Technology Trust PLC

Annual Financial Report for the year ended 30 November 2009

www.rcmtechnologytrust.co.uk

Contents

Company Summary

Investment Policy

The Company invests principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

Risk Diversification

The Company aims to diversify risk and no holding in the portfolio will comprise more than 15% of the Company's assets at the time of acquisition. The Company aims to diversify the portfolio across a range of technology sub-sectors.

Asset allocation

The fund managers do not target specific country or regional weightings and aim to invest in the most attractive technology shares on a global basis. The fund managers aim to identify the leading companies in emerging technology growth sub-sectors. The majority of the portfolio will comprise mid and large cap technology shares.

Gearing

In normal market conditions gearing will not exceed 10% of net assets but may increase to 20%. The Company's Articles of Association limit borrowing to one quarter of its called up share capital and reserves.

Liquidity

In normal market conditions the liquidity of the portfolio, that is the proportion of the Company's net assets held in cash or liquid investments, will not exceed 15% of net assets but may be increased to a maximum of 30%.

Derivatives

The Company may use derivatives for investment purposes within guidelines set down by the Board. However, the Board has no immediate intention of using derivatives and there is no such exposure in the portfolio.

Foreign Currency

The Company does not currently hedge foreign currency exposure.

Benchmark

Dow Jones World Technology Index Sterling Adjusted Total Return.

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 2009 (2008 – nil) and it is unlikely that any dividend will be paid in the foreseeable future.

Corporate Details

Capital Structure	The Company had 23,328,849 Ordinary Shares of 25p and 4,765,631 Subscription Shares of 1p in issue, as at 23 February 2010.
Subscription Shares	Subscription Shares were issued to qualifying Ordinary Shareholders in August 2007. Each Subscription Share confers the right (but not the obligation) to subscribe for one Ordinary Share in the thirty days preceding the Annual General Meeting in each of the years 2008 to 2012 at a price of 267p per share. Subscription Shares have no voting rights and no entitlement to any dividends.
Continuation Vote	Shareholders will have the opportunity to vote at the Annual General Meeting in the Spring of 2011 whether to continue the Company and thereafter at five yearly intervals.

Management Details

Details of the principal terms of the Investment Management Agreement can be found in the Report of the Directors on page 15. Details of the fees paid to the Manager in the year under review can be found in the Notes to the Financial Statements on page 35.

The Board

David Quysner CBE, MA (Cantab), (Chairman)*
David Quysner, aged 63, joined the Board on 7 March 2003 and became Chairman on 28 April 2004. He is Chairman of Abingworth, a venture capital fund management company and of Capital for Enterprise Limited, which manages and delivers HM Government programmes that provide financial support for the SME sector. He is a Director of ANGLE plc, Foresight 2 VCT plc, Private Equity Investor plc and Medical Research Council Technology Limited and a former Chairman of the British Venture Capital Association.

John Cornish, B.Sc(Econ), FCA†
John Cornish, aged 66, joined the Board on 1 May 2005. He was appointed as Senior Independent Director on 6 April 2006. 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 AIC and various fund management groups. He is currently Chairman of Framlington Innovative Growth Trust PLC and a Director of Strategic Equity Capital Plc, Henderson EuroTrust plc and RIT Capital Partners plc.

Paul Gaunt, B.Sc(Econ)
Paul Gaunt, aged 60, 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 The Biotechnology Trust PLC and Finsbury Worldwide Pharmaceutical Trust PLC.

Richard Holway
Richard Holway, aged 63, joined the Board on 29 January 2007. He was Group Marketing Director for Hoskyns (now Capgemini) before, in 1986, setting up his own analysis company, Richard Holway Limited. This was acquired by Ovum in 2002 which floated on AIM in 2006 and was subsequently acquired by Datamonitor. Currently, he is the Chairman of TechMarketView LLP and sits on the advisory board of Elderstreet Capital Partners. He is also a non-executive director of the holding company of technology M&A specialists, Regent. He was a founder of the Prince's Trust Technology Leadership Group in 2002 and became the Chairman in April 2007.

Dr Chris Martin, D.Phil, FIChemE
Dr Chris Martin, aged 51, joined the Board on 7 March 2003. He is Chief Executive Officer of Spirogen Limited and a Director of Cascade Fund Management Limited.

All Directors are non-executive
* Chairman of the Management Engagement Committee
† Chairman of the Audit Committee

The Managers

Account Director

Simon White, MA (Oxon), FCSI
Simon White is Head of Investment Trusts at RCM (UK) Limited. He was formerly Managing Director of Kleinwort Benson Unit Trusts Limited. He is a Fellow of the Chartered Institute for Securities & Investment, with a background in UK equity fund management.

Fund Managers

Walter Price CFA
Walter Price is a Managing Director, Senior Analyst, and Portfolio Manager on the RCM technology team. He joined RCM in 1974 as a senior securities analyst in technology and became a principal in 1978. Since 1985, he has had increasing portfolio responsibility for technology stocks and has managed many technology portfolios.

Huachen Chen CFA
Huachen Chen is a Senior Portfolio Manager, and joined RCM in 1984. He has covered many sectors within technology, as well as the electrical equipment and multi-industry areas. Since 1990, he has had extensive portfolio responsibilities for technology and capital goods stocks and has managed U.S. and Global portfolios with Walter Price. In 1994 Huachen became a principal of RCM. Prior to RCM, he worked for Intel Corporation from 1980 to 1983, where he had responsibilities for semiconductor process engineering.

Financial Summary

	As at 30 November 2009	As at 30 November 2008	% change
Net Asset Value per Ordinary Share	274.0p	191.1p	+43.4
Dow Jones World Technology Index Sterling Adjusted Total Return	262.8	178.2	+47.5
Ordinary Share Price	249.0p	176.5p	+41.1
Subscription Share Price#	33.5p	9.0p	+272.2
Discount on Ordinary Share Price to Net Asset Value	9.1%	7.6%	n/a
Total Net Assets	£62,703,072	£44,920,943	+39.6

	For the year ended 30 November 2009	For the year ended 30 November 2008	% change
Revenue*	£586,192	£479,513	+22.2
Total Expense Ratio†	1.4%	2.0%	n/a
Available for Ordinary Dividend	£148,984	(£495,662)	+130.1
Earnings per Ordinary Share	0.65p	(2.10p)	

Details of the Subscription Shares are on page 2.

* Including interest of £182,651 relating to VAT paid in 2001-07 and now refunded.

† The Total Expense Ratio ('TER') is calculated by dividing operating expenses (excluding performance fee, finance costs and non-recurring expenses) by total assets less current liabilities at the year end. The TER for 2009 excludes the impact of the VAT refund (see page 36).

The US Dollar exchange rate at 30 November 2009 was US$1.64 (30 November 2008 – US$1.53).

Five Year Performance Summary

	30 November 2005	30 November 2006*	30 November 2007**	30 November 2008***	30 November 2009****
Shareholders' Funds	£62.0m	£55.2m	£62.5m	£44.9m	£62.7m
Net Asset Value per Ordinary Share	237.2p	227.4p	262.1p	191.1p	274.0p
Ordinary Share Price	220.3p	212.5p	239.0p	176.5p	249.0p
Discount of Ordinary Share Price to Net Asset Value per share	7.1%	6.6%	8.8%	7.6%	9.1%
Dow Jones World Technology Index Sterling Adjusted Total Return	235.4	231.8	248.8	178.2	262.8

* During the year ended 30 November 2006, a total of 1,875,000 shares were repurchased and cancelled at a total cost of £4,087,950.

** During the year ended 30 November 2007, a total of 420,000 shares were repurchased and cancelled at a total cost of £936,624.

*** During the year ended 30 November 2008, a total of 328,000 shares were repurchased and cancelled and 30,000 shares were repurchased to be held in treasury at a total cost of £823,674.

**** During the year ended 30 November 2009, a total of 624,850 shares were repurchased to be held in treasury at a total cost of £1,179,940.

Performance Graphs

Performance 1 May 2007* – 30 November 2009

RCM Technology Trust – Net Asset Value (PAR)
Dow Jones World Technology Index Sterling Adjusted Total Return
* The date of appointment of RCM as managers.

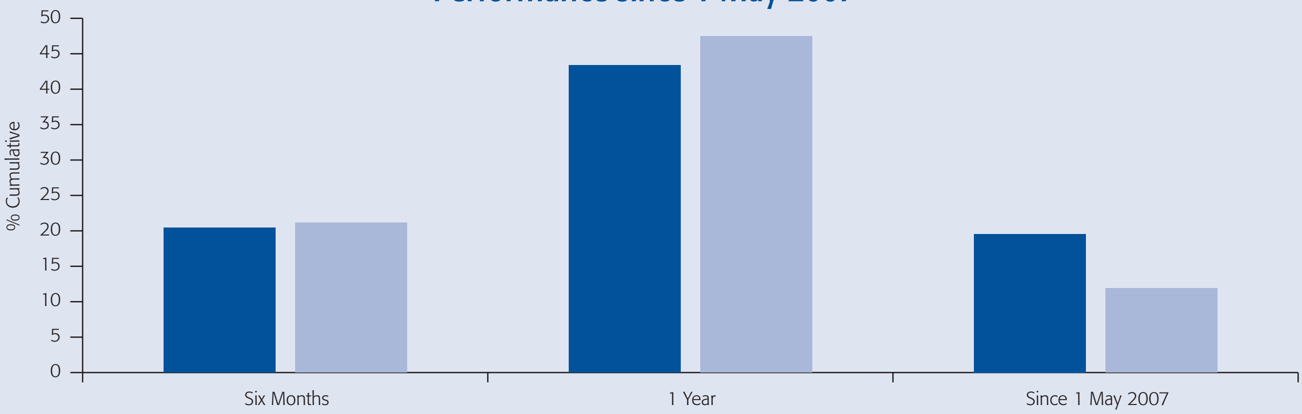
Source RCM/Datastream

Performance Against Sector Peer Group

RCM Technology Trust – Net Asset Value (PAR)
Dow Jones World Technology Index Sterling Adjusted Total Return
Investment Trust Technology, Media and Communications Sector Peer Group

Source RCM/Datastream

Performance since 1 May 2007*



RCM Technology Trust Net Asset Value
Dow Jones World Technology Index Sterling Adjusted Total Return
* The date of appointment of RCM as managers

Source RCM/Datastream

The Dow Jones World Technology Index Sterling Adjusted Total Return was adopted as the Company's benchmark on 1 December 2005.
Source: RCM (UK) Ltd.

Chairman's Statement

Results and Performance

I am pleased to report that the Net Asset Value ("NAV") of the Company at 30 November 2009 was 274.0p (2008 – 191.1p). This represented an increase of 43.4% in the year and compared with an increase of 47.5% in the Company's benchmark index.

Over the same period, the price of the Company's Ordinary Shares rose by 41.1%, from 176.5p to 249.0p, whilst the discount to NAV at the year-end was slightly higher at 9.1% compared with 7.6%.

The price of the Subscription Shares, which were issued by way of a one for five bonus issue in 2007, increased by 272.2%, from 9.0p to 33.5p. Consequently, an Ordinary Share with the associated fraction of a Subscription Share was worth 255.7p at the year-end (2008 – 178.3p), an increase of 43.4%.

These are satisfactory results. They have benefited from a general improvement in market sentiment after the turmoil of last year but they also indicate that investors recognise the attractive returns that the technology sector can provide.

Dividend

The investments in the Company's portfolio typically provide a very low yield and no dividend has been declared in respect of the year ended 30 November 2009 (2008 – nil). Although the Company made a modest positive revenue return, company law prevents the payment of a dividend given the deficit on the Company's accumulated revenue reserves. It is unlikely that a dividend will be paid for the foreseeable future.

Board of Directors

The directors retiring by rotation at this year's annual general meeting are myself and Richard Holway. Also retiring is Paul Gaunt, who retires annually as a long serving director. All are standing for re-election and each is fully supported by the Board.

Share buy backs

During the year we pursued our policy of repurchasing shares in the market at discounts in excess of 7% where there was demand in the market for us to do so. The company repurchased 624,850 Ordinary Shares to be held in treasury for possible re-sale in order to help provide additional market liquidity. No shares were repurchased for cancellation. We will not re-issue shares at a discount higher than that applying when the shares were purchased, thus ensuring that the assets of existing shareholders are not diluted by the transactions when viewed on a combined basis. Since the year end, a further 137,000 shares have been repurchased and are held in treasury.

VAT

Following the European Court of Justice ruling in the "Claverhouse" case, no VAT has been payable on management fees since 1 May 2007. The Company has successfully pursued claims relating to VAT paid in 2001-07 and has received a refund of £810,497 together with interest of £182,651. There is a possibility that further amounts may be recovered for other periods.

