



**CF Techinvest Special
Situations Fund**

Annual Report and Financial Statements
30 April 2009

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INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 30 APRIL 2009

INVESTMENT OBJECTIVE AND POLICY

The objective of the CF Techinvest Special Situations Fund ('the Fund') is to provide long term capital growth and the accumulation of income through an actively managed portfolio of equities whose future prospects do not appear to be fully reflected yet in the current stockmarket price. The focus is on smaller UK companies, although opportunities outside the UK may also be included, where appropriate. Particular attention will be paid to new emerging growth stocks and to recovery situations where change in a company's underlying dynamics or direction can be expected to lead to an improvement in its reported results. There may be occasions when the Investment Manager, in order to ensure liquidity or stability, chooses to hold bonds, government securities, collective investment schemes or a high level of cash or money market instruments.

INVESTMENT REVIEW

Conditions on world stockmarkets over the past year have been extremely volatile and very difficult, certainly the worst since 1973/74 and arguably even further back than that to 1929/32. All stockmarket sectors have suffered, with small cap stocks on AIM faring worst of all, as investors sought sanctuary, albeit with limited success, in larger companies thought to be better able to absorb the many shocks to the world's financial systems. It is worth keeping in mind that most of the holdings in the CF *Techinvest* Special Situations Fund are both small cap and on AIM.

It was also a year of two halves. While the main London market index, the FTSE 100, was down by 28.1% at the end of the Fund's half-year on 31 October, by the end of the full year on 30 April 2009 the fall had increased only slightly to 30.29%. In fact, the index made its eventual low on 9 March at 3460.7 and then recovered by as much as 22.6% over the following few weeks to 30 April.

The Fund's performance very much mirrored this. It ended the year at 55.48p, a fall of 33.95% over the twelve months, but one of only 0.43% during the second half. At 31 October the share price was 55.72p.

It is also instructive to take a look at the performance of the FTSE AIM All-Share index over the year. Although it rose by 7.86% in the second half, this still left it down by as much as 50.94% for the full year. At its low on 10 March, the decline amounted to 62.8%.

The FTSE SmallCap Index fared somewhat better, declining by 29.87% over the year following a strong 36.8% surge from its low on 9 March.

Since its inception on 5 July 2005 the Fund is now down a disappointing 44.52%. This compares with falls of 18.23% by the FTSE 100 and of 52.24% by the FTSE AIM All-Share, while the FTSE SmallCap's decline is 24.69%.

The Fund had a cash content of 9.5% at 30 April. This gives some flexibility going forward to take advantage on a selective basis of opportunities that can suddenly arise, especially in volatile markets, due to a sudden steep fall caused by a forced seller in a small cap stock.

The ten largest holdings, in alphabetical order, at 30 April were: Alexon, Alphameric, Avanti Communications, Caretech, Datalex, Eaga, Fairpoint, Gas Turbine Efficiency, Healthcare Locums and KBC Advanced Technologies.

Healthcare Locums, a supplier of healthcare professionals for hospitals and medical care facilities, remains the largest holding in the Fund, now amounting to 6.2%. The company had grown rapidly in previous years through a selection of carefully selected acquisitions. More recently, the focus has been on optimising the financial performance of its operations. This is now showing through in accelerating margins on rising turnover. Although the shares have risen some 50% over the past year the prospective price/earnings for the current year to 31 December is still only a little over 7.

Second largest is Fairpoint, which rose more than 50% during the second half on recovery hopes under new management, led by Christopher Moat who joined as CEO last May. The financial services company focuses on financially stressed consumers and is best known for the IVA (Individual Voluntary Agreements) part of its business. The annual results statement in mid-March confirmed good progress, with market conditions creating growing demand for its products in the current year.

Third largest holding at 30 April was eaga, a services specialist in residential energy efficiency. Since then, we have sold part of the holding on concerns that the shares had significantly underperformed during the recent strong market rally.

