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Midas Income & Growth Trust PLC

Annual Report and Accounts 30 April 2009

Contents

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If you have sold or otherwise transferred all of your shares in Midas Income & Growth Trust PLC, please pass this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Corporate Summary

Midas Income & Growth Trust PLC (the "Company")

The Company is an investment trust and its shares and warrants are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies (the "AIC").

Investment Objective

The Company's investment objective is to seek to achieve an absolute return with low volatility through investment in a multi-asset portfolio with the aim of achieving both income and capital returns.

Investment Policies

The Company will not:

(i) invest more than 10 per cent., in aggregate, of the value of its gross assets at the time the investment is made in other investment trusts or investment companies admitted to the Official List, provided that this restriction does not apply to investments in any such investment trusts or investment companies which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other investment trusts or investment companies admitted to the Official List;

(ii) invest, either directly or indirectly, or lend more than 20 per cent. (calculated at the time of any relevant investment or loan) of its gross assets (consolidated where appropriate) to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates) provided that this restriction does not apply to cash deposits awaiting investment;

(iii) invest in physical commodities;

(iv) take legal or management control of any of its investments;

(v) conduct any significant trading activity;

(vi) invest more than 20 per cent. (calculated at the time of any relevant investment) of its gross assets in one or more collective investment undertakings which may invest in excess of 20 per cent. of their gross assets in other collective investment undertakings (open-ended or closed-end);

(vii) allow gearing to exceed 25 per cent. of net assets at any time;

(viii) invest more than 55 per cent. (calculated at the time of any relevant investment) of its gross assets in UK Equities;

(ix) invest more than 25 per cent. (calculated at the time of any relevant investment) of its gross assets in Overseas Equities;

(x) invest more than 45 per cent. (calculated at the time of any relevant investment) of its gross assets in Fixed Interest Securities;

(xi) invest more than 25 per cent. (calculated at the time of any relevant investment) in Alternative Assets;

(xii) invest more than 20 per cent. (calculated at the time of any relevant investment) in Property;

(xiii) invest more than 7.5 per cent. (calculated at the time of any relevant investment) in Unquoted Securities; and,

(xiv) hold more than 25 per cent. of its gross assets in cash.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Manager by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered addresses in accordance with the Articles.

The Company may borrow to gear the Company's returns when the Board believes it is in Shareholders' interests to do so. The Company's existing borrowing policy allows gearing up to 25 per cent. of the Company's net assets. The Company's current credit facilities comprise the existing £8 million Bank Facility of which £7.0 million has been drawn down as at 30 April 2009 (equivalent to approximately 18.24 per cent. of its net assets). The Board believes these levels are appropriate for the Company at the present time.

Investment Approach

The Company's investment objective is achieved through a policy of investing in a diversified portfolio principally comprising UK equities and fixed interest securities but also other asset classes. By investing in overseas equities as well as diversifying into property, alternative assets (such as private equity, commodity funds and funds of hedge funds) and structured products, the Company can take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

Midas Capital Partners Limited (the "Manager") endeavours to construct a balanced portfolio of assets with both market and non-market correlation with an emphasis on reducing volatility, risk and on achieving absolute returns. This is done by using a predominantly "top down" approach to portfolio construction. The Manager assesses the risk/return characteristics of the main asset classes represented within the Company's portfolio on an ongoing basis, taking into account current valuations, expected returns and the major long-term themes driving investment markets.

The asset classes included within the portfolio are UK and overseas equities, fixed interest securities, property, alternative assets and structured products. The Manager varies the asset allocation of the portfolio around a core long-term position for each asset class with a view to adding value through tactical asset allocation.

Corporate Summary continued

Individual investments are selected as the Manager's best ideas through which to implement top down thematic decisions. Each investment, regardless of asset class, is expected to make a clear contribution to the achievement of one or more of the portfolio's aims, whether absolute return, income, capital growth, capital preservation or reduced volatility.

The equity element of the Company's portfolio is principally focused on companies in the FTSE 350 index with strong balance sheet, cash flow and dividend growth characteristics. In addition, a significant proportion of the equity portfolio is also invested in overseas markets. This exposure is used to broaden the diversification of the Company's portfolio and to reduce dependence on UK equities in addressing the growth and income elements of the portfolio's objectives. Ordinarily, exposure to overseas companies is achieved through the use of specialist collective investment schemes and products.

The equity portfolio is complemented by a spread of investments in fixed interest securities, alternative investments, property and structured products. These are included as non-equity correlated assets and serve to diversify further the Company's portfolio and correspondingly reduce volatility. The alternative assets and structured products in particular, add an element of absolute return to the portfolio while the property and fixed interest elements provide a degree of income security and further capital preservation.

The Manager gains exposure to certain sectors by investing a proportion of the Company's portfolio in other investment funds where specialised management skills are necessary or where it would be uneconomic for the Company to invest directly.

The majority of the Company's investments are in listed securities. However, with the prior consent of the Board, the Manager may invest in unquoted securities where it believes there exists a specific investment opportunity. It is not anticipated that unquoted investments will ordinarily represent more than 7.5 per cent. of the portfolio by value, measured at the time of investment. Additionally, a number of investments may be made in unlisted collective investment schemes, such as unit trusts, in order to gain exposure to specialist sectors. Currently there is one unquoted holding in the portfolio, representing 4.96 per cent. of the gross assets.

Generally, the Manager seeks to invest no more than 5 per cent. of the Company's total assets in any one security and to hold no more than 10 per cent. of the equity of any one company (although it may deviate from any such guidelines from time to time).

The Manager expects the Company's assets will normally be fully invested. However, during periods in which changes in economic conditions or other factors so warrant, the Manager may, with the Board's consent, reduce the Company's exposure to one or more asset classes and increase its position in cash and money market instruments.

The Company does not directly invest in, or use, derivative strategies (for efficient portfolio management or otherwise); however, certain of the Company's investments may incorporate derivatives. In the event of adverse market movements this may result in the Company being exposed to the full value of such negative movements. The Manager seeks to minimise this risk, and to achieve the Company's investment objective of targeting absolute returns, by investing in a diversified range of assets, including assets with a low correlation to equity markets.

The Company does not currently intend to enter into any direct currency hedging arrangements. Most of the overseas holdings within the portfolio are sterling denominated. In some instances, local currency returns may be hedged into sterling within the individual holding. The Manager regards this range of currency exposure as part of the diversification of risk within the portfolio.

Investment Manager

The Company is managed by Midas Capital Partners Limited ("Midas", "Manager" or "Investment Manager"), a fund management company formed in early 2002 by Simon Edwards and Alan Borrows, the investment team who were responsible for the £3 billion Merseyside Pension fund from 1995 to 2002. The Midas investment team of 6 investment managers has in aggregate 95 years of investment experience and boasts a pension fund track record which is 11th percentile over 10 years.

In March 2008 Midas merged with iimia MitonOptimal plc, to form Midas Capital PLC, an AIM market listed company encompassing fund management, wealth management and corporate services. This merger created a leading multi-asset fund management business with excellent long term investment performance across a diversified product range. The company had assets under management and advice of circa £2 billion at 30 April 2009.

* Source WM Company - All Pension Funds Universe for periods to 30 April 2009.

Capital Structure

As at 30 April 2009 the Company had a capital structure comprising 38,326,950 Ordinary shares of 25p and 1,934,411 Warrants to subscribe for Ordinary shares at 100p per share on 31 August in 2009 and 2010 and bank borrowings of £7.0 million which rank for repayment ahead of any capital return to Shareholders.

Ordinary Shareholders are entitled to receive notice of, and to attend and speak at, an Annual General Meeting of the Company. On a show of hands, every member present or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is a holder.

Total Assets and Net Asset Value

The Company had total assets^ of £45.37m and a basic net asset value of 100.12 pence per Ordinary share at 30 April 2009.

^ Total assets less current liabilities (excluding bank debt).

Website

www.midascapital.co.uk

Company Secretary

Aberdeen Asset Management PLC, One Bow Churchyard, Cheapside, London EC4M 9HH

Email: company.secretary@invtrusts.co.uk

Principal Risks and Uncertainties

Investment and Market Risks: Managing a portfolio of shares and debt security investments necessarily involves certain risks, the more important of which are set out on pages 39 to 42 of this Report. A significant proportion of the assets of the Company may be invested in debt security investments and overseas equities. Whilst this broader spread of investments is intended to reduce the volatility and risk profile of the Company's portfolio this cannot be assured.