Outlook

Markets throughout the world remain fragile. It is likely that economic growth across the world will be constrained for some time and the spectre of a "double dip" recession remains. Nonetheless, the outlook for a significant part of the technology sector is positive. Many companies took steps early in the recession to contain costs; there are substantial cash balances, providing balance sheet resilience and a platform for M&A activity; the inexorable growth of data continues to require the adoption of new technologies; and there is continuing momentum provided by important new products from companies such as Apple, Google and Microsoft.

Against this background, we believe that there will be "winners" in the technology sector in 2010.

Subscription Shares

A notice has been posted to all registered shareholders of Subscription Shares setting out how they may exercise subscription rights in the period leading up to this year's Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS, on Tuesday 30 March 2010 at 11.45 a.m. I look forward to meeting those shareholders who are able to attend.

David Quysner | Chairman
25 February 2010

Investment Manager's Review

Technology Sector Overview

Following a difficult start to the year, when it appeared that spending on technology products by consumers and companies had halted, demand for technology products began gradually to recover. By the third quarter of the year, several companies had begun to show year over year growth again, though most of the industry was still recovering from the steep decline in demand that had begun in September 2008.

Technology stocks followed these fundamental recovery trends emphatically, with the Dow Jones World Technology Index rising 47.5% in sterling terms for the Company's financial year ending 30 November 2009. The recovery in the equity market in general and the technology sector in particular began towards the end of the first quarter of 2009 as trading performance exceeded the very gloomy expectations engendered by the steep fall in economic activity in late 2008 and, more importantly, reported earnings surpassed low expectations for most technology companies because cost cutting had been quick and effective.

This was a theme that continued throughout the year, as cautious guidance was exceeded in every quarter because of tight cost controls and good incremental margins while sales recovered. Three sectors of technology beat the Company's benchmark: internet, computers and semiconductors. These three sectors were powered by Amazon, Google and Apple, which all rose in share price terms by more than 90%, and a broad list of strong semiconductor stocks.

Portfolio Highlights

The Net Asset Value of the Company increased by 43.4% over the reporting period, 4.1% less than the benchmark, although this overall performance was the outcome of several positive and negative contributions within that result.

The overall performance of the Trust benefited from a positive contribution from stock-picking within a majority of the six major technology sub-sectors. We had meaningful weightings in the major winning stocks mentioned above as well as several Chinese internet stocks like Baidu and Tencent that increased in share price terms by more than 200%. The acquisition of Data Domain by EMC in July 2009 also made a positive contribution.

A few investments in the smaller sectors of technology significantly underperformed the benchmark and this detracted from the Company's performance. These included the solar sector, the video games sector, and the security sector, and stocks such as First Solar, Nintendo, and McAfee produced negative or disappointing returns during the year. We also held cash when the market rallied and that hurt performance as well.

Outlook

As we entered 2010, we reduced our semiconductor exposure on the basis that many of the stocks are anticipating high earnings growth and we believe that there is scope for disappointment as this growth may reach its peak in the first quarter. In China, the internet companies saw very fast growth in the third quarter, but are entering a period when winter weather and holidays typically slow their growth. We trimmed some positions in anticipation of this, but have added to our positions in the Chinese system integrators such as AsiaInfo and Longtop Financial Technologies, where the recovering economy should help their growth continue strong in 2010.

We have removed some of our cell phone positions such as RIMM and Nokia, but have kept a solid weighting in Apple. We believe the value of its applications store with three billion downloads to date is being underestimated and may help Apple continue to gain market share.

We expect good growth for PCs in 2010 because of the strong reception for Windows 7 from Microsoft, and we have boosted our position in that stock in anticipation of good results throughout 2010.

We believe that technology products will offer good returns for companies in 2010 and we expect a robust rebound in business spending during 2010. As companies allocate capital for investment in 2010, we believe they will be drawn to the high returns and relatively quick paybacks of investing in technology products. This improvement should benefit communications companies such as Cisco and F5 Networks as well as storage companies such as Network Appliance, as there is a focus on consolidating data centers, implementing virtualization, and building robust communication networks into these hubs.

We have retained significant exposure to alternative energy with holdings such as Sunpower, SMA, Canadian Solar, Yingli, and Itron. We believe that the funding problems that plagued these companies in the last fiscal year are ending and demand is very strong.

Another current theme in the portfolio is the emergence of Chinese technology companies, for instance in the alternative energy, environmental technology and electronic commerce fields. Our current exposure to Chinese technology companies is approximately 13% of the portfolio and

Investment Manager's Review

we expect this emphasis to grow over time as opportunities in China continue to present themselves. Our team has been investing in China since 2003. Two of our team are fluent Mandarin speakers, and we also draw on the expertise of RCM's equity research team in Hong Kong.

We are confident that the portfolio is well placed to take advantage of the most important growth areas within the technology sector in the coming year. One theme is the transition to so-called 'cloud' computing, in which capacity is owned and managed by specialist companies and accessed using internet based technologies. This structure promises significant cost savings for corporate and consumers alike. A related area of growth is the trend towards data centres and applications being owned by the same firm – again with cost saving being the primary impetus. Salesforce.com (a company best known for its Client Relationship Management, or CRM software,) is a good example of this trend towards consolidation, in that it both owns a CRM platform and sells multiple applications to its clients.

More generally, we expect that 2010 will see a tug of war between the downward pressure on valuations caused by rising interest rates and the geared impact of a recovery on earnings, so we are continuing to seek out fast growing companies at reasonable valuations. We believe that an economic recovery is now priced into many of the leading technology company share valuations, following the strong market performance of technology companies in 2009. We are therefore shifting the portfolio emphasis to faster growing companies which should have a better chance of outperforming this year.

Walter Price and Huachen Chen | RCM
25 February 2010

Investment Portfolio as at 30 November 2009

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Ten Largest Investments				
Microsoft	Software	United States	4,247	7.0
Google	Software	United States	2,725	4.5
Amazon.com	General Retailers	United States	2,645	4.4
Cisco	Hardware	United States	2,604	4.3
Salesforce.com	Software	United States	2,426	4.0
Hewlett Packard	Hardware	United States	1,889	3.1
Riverbed Technologies	Hardware	United States	1,673	2.8
Intel	Hardware	United States	1,634	2.7
F5 Network	Hardware	United States	1,604	2.7
US Treasury Bill 0% 25/02/10	Bond	United States	1,523	2.5
Total			**22,970**	**38.0**
Balance of Investment Portfolio				
Cognizant	Software	United States	1,484	2.5
China Telecom Corporation	Telecommunications	China	1,409	2.3
Baidu	Software	China	1,320	2.2
Equinix	Software	United States	1,299	2.2
Apple	Hardware	United States	1,230	2.0
Amphenol	Electronics	United States	1,141	1.9
Longtop Financial Technologies	Software	China	1,121	1.9
Expedia	Travel & Leisure	United States	1,113	1.8
Autonomy	Software	United Kingdom	1,072	1.8
Vmware	Software	United States	1,067	1.8
Top 20 investments			**35,226**	**58.4**
Oracle	Software	United States	912	1.5
On Semiconductor	Hardware	United States	890	1.5
Autodesk	Software	United States	836	1.4
Itron	Electronics	United States	806	1.3
Ctrip.Com	Travel & Leisure	China	783	1.3
SMA Solar Technology	Alternative Energy	Germany	770	1.3
Concur Technologies	Software	United States	768	1.3
Netflix	General Retailers	United States	731	1.2
Sina	Software	China	714	1.2
Akamai Technologies	Software	United States	703	1.2
Top 30 investments			**43,139**	**71.6**
Johnson Controls	Automobiles & Parts	United States	688	1.1
Tencent	Software	Hong Kong	687	1.1
American Tower	Hardware	United States	663	1.1
Qualcomm	Hardware	United States	659	1.1
Synaptics	Hardware	United States	634	1.1
Ebay	General Retailers	United States	604	1.0
Cybersource	Software	United States	601	1.0
Nuance Communications	Software	United States	601	1.0
Capita Group	Support Services	United Kingdom	579	1.0
Ariba	Software	United States	573	1.0
Top 40 investments			**49,428**	**82.1**

Investment Portfolio as at 30 November 2009 continued

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Samsung Electronics	Hardware	Korea	572	0.9
Activision	Leisure Goods	United States	536	0.9
Dell	Hardware	United States	529	0.9
Netease.com	Software	China	505	0.8
Sunpower	Alternative Energy	United States	497	0.8
NetApp	Hardware	United States	418	0.7
Infineon Technologies	Hardware	Germany	380	0.6
Texas Instruments	Hardware	United States	378	0.6
Successfactors	Support Services	United States	377	0.6
Quanta	Constructions & Materials	United States	361	0.6
Top 50 investments			**53,981**	**89.5**
Yingli Green Energy	Electronics	China	355	0.6
Asiainfo	Support Services	United States	354	0.6
MicroDose*	Hardware	United States	328	0.5
Accenture	Support Services	United States	327	0.5
Canadian Solar	Electronics	Canada	324	0.5
WebMD Health	Support Services	United States	323	0.5
Analog Devices	Hardware	United States	322	0.5
Athenahealth	Support Services	United States	319	0.5
Clearwire	Software	United States	305	0.5
Taiwan Semiconductor	Hardware	Taiwan	298	0.5
Top 60 investments			**57,236**	**94.7**
EMC	Hardware	United States	294	0.5
International Business Machine	Software	United States	293	0.5
Verisk Analytics	Support Services	United States	292	0.5
Misys	Software	United Kingdom	272	0.5
Cap Gemini	Software	France	271	0.5
Eclipsys	Software	United States	269	0.5
Tibco Software	Software	United States	268	0.5
Acer	Hardware	Taiwan	261	0.4
Suntech Power	Alternative Energy	China	246	0.4
Motorola	Hardware	United States	218	0.4
Top 70 investments			**59,920**	**99.4**
Alibaba.com	Software	Hong Kong	136	0.2
HTC	Hardware	Taiwan	131	0.2
Starent Networks	Hardware	United States	124	0.2
Total Investments			**60,311**	**100.0**

* unquoted investment

Portfolio Analysis as at 30 November 2009

Sector	Valuation £'000	% of Portfolio
Software	25,475	42.2
Hardware	17,733	29.4
General Retailers	3,980	6.6
Electronics	2,626	4.5
Support Services	2,571	4.3
Travel & Leisure	1,896	3.1
Bond	1,523	2.5
Alternative Energy	1,513	2.5
Telecommunications	1,409	2.3
Automobiles & Parts	688	1.1
Leisure Goods	536	0.9
Constructions & Materials	361	0.6
	60,311	**100.0**

Country	Valuation £'000	% of Portfolio
United States	48,105	79.8
China	6,453	10.7
United Kingdom	1,923	3.2
Germany	1,150	1.9
Hong Kong	823	1.4
Taiwan	690	1.1
Korea	572	0.9
Canada	324	0.5
France	271	0.5
	60,311	**100.0**

Portfolio Analysis	Valuation £'000	% of Portfolio
Listed equities	58,460	97.0
Unquoted equities	328	0.5
US Treasury Bills	1,523	2.5
	60,311	**100.0**

Report of the Directors

The Directors present their Report, which incorporates the Business Review, and the audited Financial Statements for the year ended 30 November 2009.

Business Review

Business and Status of the Company

The Company carries on business as an Investment Trust and was approved by HM Revenue & Customs as an Investment Trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30 November 2008. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify. The Company will continue to seek approval under Section 842 of the Income and Corporation Taxes Act 1988 each year. The Company is not a close company for taxation purposes.

Regulatory Environment

The Company is listed on the Main Market of the London Stock Exchange and is subject to UK company law, financial reporting standards, listing, prospectus and disclosure rules, tax law and its own Articles of Association. In addition to annual and half-yearly financial reports and interim management statements, the Company announces net asset values per share on a daily basis and portfolio information on a monthly basis for the information of investors. It provides more detailed information on a monthly basis to the Association of Investment Companies, of which the Company is a member, in order for brokers and investors to compare its performance with its peer group. The Board of Directors is charged with ensuring that the Company complies with its own objectives as well as these rules. The Board has appointed RCM (UK) Limited ('RCM') to carry out investment management, accounting, secretarial and administration services on behalf of the Company. The Company has no employees or premises of its own.

Investment Objective

The Company invests principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth, in excess of the Benchmark.

Performance

The Board is aware that it is its share price performance that is most important to the Company's shareholders. Share price performance is, of course, closely linked to the performance of the Company's net asset value which is the responsibility of the Investment Manager.

The Portfolio comprises investments from a wide geographical and sectoral spectrum. Performance is measured against the Dow Jones World Technology Index Sterling Adjusted Total Return (the 'Benchmark').

Over the year to 30 November 2009, the net asset value per Ordinary Share increased by 43.4%, compared with an increase of 47.5% in the Benchmark.