The proceeds were used to acquire a much larger position than already held by the Fund in Western and Oriental, the specialist luxury travel group, which released a very positive trading update on March 31. This stated that the company's results for the six months to 31 March would be 'materially ahead' of management expectations, following significant cost-cutting steps in previous months.

Gas Turbine Efficiency, a manufacturer of proprietary cleantech systems for improving the performance of industrial and aviation turbines, is another in which the Fund boosted its holding during the second half. Since then, the shares have risen 38% following excellent results on April 20 which also showed order backlog 53% ahead of the same point last year.

Although the FTSE SmallCap index has shown a strong recovery over the past couple of months, many small cap stocks are still on the sort of valuations that haven't been seen in the London market since around the end of the 1973/74 bear market, the worst ever in the history of the London Stock Exchange.

It looks as if the worst of the decline in the UK economy is now over, although it is still too soon to be in any way categorical about the timing of the recovery. However, stockmarkets historically have always been ahead of the economic data, typically by six months or a little more. Certainly, financial stocks now look to be sustainably above bear market lows, in many cases by huge amounts, albeit with considerable ongoing volatility.

More and more small cap stocks appear to have made their bear market lows and we are reasonably confident that many of them will stand usefully higher a year from now. That's not to say they won't dip lower along the way. Economic conditions are still too fragile to expect otherwise.

Our focus here at *Techinvest* remains as ever on the longer term. Our many years experience have taught us to remain largely indifferent to short term stockmarket movements, be they up or down. Typically, we hold individual stocks for two to three years, sometimes considerably longer.

INVESTMENT REVIEW (continued)

That doesn't mean we don't top slice a holding where the price has raced ahead of the underlying fundamentals; or, alternatively, add to an existing holding whose value has fallen to what seems to us to be an unduly depressed level. It is worth emphasising that funds such as the CF *Techinvest* Special Situations Fund are totally ungeared and indeed are not permitted to take on any level of formal borrowing.

The Fund is valued once a week at 10.00am each Wednesday. The latest price is normally posted by 5.30pm that day on the *Techinvest* website home-page at www.techinvest.ie.

In addition, updated information on performance plus some monthly commentary on recent activity by the fund manager may be found on the website under the 'Techinvest Fund' button. To allow time for external compliance review, this is normally not available until towards the middle of the month.

TECHINVEST LIMITED
Investment Manager
11 May 2009

COMPARATIVE TABLES

PRICE AND INCOME HISTORY

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2005#	104.97	99.73	–
2006	115.96	98.46	–
2007	129.73	95.30	–
2008	97.29	51.08	–
2009*	54.38	46.45	–

From 5 July 2005.

* To 30 April 2009.

NET ASSET VALUE

Date	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.04.07	4,225,399	3,429,700	123.20
30.04.08	2,567,853	3,135,616	81.89
30.04.09	1,685,907	3,220,864	52.34

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PRICE PER SHARE

Date	Price P	Yield %
06.05.09	57.34	–

TOTAL EXPENSE RATIO

Expense Type	30.04.09 %	30.04.08 %
ACD's periodic charge	1.50	1.50
Other expenses	1.31	0.72
Total expense ratio	2.81	2.22

The Total Expense Ratio represents the total expenses of the Fund, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the depositary and auditors, printing and registration fees and safe custody and other related bank charges.

FUND PERFORMANCE TO 30 APRIL 2009 (%)

	1 year	3 years	Since launch*
CF Techinvest Special Situations	-36.08	-52.06	-47.66
FTSE 100 Index	-30.29	-29.54	-18.23
FTSE All-Share Index	-29.90	-29.31	-16.24

* Launch date 5 July 2005.

The performance of the Fund is based on the net asset value per share.

AUTHORISED STATUS

The Fund is an investment company with variable capital incorporated in England and Wales under registration number IC385 and authorised by the Financial Services Authority with effect from 7 April 2005.

Shareholders are not liable for the debts of the Fund.