Shares: The market value of the Ordinary shares, as well as being affected by the net asset value, also takes into account their supply and demand. The market value of an Ordinary share can fluctuate and may not always reflect its underlying net asset value. Investment in the Company should be regarded as long term in nature. There can be no guarantee that appreciation in the value of the Company's investments will occur and investors may not get back the full value of their original investment.

Investment Objective: There is no guarantee that the investment policy adopted by the Company will provide the returns sought by the Company.

Borrowings: The Company currently utilises gearing in the form of bank borrowings (see 'Capital Structure' on page 2 and note 11 on page 37). Gearing has the effect of exacerbating market falls and market gains.

Currency: A proportion of the Company's portfolio may be invested in assets denominated in currencies other than sterling. This will increase the currency risk that the Company is exposed to as a result in fluctuations in the exchange rate between the denomination of the investments and the sterling denomination of the Company's base currency.

Dividends: The ability of the Company to pay dividends in respect of the Ordinary shares and any future dividend growth will depend on the level of income received from its investments. Accordingly, the amount of dividends paid to Shareholders may fluctuate.

Discount: While the Board intends to implement an active discount management policy, the ability to implement such a policy is dependent on a number of factors including; the ability to buy back shares in the market, the ability to fund share buybacks, the authority to buy back shares being renewed annually and the Board's discretion over the making and timing of any buybacks.

Key Individuals: The Company is substantially dependent on the services of key individuals working for its Manager, namely Simon Edwards and Alan Borrows. The loss of either or both of these individuals could have an adverse effect on the Company's performance.

Taxation and Exchange Controls: Any change in the Company's tax status or in taxation legislation (including the tax treatment of dividends or other investment income received by the Company) or failure to satisfy the conditions of Section 842 of the Income and Corporation Taxes Act 1988 (including the requirement for a listing) could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post tax returns to Shareholders.

Duration

The Company has an initial life of 15 years. In April 2011, and every fifth year thereafter, the Directors will be required, unless they have been previously released from their obligation to do so by an ordinary resolution passed at the Annual General Meeting held in the preceding year, to convene a General Meeting of the Company at which an ordinary resolution will be proposed to wind up the Company.

Management Agreement

The Company has an agreement with Midas for the provision of management services, details of which are shown in note 3 to the financial statements. Under the terms of the Management Agreement, the Investment Manager is entitled to receive an annual management fee of 1.0 per cent. of net assets and a performance fee equivalent to 10 per cent. of the out-performance above a total return of 8 per cent. per annum from a base date of 14 February 2006. The performance fee is calculated on an annual basis and is subject to a high-watermark based on the higher of the total return above 8 per cent. per annum and the previous highest NAV on which a performance fee was paid. The Manager has agreed to cap the total expense ratio for the Company at 3 per cent. per annum. The Management Agreement is terminable on 12 months' notice.

The Directors have reviewed the terms of the investment management agreement and evaluated the performance of the Manager and the Board confirms that it is satisfied that the continuing appointment of the Manager on the terms agreed is in the interests of the Shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Investment Manager and the support the Company receives from Midas Capital PLC.

Corporate Summary continued

Discount Management and Treasury

In order to sustain the rating of the Ordinary shares, the Board applies an active discount management policy by buying back Ordinary shares if the market price is at a discount greater than 5 per cent. to the NAV per Ordinary share. The Company is currently authorised to buyback up to 14.99 per cent. of its current issued Ordinary shares through the market which expires at the Annual General Meeting in 2009 and will seek annual (or, if required, more frequent) renewal of this authority. In the year ended 30 April 2009 a total of 5,313,000 Ordinary shares have been purchased for cancellation and subsequent to the year end a further 215,000 Ordinary shares have been purchased and cancelled. The Company is seeking to renew this authority at the AGM.

The making and timing of any buyback is at the absolute discretion of the Board. Any Ordinary shares bought back may be cancelled or, subject to a limit of up to 10 per cent. of the issued Ordinary shares, held in treasury. Ordinary shares held in treasury may be subsequently cancelled or, subject to Shareholder approval at the relevant time, sold for cash. The Directors do not intend to sell any Ordinary shares held in treasury at a discount to the prevailing NAV per Ordinary share.

Financial Calendar

26 June 2009	Publication of annual financial report annoucement for year ended 30 April 2009
31 August 2009	Warrant Subscription Date for 2009
8 September 2009	Annual General Meeting in London at 12.30pm
September 2009	First interim dividend payable for year ending 30 April 2010
December 2009	Publication of half yearly report for six months ending 31 October 2009
December 2009	Second interim dividend payable for year ending 30 April 2010
March 2010	Third interim dividend payable for year ending 30 April 2010
June 2010	Fourth interim dividend payable for year ending 30 April 2010

Your Board

The Directors, all of whom are non-executive and independent of the Investment Manager, supervise the management of Midas Income & Growth Trust PLC and represent the interests of Shareholders.

Hubert Valentine Reid
Independent Non-Executive Chairman
Age: 68
Length of service: 13 years, appointed a Director on 19 March 1996, appointed Chairman on 15 September 2004
Experience: formerly managing director and then chairman of the Boddington Group plc, and a non-executive director and then chairman of Ibstock PLC, Bryant Group plc and the Royal London Group
Last re-elected to the Board: 9 September 2008
Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee
Remuneration: £22,500 per annum
All other public company directorships: Chairman of Enterprise Inns PLC, deputy chairman of Majedie Investments PLC and a non-executive director of Michael Page International PLC
Employment by the Manager: None
Other connections with Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 85,478 Ordinary shares

Adam David Cooke
Independent Non-Executive Director
Age: 49
Length of service: 4 years, appointed a Director on 19 August 2005
Experience: formerly a global partner of AMVESCAP PLC, one of the world's largest independent investment management organisations where he worked for INVESCO UK. His experience includes the UK institutional business including investment trusts and collective investments. Mr Cooke is a member of the Chartered Institute of Bankers and is a non-executive director of City Natural Resources High Yield Trust PLC and Premier Energy and Water Trust PLC
Last re-elected to the Board: 9 September 2008
Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee
Remuneration: £18,000 per annum
All other public company directorships: City Natural Resources High Yield Trust PLC and Premier Energy and Water Trust PLC
Employment by the Manager: None
Other connections with Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 50,000 Ordinary shares

Ian Richard Davis
Independent Non-Executive Director and Chairman of the Audit Committee
Age: 49
Length of service: 4 years, appointed a Director on 1 November 2004 and Chairman of the Audit Committee on 15 December 2004
Experience: formerly a director of Corporate Finance with Hoare Govett Limited until 2002 having previously worked in Equity Capital Markets at De Zoete Bevan Limited and corporate finance at Baring Brothers & Co. Limited. Prior to this he qualified as a chartered accountant with Price Waterhouse
Last re-elected to the Board: 11 September 2007
Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee
Remuneration: £20,000 per annum
All other public company directorships: None
Employment by the Manager: None
Other connections with Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 36,409 Ordinary shares

Highlights

	30 April 2009	30 April 2008	% change
Total assets[A]	£45,374,000	£73,864,000	(38.6)
Total Equity Shareholders' funds (Net Assets)	£38,374,000	£67,614,000	(43.2)
Share price (mid market)	88.25p	139.50p	(36.7)
Basic Net Asset Value per share	100.12p	154.94p	(35.4)
Diluted Net Asset Value per share	100.12p	152.60p	(34.4)
Discount to diluted Net Asset Value	11.9%	8.6%	
Benchmark	8.0%	8.0%	
Actual gearing	1.16	1.08	6.5
Potential gearing	1.18	1.09	8.3
Total expense ratio[B]	1.83%	1.53%	
Dividend and earnings			
Total return per share (basic)	(51.01)p	(16.20)p	(214.9)
Revenue return per share (basic)	6.52p	7.64p	(14.7)
Dividends per share:			
- Ordinary shares	6.52p	6.27p	4.0
Revenue reserves	£1,562,000	£1,612,000	

[A] Total assets less current liabilities (excluding bank debt).

[B] Excludes performance fee.