Since the appointment of RCM from 1 May 2007, to 30 November 2009, the net asset value per Ordinary Share has increased by 19.6%, compared with an increase of 11.9% in the Benchmark.

The Directors also monitor the level of discount of share price to net asset value per share. Over the year to 30 November 2009, the mid-market price of the Company's shares increased by 41.1%, with a discount at the year end of 9.3%. As part of its discount management policy, the Company is prepared to buy back shares, for cancellation or to be held in treasury, at prices representing a discount greater than 7% to net asset value, where there is demand in the market for it to do so.

Report of the Directors

The Company's performance may be analysed as follows:

Regional Selection Performance	Fund Weight (%)	Index Weight (%)	Relative Weight (%)
North America	78.50	72.65	+5.85
Asia Pacific ex Japan	10.98	10.39	+0.59
Europe	5.18	9.19	–4.01
Cash	4.51	–	+4.51
Japan	0.83	6.91	–6.08
Africa/Middle East	–	0.21	–0.21
Unassigned	–	0.65	–0.65
	100.0	**100.0**	**0.0**

The top and bottom ten shares which contributed to relative performance over the year to 30 November 2009 were as follows:

Top ten contributors	Fund Weight (%)	Index Weight (%)	Relative Weight (%)	Relative Contribution (%)
Nokia	–	2.49	–2.49	1.50
Data Domain	1.31	–	1.31	1.33
Amazon	2.14	–	2.14	1.20
ON Semiconductor	1.64	0.11	1.53	1.14
Baidu	1.27	–	1.27	0.93
Shanda Interactive Entertainment	0.50	–	0.50	0.89
F5 Networks	1.29	0.11	1.18	0.88
Netease.com	1.22	–	1.22	0.80
Riverbed Technology	2.68	0.02	2.66	0.77
Cognizant Technology Solutions	2.31	0.37	1.94	0.77
				+10.21

Bottom ten contributors	Fund Weight (%)	Index Weight (%)	Relative Weight (%)	Relative Contribution (%)
Comcast	0.68	–	0.68	–1.06
Activision Blizzard	1.07	–	1.07	–1.00
China Telecom	1.66	–	1.66	–0.91
Nintendo	0.66	–	0.66	–0.90
Capita	1.61	–	1.61	–0.89
Apple	3.68	5.61	–1.93	–0.74
Samsung Electronics	0.90	2.75	–1.85	–0.70
Monsanto	0.81	–	0.81	–0.66
Research in Motion	1.08	–	1.08	–0.59
Hewlett-Packard	4.85	4.45	0.40	–0.59
				–8.04

Report of the Directors

Key Performance Indicators

The Board assesses its performance in meeting the Company's objective against the following Key Performance Indicators (KPI):

- Net Asset Value per Ordinary Share
- Ordinary Share price
- Premium/Discount of Share price to Net Asset Value
- Total Expense Ratio
- Benchmark and peer group performance

Numerical analysis of the above is on page 4 in the Financial Summary, except for peer group performance which appears in graph form on page 5.

Principal Risks and Uncertainties

The Company's assets consist principally of quoted equities: its main area of risk therefore is equity market-related. The specific key risks faced by the Company, together with the Board's mitigation approach, are as follows:

Objective and Strategy – The risk that the Company and its Investment Objective become unattractive to investors

The Board periodically reviews the investment mandate and the long-term investment approach in relation to market and economic conditions, and the operation of the Company's peers, thereby monitoring whether the Company's strategy remains optimal.

Level of discount/premium – The risk that share price performance lags NAV performance

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing. The Board has implemented a discount control mechanism by pursuing a policy of buying back shares in the market at discounts in excess of 7% where there is demand in the market for the Company to do so. In the event of shares being re-purchased by the Company, such shares will be cancelled, or held in treasury.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding investments in the face of price movements.

The Board meets on at least a quarterly basis during the year. At each meeting the Directors consider the asset allocation of the portfolio in order to monitor the risk associated with particular countries or sectors. The Manager has responsibility for selecting investments in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk-reward profile. The Company does not currently take short positions or otherwise attempt to hedge market price risk.

Foreign Currency Risk – Movements in exchange rates could adversely affect the performance of the investment portfolio

A significant proportion of the Company's assets are, and will continue to be, invested in securities denominated in foreign currencies, in particular US dollars. As the Company's shares are denominated and trade in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies. The Board has made clear the Company's policy with regard to foreign currency fluctuations which is that it does not currently hedge against currency exposure.

Interest Rate Risk

The Company currently finances its operations through its ordinary share capital and reserves, and there are no significant interest bearing liabilities. At the year-end, the Company held £1,523,000 of US Treasury Bills, a liquid security which unlike a bank deposit, provides qualifying income for the purpose of maintaining the Company's investment trust status. This type of investment is directly exposed to movements in its fair value arising from changes in interest rates. These risks are managed alongside market price risk as described above.

Liquidity Risk – The ability to meet funding requirements when they arise

The Investment Manager has constructed the investment portfolio so that funds can be raised at short notice if required.

Report of the Directors

Credit Risk

The Company's bank balances, debtors and fixed interest investments represent the Company's exposure to credit risk in relation to financial assets. The credit risk on bank balances is considered to be small and the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Company has no significant exposure to credit risk.

Numerical analysis of the financial risks is included in Note 16 on pages 42 to 44.

Portfolio Performance – The risk that investment performance may not be meeting the investment objective or shareholder requirements

The Board regularly reviews investment performance against the benchmark and against the peer group. The Board also receives ad hoc reports that show an analysis of performance compared with other relevant indices. The Manager provides an explanation of stock selection decisions and an overall rationale for the composition of the portfolio. The Manager discusses current and potential investment holdings with the Board on a regular basis in addition to new initiatives, which may enhance shareholder return.

Operational and Regulatory Risk – Compliance with s842, Income and Corporation Taxes Act 1988

A breach of s842 could lead to the Company being subject to corporation tax on the profits on the sale of its investments, whilst serious breach of other regulatory rules could lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, either by the Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager regularly monitors the Company's compliance with s842 and other financial regulatory requirements, and the results are reported to the Board at each board meeting. All transactions, income and expenditure forecasts are reported to the Board. The Board regularly considers all risks, the measures in place to control them and the possibility of any other risks that could arise. The Board ensures that satisfactory assurances are received from service providers. The Manager's Compliance Officer produces regular reports for review by the Company's Audit Committee and is available to attend meetings in person if required.

Future Development

The future development of the Company is dependent on the success of the Company's investment strategy against the background of the economic environment and market developments. The Chairman gives his view on the outlook in his statement on page 6 and the investment managers discuss their view of the outlook for the Company's portfolio on page 8.

Results and Dividends

The results attributable to shareholders for the year and the transfer to reserves are shown on page 30. Due to the recovery of overpaid VAT in past years the revenue return is positive this year. The revenue reserve still remains in deficit, however, and accordingly no dividend is proposed in respect of the year ended 30 November 2009 (2008 – Nil).

Investment Funds

The market value of the Company's investments, at 30 November 2009 was £60.3m (2008 – £44.1m) showing an unrealised gain of £9.3m (2008 – unrealised loss of £6.7m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary Share amounted to 274.0p at 30 November 2009 (2008 – 191.1p).

Investment Management Agreement

The management contract, which is terminable at one year's notice, provides for a management fee of 1% per annum payable quarterly in arrears and calculated on the average value of the market capitalisation of the Company at the last business day of each month in the relevant quarter. In addition there is a fee of £50,000 per annum to cover RCM's administration costs. Under the contract RCM provides the Company with investment management, accounting, secretarial and administration services. In addition, the Manager is entitled to a performance fee, subject, to a 'high water mark', based on the level of outperformance of the Company's net asset value per share over its benchmark, the Dow Jones World Technology Index Sterling Adjusted Total Return, during the relevant Performance Period. Further details are in Note 2 on page 35.

Continuing Appointment of the Manager

During the year, in accordance with the Listing Rules published by the Financial Services Authority, the Board reviewed the performance of the Manager. The review considered the Company's investment performance over both the short and longer terms, together with the quality and adequacy of other services provided. The Board also reviewed the appropriateness of the terms of the Management Agreement, in particular the length of notice period and the management fee structure.

The Board was satisfied with its review and believes that the continuing appointment of the Manager is in the best interests of shareholders as a whole.

Report of the Directors

Related Party Transactions

During the financial year no transactions with related parties took place which would materially affect the financial position or the performance of the Company.

Directors

The Directors of the Company all served throughout the year and are as follows:

David Quysner (Chairman), John Cornish, Paul Gaunt, Richard Holway and Dr Chris Martin

Information about each Director can be found on page 3. David Quysner and Richard Holway retire by rotation at the Annual General Meeting. Paul Gaunt, who retires annually as a director with more than nine years service, also retires. All three, being eligible, offer themselves for re-election.

Independence

The Combined Code on Corporate Governance 2008 ('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. The revised and updated Code of Corporate Governance and Guide, however, issued by the Association of Investment Companies ('AIC Code') in March 2009, allows the Board more flexibility in respect of the length of service of a director.

The Board subscribes to the AIC principle that long-serving directors should not be prevented from forming part of an independent majority and does not believe that a director's length of tenure reduces his ability to act independently and Paul Gaunt is considered to be independent. David Quysner, John Cornish, Richard Holway and Dr Chris Martin 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 with more than nine years service will stand for re-election at the Annual General Meeting each year.

Board Evaluation

In the past year, the effectiveness and performance of the Board were assessed through questionnaires completed by the Directors and interviews conducted by the Chairman. The Chairman's own performance was evaluated by the other Directors through questionnaires and interviews conducted by the Senior Independent Director. The results of the effectiveness assessment and performance evaluations have been presented to the Board as a whole. As a result, the Board considers that all of the Directors contribute effectively and that all have skills and experience that are relevant to the leadership and direction of the Company.

Having given careful consideration to the above, the Board unanimously supports the re-election of David Quysner, Paul Gaunt and Richard Holway.

Directors' Interests

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

	Subscription Shares of 1p each		Ordinary Shares of 25p each	
	30 November 2009	30 November 2008	30 November 2009	30 November 2008
David Quysner	1,118	1,118	5,592	5,592
John Cornish	700	700	3,500	3,500
Richard Holway	2,000	2,000	15,000	15,000
Paul Gaunt	–	–	–	–
Dr Chris Martin	624	624	3,122	3,122

There have been no further changes in the above holdings from the year end to the date of this report.

Report of the Directors

Directors' Fees

A report on Directors' Remuneration is set out on pages 26 and 27.

The following disclosures are made in accordance with Part 6 of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

Capital Structure

The Company's capital structure is set out in Note 10 on page 39.

Voting Rights in the Company's Shares

As at 23 February 2010 RCM Technology Trust PLC's capital consisted of:

	Number of shares issued	Voting rights per share	Total voting rights
Ordinary Shares of 25p	23,328,849	1	23,328,849
Ordinary Shares of 25p held in Treasury	208,400	0	0
Subscription Shares of 1p each	4,765,631	0	0
Total	**28,302,880**		**23,328,849**

Interests in the Company's Share Capital

As at 23 February 2010 the following had declared a notifiable interest in the Company's issued share capital:

	Number of shares	Percentage of voting rights
Lazard Asset Management LLP	4,031,920	17.3
JP Morgan Chase & Co	2,440,000	10.46
East Riding of Yorkshire Council	2,525,000	10.8
Investec Asset Management	1,225,000	5.3

Repurchase of Shares

At the Annual General Meeting held on 30 March 2009, authority was granted for the repurchase of up to 3,447,722 Ordinary Shares of 25p each, representing 14.99% of the issued share capital at the time. The Board has in place a discretionary discount protection mechanism, described on page 14. In the year under review the Company repurchased no shares for cancellation and repurchased 624,850 shares to be held in treasury at a cost of £1,179,940. Since the year end and to the date of this report, the Company has repurchased a further 137,000 shares to be held in treasury at an aggregate cost of £341,645. From the beginning of the financial year under review up to the date of this report the shares bought back equate to a total of 3.24% of the issued share capital at the beginning of the year.

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.

Charitable and Political Donations

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

Independent Auditors

Grant Thornton UK LLP have expressed 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.

Report of the Directors

Audit Information

Pursuant to Section 418 (2) of the Companies Act 2006, each of the Directors at the date of the approval of this report confirms (a) that so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) that the director has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities that are readily realisable and the Company's assets are significantly greater than its liabilities. 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 20 to 24 and forms part of the Report of the Directors.

Annual General Meeting

The formal Notice of Annual General Meeting is set out on pages 49 to 52.