It is a UCITS scheme and the currency of the Fund is pound sterling.

STATEMENT OF ACD'S RESPONSIBILITIES

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Services Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Fund and of the net income/expense and of the net gains/losses on the property of the Fund for that year. In preparing those financial statements, the ACD is required to:

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

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Fund's Auditors are unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditors are aware of that information.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safekeeping of all of the property of the Fund (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Fund is managed in accordance with the COLL Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the 'OEIC Regulations') and the Fund's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Fund; the application of income of the Fund; and the investment and borrowing powers of the Fund.

REPORT OF THE DEPOSITARY
FOR THE YEAR ENDED 30 APRIL 2009

In our opinion, during the period under review, we confirm that in all material respects the Fund has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's shares and the application of the Fund's income, in accordance with the rules in the COLL Sourcebook and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Fund, and has observed the investment and borrowing powers and restrictions applicable to the Fund.

BNY MELLON TRUST & DEPOSITARY (UK) LIMITED
Depositary of CF Techinvest Special Situations Fund
22 June 2009

CERTIFICATION OF ACCOUNTS BY DIRECTORS OF THE ACD

This report is signed in accordance with the requirements of the COLL Sourcebook.

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
ACD of CF Techinvest Special Situations Fund
22 June 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF CF TECHINVEST SPECIAL SITUATIONS FUND

We have audited the Fund's financial statements for the year ended 30 April 2009 which comprise the Statement of Total Return, Statement of Change in Shareholders' Net Assets, Portfolio Statement, Balance Sheet, Summary of Material Portfolio Changes and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Fund's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Services Authority. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE AUTHORISED CORPORATE DIRECTOR ('ACD'),
DEPOSITARY AND AUDITORS**

The ACD is responsible for the preparation of the Annual Report and the financial statements in accordance with the rules of the Collective Investment Schemes Sourcebook of the Financial Services Authority, the Instrument of Incorporation, and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of ACD's Responsibilities in relation to the financial statements. The Depositary is required to take reasonable care to ensure compliance by the ACD with all relevant requirements.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Services Authority, and the Instrument of Incorporation. We also report to you whether, in our opinion, the Report of the ACD is consistent with the financial statements, whether the ACD has not kept proper accounting records for the Fund or whether the financial statements are not in agreement with those records, and whether we have received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Investment Manager's Report, Comparative Tables, Fund Performance, Authorised Status, Report of the Depositary, Certification of Accounts by Directors of the ACD and the General Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the ACD in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion;

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the Fund as at 30 April 2009 and of the net expense and the net gains and losses on the scheme property of the Fund for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Services Authority and the Instrument of Incorporation;
- the report of the ACD is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

ERNST & YOUNG LLP
Registered Auditor
London
22 June 2009

STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 30 APRIL 2009

	Notes	£	30.04.09 £	£	30.04.08 £
Net losses on investments during the year	2		(915,088)		(1,281,539)
Currency gains			3,488		3,611
Income	3	32,924		29,786	
Expenses	4	(57,351)		(78,393)	
Finance costs: Interest	6	–		(118)	
Net expense before taxation		(24,427)		(48,725)	
Taxation	5	–		(43)	
Net expense after taxation			(24,427)		(48,768)
Total return before distributions			(936,027)		(1,326,696)
Finance costs: Distributions	6		–		–
Change in net assets attributable to shareholders			(936,027)		(1,326,696)

STATEMENT OF CHANGE IN SHAREHOLDERS' NET ASSETS
FOR THE YEAR ENDED 30 APRIL 2009

	Note	£	30.04.09 £	£	30.04.08 £
Net assets at the start of the year			2,567,853		4,225,399
<i>Movement due to sale/repurchase of shares</i>					
Amounts receivable on issue of shares		110,825		211,464	
Less: Amounts payable on cancellation of shares		(56,551)		(541,607)	
			54,274		(330,143)
Stamp duty reserve tax	1(e)		(193)		(707)
Change in net assets attributable to shareholders (see Statement of Total Return above)			(936,027)		(1,326,696)
Net assets at the end of the year			1,685,907		2,567,853