Performance (total return)

	1 year % return	3 year % return	Since August 2005 *
Share price	-32.7%	-38.4%	-28.0%
Basic Net Asset Value	-31.6%	-31.2%	-24.4%
Diluted Net Asset Value	-30.5%	-28.7%	-19.7%
Benchmark	8.0%	26.0%	33.0%

* Midas Capital was appointed Manager on 19 August 2005

Dividends

	Rate	xd date	Record date	Payment date
First Interim 2009	1.63p	27 August 2008	29 August 2008	18 September 2008
Second Interim 2009	1.63p	26 November 2008	28 November 2008	15 December 2008
Third Interim 2009	1.63p	25 February 2009	27 February 2009	20 March 2009
Fourth Interim 2009	1.63p	27 May 2009	29 May 2009	19 June 2009
Total	**6.52p**			
First Interim 2008	1.53p	29 August 2007	31 August 2007	17 September 2007
Second Interim 2008	1.53p	28 November 2007	30 November 2007	14 December 2007
Third Interim 2008	1.53p	27 February 2008	29 February 2008	20 March 2008
Fourth Interim 2008	1.68p	28 May 2008	30 May 2008	20 June 2008
Total	**6.27p**			

Five Year Financial Record

	Total return per share (basic) p	Net dividends paid per Ordinary share p	Basic net asset value per share p	Equity Shareholders' funds £'000
2005*	29.56	0.50	144.97	23,103
2006*	24.19	2.76	164.07	53,470
2007	21.44	5.80	176.10	81,456
2008	(16.20)	6.27	154.94	67,614
2009	(51.01)	6.52	100.12	38,374

The figures for net dividends paid have not been restated in accordance with FRS 21 'Events after the Balance Sheet Date' and still reflect the dividend for the years to which it relates.

* The Company's current Investment policy was introduced from 19 August 2005.

Revenue return per share
(pence)

Dividends per share
(pence)

NAV per share (basic)
(pence)

Chairman's Statement

Highlights

- Progressive dividend policy continued with increase of 4.0%
- 5,313,000 shares purchased for cancellation
- Net asset value total return of -30.5%
- Share price total return of -32.7%

Market Background and Performance

The year under review has been amongst the most difficult in living memory. Following perhaps what was the first synchronised boom in global history, it is perhaps not too surprising that the world is experiencing its first synchronised downturn since the Second World War. Stock markets around the world remain extremely volatile, although its severity has abated from the extraordinary levels seen in October and November 2008. However, the huge declines in equity markets experienced in 2008 continued apace in the early part of 2009, before rallying in March and April.

Of particular note was the near total seizure of credit markets following the demise of Lehman Brothers and Bradford & Bingley amongst others in the Autumn of 2008. The general collapse in liquidity had severe ramifications across the financial markets, with only Government Bond markets being spared as banks and investors scrambled to withdraw capital. At times the stresses within the banking sector looked likely to threaten the whole financial system. Whilst this worst outcome appears to have been averted, this has only been achieved following huge levels of capital support and financial intervention by the World's Central Banks, unprecedented cuts in interest rates, and a massive transfer of debt from the private to the public sector.

Against this background the Company's fully diluted net asset value total return for the period (including dividends) was -30.5%, which is very disappointing and compares with the benchmark return of 8%. The share price fell by 36.7% over the period, which with dividends reinvested gave a total return of -32.7%. The contagion between the wide range of assets held within the portfolio provided little of the protection usually afforded by such a diversified investment approach.

The Company's shares ended the year at a discount to net asset value of 11.9% having traded at a discount throughout the period, notwithstanding repurchases of 5,313,000 shares for cancellation over the course of the year. Your Board remains committed to reducing this discount and will be seeking a renewal of the share buyback facility at the Annual General Meeting in September. In the meantime the current buyback policy will continue to operate.

Gearing

A further £0.75 million was drawn down in November 2008 from the Company's existing multi currency revolving advance facility provided by the Royal Bank of Scotland. Total borrowings were £7 million at the end of the period, representing potential gearing of 18.2%.

Exercise of Warrants

No warrants were exercised during the year with 1,934,411 remaining in issue. These warrants are exercisable in August each year and expire in August 2010.

Dividends

Three interim dividends of 1.63p were declared during the year, which together with the 4th interim dividend of 1.63p announced on 20 May 2009 (paid on 19 June 2009), give total dividends of 6.52p, an increase of 4% over last year. The income generated from the Company's investment portfolio has come under pressure this year but, together with the contribution from VAT repayments, provided sufficient revenue to both increase dividends and improve the revenue reserve held by your Company. The Board and Manager remain fully aware of the importance of the quarterly dividends to the Company's Shareholders.

VAT Statement

Shareholders will be aware from my previous statements that HM Revenue & Customs ("HMRC") have agreed that VAT on management fees should not have been incurred by UK investment trusts. The Board is pleased to be able to report that our income this time includes a sum of £357,000 representing the VAT charged on our management and performance fees between 2004 and 2007 (exclusive of interest thereon), which has not been offset previously by the Company. This payment has been split between capital and revenue in accordance with the Company's accounting policy. We expect, in due course, to be able to recognise further sums, once there is more certainty as to the amounts recoverable by the Company's previous manager, Aberdeen Asset Managers, in respect of the VAT incurred on management fees in prior periods, and the interest payable by HMRC is determined.

Annual General Meeting

This year's AGM will be held at One Bow Churchyard, Cheapside, London at 12.30pm on 8 September 2009. I would be delighted if Shareholders were to take this opportunity to meet with Board members and Investment Managers over a post AGM buffet lunch.

Outlook

The worst of outcomes for the World's financial markets appears to have been averted. Nevertheless, there remains a tremendous amount of uncertainty surrounding the ultimate success of economic policies which have been forced on Governments and Central Banks in order to 'prop up' the financial system and avoid an even more painful recession than that being felt at present. Meanwhile, unemployment continues to rise across the Western World and consumer spending looks likely to fall further, until such time that a more stable outlook for household income is foreseen. Central to the eventual recovery from the current recession will be the ability and willingness of banks to resume lending. However, there remains hope that the measures taken may lead to a better economic environment; in any event investment markets offer the prospect of further recovery as economic and systemic stresses unwind.

Hubert Reid
Chairman

26 June 2009

Manager's Review

Investment Performance

The Company's investment performance over the year was very disappointing as our multi asset approach singularly failed to provide the degree of capital protection we would have hoped for during a time when systemic risks and volatility were at such heightened levels. Unprecedented correlation of returns across asset classes during the period was experienced as equities, corporate bonds, hedge funds, structured products and property all endured significant difficulties. In particular closed-end vehicles used to gain exposure across a range of assets were hard hit as they came under immense selling pressure from financially distressed investors. A very large gap thus opened between the underlying value within these closed-end investments and their market pricing.

The Company's net asset value total return for the year was -31.6%. This compares to the Company's investment objective to produce annualised returns of 8% over the medium term. While this is undoubtedly a poor outturn for the year, we firmly believe that many of the assets held within the portfolio offer considerable upside potential for when markets settle down, as we expect they will, over the coming year. Indeed, early signs are that some of this value is already being realised within the portfolio, many holdings having risen strongly in March and April. This more positive trend has continued into the new financial year.

The performance and current positioning of portfolio holdings are further commented on later in this report.

Market Commentary

Global stock-markets have been through exceptionally turbulent times during the year. In particular, the default of Lehman Brothers in September was something of a pivotal event, causing a virtually complete blocking up of inter-bank markets and massive levels of deleveraging across a broad range of financial sectors.

The default of Lehman has had significant repercussions on the functioning of financial markets. Market liquidity has been severely curtailed, whilst the re-assessment of counterparty risks has put pressure on the entire range of derivative markets. There have been redemptions by investors across both conventional money managers and hedge funds in particular, with the latter being amongst the worst affected by the withdrawal of borrowing facilities by the investment banks. Indeed, this has been a period when it was as important to understand who one's fellow investors were, as it was to appreciate the fundamental value of investments held.

While the shock to the global financial system has been exceptionally severe, with a sharp recession in most western economies and much slower growth in the emerging economies, policy makers around the world have responded with great speed. Governments have taken stakes in ailing financial institutions and have pursued unprecedented measures including substantial easing of interest rate policy. In addition, central banks have made massive efforts to improve liquidity within the financial system.

There have been signs as 2009 has progressed that the measures taken by policy makers have begun to restore market conditions. In particular liquidity has improved and corporate bond markets are now open to borrowers with sound business prospects. However, the concerns over inflation, which were prevalent in early 2008, have turned to fears that deflation may be more of a worry. Falling commodity prices underpin this view and de-stocking by companies has created a rise in excess production capacity. More troublesome are the concerns that the recent policy response with the introduction of quantitative easing may have unforeseen and unwelcome long term repercussions as the economic recovery unfolds.