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

1 Adoption of new Articles of Association

In Resolution 8 in the Notice of Meeting on page 58 the Company proposes to adopt new Articles of Association ('new Articles') to replace the current Articles of Association ('current Articles'). The new Articles incorporate amendments to the current Articles to reflect the provisions of the Companies Act 2006 (the '2006' Act) and also the Companies (Shareholders' Rights) Regulations 2009 ("Shareholders' Rights Regulations"), and otherwise generally update the current Articles for current law, regulation and market practice. The new Articles, showing all the changes to the current Articles, are available for inspection at the registered office during normal business hours at the Company's Registered Office, 155 Bishopsgate, London EC2M 3AD from the date of this report up until the close of the AGM. Copies will also be available at The City of London Club, 19 Old Broad Street, London EC2N 1DS, being the place of the Annual General Meeting, for 15 minutes prior to, and during, the meeting.

The material changes necessary and recommended due to the entering into force of the Companies Act 2006 and the Shareholders' Rights Regulations include: removing the Chairman's casting vote at Shareholder meetings; the removal of the Company's ability to give notice of meetings by advertisement when the post is not available; the removal of references to authorised but unissued shares; the additional manner in which the Company's name can be changed by way of board resolution; the deletion of the ability to close the register; the removal of specific authorities no longer required on capital reduction or buy backs; the addition of a provision confirming that there is no requirement to check that the proxy is voting according to his instructions; provisions relating to the administration of the Company; and minor changes to proceedings at general meetings.

2 Authority to allot shares

A resolution authorising the Directors to allot new share capital for cash was passed at the Annual General Meeting of the Company on 30 March 2009 under Section 80 of the Companies Act 1985 and will expire on 30 March 2010. The equivalent authority under the Companies Act 2006 is in Section 551.

Approval is therefore sought in Resolution 9 for the renewal of the Directors' authority to allot new shares, otherwise than by a pro rata issue to existing shareholders, up to an aggregate nominal amount of £568,648 representing 2,274,592 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 fully diluted net asset value per share ('NAV'). Their issue would 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.

Report of the Directors

3 Disapplication of pre-emption rights

A resolution authorising the Directors to disapply pre-emption rights was passed at the Annual General Meeting of the Company on 30 March 2009 under Section 95 of the Companies Act 1985 and will expire on 30 March 2010. The equivalent authority under the Companies Act 2006 is in Section 570.

Approval is therefore sought in Resolution 10 for the renewal of the authority to disapply pre-emption rights in respect of a) the allotment of shares or the sale by the Company of shares held by it as Treasury Shares, following the introduction of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, 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 £568,648. No such allotment will be made at less than the NAV per share (as determined in the absolute discretion of the Directors). However, Treasury Shares 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 the NAV than the average discount at which they were repurchased by the Company.

4 Continuation of share buy back programme

Resolutions authorising the Directors to make market purchases of the Company's Shares were passed at the Annual General Meeting of the Company on 30 March 2009, under Section 166 of the Companies Act 1985. The equivalent authorities under the Companies Act 2006 are in Section 701.

As referred to in the Chairman's Statement, the Board is proposing the renewal of the Company's authority to make market purchases of Ordinary Shares and/or Subscription Shares, either for cancellation or for holding in treasury. The Board believes that such purchases in the market at appropriate times and prices may be a suitable method of enhancing shareholder value. The Company would make either a single purchase or a series of purchases, when market conditions are suitable, with the aim of maximising the benefits to shareholders and within guidelines set from time to time by the Board.

Where purchases are made at prices below the prevailing net asset value, this enhances the net asset value for the remaining shareholders. It is therefore intended that purchases will only be made at prices below net asset value, with the purchases to be funded from the realised capital profits of the Company (which are currently in excess of £25 million – including unrealised capital reserves). The rules of the UK Listing Authority limit the maximum price which may be paid by the Company to 105% of the average middle-market quotation for an Ordinary Share or Subscription Share on the 5 business days immediately preceding the date of the relevant purchase. The minimum price to be paid will be 25p per Ordinary Share or 1p per Subscription Share (being the respective nominal values). Additionally, the Board believes that the Company's ability to purchase its own shares may assist liquidity in the market. Overall these share buy back proposals should help to reduce the discount to net asset value at which the Company's shares currently trade.

Under the Financial Services Authority Listing Rules, a company is permitted to purchase up to 14.99% of its equity share capital through market purchases pursuant to a general authority granted by shareholders in general meeting.

The current authorities which permit the Company to purchase up to 14.99% of the Ordinary or Subscription issued share capital, expire at the conclusion of the forthcoming Annual General Meeting. Accordingly, resolutions 11 and 12 will be proposed as Special Resolutions at the AGM. The authority to make market purchases of up to 14.99% of the Company's issued Ordinary and Subscription Share capital is equivalent to 3,409,614 Ordinary Shares and 714,288 Subscription Shares provided there is no change in the respective issued share capital between the date of this Report and the Annual General Meeting to be held on 30 March 2010.

5. Authority to hold a general meeting on 14 days' clear notice

This resolution is required to reflect the implementation in August 2009 of the EU Shareholder Rights Directive (the "Directive"), which has increased the notice period for all general meetings of the Company to 21 days' clear notice. The Company was previously able to call general meetings (other than an Annual General Meeting) on 14 days' clear notice and would like to preserve this ability. Under the Directive, Companies are permitted to seek shareholder approval, on an annual basis and by way of a special resolution, for general meetings (other than the annual general meeting) to be called on 14 days' clear notice. This authority will only be used if it is in the best interests of shareholders and will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. Furthermore, in order to use this authority, all shareholders must be given the opportunity (but not the obligation) to vote at such a general meeting by electronic means. Annual general meetings will continue to be held on at least 21 days' clear notice.

The authorities being sought under resolutions 9, 10, 11, 12 and 13 will last until the conclusion of the next Annual General Meeting or, if shorter, a period of 15 months.

Report of the Directors

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, as they intend to do in respect of their respective holdings of Ordinary Shares.

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ('AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies ('AIC Guide'). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide, will provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except in relation to the Combined Code provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and in the preamble to the Combined Code, the Board considers that these provisions are not relevant to the Company as it is an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

The Board currently consists of five members, all of whom are non-executive. The Directors' biographical details, set out on page 3, demonstrate a breadth of investment, commercial and professional experience.

The Board is responsible for efficient and effective leadership of the Company and has reviewed the schedule of matters reserved for its decision. 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, the review of investment performance (including peer group performance) and investment policy. It also has responsibility for all corporate strategic issues, dividend policy, share buy-back policy, gearing, share price and discount / premium monitoring and corporate governance matters.

In order to enable them to discharge their responsibilities, prior to each meeting Directors are provided, in a timely manner, with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. Representatives of the Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern; a full report is received from the Manager at each quarterly meeting. In the light of these reports, the Board gives direction to the Manager with regard to investment objectives and guidelines. Within these established guidelines, the Manager takes decisions as to the purchase and sale of individual investments.

The following table sets out the number of scheduled Directors' meetings (including committee meetings) held and attended during the year under review.

Type and number of meetings held in 2008/9:	Board (4)	Audit Committee (2)	Management Engagement Committee (1)
David Quysner#	4	2	1
John Cornish	4	2	1
Paul Gaunt	4	2	1
Richard Holway	4	2	1
Dr Chris Martin	4	2	1

David Quysner, Chairman of the Company, is not a member of the Audit Committee but may attend meetings by invitation.

The Directors believe that the composition of the Board demonstrates a breadth of investment, commercial and professional experience.

Report of the Directors

The Board is of the view that length of service does not itself impair a director's ability to benefit the Company as their long term perspective can add significant value to a well-balanced investment company board. No limit in the overall length of service of any of the Company's Directors, including the Chairman, has therefore been imposed.

The Board regularly reviews the independence of its members, and, as explained elsewhere in the Directors' report on page 16, the Board considers all the Directors to be independent.

Nevertheless, the AIC Code requires that Directors who have served for more than nine years should be re-appointed by shareholders annually. Accordingly, Paul Gaunt will retire as a Director at the forthcoming Annual General Meeting. Paul Gaunt is offering himself for re-election at the forthcoming AGM. In the opinion of the Board, Paul Gaunt remains independent in character and judgement and there are no relationships or circumstances relating to the Company that are likely to affect his judgement.

Chairman and Senior Independent Director

David Quysner was appointed Chairman of the Company on 28 April 2004.

The Senior Independent Director is John Cornish, who provides a channel for referral of any shareholder concerns.

Tenure Policy

None of the Directors has a service contract with the Company. New directors are appointed with the expectation that they will serve for a period of three years. Directors' appointments are reviewed formally every three years by the Board. Any Director may resign by notice in writing to the Board at any time. There are no set notice periods. No compensation is payable on leaving office.

The Articles of Association provide that one-third of the directors must retire by rotation and may offer themselves for re-election at each Annual General Meeting. The terms of the Directors' appointment also provide that a Director shall retire and be subject to election at the first Annual General Meeting after appointment and at least every three years thereafter.

Director Training

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.

Board Appraisal

The Board carried out an evaluation during the year, as described above on page 16. As a result of the evaluation the Board considers that all the current Directors contribute effectively and that all have skills and experience that are relevant to the leadership and direction of the Company.

Directors' and Officers' Liability Insurance

Directors' and Officers' Liability Insurance cover is provided at the expense of the Company.

Board Committees

In line with the AIC Code, the Board has disbanded the Nomination and Remuneration Committees in favour of the full Board adopting the responsibilities of such committees. The Audit and Management Engagement Committees continue in operation and copies of the full Terms of Reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available at the AGM and can be found on the website www.rcmtechnologytrust.co.uk. The Audit Committee is chaired by John Cornish while the Management Engagement Committee is chaired by the Chairman of the Company, David Quysner.

Audit Committee

The Company's Audit Committee meets at least twice per year, is chaired by John Cornish, and comprises all independent Directors (namely John Cornish, Paul Gaunt, Richard Holway and Dr Chris Martin) and, by invitation, the Chairman of the Company. The Board is satisfied that at least one member of the Committee has recent and relevant financial experience: John Cornish, the Chairman, is a Chartered Accountant and was a former senior partner at Deloitte. The Audit Committee is responsible for the review of the annual financial report and the half yearly financial 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

Report of the Directors

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 regard to the cost effectiveness of the services and the independence and objectivity of the auditors.

As the Company has no employees it does not have a formal policy concerning the raising, in confidence, of any concerns about possible improprieties, whether in matters of financial reporting or otherwise, for appropriate independent investigation. The Audit Committee has, however, reviewed and noted the Manager's policy on this matter.

Management Engagement Committee

The Management Engagement Committee meets at least once per year under the Chairmanship of David Quysner, and is composed of the independent Directors (namely David Quysner, John Cornish, Paul Gaunt, Richard Holway and Dr Chris Martin). The Management Engagement Committee is responsible for the regular review of the terms of the contracts with the Manager and for making recommendations to the Board in respect of such contracts.

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 business decisions are made and which is 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 year covered by these financial statements and up to the date of approval of the Annual Financial Report. 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.

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 assesses 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 formally reviewed by the Audit Committee at its meetings and at other times as necessary. It is believed that an appropriate framework is in place to meet the requirements of the AIC Code.

The Manager, at least on a quarterly basis, reports to the Board on the market and investment performance of the Company's portfolio. Further information is contained in the Chairman's Statement, the Report of the Directors and the Investment Manager's Review.

Matters Reserved for the Board

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 specific areas reserved for the Board include final approval of statutory Companies Act requirements including the payment of any dividend and allotment of shares; matters of a Stock Exchange or Internal Control nature such as approval of shareholder statutory documentation, performance reviews and Director independence; and in particular matters of a strategic or management nature, such as the Company's long term objectives and commercial strategy, the appointment or removal of the Manager, Investment Policy, changes to the Company structure, unquoted investment valuations and final approval of borrowing requirements and limits.

Conflicts of Interest

The Companies Act 2006 sets out directors' general duties with some changes from the previously existing law. A director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Since 1 October 2008, directors have been able to authorise these conflicts and potential conflicts. The Board reports annually on the Company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Each of the Directors has provided a statement of all conflicts of interest and potential conflicts of interest relating to the Company. These statements have been considered and approved by the Board. The Directors have undertaken to notify the Chairman and Company Secretary of

Report of the Directors

any proposed new appointments and new conflicts or potential conflicts for consideration, if necessary, by the Board. The Board has agreed that only Directors who have no interest in the matter being considered will be able to take the relevant decision and that in taking the decision the Directors will act in a way they consider, in good faith, will be most likely to promote the Company's success. The Board is able to impose limits or conditions when giving authorisation if it thinks this is appropriate.

The Board confirms that its powers of authorisation are operating effectively and that the agreed procedures have been followed.

Relations with Shareholders

The Company has regular contact with its institutional shareholders particularly through the Manager. The Chairman is also available to meet 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.