PORTFOLIO STATEMENT

AS AT 30 APRIL 2009

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.04.09 %	30.04.08 %
	EQUITIES			
	UNITED KINGDOM			
	OIL & GAS			
	<i>OIL EQUIPMENT, SERVICES & DISTRIBUTION</i>			
100,000	KBC Advanced Technologies	43,000	2.55	1.71
	BASIC MATERIALS			
	<i>CHEMICALS</i>			
11,000	Plant Health Care	22,000	1.30	2.72
	<i>MINING</i>			
90,000	Connemara Mining	7,200	0.43	1.23
	TOTAL BASIC MATERIALS	29,200	1.73	3.95
	INDUSTRIALS			
	<i>CONSTRUCTION & MATERIALS</i>			
120,000	Archial Group	12,000	0.71	
400,000	Hightex	12,000	0.71	
55,000	PowerFilm	15,400	0.91	
		39,400	2.33	0.86
	<i>GENERAL INDUSTRIALS</i>			
30,000	Avon Rubber	16,500	0.98	–
	<i>ELECTRONIC & ELECTRICAL EQUIPMENT</i>			
107,360	Minorplanet Systems	5,368	0.32	
125,000	Pipehawk	5,000	0.30	
		10,368	0.62	1.10
	<i>INDUSTRIAL ENGINEERING</i>			
175,000	Gas Turbine Efficiency	46,375	2.75	1.44

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.04.09 %	30.04.08 %
	<i>SUPPORT SERVICES</i>			
55,000	Augean	27,500	1.63	
1,000,000	Business Direct Group	–	–	
50,000	eaga	66,625	3.95	
500,000	Eckoh	31,250	1.85	
80,000	Fountains	36,000	2.14	
70,000	Healthcare Locums	103,950	6.17	
18,000	Interior Services Group	23,040	1.37	
40,000	Melorio	42,800	2.54	
60,000	Parkwood Holdings	22,200	1.32	
1,000,000	Sectorguard	17,500	1.04	
60,000	Spice Holdings	36,150	2.14	
750,000	Tangent Communications	24,375	1.45	
		431,390	25.60	24.31
	TOTAL INDUSTRIALS	544,033	32.28	27.71
	CONSUMER GOODS			
	<i>BEVERAGES</i>			
		–	–	0.88
	<i>FOOD PRODUCERS</i>			
100,000	Real Good Food	4,500	0.27	0.37
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
60,000	Renew Holdings	19,800	1.17	2.50
	<i>PERSONAL GOODS</i>			
80,000	Theo Fennell	11,200	0.66	1.74
	TOTAL CONSUMER GOODS	35,500	2.10	5.49
	HEALTH CARE			
	<i>HEALTH CARE EQUIPMENT & SERVICES</i>			
16,000	Caretech Holdings	48,800	2.89	2.55
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
		–	–	3.15
	TOTAL HEALTH CARE	48,800	2.89	5.70