Investment Report

Summary

There have been stresses within many parts of the portfolio over the course of the year, as investor risk aversion has spread across the various asset classes in which the Company's portfolio is invested. In addition, the heightened volatility in October and November were particularly detrimental to structured product holdings. In many cases the price falls experienced in the portfolio have been largely due to investor distress rather than any serious problems with the underlying investments, although the deterioration in the economic environment has clearly affected the shorter term prospects for many investments held.

The Company's exposure to UK equities has been further reduced over the period, although some buying was carried out in early March when valuations looked to be discounting a financial Armageddon. International equity markets have been preferred over the course of the year, and these have benefited from the significant fall in sterling, although some protection was taken against a bounce in the pound in March and April.

The property portfolio has borne the brunt of the opening of discounts in the closed-end vehicles held, with discounts of 60% to 85% being common. It is likely that these discounts will close as more normal market conditions are re-established and the Company is likely to benefit from corporate activity, which we are already beginning to see. Fixed interest holdings have been increased over the year, taking advantage of the stresses which built, particularly in corporate bonds markets, in the tail end of 2008. The additional borrowings drawn down in November were mainly used to increase corporate bond exposure.

Asset Allocation
The asset allocation across the portfolio at 30 April 2009 is shown in the table below.

Asset Class	Portfolio Weight %	Core Allocation %	Range %
UK Equities	25.9	35	20 – 55
Overseas Equities	21.8	15	10 – 25
Total Equities	**47.7**	**50**	**30 – 80**
Fixed Interest	**18.3**	**25**	**15 – 45**
Alternative Assets (inc Structured Products)	**20.4**	**15**	**10 – 25**
Property	**10.2**	**10**	**5 – 20**
Cash	**3.4**	**0**	**0 – 25**

All figures are expressed as a percentage of gross assets.

UK Equities (25.9%)

Exposure to the UK equity market was reduced by some 4.2% to 25.9% over the course of the year. This was largely carried out in the early part of the period as a more defensive stance was taken towards equities. Bank holdings were significantly reduced which, although a little late, still saved the portfolio from significant further falls. Not everything in the financial sectors was damaging to returns and the portfolio benefitted from the take-over of Highway Insurance and positive returns from Jardine Lloyd Thompson. However, the Legal & General holding fell in value as investors became increasingly concerned over capital adequacy in the face of equity and corporate bond market declines.

BT Group disappointed following further revelations of missed targets in their global services division and amid concerns over the size of the company's pension fund deficit. The portfolio had minimal exposure to consumer related sectors, although Tesco was bought and has, in relative terms, performed well.

The portfolio remains well represented in the oil sector, with holdings in BP and Royal Dutch Shell delivering strong dividend growth, something which has become increasingly important as dividend cuts have been rife across many of the more cyclical and consumer related sectors.

Utility positions performed well relative to the market over the period and have, like Oil and Pharmaceutical holdings, provided a solid support to the Company's dividend receipts. Holdings in the sector were further increased late in the period with the purchase of Scottish & Southern Energy.

The precipitous falls in equity markets early in 2009 was used as an opportunity to introduce a holding in Ashmore Group, the highly regarded emerging market asset manager. This proved well timed as the shares have subsequently rallied strongly.

Overall the portfolio remains defensively positioned and as such has not fully participated in the equity market rally seen since early March. However, we believe that the higher quality, cash generative companies held offer a secure base for future returns in what is likely to remain a difficult economic environment, particularly for companies exposed to UK consumer spending.

Overseas Equities (21.8%)

Exposure to overseas equity markets increased over the period through a combination of good relative performance, some incremental additional investments and the benefit of weak sterling on international positions. Whilst the managers and products used to provide exposure to international equity markets have not escaped the full effect of the ravages of the past year, they have, in general, performed well relative to local indices. The slightly disappointing performance by Aberdeen Asian Income Fund referred to in last year's investment commentary, was more than compensated for by excellent relative performance in the current year. European equity managers have outperformed local indices, whilst the Company's US equity exposure has been obtained through a product which combines a high level of income with capital protection through the use of a PUT option, helping the Fund outperform strongly through the most difficult periods of market falls.

Fixed Interest (18.3%)

To say the period had been difficult for bond investors would be something of an understatement. The deleveraging seen in the markets has been particularly detrimental to corporate bond markets, as banks, hedge funds and other short-term investors sought to reduce bond holdings into a very uncertain market. Indeed the withdrawal of capital by investment banks, usually the conduits for much of the business conducted in bonds, led to a complete seizure in liquidity.

The problems in bond markets were particularly severe in the six month period following the demise of Lehman Brothers. Whilst this period was detrimental to returns, positions were increased as corporate bond markets appeared to be discounting massive levels of default and historically very low levels of recovery. Although we were perhaps a little early in committing additional investment, there have been very positive signs of improvement in the portfolio's holdings. The recovery in credit markets should lead to a strong rally in capital values. In addition the yields offered by these investments have bolstered the income generated on the portfolio, further supporting the revenue position of the Company.

The Company has no exposure to Gilts, which we consider to offer little value due to the huge levels of issuance anticipated over the next 5 years by the UK Government.

Alternative Assets (14.4%)

Alternative asset positions have, in the main, performed well. Although the underlying performance of the Company's agricultural commodity and timberland investments have been encouraging, the closed end nature of this exposure has meant that these vehicles moved to significant discounts against the value of their underlying assets. We would expect both companies to introduce measures to close this discount and indeed, Ceres – the agricultural commodity Fund - has already announced a tender offer which has helped narrow the discount.

A J Bell Holdings, the Company's only unquoted investment, continues to trade well, with recent results showing a further significant uplift in profitability. However, we took the view in March that the carried value should be reduced to 225p per share from 275p, to reflect falls in quoted equity markets over the previous 12 months. This was in no way a reflection of any concerns regarding the progress of the company and indeed the business is gaining market share and continues to expand its revenues through strong management action.

Hedge Fund performance was more mixed with the Signet Global Hedge Fund performing well, whilst the holding in Acencia Debt Strategies suffered from both poor asset performance and a widening of the discount to net asset value. We believe this company offers significant potential as credit markets settle down and more 'normal' trading conditions resume.

A holding in traded life policies was introduced to the portfolio early in the period and this holding has produced satisfactory returns despite some dislocations in the market due to the deleveraging seen across most financial markets.

Structured Products (6.0%)

The Company's structured product holdings were badly affected as volatility spiked to record levels in October and November amid collapsing equity markets. Several products breached their capital protection levels at this time. These investments were either sold or transferred to equity holdings to reflect the changed nature of the instruments. However, other products were created which have taken advantage of the heightened levels of volatility. These have performed well as markets have recovered and volatility declined. The Company has suffered no losses from counterparty defaults such as those caused by the demise of Lehman Brothers and the Icelandic banks.

Property (10.2%)

The Company's property holdings have been at the centre of the discount widening in closed end vehicles. This was largely caused by forced selling from distressed investors and deleveraging by hedge funds. Whilst the underlying net asset performance of property holdings has in some cases shown strong growth, this has been largely irrelevant when set against deteriorating sentiment towards international property markets and the constant selling pressure by investors. With discounts reaching to over 90% in the early part of 2009, it is not perhaps surprising that we have begun to see corporate activity in the sector. The Company's holding in Summit Germany was taken private in April at a significant premium to the prevailing share price. Several other holdings are also attracting attention from predators and it is likely that this increased interest will yield significant returns for the portfolio from current levels.

The Company's holding in infrastructure company Babcock & Brown Public Partnership has performed well over the period, whilst the UK commercial property position is likely to be increased over the course of the year as rental yields now appear to be stabilising at very attractive levels.

Outlook

Western economies remain gripped in a severe recession which is likely to see further substantial increases in unemployment. Meanwhile uncertainties prevail over the long term effects of the various support measures introduced to save the banking system and promote growth. However, the sheer scale of policy response can be expected to begin to reveal some 'green-shoots' of recovery as the year progresses. Forecasters are expecting the US economy to return to growth in the second half and recently growth forecasts have been upgraded for most developed economies in 2010.

Although the worst of the economic crisis may now be behind us, it seems highly unlikely that recovery will be anything other than anaemic. The burden of debt which has been assumed by western governments is likely to require a severe curtailment in public spending and higher taxes for a period of years. Against this background financial markets can certainly continue to recover, but a return to bull market conditions is very doubtful.

We are intensely aware that the Company's investment returns have been disappointing. However, we believe that the investment portfolio is appropriately positioned for a gradual recovery in growth. The more recent positive trends in performance can be expected to continue as market sentiment improves. We are taking a proactive approach to closing the discounts on closed end fund holdings and this process offers further prospect for a return of value to Shareholders.