Accountability and Audit

The Directors' Statement of Responsibilities in respect of the financial statements is set out on page 25. The report of the auditors is set out on page 28. 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 insofar 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.

Auditor objectivity and independence

Grant Thornton UK LLP is the auditor of the Company. The Board believes that auditor objectivity and independence is safeguarded for the following reasons: the extent of non-audit work carried out by Grant Thornton UK LLP is limited and flows naturally from the firm's role as auditor to the Company; Grant Thornton UK LLP has provided information on its independence policies and the safeguards and procedures it has developed to counter perceived threats to its objectivity; it also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Exercise of Voting Powers

The Company's investments are held in nominee names. The Board has delegated discretion to discharge its responsibilities in respect of investments, including the exercise of voting powers on its behalf, to the Manager.

The Board has noted the Manager's statement of its corporate governance aims and objectives, summarised as:

> "Our primary corporate aim is to maximise shareholder value through the securing of corporate performance whilst protecting this value through operating within established rules of conformance.
>
> Our primary investment management aim is to meet or exceed our clients' expectations through generating first class returns within the constraint of their risk tolerance.
>
> RCM votes in all markets wherever possible."

In the UK, RCM is a member of the National Association of Pension Funds ('NAPF') and the International Corporate Governance Network ('ICGN') and abides by these organisations' founding principles. These take into account international codes of corporate governance from a number of sources, including Employee Retirement Income Security Act ('ERISA') legislation and Department of Labor recommendations in the U.S. where appropriate.

Corporate Social Responsibility

The Board has noted the Manager's views on Corporate Social Responsibility that it adheres to in engaging with the underlying investee companies and in exercising its delegated responsibilities in voting. These are that:

"We believe that good corporate governance includes the management of the company's impact on society and the environment, as these are increasingly becoming a factor in contributing towards maximising long term shareholder value."

Report of the Directors

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. The Investment Manager takes account, in general terms, of ethical and environmental considerations as a part of its investment evaluations.

Annual General Meeting

The Board welcomes all shareholders to the Annual General Meeting at which the investment manager presents his review of the year and prospects for the future. All Directors are present at the AGM to meet and talk with shareholders. Additionally, shareholders wishing to communicate directly with the Board may make contact via the Manager or Company Secretary, details of whom can be found on page 46.

By Order of the Board
K. J. Salt | Secretary

25 February 2010

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the total return of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The financial statements are published on www.rcmtechnologytrust.co.uk, which is a website maintained by the Investment Manager, RCM (UK) Limited. The work undertaken by the Auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept no responsibility for any changes that may 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 other jurisdictions.

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area.

Statement under Disclosure and Transparency Rule 4.1.12

The Directors each confirm to the best of their knowledge that:

a) the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and

b) this Annual Financial Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

David Quysner | Chairman
25 February 2010

Directors' Remuneration Report

The Board has prepared this report in accordance with the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 8, for the year ended 30 November 2009. 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 28.

Remuneration Committee

The Company currently has five non-executive Directors, all of whom are considered by the Board to be independent. The whole Board fulfils the function of a Remuneration Committee. The Board has appointed the Company Secretary 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 2010 and subsequent years.

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

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association, the maximum aggregate amount currently being £150,000. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The total aggregate amount paid to Directors during the year ended 30 November 2009 was £92,000.

The Board has not received independent advice or services in respect of its consideration of the Directors' remuneration. The policy is to review directors' fee rates from time to time, but reviews will not necessarily result in a change to the rates. In the year under review the directors were paid as follows: Chairman £25,000 pa, Senior Independent Director/Chairman of Audit Committee £19,000 pa, Directors £16,000 pa. These rates were established in 2007.

Directors' and Officers' Liability Insurance cover is held by the Company. As permitted by the Company's Articles of Association, the Board has granted individual indemnities to the Directors.

Directors' Service Contracts

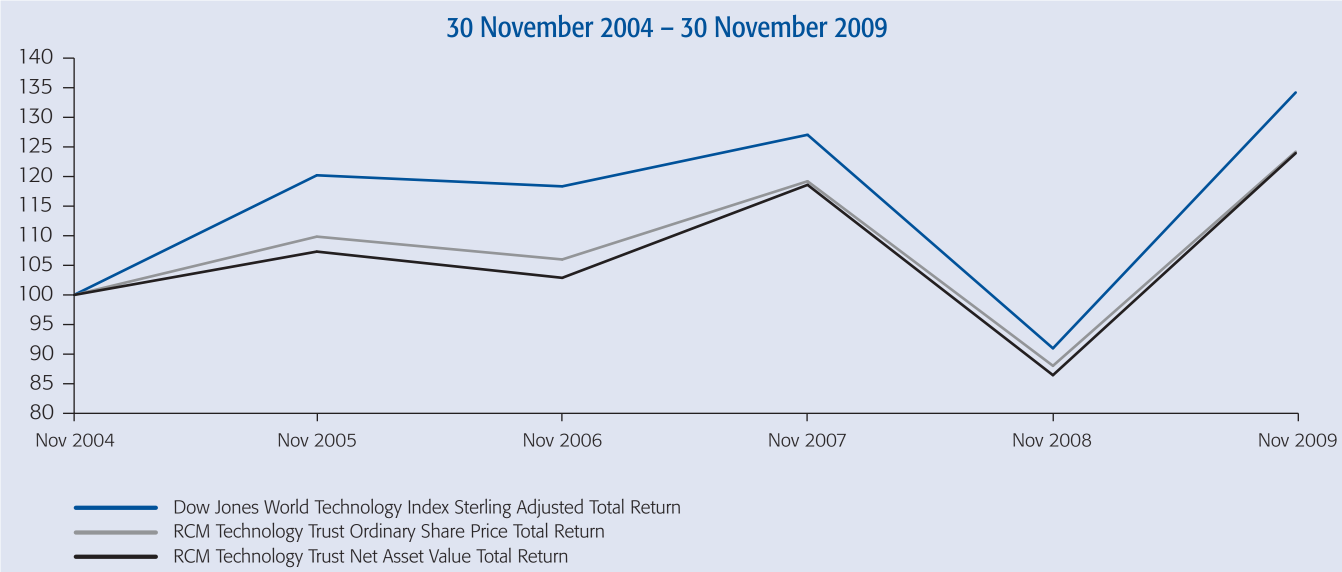
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to re-election at the first annual general meeting after their appointment, and at least every three years thereafter. The terms also provide that 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 to 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 27 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 Company's Benchmark is calculated.

Directors' Remuneration Report

Total Shareholder Return for the five years to 30 November 2009



Figures have been rebased to 100 as at 30 November 2004
Source: RCM/Datastream

Directors' Emoluments for the Year (audited)

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

	Fees 2009 £	Fees 2008 £
David Quysner	25,000	25,000
John Cornish	19,000	19,000
Paul Gaunt	16,000	16,000
Richard Holway	16,000	16,000
Dr Chris Martin	16,000	16,000
Anthony Townsend*	–	5,746
	92,000	**97,746**

* Retired from the Board on 9 April 2008.

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

Approval

The Directors' Remuneration Report on pages 26 and 27 was approved by the Board of Directors on 25 February 2010 and signed on its behalf by David Quysner (Chairman).

Independent Auditor's Report to the members of RCM Technology Trust PLC

We have audited the financial statements of RCM Technology Trust PLC for the year ended 30 November 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow statement, the Reconciliation of Movements in Shareholders' Funds, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Statement of Directors' Responsibilities in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the 2008 Combined Code specified for our review

Julian Bartlett (Senior Statutory Auditor)
for and on behalf of **Grant Thornton UK LLP** | Chartered Accountants and Statutory Auditors
London, England
25 February 2010

Income Statement for the year ended 30 November 2009

	Notes	2009 Revenue £	2009 Capital £	2009 Total Return £	2008 Revenue £	2008 Capital £	2008 Total Return £
Net gains (losses) on investments at fair value	8	–	18,599,491	18,599,491	–	(16,472,167)	(16,472,167)
Net (losses) gains on foreign currencies		–	(86,766)	(86,766)	–	158,446	158,446
Income	1	586,192	–	586,192	479,513	–	479,513
Investment management fee	2	(541,005)	–	(541,005)	(561,457)	–	(561,457)
Investment management fee VAT refund	2	511,553	298,944	810,497	–	–	–
Administration expenses	3	(346,128)	–	(346,128)	(358,459)	–	(358,459)
Net return before finance costs and taxation		**210,612**	**18,811,669**	**19,022,281**	**(440,403)**	**(16,313,721)**	**(16,754,124)**
Finance costs: interest payable and similar charges	4	(284)	–	(284)	(5,362)	–	(5,362)
Net return on ordinary activities before taxation		**210,328**	**18,811,669**	**19,021,997**	**(445,765)**	**(16,313,721)**	**(16,759,486)**
Taxation	5	(61,344)	–	(61,344)	(49,897)	–	(49,897)
Net return on ordinary activities attributable to Ordinary Shareholders		**148,984**	**18,811,669**	**18,960,653**	**(495,662)**	**(16,313,721)**	**(16,809,383)**
Return per Ordinary Share (basic and diluted)	7	**0.65p**	**81.57p**	**82.22p**	**(2.10p)**	**(69.08p)**	**(71.18p)**

The total return column of this statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The Notes on pages 33 to 45 form an integral part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds
for the year ended 30 November 2009

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net Assets at 30 November 2007	6,012,784	23,439,864	938,750	43,044,528	(10,895,107)	62,540,819
Revenue Return	–	–	–	–	(495,662)	(495,662)
Shares repurchased during the year	(82,000)	–	82,000	(823,674)	–	(823,674)
Conversion of Subscription Shares	1,184	11,997	–	–	–	13,181
Capital Return	–	–	–	(16,313,721)	–	(16,313,721)
Net Assets at 30 November 2008	**5,931,968**	**23,451,861**	**1,020,750**	**25,907,133**	**(11,390,769)**	**44,920,943**
Net Assets at 30 November 2008	5,931,968	23,451,861	1,020,750	25,907,133	(11,390,769)	44,920,943
Revenue Return	–	–	–	–	148,984	148,984
Shares repurchased during the year	–	–	–	(1,179,940)	–	(1,179,940)
Conversion of Subscription Shares	128	1,288	–	–	–	1,416
Capital Return	–	–	–	18,811,669	–	18,811,669
Net Assets at 30 November 2009	**5,932,096**	**23,453,149**	**1,020,750**	**43,538,862**	**(11,241,785)**	**62,703,072**

The Notes on pages 33 to 45 form an integral part of these Financial Statements.

Balance Sheet as at 30 November 2009

	Notes	2009 £	2009 £	2008 £
Fixed Assets				
Investments held at fair value through profit or loss	8		60,311,283	44,085,478
Current Assets				
Debtors	9	243,935		85,545
Cash at bank	9	2,481,127		1,153,333
		2,725,062		**1,238,878**
Creditors				
Amounts falling due within one year	9	(333,273)		(403,413)
Net Current Assets			**2,391,789**	**835,465**
Total Net Assets			**62,703,072**	**44,920,943**
Capital and Reserves				
Called up Share Capital	10		5,932,096	5,931,968
Share Premium Account	11		23,453,149	23,451,861
Capital Redemption Reserve	11		1,020,750	1,020,750
Capital Reserve	11		43,538,862	25,907,133
Revenue Reserve	11		(11,241,785)	(11,390,769)
Equity Shareholders' Funds	12		**62,703,072**	**44,920,943**
Net Asset Value per Ordinary Share	12		**274.0p**	**191.1p**

The financial statements of RCM Technology Trust PLC, company number 3117355, were approved and authorised for issue by the Board of Directors on 25 February 2010 and signed on its behalf by:

David Quysner | Chairman

The Notes on pages 33 to 45 form an integral part of these Financial Statements.

Cash Flow Statement for the year ended 30 November 2009

	Notes	2009 £	2009 £	2008 £
Net cash inflow (outflow) from operating activities	14		396,799	(1,894,279)
Return on investment and servicing of finance				
Interest paid			(285)	(5,362)
Capital expenditure and financial investment				
Purchase of fixed asset investments		(78,206,670)		(173,839,231)
Sale of fixed asset investments		80,403,765		176,801,003
Net cash inflow from capital expenditure and financial investment			**2,197,095**	**2,961,772**
Net cash inflow before financing			**2,593,609**	**1,062,131**
Financing				
Purchase of Ordinary Shares for cancellation and for holding in treasury		(1,180,465)		(823,149)
Conversion of Subscription Shares to Ordinary Shares		1,416		13,181
Net cash outflow from financing			**(1,179,049)**	**(809,968)**
Increase in cash	15		**1,414,560**	**252,163**

The Notes on pages 33 to 45 form an integral part of these Financial Statements.