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.04.09 %	30.04.08 %
CONSUMER SERVICES				
<i>GENERAL RETAILERS</i>				
100,000	Alexon Group	45,000	2.67	
50,000	Forminster	–	–	
17,000	N Brown Group	40,077	2.38	
		<u>85,077</u>	<u>5.05</u>	<u>3.64</u>
<i>MEDIA</i>				
65,000	Cello Group	20,800	1.23	
90,000	Infoserve	15,300	0.91	
50,000	Motivcom	16,000	0.95	
8,000	Research Now	24,400	1.45	
100,000	Ten Alps	21,500	1.28	
		<u>98,000</u>	<u>5.82</u>	<u>7.12</u>
<i>TRAVEL & LEISURE</i>				
165,000	AI Claims Solutions	24,750	1.47	
105,000	Best of the Best	24,150	1.43	
200,000	Cains Beer	–	–	
10,000	Goals Soccer Centres	18,700	1.11	
250,000	Playgolf Holdings	625	0.04	
125,000	Richoux Group	10,000	0.59	
150,000	Western & Oriental	3,375	0.20	
		<u>81,600</u>	<u>4.84</u>	<u>8.17</u>
TOTAL CONSUMER SERVICES		<u>264,677</u>	<u>15.71</u>	<u>18.93</u>
TELECOMMUNICATIONS				
<i>FIXED LINE TELECOMMUNICATIONS</i>				
252,000	Freedom4 Communications	5,670	0.34	0.16
<i>MOBILE TELECOMMUNICATIONS</i>				
25,000	Avanti Communications Group	44,750	2.65	2.14
TOTAL TELECOMMUNICATIONS		<u>50,420</u>	<u>2.99</u>	<u>2.30</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.04.09 %	30.04.08 %
FINANCIALS				
<i>NON-LIFE INSURANCE</i>				
40,000	CBG Group	38,000	2.24	3.15
<i>LIFE INSURANCE</i>				
25,000	Hansard Global	37,812	2.25	–
<i>REAL ESTATE INVESTMENT & SERVICES</i>				
50,000	Metro Baltic Horizons	7,000	0.42	
40,000	Public Service Properties Investments	20,000	1.19	
		<u>27,000</u>	<u>1.61</u>	<u>1.69</u>
<i>FINANCIAL SERVICES</i>				
135,000	Fairpoint Group	78,300	4.64	
25,000	Network Data Holdings	562	0.03	
100,000	Tenon Group	42,750	2.54	
		<u>121,612</u>	<u>7.21</u>	<u>2.97</u>
<i>EQUITY INVESTMENT INSTRUMENTS</i>				
400,000	Spark Ventures	25,000	1.48	1.25
TOTAL FINANCIALS		<u>249,424</u>	<u>14.79</u>	<u>9.06</u>
TECHNOLOGY				
<i>SOFTWARE & COMPUTER SERVICES</i>				
200,000	@UK	2,000	0.12	
250,000	Alphameric	62,500	3.71	
30,000	ANT	7,500	0.44	
55,000	Bango	18,150	1.08	
95,000	Cantono	950	0.06	
350,000	Lombard Risk Management	20,125	1.19	
55,000	Microgen Holdings	29,700	1.76	
75,000	Proactis Holdings	15,000	0.89	
35,000	Prologic	11,200	0.66	
65,000	Vimio	650	0.04	
		<u>167,775</u>	<u>9.95</u>	<u>12.31</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 APRIL 2009

Total purchases for the year (note 13) £484,645

Purchases	Cost £
Fairpoint Group	63,877
Davenham Group	52,721
Greencore Group	36,442
Waterford Wedgewood	32,208
Waterford Wedgewood <i>preference shares</i>	32,084
Avon Rubber	30,513
Interior Services Group	30,453
Hansard Global	28,837
Research Now	26,989
Alexon Group	26,310
Prologic	22,933
PowerFilm	18,649
Gas Turbine Efficiency	16,522
eaga	16,435
Public Service Properties Investments	15,725
N Brown Group	10,004
Datalex	9,075
Cantono	7,560
Cosentino Signature Wines	7,308

Total sales for the year (note 13)

£492,777

Sales	Proceeds £
Financial Objects	105,000
Alltracel Pharmaceuticals	84,000
Ncipher	60,000
Sirvis IT	50,000
Waterford Wedgewood <i>preference shares</i>	32,208
Psion	28,974
Healthcare Locums	20,786
Imagesound	17,197
Plant Health Care	16,450
Goals Soccer Centres	15,381
French Connection	12,973
Sirius Petroleum	11,875
CBG Group	11,376
Cosentino Signature Wines	7,461
Polymer Logistics	6,637
CMR Fuel Cells	4,400
Davenham Group	3,842
Discover Leisure	3,170
EBTM	1,047

The portfolio changes represent all of the purchases and sales during the year.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2009

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in December 2005.