The progressive dividend policy established over recent years has been maintained, with distributions increasing by 4% this year. We remain confident that the current levels of dividends can be maintained. However, further increases are unlikely, in the short term at least, as we concentrate efforts on improving the capital returns to Shareholders. We firmly believe the current yield of 7% looks very attractive, particularly when this is combined with the significant recovery potential within the portfolio.

Midas Capital Partners Limited

26 June 2009

Investment Portfolio

As at 30 April 2009

Company	Sector	Asset Class	Valuation 2009 £'000	Total assets[A] %
Bell AJ[B]	Special & Other Finance	Alternative Assets	2,250	4.96
Harewood Structured Inv US High Income Sterling Hedge Fund	Investment Companies	Overseas Equities	1,361	3.00
Signet Global Hedge Fund Bond	Fixed Interest	Alternative Assets	1,305	2.88
Blackrock Commodities	Investment Companies	Overseas Equities	1,250	2.75
Policy Selection Assured GBP C[C]	Traded Life Policies	Alternative Assets	1,107	2.44
Altus Capital Japan Opportunities II B[C]	Investment Companies	Property	1,097	2.42
BNP Paribas Arbitrage Issuance 3.75% 15/10/09	Fixed Interest	Alternative Assets	1,090	2.40
Royal Dutch Shell EUR0.07 'B'	Oil & Gas Producers	UK Equities	1,090	2.40
Ignis AM Argonaut European Income Fund[C]	Unit Trusts	Overseas Equities	1,044	2.30
Vodafone Group	Mobile Telecommunications	UK Equities	998	2.20
Top ten investments			**12,592**	**27.75**
National Grid	Gas Water & Multiutilities	UK Equities	988	2.18
Societe Gen Acceptance 0% EMTN 29/07/09 GBP	Fixed Interest	Alternative Assets	988	2.18
Royal London Asset Mgmt Sterling Extra Yld Bond A Acc[C]	Unit Trusts & OEICS	Fixed Interest	986	2.17
BP	Oil & Gas Producers	UK Equities	965	2.13
Ecclesiastical Insurance Office 8 5/8% Net Cum Irred Pref	Fixed Interest	Fixed Interest	945	2.08
City Merchants High Yield Trust	Investment Companies	Fixed Interest	945	2.08
Close Finsbury Global Japanese Equity Fund[C]	OEICS	Overseas Equities	940	2.07
GlaxoSmithKline	Pharmaceuticals	UK Equities	892	1.97
Elders Investment 17A Merrill Lynch Japan High Income[C]	Structured Product	Overseas Equities	874	1.93
Ecofin Water & Power Opportunities	Investment Companies	Overseas Equities	845	1.86
Top twenty investments			**21,960**	**48.40**
Sun Alliance 7 3/8% Cum Irred Pref	Fixed Interest	Fixed Interest	835	1.84
Bellway 9.50% Cum Red Prf 06/04/14	Fixed Interest	Fixed Interest	828	1.82
Aberdeen Asian Income Fund	Investment Companies	Overseas Equities	804	1.77
Phaunos Timber Fund	Investment Companies	Alternative Assets	794	1.75
Ladbrokes Group Finance 7.125% 11/07/12 EMTN	Fixed Interest	Fixed Interest	774	1.71
Threadneedle Property[C]	Unit Trusts	Property	749	1.65
Unilever	Food Producers	UK Equities	729	1.61
Weir Group	Engineering	UK Equities	727	1.60
M&G Leveraged European Loan Fund[C]	OEICS	Fixed Interest	714	1.57
Rexam	General Industries	UK Equities	712	1.57
Top thirty investments			**29,626**	**65.29**
Ashmore Group	General Financial	UK Equities	679	1.50
Tesco	Food & Drug Retailer	UK Equities	674	1.49
Legal & General Group	Life Insurance	UK Equities	670	1.48
BHP Billiton	Mining	UK Equities	662	1.46
General Accident 8.875% Cum Irred Prf	Fixed Interest	Fixed Interest	660	1.45

Investment Portfolio continued

Company	Sector	Asset Class	Valuation 2009 £'000	Total assets[A] %
Symphony Structured Products Jersey 0% 20/12/13 GBP	Fixed Interest	Alternative Assets	637	1.40
Schroder Oriental Income	Equity Investment Instruments	Overseas Equities	631	1.39
Puma Brandenburg	Investment Companies	Property	611	1.35
European Asset Trust NV	Investment Companies	Overseas Equities	579	1.28
Babcock & Brown Public Partners	Investment Companies	Property	578	1.27
Hill (William)	Travel & Leisure	UK Equities	549	1.21
Ceres Agricultural Ord NPV	Investment Companies	Alternative Assets	526	1.16
Macau Property Opportunities	Investment Companies	Property	495	1.09
2CG Funds European Income Inst 'B'[C]	OEICS	Overseas Equities	491	1.08
2CG Funds European Income Inst 'A'[C]	OEICS	Overseas Equities	489	1.08
Thames River Traditional High Income Fund[C]	Other Fixed Interest	Fixed Interest	460	1.01
HSBC Holdings	Banks	UK Equities	442	0.98
BT Group	Fixed Line Telecommunications	UK Equities	423	0.93
Acencia Debt Strategies 'C'	Special & Other Finance	Alternative Assets	419	0.92
Dolphin Capital Investors	Real Estate	Property	418	0.92
Scottish & Southern Energy	Gas Water & Multiutilities	UK Equities	388	0.85
Merrill Lynch C/Wts 09/05/13 DJ Euro STOXX 5[C]	Special & Other Finance	Overseas Equities	371	0.82
Next 5.25% 30/09/13 GBP	Fixed Interest	Fixed Interest	360	0.79
Psource Structured Debt	Investment Companies	Fixed Interest	325	0.72
Real Estate Opportunities 7.5% Cnv 31/05/11	Fixed Interest	Convertible Bonds	264	0.58
Summit Germany	Investment Companies	Property	261	0.58
Close Finsbury Global Japanese Equity Fund Instl[C]	OEICS	Overseas Equities	257	0.57
Carpathian	Real Estate	Property	228	0.50
ACP Mezzanine	Equity Investment Instruments	Fixed Interest	221	0.49
Nomura Bank International 0% 22/11/11 SER'BSK	Structured Product	Property	187	0.41
ACP Capital	Investment Companies	UK Equities	144	0.32
Aberdeen Development Capital	Investment Companies	Alternative Assets	116	0.25
Total investments			**43,841**	**96.62**
Net current assets[D]			**1,533**	**3.38**
Total assets[A]			**45,374**	**100.00**

With the exception of those companies' shares marked with a specific share class above, all investments are in the ordinary shares of the investee company.

[A] Excluding bank loan of £7,000,000.

[B] Unquoted.

[C] Unlisted.

[D] See definition on page 44.

Top Ten Holdings Comparative Value

Company	Sector	Asset Class	2009 £'000	2008 £'000
Bell AJ[B]	Special & Other Finance	Alternative Assets	2,250	2,750
Harewood Structured Inv US High Income Sterling Hedge Fund	Investment Companies	Overseas Equities	1,361	1,163
Signet Global Hedge Fund Bond	Fixed Interest	Alternative Assets	1,305	–
Blackrock Commodities	Investment Companies	Overseas Equities	1,250	2,007
Policy Selection Assured GBP C[C]	Traded Life Policies	Alternative Assets	1,107	-
Altus Capital Japan Opportunities II B[C]	Investment Companies	Property	1,097	1,002
BNP Paribas Arbitrage Issuance 3.75% 15/10/09	Fixed Interest	Alternative Assets	1,090	–
Royal Dutch Shell EUR0.07 'B'	Oil & Gas Producers	UK Equities	1,090	1,411
Ignis AM Argonaut European Income Fund[C]	Unit Trusts	Overseas Equities	1,044	1,433
Vodafone Group	Mobile Telecommunications	UK Equities	998	882

[B] Unquoted.

A J Bell Holdings PLC - Unquoted Investment

A J Bell Holdings (A J Bell) is one of the leading providers of pension administration services in the United Kingdom. The company offers online, low cost Self Invested Personal Pension (SIPP) services, fully bespoke SIPP and Small Self Administered Pension Scheme (SSAS) services, together with offering third party SIPP administration solutions.

In the company's financial year to 30 September 2008, revenues increased by 53% to £24.5 million, whilst pre tax profits were £9.69 million, an increase of 48%. The company paid dividends of 10.75p, an uplift of 30% over the previous year. Net assets attributable to the company were £9.56 million.