Statement of Accounting Policies for the year ended 30 November 2009

1. The financial statements have been prepared on the historical cost convention, modified to include the measurement at fair value of investments, and in accordance with the United Kingdom law and United Kingdom Generally Accepted Accounting Principles (UK GAAP) and the Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued in January 2009 by the Association of Investment Companies.

   In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under sections 833 and 834 of the Companies Act 2006, net capital returns may not be distributed by way of dividend.

   The accounting policies adopted in preparing the current year's financial statements are consistent with those of previous years.

   The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities, which are readily realisable and which significantly exceed liabilities. Accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Company's business, the principal risks and uncertainties it faces, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report, Business Review section on pages 12 to 15.

   FRS 29 'Financial Instruments: Disclosures' introduces additional disclosures relating to financial instruments. This standard does not have any impact on the classification and/or valuation of the Company's financial instruments. The additional disclosures provided in accordance with the requirements of the standard are set out in Note 16 to the financial statements. Comparatives are not required.

2. Revenue – Dividends on equity shares are accounted for on an ex-dividend basis. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax. Income on debt securities is recognised on an effective yield basis which takes account of any discounts or premiums arising on the purchase price, compared to final maturity over the remaining life of the security.

   Special dividends are recognised on an ex-dividend basis and treated as a capital or revenue item depending on the facts and circumstances of each dividend.

   Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the equivalent of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves.

   Deposit interest receivable is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

3. Investment management fee and administration expenses – The investment management fee is calculated on the basis set out in Note 2 to the financial statements and is charged in full to revenue as permitted by the SORP. Performance fees are charged in full to capital, in accordance with the Board's expectation of where the Company's long term growth will arise. Other administrative expenses are charged in full to revenue. All expenses are recognised on an accruals basis.

4. Valuation – As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, investments are designated as fair value through profit or loss on initial recognition in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of Directors.

   Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Gains or losses on investments are recognised in the capital column of the Income Statement.

   Investment holding gains (losses) reflect differences between fair value and book cost. Net gains or losses arising on sale of investments are taken to the Capital Reserve.

Statement of Accounting Policies for the year ended 30 November 2009

Unquoted investments are valued by the Directors with reference to the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in September 2009.

5. Finance costs – The finance costs of borrowings are charged to revenue and accounted for on an accruals basis.

6. Taxation – Where expenses are allocated between capital and revenue, any tax relief obtained in respect of those expenses is allocated between capital and revenue on the marginal basis and the Company's effective rate of tax for the accounting period.

   A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable. Deferred tax is measured on a non-discounted basis at the rate of Corporation tax that is expected to apply when the timing differences are expected to reverse.

7. Shares repurchased for cancellation and holding in treasury – For shares repurchased for cancellation, Share Capital is reduced by the nominal value of the shares repurchased, and the Capital Redemption Reserve is correspondingly increased in accordance with Section 733 Companies Act 2006. The full cost of shares repurchased for cancellation is charged to the Capital Reserve within Gains (Losses) on Sales of Investments in accordance with the Company's Articles of Association.

   For shares repurchased for holding in treasury, the full cost is charged to the Capital Reserve within Gains (Losses) on Sales of Investments in accordance with the Company's Articles of Association.

8. Conversion of Subscription Shares into Ordinary Shares – Called up Share Capital is decreased by the nominal value of the Subscription Shares and increased by the nominal value of the Ordinary Shares subscribed. The premium in excess of the nominal value of Ordinary Shares is taken to the Share Premium Account.

9. Foreign Currency – In accordance with FRS 23 'The effect of Changes in Foreign Currency Exchange Rates', the Company is required to nominate a functional currency, being the currency in which the Company predominately operates. The functional and reporting currency is pounds sterling. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Profit and losses on foreign currencies held, whether realised or unrealised, are taken directly to the Capital Reserve, via the capital column of the Income Statement.

Notes to the Financial Statements for the year ended 30 November 2009

1. Income

	2009 £	2008 £
Income from Investments		
Equity income from UK investments	17,533	6,347
Equity income from overseas investments	384,538	344,256
Income from fixed income investments	1,241	122,269
	403,312	**472,872**
Other Income		
Deposit interest	229	3,030
Other interest*	182,651	–
Other income	–	3,611
	182,880	**6,641**
Total income	**586,192**	**479,513**

* Interest on investment management fee VAT refund.

2. Investment Management Fee

	2009 Revenue £	2009 Capital £	2009 Total £	2008 Revenue £	2008 Capital £	2008 Total £
Investment management fee	541,005	–	541,005	561,457	–	561,457
Investment management fee VAT refund, financial years 2001-2007	(511,553)	–	(511,553)	–	–	–
Performance fee VAT refund, financial years 2001-2003	–	(298,944)	(298,944)	–	–	–
	(511,553)	**(298,944)**	**(810,497)**	**–**	**–**	**–**
	29,452	**(298,944)**	**(269,492)**	**561,457**	**–**	**561,457**

The Company's investment manager is RCM (UK) Limited ("RCM"). The management contract, terminable at one year's notice, provides for a management fee of 1% per annum payable quarterly in arrears and calculated on the average value of the market capitalisation of the Company at the last business day of each month in the relevant quarter. In addition there is a fee of £50,000 per annum to cover RCM's administration costs. Under the contract, RCM provides the Company with investment management, accounting, secretarial and administration services. 'Investment Management fee' in the table above includes the annual administration fee of £50,000.

In addition, the Manager is entitled to a performance fee based on the level of outperformance of the Company's net asset value per share over its benchmark, the Dow Jones World Technology Index Sterling Adjusted Total Return, during the relevant Performance Period. The Performance Period corresponds with the financial year of the Company.

The Performance Fee is calculated as 20% of the outperformance of the net asset value per share (adjusted for any dividends paid by the Company to shareholders) compared to the indexed net asset value over the Performance Period. This outperformance is multiplied by the weighted average number of Ordinary Shares in issue during the Performance Period.

However, regardless of whether the Manager outperforms the benchmark, a Performance Fee will only be charged where the net asset value per share at the end of the relevant Performance Period is greater than the highest previously recorded net asset value per share on which a Performance Fee was earned.

The Performance Fee earned by the Manager for this Performance Period was £nil (2008 – £nil).

Notes to the Financial Statements for the year ended 30 November 2009

Due to the European Court of Justice ruling in the VAT case bought by JP Morgan Fleming Claverhouse Trust plc in conjunction with the AIC on 28 June 2007, VAT has not been charged on management fees since 1 May 2007.

Following the ruling of the European Court of Justice, there has been some recovery of overpaid VAT from certain years. On 24 November 2009 a refund of £810,497 was paid to the Company in relation to VAT paid from 2001 to 2007 (2008 – nil), together with interest of £182,651 (2008 – £nil) from Close Investments, the Manager for that period. The VAT refund has been applied to revenue and capital in accordance with how the management and performance fees were charged in the relevant period. There is the possibility that further amounts may be recovered for other periods. These amounts are included in the Company's Income Statement.

3. Administration Expenses

	2009 £	2008 £
Directors' fees	92,000	97,746
Fees payable to the Company's auditors for the audit of the annual financial statements	24,150	23,300
Fees payable to the Company's auditors for services relating to taxation	10,476	–
Safe custody and other charges	14,910	30,223
Marketing costs	26,597	48,996
Other administrative expenses	177,995	158,194
	346,128	**358,459**

(a) The above expenses include value added tax where applicable.

(b) Directors' fees are paid at an annual rate. Further details are provided in the Directors' Remuneration Report on page 26.

(c) Auditors remuneration includes VAT of £3,150 (2008 – £3,470).

4. Finance Costs: Interest Payable and Similar Charges

	2009 £	2008 £
On sterling overdraft	187	2,875
On overseas overdraft	97	2,487
	284	**5,362**

Notes to the Financial Statements for the year ended 30 November 2009

5. Taxation

(a) Analysis of tax charge for the year:

	2009 Revenue £	2009 Capital £	2009 Total £	2008 Revenue £	2008 Capital £	2008 Total £
Overseas taxation	61,344	–	61,344	49,897	–	49,897
Current tax charge	**61,344**	**–**	**61,344**	**49,897**	**–**	**49,897**

(b) Factors affecting the current tax charge for the year:

	2009 Revenue £	2009 Capital £	2009 Total £	2008 Revenue £	2008 Capital £	2008 Total £
Return on ordinary activities before taxation	210,328	18,811,669	19,021,997	(445,765)	(16,313,721)	(16,759,486)
Corporation tax of 28% (2008 – 28%)	58,892	5,267,267	5,326,159	(124,814)	(4,567,842)	(4,692,656)
Effects of:						
Non taxable income	(53,636)	–	(53,636)	(1,819)	–	(1,819)
Non taxable capital (gains) losses	–	(5,183,562)	(5,183,562)	–	4,676,654	4,676,654
Disallowable expenses	1,086	–	1,086	22,459	–	22,459
Overseas tax suffered	61,344	–	61,344	49,897	–	49,897
Accrued income taxable on receipt	18,146	–	18,146	(9,533)	–	(9,533)
Changes in taxation rates	–	–	–	(2,973)	(108,812)	(111,785)
Excess expenses brought forward utilised	(24,488)	(83,705)	(108,193)	–	–	–
Excess of allowable expenses over taxable income	–	–	–	116,680	–	116,680
Current tax charge	**61,344**	**–**	**61,344**	**49,897**	**–**	**49,897**

The Company's taxable income is exceeded by its tax allowable expenses, which include both the revenue and capital elements of the management fee and finance costs of borrowings. The Company has surplus expenses carried forward of £30.3m (2008 – £30.7m) and eligible unrelieved foreign tax of Nil (2008 – £0.1m). Given the Company's current strategy, it is unlikely to generate sufficient UK taxable profits to relieve these surplus expenses.

As at 30 November 2009 there is an unrecognised deferred tax asset, measured at the standard rate of corporation tax of 28% (2008 – 28%), of £8.5m (2008 – £8.7m). This deferred tax asset relates to the unutilised surplus expenses carried forward. It is considered uncertain that there will be a tax liability in the future against which the deferred tax asset can be offset. Therefore, the asset has not been recognised.

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the disposal of investments.

Notes to the Financial Statements for the year ended 30 November 2009

6. Dividends on Ordinary Shares

There were no dividends paid or declared during the financial year ended 30 November 2009 (30 November 2008 – Nil).

7. Return per Ordinary Shares

	2009 Revenue £	2009 Capital £	2009 Total Return £	2008 Revenue £	2008 Capital £	2008 Total Return £
Return after taxation attributable to Ordinary Shareholders	148,984	18,811,669	18,960,653	(495,662)	(16,313,721)	(16,809,383)
Return per Ordinary Share	0.65p	81.57p	82.22p	(2.10p)	(69.08p)	(71.18p)

The return per Ordinary Share is based on a weighted average of 23,061,520 Ordinary Shares in issue. (2008 – 23,614,795).

As at 30 November 2009 the exercise price of the Subscription Shares was higher than the Ordinary Share price and therefore a diluted NAV has not been reported.

8. Fixed Asset Investments

	2009 Quoted UK/ Overseas £	2009 Other Unquoted £	2009 Total £	2008 Quoted UK/ Overseas £	2008 Other Unquoted £	2008 Total £
Value of investments brought forward	43,595,604	489,874	44,085,478	62,983,904	365,589	63,349,493
Investment holding losses (gains) brought forward	6,428,772	308,883	6,737,655	(8,307,380)	433,168	(7,874,212)
Cost of investments held brought forward	**50,024,376**	**798,757**	**50,823,133**	**54,676,524**	**798,757**	**55,475,281**
Additions at cost	78,030,078	–	78,030,078	172,962,921	–	172,962,921
Disposals at cost	(77,806,289)	–	(77,806,289)	(177,615,069)	–	(177,615,069)
Cost of investments held at 30 November	**50,248,165**	**798,757**	**51,046,922**	**50,024,376**	**798,757**	**50,823,133**
Investment holding gains (losses) at 30 November	9,735,020	(470,659)	9,264,361	(6,428,772)	(308,883)	(6,737,655)
Fair value of investments held at 30 November	**59,983,185**	**328,098**	**60,311,283**	**43,595,604**	**489,874**	**44,085,478**

	2009 £	2008 £
Net gains (losses) on investments		
Net gains (losses) on sales of investments based on historical costs	2,597,476	(1,860,300)
Adjustment for net investment holding losses (gains) recognised in previous years	4,697,910	(8,807,789)
Net gain (losses) on sale of investments based on carrying value at previous balance sheet date	**7,295,386**	**(10,668,089)**
Net investment holding gains (losses) arising in the year	11,304,105	(5,804,078)
Net gains (losses) on investments	**18,599,491**	**(16,472,167)**

Transaction costs on purchases amounted to £112,197 (2008 – £127,545) and transaction costs on sales amounted to £100,726 (2008 – £142,598).