(b) Recognition of income

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Income from unquoted equity investments is recognised when the dividend is declared.

Interest on bank and other cash deposits is recognised on an accruals basis.

All income is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to income of the cash equivalent being offered and this forms part of the distributable income.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as income or capital. Amounts recognised as income will form part of the distributable income. The tax accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against income.

(e) Taxation

Corporation tax is provided at 20% on income, other than UK franked dividends, after deduction of expenses.

Where overseas tax has been deducted from overseas income that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

1. ACCOUNTING POLICIES (continued)

(f) Distribution policy

Surplus income, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any income deficit is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the Regulations.

(g) Basis of valuation of investments

Listed investments are valued at closing bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

(h) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

(i) Dilution levy

The ACD will charge a discretionary dilution levy of 1% on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; where the Fund is experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy.

	30.04.09 £	30.04.08 £
2. NET LOSSES ON INVESTMENTS		
Non-derivative securities	<u>(915,088)</u>	<u>(1,281,539)</u>
3. INCOME		
UK dividends	27,589	20,685
Overseas dividends	2,804	286
Bank interest	2,531	8,815
Total income	<u>32,924</u>	<u>29,786</u>

	30.04.09 £	30.04.08 £
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	30,860	53,793
Printing costs	5,766	6,529
Registration fees	3,264	3,329
Shareholder meeting costs	(1,175)	587
	38,715	64,238
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	5,804	5,854
Transaction charges	805	1,155
Safe custody and other bank charges	1,155	978
	7,764	7,987
Other expenses:		
FSA fee	34	233
Fees paid to auditors – audit	7,253	4,583
– tax services	4,754	–
Publication costs	(1,796)	1,352
Legal and professional fees	627	–
	10,872	6,168
Total expenses	<u>57,351</u>	<u>78,393</u>
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	–	43
Current tax charge (note 5b)	–	43
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	<u>–</u>	<u>43</u>

5. TAXATION (continued)

b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (30.04.08 : 20%) for the reasons explained below.

	30.04.09 £	30.04.08 £
Net expense before taxation	(24,427)	(48,725)
Corporation tax at 20%	(4,885)	(9,745)
Effects of:		
UK dividends	(5,518)	(4,137)
Movement in income accruals	19	(19)
Expenses not deductible for tax purposes	161	231
Unutilised excess management expenses	10,223	13,670
Corporation tax charge for the year	–	–
Higher tax rates on overseas earnings	–	43
Current tax charge (note 5a)	<u>–</u>	<u>43</u>

c) Deferred tax

At the year end there are potential deferred tax assets of £41,178 (30.04.08 : £30,955) in relation to surplus management expenses and £43 (30.04.08 : £29) in relation to excess unutilised foreign tax available for double tax relief. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, no deferred tax asset has been recognised in the current or the prior period.

	30.04.09 £	30.04.08 £
6. FINANCE COSTS		
Distributions	–	–
Interest	–	118
Total finance costs	<u>–</u>	<u>118</u>
Distributions represented by:		
Net expense after taxation	(24,427)	(48,768)
Allocations to Capital:		
Transaction charges	805	1,155
Income deficit	23,622	47,613
	24,427	48,768
Net distributions for the year	<u>–</u>	<u>–</u>

	30.04.09 £	30.04.08 £
7. DEBTORS		
Sales awaiting settlement	2,970	–
Accrued income:		
UK dividends	1,901	7,928
Overseas dividends	–	96
Bank interest	14	45
	1,915	8,069
Taxation recoverable:		
Overseas withholding tax	299	–
Total debtors	<u>5,184</u>	<u>8,069</u>
8. CREDITORS		
Amounts payable on cancellation of shares	–	2,880
Purchases awaiting settlement	–	29,939
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,817	3,008
Printing costs	5,148	3,198
Registration fees	260	279
Shareholder meeting costs	–	1,175
	7,225	7,660
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	457	449
Transaction charges	60	105
Safe custody and other bank charges	119	188
	636	742
Other expenses	9,777	6,389
Taxation payable:		
Overseas tax	–	14
Stamp duty reserve tax	8	31
	8	45
Total creditors	<u>17,646</u>	<u>47,655</u>