The holding of 1,000,000 A J Bell shares represents 2.57% of the shares in issue. These shares had a book value of £1,035,150 and were valued at £2,250,000 based on the most recent Manager's valuation (12/03/09).

[C] Unlisted.

Classification of Investment Portfolio

As at 30 April 2009	2009 %	2008 %
UK Equities	25.89	33.81
Overseas Equities	21.86	19.99
Fixed Interest	17.75	14.99
Alternative Assets	20.35	16.86
Property	10.19	11.47
Convertible Bonds	0.58	1.14
Cash	3.38	1.74
	100.00	**100.00**

Analysis of Investment Portfolio

	2009		2008	
As at 30 April 2009	Valuation £'000	Total fixed assets %	Valuation £'000	Total fixed assets %
AIM	–	–	–	–
OFEX	–	–	–	–
Unquoted	2,250	5.13	2,750	3.79
Unlisted	9,579	21.85	13,441	18.52
Listed	32,012	73.02	56,378	77.69
	43,841	**100.00**	**72,569**	**100.00**

Your Company's History

Issued Share Capital

38,326,950	Ordinary shares of 25p as at 30 April 2009
1,934,411	Warrants to subscribe for Ordinary shares at 100p per share

Capital History

19 March 1996	Offer of up to 40,000,000 Ordinary shares of 25p with up to 8,000,000 Warrants attached
4 April 1996	Dealings commence in units comprising 5 Ordinary shares and 1 Warrant per unit
15 May 1996	Dealings commence separately in Ordinary shares and Warrants
7 September 1999	88,000 Ordinary shares of 25p issued following the exercise of 88,000 Warrants in the period to 31 August 1999
19 August 2005	Name changed from The Taverners Trust PLC to Midas Income & Growth Trust PLC
13 September 2005	3,900 Ordinary shares of 25p issued following the exercise of 3,900 Warrants in the period to 31 August 2005
27 February 2006	26,776,127 C shares of 100p each issued in connection with a Placing and Offer at 100p per share
28 April 2006	The C shares of 100p were converted into 16,649,636 new Ordinary shares of 25p each on the basis of 0.621809 new Ordinary shares for each C share held
31 August 2006	1,043,589 Ordinary shares of 25p issued following the exercise of 1,043,589 Warrants in the period to 31 August 2006
8 March 2007	21,647,145 new C shares of 100p each issued in connection with a Placing and Offer at 100p per share
27 April 2007	The C shares of 100p were converted into 12,622,125 new Ordinary shares of 25p each on the basis of 0.583085 new Ordinary shares for each C share held
17 September 2007	99,700 Ordinary shares of 25p issued following the exercise of 99,700 Warrants in the period to 31 August 2007
Year to 30 April 2008	During the year to 30 April 2008 a total of 2,715,000 Ordinary shares were purchased in the market and cancelled.
Year to 30 April 2009	During the year to 30 April 2009 a total of 5,313,000 Ordinary shares were purchased in the market and cancelled.

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 30 April 2009.

Business Review

A review of the Company's activities is given in the Corporate Summary on pages 1 to 4, the Chairman's Statement on pages 8 and 9 and the Manager's Review on pages 10 to 12. This includes a review of the business of the Company and its principal activities, recommended dividends, likely future developments of the business and details of the Company's policy on share capital management. The principal risks and uncertainties associated with the Company are detailed in the Corporate Summary on page 3 and in note 18 to the financial statements. The Company has exposure to financial instruments, details of which are disclosed in note 18 to the financial statements. Further details of the risk management objectives and policies are provided in the Statement on Corporate Governance on pages 21 to 23.

The Key Performance Indicators (NAV and benchmark movements together with details of the share price performance and total expense ratio (TER)) for the Company are shown in the Highlights on page 6.

The Company makes no political donations or expenditures and donations for charitable purposes and in common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance has been maintained throughout the year at the expense of the Company.

Results and Dividends

Details of the Company's results and dividends paid are shown on page 6 of this Report.

Principal Activity

The business of the Company is that of an investment trust investing in a diversified portfolio principally comprising UK equities and fixed interest securities but also other asset classes. By investing in overseas equities as well as diversifying into property, bonds, alternative assets and structured products, the Company can take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

Status

The Company is registered as a public limited company, and is an investment company as defined by Section 833 of the Companies Act 2006. The Company is also a member of the Association of Investment Companies ("AIC").

The Company has been approved by HMRC as an investment trust for the purposes of Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30 April 2008. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 April 2009 so as to be able to continue to obtain approval as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988 for that year, although approval for that year would be subject to review were there to be any enquiry under the Corporate Tax Self Assessment regime.

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account ("ISA") and it is the Directors' intention that the Company should continue to qualify.

Significant Contracts

The Company has as Investment Management Agreement with Midas Capital Partners Limited, further details of which are provided in note 3 to the financial statements. There is also an Administration Agreement with Aberdeen Asset Managers Limited and further details are disclosed in note 4 to the financial statements.

Share Capital

During the year to 30 April 2009 the Company has purchased in the market 5,313,000 Ordinary shares. These shares were immediately cancelled. Subsequent to the year end and up to the date of this Annual Report a further 215,000 Ordinary shares have been purchased for cancellation.

On 26 November 2008 the High Court confirmed the cancellation of the Company's share premium account which had been approved by the Company's Shareholders and warrantholders at separate meetings held on 27 October 2008 and 5 November 2008.

As indicated to Shareholders in the circular dated 10 October 2008, the share premium account was converted into a new special reserve which is distributable and can be used to fund share buybacks.

Section 992 Companies Act 2006

The following further information is disclosed in accordance with Section 992 of the Companies Act 2006:

- The Company's capital structure and voting rights are summarised on page 2;
- Details of the substantial Shareholders in the Company are listed on page 19;
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 19;
- Amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares require a special resolution to be passed by Shareholders;
- There are; no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and, no agreements which the Company is party to that might affect its control following a takeover bid; and,

- There are no agreements between the Company and its Directors concerning compensation for loss of office.

Corporate Governance

The Company's Statement of Corporate Governance is on pages 21 to 23.

Directors

Details of the current Directors of the Company are shown on page 5.

In accordance with the Articles of Association, Directors must offer themselves for re-election at least once every three years. Mr I R Davis will retire by rotation and offer himself for re-election at the Annual General Meeting ("AGM") to be held on 8 September 2009. Having served on the Board for more than nine years, Mr H V Reid submits himself for annual re-election in accordance with the principles of the Combined Code.

The Directors at 30 April 2009 and at 1 May 2008 had no interest other than those interests, all of which are beneficial interests, shown below in the share capital of the Company:

	At 30 April 2009		At 1 May 2008	
	Ordinary shares	Warrants	Ordinary shares	Warrants
H V Reid (Chairman)	74,399	-	70,699	-
A D Cooke	40,000	-	30,000	-
I R Davis	23,753	-	23,217	-

On 21 May 2009 Mr Davis purchased 12,500 Ordinary shares and on 22 May 2009 Mr Reid and Mr Cooke each purchased 10,000 Ordinary shares. Messrs Reid and Davis are also members of the Aberdeen Investment Trust Share Plan and have elected to reinvest their dividends (Mr Reid and Mr Davis hold 23,661 and 27,464 respectively of their total interest in the Ordinary shares on the main register). Consequently their beneficial interests have also increased since 30 April 2009 by 1,079 shares and 156 shares respectively as at 26 June 2009, being the latest practicable date prior to the signing of this Report. There were no other changes to report at this date.

No Director has a service contract with the Company. No Directors were interested in any contracts with the Company.

Substantial Interests

The Board has been advised that the following Shareholders owned 3% or more of the issued share capital of the Company at 26 June 2009, being the nearest practicable date prior to the signing of this Report.