Notes to the Financial Statements for the year ended 30 November 2009

9. Current Assets and Creditors

	2009 £	2008 £
Debtors:		
Accrued income	212,672	55,954
Other debtors	31,263	29,591
	243,935	**85,545**
Cash at bank	**2,481,127**	**1,153,333**
Creditors: Amounts falling due within one year:		
Purchases for future settlement	–	177,833
Stamp Duty payable	–	525
Other creditors	333,273	225,055
	333,273	**403,413**

10. Share Capital

	2009 £	2008 £
Allotted and fully paid		
23,537,779 Ordinary Shares of 25p (2008 – 23,537,249)*	5,884,445	5,884,312
4,765,101 Subscription Shares of 1p (2008 – 4,765,631)	47,651	47,656
	5,932,096	**5,931,968**

*Inclusive of 654,850 (2008 – 30,000) Ordinary Shares held in treasury for reissue into the market or cancellation at a future date. Shares held in treasury are non-voting and not eligible for receipt of dividends.

During the year the Company repurchased 624,850 Ordinary Shares to be held in treasury at a cost of £1,179,940. As at the date of this report, a further 137,000 Ordinary Shares have been repurchased and held in treasury for re-issue into the market or cancellation at a future date since the year end at a cost of £341,645.

On 16 August 2007, the Company made a bonus issue of 4,770,568 Subscription Shares, on the basis of one Subscription Share for every five existing Ordinary Shares, to all shareholders on the Register of Members at the close of business on 17 August 2007. Holders of Subscription Shares are not entitled to receive notice of, attend or vote at meetings of Ordinary Shareholders and Subscription Shares carry no right to any dividend or other distribution by the Company. In accordance with the prospectus dated 18 July 2007, holders of Subscription Shares can subscribe for Ordinary Shares at a conversion price of 267p, in each of the years 2008 to 2012.

On 2 April 2009, following the exercise of conversion rights by Subscription Shareholders, 530 new shares were issued.

Notes to the Financial Statements for the year ended 30 November 2009

11. Reserves

			Capital Reserve		
	Share Premium Account*	Capital Redemption Reserve	Gains on sales of Investments	Investment Holding – Gains (Losses)	Revenue Reserve
	£	£	£	£	£
Balance at 30 November 2008	23,451,861	1,020,750	32,481,360	(6,574,227)	(11,390,769)
Gains on sales of investments based on fair value at the previous balance sheet date	–	–	7,295,386	–	–
Net losses on foreign currencies	–	–	–	(86,766)	–
Transfer on sale of investments	–	–	(4,697,910)	4,697,910	–
Purchase of Ordinary Shares for holding in treasury	–	–	(1,179,940)	–	–
Conversion of Subscription Shares to Ordinary Shares	1,288	–	–	–	–
Investment management fee (VAT refund)	–	–	298,944	–	–
Dividends appropriated in the year	–	–	–	–	–
Net unrealised gains arising in year	–	–	–	11,304,105	–
Retained profit for the year	–	–	–	–	148,984
Balance at 30 November 2009	**23,453,149**	**1,020,750**	**34,197,840**	**9,341,022**	**(11,241,785)**

*The balance on this account was increased following the conversion of 530 Subscription Shares to Ordinary Shares at a premium of £2.43 during the year.

Under the terms of the Company's Articles of Association, the capital reserves are distributable only by way of redemption or purchase of any of the Company's own shares, for so long as the Company carries on business as an Investment Company.

The Institute of Chartered Accountants in England and Wales (ICAEW), in its technical guidance TECH 01/09, states that investment holding gains arising out of a change in fair value of assets may be recognised as gains on sales of investments provided they can be readily converted into cash. Securities listed on a stock exchange are generally regarded as being readily convertible into cash and hence unrealised profits in respect of such securities, currently included within the Investment Holding – Gains (Losses) of the Capital Reserve above, may be regarded as realised under Company Law.

12. Net Asset Value per share

The Net Asset Value per share (which equates the net asset value attributable to each Ordinary Share in issue at the year end calculated in accordance with the Articles of Association) was as follows:

	Net Asset Value per Share attributable	
	2009	2008
Ordinary Shares of 25p	274.0p	191.1p

	Net Asset Value attributable	
	2009	2008
Ordinary Shares of 25p	£62,703,072	£44,920,943

The Net Asset Value per share is based on 22,882,929 Ordinary Shares in issue at the year end (2008 – 23,507,249).

Notes to the Financial Statements for the year ended 30 November 2009

13. Contingent Assets, Liabilities and Commitments

At 30 November 2009 there were no outstanding contingent liabilities or commitments. The Company had a contingent asset at the previous balance sheet date relating to VAT recoverable. The contingent asset had arisen as a result of the European Court of Justice ruling on 28 June 2007 in the VAT case, brought by JPMorgan Fleming Claverhouse Trust plc in conjunction with the AIC, concerning VAT exemption on management expenses for investment trusts. The contingency has since materialised in favour of the Company, as noted in Note 2 on page 36.

14. Reconciliation of Net Return on Ordinary Activities before Finance Cost and Taxation to Net Cash Flow from Operating Activities

	2009 £	2008 £
Total Return before finance cost and taxation	19,022,281	(16,754,124)
Add: Net (gains) losses on investments at fair value	(18,599,491)	16,472,167
Less: Effective yield amortisation on fixed income investments	(1,241)	(122,269)
Less: Overseas tax suffered	(61,344)	(49,897)
Add: Net losses (gains) on foreign currency	86,766	(158,446)
	446,971	**(612,569)**
Increase in debtors	(158,390)	(40,455)
Increase (decrease) in creditors	108,218	(1,241,255)
Net cash inflow (outflow) from operating activities	**396,799**	**(1,894,279)**

15. Reconciliation of Net Cash Flow to Movement in Net Funds

(i) Analysis of Net Funds

	Cash £	Bank Overdraft £	Net Funds £
Balance at 30 November 2008	1,153,333	–	1,153,333
Movement in net cash inflow	1,414,560	–	1,414,560
Net losses on foreign currencies	(86,766)	–	(86,766)
Balance at 30 November 2009	**2,481,127**	**–**	**2,481,127**

(ii) Reconciliation of Net Cash Flow to Movement in Net Funds

	2009 £	2008 £
Net cash inflow	1,414,560	252,163
Net (losses) gains on foreign currencies	(86,766)	158,446
Movement in net funds	**1,327,794**	**410,609**
Net funds brought forward	1,153,333	742,724
Net funds carried forward	**2,481,127**	**1,153,333**

Notes to the Financial Statements for the year ended 30 November 2009

16. Financial Risk Management

The Company invests in equities and other investments in accordance with its investment objective as stated on page 2. In pursuing its investment objective, the Company is exposed to certain inherent risks that could result in a reduction in the Company's net return and net assets.

The main risks arising from the Company's financial instruments are: market risk (comprising market price risk, foreign currency risk and interest rate risk), liquidity risk and credit risk. The Directors determine the objectives and agree policies for managing each of these risks, as set out below. The Investment Manager, in close cooperation with the Directors, implements the Company's risk management policies. These policies have remained substantially unchanged during the current and preceding period.

Market Risk

The Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the risk on the investment portfolio on an ongoing basis. Market risk comprises market price risk, foreign currency risk and interest rate risk.

(i) Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. An analysis of the Company's portfolio is shown on page 13.

Management of market price risk

The Directors meet regularly to evaluate the risks associated with the investment portfolio. Dedicated fund managers have the responsibility for monitoring the existing portfolio selection in accordance with the Company's investment objective and seek to ensure that individual stocks meet an acceptable risk reward profile.

The value of the Company's listed equities (i.e., fixed asset investments, excluding unlisted equities and US Treasury Bills) which were exposed to market price risk as at 30 November was as follows:

	2009 **£**	**2008** **£**
Listed equity investments held at fair value through profit or loss	58,460,016	39,279,105

The following table illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2008 – 20%) in the fair values of the Company's listed equities. The sensitivity analysis is based on the impact of change to the value of the Company's investments at each balance sheet date, and the consequent impact on the investment management fees (excluding performance fees detailed in Note 2 to the financial statements) for the year, with all other variables held constant.

	2009 **20% Increase** **in fair value** **£**	**2009** **20% Decrease** **in fair value** **£**	**2008** **20% Increase** **in fair value** **£**	**2008** **20% Decrease** **in fair value** **£**
Revenue return				
Investment management fees	(116,920)	116,920	(78,558)	78,558
Capital return				
Net gains (losses) on investment at fair value	11,692,003	(11,692,003)	7,855,821	(7,855,821)
Change in net return and net assets	**11,575,083**	**(11,575,083)**	**7,777,263**	**(7,777,263)**

Notes to the Financial Statements for the year ended 30 November 2009

(ii) Foreign Currency Risk

Foreign currency risk is the risk of the movement in the values of overseas financial instruments as a result of fluctuations in exchange rates.

Management of foreign currency risk

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. It is the Company's policy not to hedge foreign currency exposure.

The table below summarises in sterling terms the foreign currency risk exposure:

	2009 Investments £	2009 Other Assets and Liabilities £	2009 Total Currency Exposure £	2008 Investments £	2008 Other Assets and Liabilities £	2008 Total Currency Exposure £
Sterling	1,923,438	713,129	2,636,567	949,806	(173,826)	775,980
US Dollar	53,734,471	1,018,254	54,752,725	41,673,061	346,592	42,019,653
Other currency exposure	4,653,374	660,406	5,313,780	1,462,611	662,699	2,125,310
	60,311,283	**2,391,789**	**62,703,072**	**44,085,478**	**835,465**	**44,920,943**

The following table details the company's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2009 20% Decrease in Sterling against foreign currencies £	2009 20% Increase in Sterling against foreign currencies £	2008 20% Decrease in Sterling against foreign currencies £	2008 20% Increase in Sterling against foreign currencies £
US Dollar	13,688,181	(9,125,454)	10,504,914	(7,003,275)
Other currency exposure	1,328,261	(885,507)	531,328	(354,218)
Change in net return and net assets	**15,016,442**	**(10,010,961)**	**11,036,242**	**(7,357,493)**

(iii) Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Management of interest rate risk

The Company's exposure to fixed rate bearing financial assets, being the US Treasury Bill, as at 30 November 2009 was £1,523,169 (2008 – £4,316,499). This asset has a weighted average period to maturity of 0.24 years (2008 – 0.25 years) and an effective yield of 0.07% (2008 – 0.02%). It is held instead of cash to provide qualifying income for the purpose of maintaining the Company's investment trust status.

The Company's exposure to floating rate bearing financial assets and liabilities, being the cash balances and bank overdrafts are shown in Note 9 – Current Assets and Creditors on page 39. Interest rates received on cash balances, or paid on bank overdrafts respectively, is approximate to 0.0% and 2.4% per annum (2008 – 0.1% and 3.025% per annum).

The above year end amounts are reasonably representative of the Company's exposure to interest rates fluctuation during the year. The Company invests predominantly in equities, the values of which are not directly affected by changes in prevailing market interest rates. The Company's policy is to remain substantially fully invested. It does not expect to hold significant cash balances and therefore there is minimal exposure to interest rate risk.

Liquidity Risk

Liquidity risk relates to the capacity to meet liabilities as they fall due and is dependent on the liquidity of the underlying assets.

Notes to the Financial Statements for the year ended 30 November 2009

Management of liquidity risk

The contractual maturity of the financial liabilities of the Company is limited to short-term creditors as shown in Note 9 – Current Assets and Creditors on page 39, which can required to be paid within three months or less. Liquidity risk is not significant as the Company's assets mainly comprise realisable securities, which can be sold to meet funding requirements if necessary and significantly exceed liabilities. Short term flexibility can be achieved through the use of overdraft facilities, where necessary. As at 30 November 2009, the Company has no committed borrowing facility (2008 – Nil).

Credit Risk

Credit risk is the risk of default by a counterparty in discharging its obligations under transactions that could result in the Company suffering a loss.

Management of credit risk

The holding of US Treasury Bills and outstanding settlements are subject to credit risk. Credit risk is mitigated by the Company through its decision to transact with counterparties of high credit quality. The Company considers the credit risk of holding US Treasury Bills to be small and only buys and sells investments through brokers which are considered to be approved counterparties, thus minimising the risk of default during settlement.

The Company is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the Company's rights with respect to cash held by banks to be delayed or limited. The Company's cash balances are held with The Bank of New York Mellon Inc, rated Aaa by Moody's rating agency. The Directors believe that the counterparties the Company has chosen to transact with are of high credit quality, and that the Company has minimal exposure to credit risk.

Fair values of Financial Assets and Financial Liabilities

The financial assets and financial liabilities are either carried at fair value or the balance sheet amount is a reasonable approximation of their fair value.