9. RELATED PARTY TRANSACTIONS

Management fees payable to Capita Financial Managers Limited (the ACD), registration fees payable to Capita Financial Administrators Limited and printing costs payable to Capita Business Services Limited (both companies are associates of the ACD) are disclosed in note 4 and amounts due at the year end are disclosed in notes 7 and 8.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets. The amounts outstanding at the year end in respect of these amounts are shown in notes 7 and 8.

Capita Financial Managers Limited and its associates (including other authorised investment funds managed by Capita Financial Managers) had the following shareholdings in the Fund:

	Held at 30.04.09	Change in period	Held at 30.04.08
Accumulation shares	619,006	(38,071)	657,077

Techinvest Limited and its associates had the following shareholdings in the Fund:

	Held at 30.04.09	Change in period	Held at 30.04.08
Accumulation shares	286,436	52,271	234,165

10. SHAREHOLDER FUNDS

The Fund has one share class: Accumulation. The annual management charge is 1.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the Comparative Tables.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the year end (30.04.08 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

i. Credit risk

The Fund may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of income receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The table below shows the interest rate risk profile:

	30.04.09 £	30.04.08 £
Floating rate assets:		
Euros	32,350	28,300
US dollars	4,112	3,053
Pounds sterling	140,638	126,009
	177,100	157,362
Floating rate liabilities:		
Pounds sterling	(8,259)	(2,672)
Assets on which interest is not paid:		
Euros	81,636	99,079
Pounds sterling	1,453,076	2,361,739
	1,534,712	2,460,818
Liabilities on which interest is not paid:		
Euros	–	(14)
Pounds sterling	(17,646)	(47,641)
	(17,646)	(47,655)
Net assets	<u>1,685,907</u>	<u>2,567,853</u>

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to UK LIBOR or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities, other than equities, which do not have maturity dates.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Changes in the sterling exchange rate can affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms and the prices of imports sold in the UK. Investment in overseas securities will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates.

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

iii. Foreign currency risk (continued)

The table below shows the foreign currency risk profile:

	30.04.09 £	30.04.08 £
Currency:		
Euros	113,986	127,365
US dollars	4,112	3,053
	<u>118,098</u>	<u>130,418</u>
Pounds sterling	1,567,809	2,437,435
Net assets	<u>1,685,907</u>	<u>2,567,853</u>

iv. Liquidity risk

The main liability of the Fund is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of readily realisable securities.

v. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. For an equity portfolio the risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

vi. Counterparty risk

Transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

viii. Sensitivity analysis

The Fund held no derivatives during the current or the prior year.

	30.04.09
	£
13. PORTFOLIO TRANSACTION COSTS	
Analysis of total purchase costs	
Purchases in period before transaction costs	481,533
Transaction costs:	
Commissions	1,020
Stamp duty and other charges	2,092
	3,112
Gross purchases total	<u>484,645</u>
Analysis of total sale costs	
Gross sales before transaction costs	493,203
Transaction costs:	
Commissions	(418)
Other charges	(8)
	(426)
Total sales net of transaction costs	<u>492,777</u>

GENERAL INFORMATION**VALUATION POINT**

The valuation point of the Fund is 10.00am on each business Wednesday. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.30pm and transactions will be effected at prices determined by the next following valuation. Instructions to buy or sell units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 922 0044 during the ACD's normal business hours. The price is also available at www.techinvest.ie.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Fund and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION ACT

Shareholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.