Shareholder	Number of shares held	% held
Brewin Dolphin, stockbrokers	6,506,365	17.1
Hiscox Investments	2,594,283	6.8
Deutsche Bank Private Wealth Management	2,326,948	6.1
Jupiter Asset Management	2,250,000	5.9
JPMorgan Asset Management	1,787,867	4.7
Charles Stanley, stockbrokers	1,718,791	4.5
Midas Capital	1,618,825	4.3
Alliance Trust	1,491,503	3.9
Corporation of Lloyds	1,333,199	3.5
Philip J Milton, stockbrokers	1,206,021	3.2

Directors' Authority to Allot Relevant Securities

Among the Resolutions being put to the Annual General Meeting as Special Business, Resolution 6 which is an Ordinary Resolution, will, if passed, renew the Directors' existing general power to allot securities up to 10% of the total issued share capital at the date of the Annual General Meeting. Resolution 7 which is a Special Resolution, will, if passed, renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing Shareholders. The authority to allot includes shares held in treasury (if any) pursuant to the authority conferred by Resolution 8 that the Company sells or transfers. Since the introduction of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 on 1 December 2003, a listed company is able to hold shares that it has repurchased in treasury rather than cancel them (provided they do not exceed 10% of the Company's issued share capital). Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or, pursuant to the proposed authority above, may be held in treasury (provided such number does not exceed 10% of the Company's issued share capital).

Purchase of the Company's Shares

Resolution 8 will be proposed to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 1985 and the Listing Rules of the Financial Services Authority. The minimum price to be paid per Ordinary share shall be not less than 25p per share (being the nominal value). Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The Directors do not intend to use this authority to purchase the Company's shares unless to do so would result in an increase in net assets per share and would be in the interests of Shareholders generally. The Board intends to actively continue to repurchase Ordinary shares, in accordance with its current authority to repurchase. It is therefore likely that the issued share capital of the Company will change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document. The authority being sought shall expire at the conclusion of the Annual General Meeting in 2010 or, if earlier, on the expiry of 12 months from the passing of this Resolution, unless such authority is renewed prior to such time. These powers will give Directors additional flexibility going forward and the Board considers that it will be in the interest of the Company that such powers be available. Such powers will only be implemented when, in the view the Directors, to do so will be for the benefit of all Shareholders.

If Resolutions 6, 7 and 8 are passed then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which each of these authorities relate.

Recommendation

Your Board in its opinion considers Resolutions 6, 7 and 8 to be in the best interests of the Company and its members as a whole. Accordingly, your Board unanimously recommends that Shareholders should vote in favour of Resolutions 6, 7 and 8 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 171,887 Ordinary shares.

Creditor Payment Policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The Directors do not consider any creditors to represent trade creditors.

Discount Management Policy

In order to sustain the rating of the Company's shares, the Board will apply an active discount management policy, buying back shares if the market price is at a discount greater than 5.0 per cent. to the diluted net asset value per share. However, the making and timing of any share buybacks will be at the absolute discretion of the Board.

Going Concern

The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The Board has set limits for borrowing and asset allocation and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Company will open renewal negotiations with its bankers shortly but at this stage has not sought any commitment that the current £8.0m facility will be renewed. If acceptable terms are available from the existing bankers or any alternative the Company would expect to continue to have a facility; if, however, these are not forthcoming any outstanding amount will be repaid through proceeds of sales from the portfolio. The Company's Directors believe that the Company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Accountability and Audit

The respective responsibilities of the Directors and Auditors in connection with the financial statements are set out on pages 24 and 26.

Each Director confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Additionally, there are no significant events since the year end. The Directors in office at the year end were Messrs H V Reid, A D Cooke and I R Davis. The Directors' interests in the share capital of the Company together with any changes that have been reported up to the date of this Report are disclosed on page 19.

Independent Auditors

Ernst & Young LLP have indicated their willingness to continue in office. The Directors will place a Resolution before the Annual General Meeting for the reappointment of Ernst & Young LLP as independent auditors of the Company for the ensuing year, and to authorise the Directors to determine their remuneration.

One Bow Churchyard,
Cheapside
London EC4M 9HH

By order of the Board
pp **Aberdeen Asset Management PLC**
Secretaries

26 June 2009

Statement of Corporate Governance

Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's Shareholders for good governance and this statement describes how the Company applies the principles identified in the Combined Code on Corporate Governance ("the Combined Code") issued in June 2006 (as appended to the UK Listing Authority Listing Rules). Additionally, the AIC published a Code on Corporate Governance in July 2003 (the "AIC Code") (as amended) which complements the Combined Code and represents a framework of best practice for investment companies. The Company has complied with the Combined Code and the recommendations of the AIC Code, except as set out below. The Combined Code includes provisions relating to:

- The role of the chief executive (A 1.2)
- Executive directors' remuneration (B 2.1)
- The need for an internal audit function (C 3.5)

For the reasons set out below and in the AIC Code, and in the preamble to the Combined Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company.

The Board

The Board currently consists of a non-executive Chairman and two non-executive Directors. All Directors are considered by the Board to be independent of the Investment Manager and free of any material relationship with the Investment Manager. Each Director has the requisite level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company. The Board considers that the post of chief executive officer is not relevant for an investment trust company as this role has effectively been delegated to the Manager, under the terms of the investment management agreement. Mr H V Reid has been identified as the Senior Independent non-executive Director, to whom any concerns can be conveyed by the other Directors. Given the size and composition of the Board it is not felt necessary to separate the roles of Chairman and Senior Independent Director. Mr H V Reid has served on the Board as a Director with effect from 19 March 1996 and as Chairman from 15 September 2004 and submits himself for annual re-election as a Director. The Board takes the view that independence is not compromised by length of tenure and that experience and continuity can add significantly to the Board's strength.

During the year ended 30 April 2009 the Board met seven times. In addition, there were two Audit Committee meetings, one Management Engagement Committee meeting and six other ad hoc Committee meetings (to approve dividends and the Half Yearly and Annual Reports).

Between meetings the Board maintains regular contact with the Investment Manager.

Directors have attended Board and Committee meetings during the year ended 30 April 2009 as follows (with their eligibility to attend the relevant meeting in brackets):

Director	Board Meetings	Audit and Management Engagement Committee Meetings	Other Committee Meetings
H V Reid (Chairman)	7(7)	3(3)	6(6)
I R Davis	7(7)	3(3)	6(6)
A D Cooke	7(7)	2(3)	5(6)

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the senior staff of the Investment Manager. Such matters include strategy, borrowings, treasury and dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

The Board has put in place necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board as well as a performance evaluation of the Board as a whole, the individual Directors and the Board Committees. The appraisals are undertaken by way of a questionnaire. The Board has reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company. The Directors have reviewed the proposed re-election of Mr H V Reid and Mr I R Davis and are of the opinion that both Directors bring a significant range of business, financial and management skills and experience to the Company and the Board supports their re-election. The annual evaluation of the Board and the Directors has been completed and the Directors have concluded that the Board continues to function effectively and individually the Directors remain independent and there are no relationships or circumstances which are likely to affect the judgement of the Directors.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, Aberdeen Asset Management PLC, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Statement of Corporate Governance continued

Board Committees

Audit Committee

An Audit Committee has been established with written terms of reference and comprises three independent Directors, Mr I R Davis (Chairman), Mr H V Reid and Mr A D Cooke. The Audit Committee members have recent and relevant financial experience. The terms of reference of the Audit Committee are reviewed and re-assessed for their adequacy on an annual basis and are disclosed on the Company's website. Further copies are available on request.

A summary of the Committee's main audit review functions is shown below:

- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager and Administrator;
- to meet with the external Auditor to review their proposed audit programme of work and the findings of the Auditors. The Board shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services. (During the period under review, fees amounting to £6,000 ex VAT were paid to the Auditors in respect of non audit services in connection with the review of the Interim Report (2008: £6,000) - the Board will review any future fees in the light of the requirement to maintain the Auditor's independence);
- to review an annual statement from the Manager and Administrator detailing the arrangements in place whereby the staff of the Manager and of the Administrator may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external Auditor and to approve the remuneration and terms of engagement of the external Auditor; and,
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification. At its June meeting the Audit Committee confirmed its view that the Auditor remained independent and objective.

Management Engagement Committee

A separate Management Engagement Committee has been established. The Management Engagement Committee annually reviews matters concerning the management contract which exists between the Company and the Investment Manager. Details of the Management Agreement are shown in note 3 to the financial statements.

Nomination Committee

Appointments to the Board of Directors are considered by the Nominations Committee which comprises the entire Board and whose Chairman is the Chairman of the Company. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. The Terms of Reference of the Nomination Committee are available on the Company's website and further copies are available on request. External search consultants may be used to assist in the appointment of new Directors should it be considered expedient. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by Shareholders at the next Annual General Meeting. The Articles of Association require that one third of the Directors retire by rotation at each Annual General Meeting.

Remuneration Committee

Under the UK Listing Rules, where an investment trust has only non-executive directors, the Combined Code principles relating to directors' remuneration do not apply. The full Board acts as the Remuneration Committee whose Chairman is the Chairman of the Company.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on page 25.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following publication of the Financial Reporting Council's "Internal Control: Revised Guidance for Directors on the Combined Code" (the FRC guidance) the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational; and
- compliance.