FRS 29 "Financial Instruments: Disclosures" has been expanded to include a fair value hierarchy for the disclosure of fair value measurement of financial instruments.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – valued using quoted prices in active markets for identical assets

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data

As at 30 November 2009 financial assets at fair value through profit and loss of £59,983,185 are categorised as Level 1 (2008 – £43,595,604), and £328,098 are categorised as Level 3 (2008 – £489,874).

Movements in Level 3 have not been disclosed as they are not material.

Notes to the Financial Statements for the year ended 30 November 2009

17. Capital Management Policies and Procedures

The Company's objective is to provide long-term capital growth through investing principally in the equity securities of quoted technology companies on a worldwide basis.

The Company's capital at 30 November was as per the equity shareholders fund in the Balance Sheet on page 31.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis, including the level of gearing, taking into account the Investment Manager's view on the market and the future prospects of the Company's performance. Capital management also involves reviewing the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium) to assess the need whether to repurchase shares for cancellation.

The Company's objective, policies and processes for managing capital are unchanged from the previous accounting period, and the Company has complied with them.

Directors, Manager, Advisers & Contact Details

Directors

David Quysner, Chairman
John Cornish
Paul Gaunt
Richard Holway
Dr Chris Martin

Company Registration Number

3117355 (Registered in England)

Registered Office

155 Bishopsgate
London EC2M 3AD
Telephone: 020 7859 9000

The Manager

RCM (UK) Limited is part of RCM, a global asset management company operating from six international offices – San Francisco, London, Frankfurt, Hong Kong, Tokyo and Sydney – with assets under management of over £85 billion worldwide. Through its predecessors RCM (UK) has a heritage of investment trust management expertise in the UK reaching back to the nineteenth century and at 31 December 2009 it had £1.03 billion assets under management in a range of investment trusts. RCM (UK) Limited is authorised and regulated by the Financial Services Authority.

RCM is a company of Allianz Global Investors which, with £1,029 billion assets under management at 30 September 2009, is one of the largest global asset management groups.
Website: www.rcm.co.uk

Investment Manager

RCM (UK) Limited,
155 Bishopsgate
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Secretary and Registered Office

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London EC2M 3AD
Telephone: 0207 7065 1513
Email: kirsten.salt@uk.rcm.com

Website

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CREST Proxy Voting

Shares held in uncertificated form (i.e., in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Stockbrokers

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

Registrars

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Website: www.capitaregistrars.com

Shareholder Enquiries

Capita Registrars are the Company's registrars and maintain the share register. In the event of queries regarding their holdings of shares, lost certificates, dividend cheques, registered details, etc., shareholders should contact the registrars on 0871 664 0300 or +44 20 8639 3399 if calling from overseas. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the 0871 664 0300 number are charged at 10 pence per minute plus any of your service providers' network extras. Calls to the helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Changes of name and address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, RCM Technology Trust PLC, 155 Bishopsgate, London EC2M 3AD. Telephone: 020 7065 1513.

Investor Information

Market and Portfolio Information

The Company's Ordinary Shares and Subscription Shares are listed on the London Stock Exchange under the respective codes RTT and RTTS. The market price range, gross yield and net asset value are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Trusts' and 'Investment Companies', respectively. The net asset value of the Ordinary Shares is calculated daily and published on the London Stock Exchange Regulatory News Service. The geographical spread of investments and ten largest holdings are published monthly on the London Stock Exchange Regulatory News Service. They are also available from the Investment Manager's Investors Helpline on 0800 317 573 or the Investment Manager's Website: www.rcm.com/investmenttrusts.

Share Prices

The share prices quoted in the London Stock Exchange Daily Official List for 30 November 2009 were: Ordinary Shares 249.0p; Subscription Shares 33.5p.

Subscription Shares – Capital Gains Tax

Disposal of Ordinary Shares or Subscription Shares

Shareholders resident or ordinarily resident in the United Kingdom for taxation purposes may, depending upon their personal circumstances, be liable to Capital Gains Tax arising from the sale or other disposal (which includes disposal upon a winding-up) of their Ordinary Shares or their Subscription Shares for the purposes of the Taxation of Chargeable Gains Act 1992.

On a disposal of all or part of the Shareholder's holding of Ordinary Shares or (as the case may be) Subscription Shares, a Shareholder's aggregate Capital Gains Tax base cost in such Shareholder's existing holding of Ordinary Shares will have to be apportioned between the Ordinary Shares and the Subscription Shares, so as to ascertain that part of the base cost which is attributable to the Ordinary Shares and that part of the base cost which is attributable to the Subscription Shares.

That apportionment is made by reference to the respective market values of each of the Ordinary Shares and the Subscription Shares on the first day of dealing of the Subscription Shares.

The first day of dealing of the Subscription Shares was Monday 20 August 2007 and the share prices were as follows:

Ordinary Shares – 222.5p per Share.
Subscription Shares – 37.5p per Share

The following calculation is then applied:

((222.5 x 5) + 37.5) = 1,150
37.5/1150 = 3.26%

Therefore, the base cost for Subscription Shares is 3.26% of the original consideration paid for a holding of Ordinary Shares and the revised base cost of an existing holding of Ordinary Shares is the balance, namely 96.74%, of the original consideration paid.

Capital Gains Tax – conversion of Subscription Shares

On exercise of the conversion rights attached to Subscription Shares, the Shareholder is not treated as making a disposal of the Subscription Shares. Rather, the Ordinary Shares issued on exercise of the conversion rights should be treated as the same asset as such Subscription Shares, and should be treated as being acquired for an amount equal to the aggregate Conversion Price paid in respect of such Ordinary Shares together with the amount of the consideration deemed to be given by the Shareholder on the receipt of such Subscription Shares.

How to invest

Alliance Trust Savings Limited ("ATS") is one of a number of providers offering a range of products and services, including Share Plans, ISAs and pension products. ATS also maintains services including online and telephone-based dealing facilities and online valuations. More information is available from Allianz Global Investors either via Investor Services on 0800 317 573 or on the Manager's website: www.rcm.com/investmenttrusts, or from Alliance Trust Savings Customer Services Department on 01382 321185 or by e-mail: contact@alliancetrust.co.uk

A list of other providers can be found on the RCM Investment Trusts website: www.rcm.com/investmenttrusts

Investor Information

Website

Further information about RCM Technology Trust PLC, including monthly factsheets, daily share price and performance, is available on the Manager's website: www.rcm.com, which can also be reached via www.rcmtechnologytrust.co.uk.

Association of Investment Companies (AIC)

The Company is a member of the AIC, the trade body of the investment trust industry, which provides a range of literature including fact sheets and a monthly statistical service. Copies of these publications can be obtained from the AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY, or at www.theaic.co.uk.

AIC Category: Technology, Media and Telecommunications.

Financial Calendar

Results
Half-year announced July.
Full-year announced February.

Annual Financial Report posted to shareholders February/March.
Annual General Meeting held March/April.

Capita Registrars – Share Dealing Services and Share Portal

Capita Registrars, the Company's Registrars, operate an on-line and telephone dealing facility for UK resident shareholders with share certificates. Stamp duty may also be payable on purchases.

For further information on these services please contact: www.capitadeal.com for on-line dealing or 0871 664 0454 for telephone dealing. Lines are open 9.00 a.m. to 5.00 p.m. Monday to Friday. Calls to the 0871 664 0454 number are charged at 10 pence per minute plus any of your service providers' network extras. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Capita Registrars offer shareholders a free on-line service called The Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through The Share Portal, shareholders can; view their current and historical shareholding details; obtain an indicative share price and valuation; amend address details; view details of dividend payments; and apply for dividends to be paid directly to a bank or to change existing bank details.

Shareholders can access these services at www.capitaregistrars.com and selecting Share Portal (Shareholders) from the drop down menu, or alternatively via the Portals: Quick Links, and selecting Share Portal. Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.

Shareholder Analysis

as at 30 November 2009

	2009 number of holders	2009 number of shares	2009 % of issued share capital	2008 number of holders	2008 number of shares	2008 % of issued share capital
Nominee Companies	321	21,017,504	89.3	326	21,425,648	91.0
Other Institutions, Investment Trusts and Companies	31	983,623	4.1	32	359,309	1.5
Banks and Bank Nominees	4	651,453	2.7	4	628,641	2.7
Private Individuals	655	885,199	3.8	699	1,123,651	4.8
Total shares in issue*	1,011	23,537,779	100.0	1,061	23,537,249	100.0

* includes 30,000 treasury shares.

As at 23 February 2010 the share capital of the Company was 23,537,779 Ordinary Shares. This consisted of 22,745,929 Ordinary Shares in issue and 791,850 Ordinary Shares held in treasury.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of RCM Technology Trust PLC will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS on Tuesday, 30 March 2010 at 11.45 a.m., to transact the following business:

Ordinary Business

1 To receive and adopt the audited accounts and the Report of the Directors for the year ended 30 November 2009.

2 To re-elect David Quysner as a Director of the Company.

3 To re-elect Paul Gaunt as a Director of the Company.

4 To re-elect Richard Holway as a Director of the Company.

5 To re-appoint Grant Thornton UK LLP as the Auditors of the Company.

6 To authorise the Directors to determine the remuneration of the Auditors.

7 To approve the Directors' Remuneration Report.

Special Business

To consider, and if thought fit, pass the following Resolutions,
of which Resolution 9 will be proposed as Ordinary Resolution and Resolutions 8, 10, 11, 12 and 13 will be proposed as Special Resolutions:

8 To adopt new Articles of Association.

9 THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to a maximum aggregate nominal amount of £568,648 (representing 2,274,592 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 or, if earlier, on the expiry of 15 months from 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.

10 THAT in substitution of all existing powers the Directors be and are hereby generally empowered pursuant to Section 570 and/or Section 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 9 above as if sub-section (1) of Section 561 of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of Section 560(2) of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act ('treasury shares')), for cash as if Section 561 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) where 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

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £568,648 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.

Notice of Annual General Meeting

11 THAT the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) 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 3,409,614 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 Ordinary 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 2011 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.

12 THAT the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of Subscription Shares of 1p each in the capital of the Company ('Subscription Shares') provided that:

(a) the maximum aggregate number of Subscription Shares authorised to be purchased is 714,288 or, if less, the number representing 14.99 per cent. of the issued Subscription 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 a Subscription Share is 1p;

(c) the maximum price (exclusive of expenses) which may be paid for a Subscription Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for a Subscription 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 Subscription Share is purchased; and (b) the higher of the price of the last independent trade in Subscription Shares and the highest then current independent bid for Subscription 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 2011 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 Subscription 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 Subscription Shares in pursuance of any such contract.

13 THAT a general meeting, other than an annual general meeting, may be called at not less than 14 days' clear notice.

By order of the Board
K. J. Salt
Secretary

155 Bishopsgate
London EC2M 3AD

25 February 2010

Please see Notes (overleaf).

Notice of Annual General Meeting

Notes:

1. Members entitled to attend and vote at this Meeting may appoint one or more proxies to attend, speak and vote in their stead by completion of a personalised form of proxy. Full details on how to complete the form of proxy are set out on the form of proxy. The proxy need not be a Member of the Company.
2. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one member has appointed multiple proxies) except where he is appointed by multiple members who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
3. A personalised form of proxy is provided with the Annual Financial Report. Any replacement forms must be requested direct from the Registrar.
4. Completion of the form of proxy does not exclude a Member from attending the Meeting and voting in person.
5. Duly completed forms of proxy must reach the office of the Registrars at least 48 (excluding non-business days) hours before the Meeting.
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website (www.euroclear.com/CREST).
7. To be entitled to attend and vote at the Meeting (and for the purpose 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 close of business on Friday 26 March 2010 ("the record date").
8. If the Meeting is adjourned to a time not more than 48 hours after the record date applicable to the original Meeting, that time 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 new notice of the adjourned Meeting, at the record date specified in that notice.
9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI 2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under Section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or the good order of the meeting.
12. Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company, at its expense, to publish a statement on the Company website setting out any matter which relates to the audit of the Company's accounts that are to be laid before the meeting. Any such statement must also be sent to the Company's auditors no later than the time it is made available on the website and must be included in the business of the meeting.
13. As at 23 February 2010, the latest practicable date before this Notice is given, the total number of shares in the Company in respect of which members are entitled to exercise voting rights was 23,328,849 Ordinary Shares of 25p each. Each Ordinary Share carries the right to one vote and therefore the total number of voting rights in the Company on 23 February 2010 is 23,328,849. Subscription Shares do not have any voting rights.
14. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.rcm.com/investmenttrusts.
15. Contracts of service are not entered into with the Directors, who hold office in accordance with the Articles of Association.

Notice of Annual General Meeting

Annual General Meeting Venue

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