The key components designed to provide effective internal control are outlined below:

- Aberdeen as Company Secretary and Administrator together with the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;
- as a matter of course the Investment Manager's compliance department continually reviews the Investment Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager, Administrator and other third party service providers;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Investment Manager and the Administrator, has decided to place reliance on the Investment Manager's and the Administrator's systems and internal audit procedures;
- at its June meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 April 2009 by considering documentation from the Investment Manager and the Administrator, including the internal audit and compliance functions and taking account of events since 30 April 2009. The results of the assessment were then reported to the Board at the next Board meeting; and,
- Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

The principal risks and uncertainties affecting the Company are disclosed on page 3.

Exercise of Voting Powers

The Investment Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights in respect of investee companies. The underlying aim of exercising such voting rights is to protect the return from an investment.

Relations with Shareholders

The Directors place a great deal of importance on communication with Shareholders. The Annual Report and Accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Investment Manager's website. The Company responds to letters from Shareholders on a wide range of issues.

The Notice of the Annual General Meeting included within the Annual Report and Accounts is sent out 20 working days in advance of the meeting. All Shareholders have the opportunity to put questions to the Board or Manager, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for Shareholders. The Company Secretary is available to answer general Shareholder queries at any time throughout the year.

Socially Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Company's Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective however is to deliver superior investment returns for its shareholders. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and Accounts 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 (UK Accountings 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 profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The financial statements are published on www.midascapital.co.uk which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' 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 the Company faces.

For Midas Income & Growth Trust PLC
Hubert Reid
Chairman

H V Reid

26 June 2009

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution for the approval of this Report will be put to the members at the forthcoming Annual General Meeting. As the Board of Directors is comprised solely of non-executive Directors, it is exempt under the Listing Rules from appointing a Remuneration Committee. The determination of the Directors' fees is a matter dealt with by the whole Board. This Report has been divided into separate sections for unaudited and audited information.

Unaudited Information

Remuneration Policy
The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £100,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and the time committed to the Company's affairs. It is intended that this policy will continue for the year ending 30 April 2010 and subsequent years. Fees payable to Directors were increased with effect from 1 November 2008. Prior to that increase, the last increase in fees had been with effect from 1 May 2006. The Chairman receives fees of £22,500 per annum, the Audit Committee Chairman receives fees of £20,000 per annum and £18,000 is payable to other Directors. The Board reviews fees from time to time.

No Director has a service contract with the Company. Letters of appointment are in place under which the Directors are appointed to the Board subject, inter alia, to reappointment in accordance with the Articles of Association.

The Directors have not had any interests in contractual arrangements with the Company either during the period or subsequently.

No Director past or present has any entitlement to pensions, and the Company has not awarded any share options or long-term performance incentives to any of the Directors.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. The Company's Articles of Association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings or in connection with any application to the Court in which relief is granted.

The first chart shown below illustrates the five year total Shareholder return for a holding in the Company's shares as compared to the return of the FTSE Leisure & Hotels Index to 19 August 2005 and a notional annualised return of 8% from that date. This composite benchmark has been chosen as it reflects the Company's benchmarks for the relevant periods in time. The second chart illustrates the Shareholder return for a holding in the Company's Ordinary shares held since the appointment of Midas Capital Partners as investment manager on 19 August 2005. This is compared to the return on the FTSE All-Share Index and the Company's benchmark of 8% per annum.

Audited Information

Directors' Emoluments
The Directors who served in the year received the following fees:

Director	2009 £'000	2008 £'000
Hubert V Reid (Chairman and highest paid Director)	21	20
Ian R Davis	19	18
Adam D Cooke	17	16
Totals	**57**	**54**

The amounts paid by the Company to the Directors were for services as non-executive Directors.

By order of the Board
Aberdeen Asset Management PLC
Secretaries

26 June 2009

Independent Auditors' Report to the Members of Midas Income & Growth Trust PLC

We have audited the financial statements of Midas Income & Growth Trust PLC for the year ended 30 April 2009 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement, and the related notes 1 to 21. 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 Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

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 April 2009 and of its net return 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
- 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 we require for our audit.

Under the Listing Rules we are required to review:

- The Directors' statement 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 2006 Combined Code specified for our review.

Ernst & Young LLP

Caroline Gulliver (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

26 June 2009

Income Statement

		Year ended 30 April 2009			Year ended 30 April 2008		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	9	–	(23,538)	(23,538)	–	(10,266)	(10,266)
Income	2	3,329	–	3,329	4,423	–	4,423
Investment management fee	3	(240)	(240)	(480)	(402)	(403)	(805)
Performance fee	3	–	–	–	–	–	–
VAT recoverable on investment management fees	20	140	217	357	–	–	–
Administrative expenses	4	(391)	–	(391)	(348)	–	(348)
Exchange gains		–	9	9	–	2	2
Net return on ordinary activities before finance costs and taxation		2,838	(23,552)	(20,714)	3,673	(10,667)	(6,994)
Finance costs	5	(153)	(153)	(306)	(192)	(198)	(390)
Net return on ordinary activities before taxation		2,685	(23,705)	(21,020)	3,481	(10,865)	(7,384)
Taxation	6	–	–	–	–	–	–
Return on ordinary activities after taxation		**2,685**	**(23,705)**	**(21,020)**	**3,481**	**(10,865)**	**(7,384)**
Return per share (pence):	8						
Basic		**6.52**	**(57.53)**	**(51.01)**	**7.64**	**(23.84)**	**(16.20)**
Diluted		**6.50**	**(57.37)**	**(50.87)**	**7.52**	**(23.47)**	**(15.95)**

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

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

No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

The accompanying notes are an integral part of the financial statements.

Balance Sheet

	Notes	As at 30 April 2009 £'000	As at 30 April 2008 £'000
Non-current assets			
Investments at fair value through profit or loss	9	43,841	72,569
Current assets			
Debtors and prepayments	10	923	791
Cash and short term deposits		705	756
		1,628	1,547
Creditors: amounts falling due within one year	11		
Bank loan		(7,000)	(6,250)
Other creditors		(95)	(252)
		(7,095)	(6,502)
Net current liabilities		(5,467)	(4,955)
Net assets		**38,374**	**67,614**
Capital and reserves			
Called-up share capital	12	9,582	10,910
Share premium account		–	40,993
Special reserve		42,149	6,641
Warrant reserve		616	616
Capital redemption reserve		2,007	679
Capital reserve	13	(17,542)	6,163
Revenue reserve		1,562	1,612
Equity Shareholders' funds		**38,374**	**67,614**
Net asset value per share (pence):	17		
Basic		**100.12**	**154.94**
Diluted		**100.12**	**152.60**

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2009 and were signed on its behalf by:

H V Reid H V Reid
Chairman

The accompanying notes are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 April 2009

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2008	10,910	40,993	6,641	616	679	6,163	1,612	67,614
Purchase of Ordinary shares for cancellation	(1,328)	–	(5,485)	–	1,328	–	–	(5,485)
Cancellation of share premium account (see note below)	–	(40,993)	40,993	–	–	–	–	–
Return on ordinary activities after taxation	–	–	–	–	–	(23,705)	2,685	(21,020)
Dividends paid (see note 7)	–	–	–	–	–	–	(2,735)	(2,735)
Balance at 30 April 2009	**9,582**	**–**	**42,149**	**616**	**2,007**	**(17,542)**	**1,562**	**38,374**

For the year ended 30 April 2008

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2007	11,564	40,918	10,538	648	–	16,996	792	81,456
Purchase of Ordinary shares for cancellation	(679)	–	(3,897)	–	679	–	–	(3,897)
Exercise of Warrants	25	75	–	(32)	–	32	–	100
Return on ordinary activities after taxation	–	–	–	–	–	(10,865)	3,481	(7,384)
Dividends paid (see note 7)	–	–	–	–	–	–	(2,661)	(2,661)
Balance at 30 April 2008	**10,910**	**40,993**	**6,641**	**616**	**679**	**6,163**	**1,612**	**67,614**

The cancellation of the share premium account (as approved at the Extraordinary General Meeting held on 27 October 2008 and by the Court dated 26 November 2008) has resulted in the Company having an increased special reserve, the purpose of which is to fund market purchases of the Company's own shares.

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 30 April 2009 £'000	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000	Year ended 30 April 2008 £'000
Net cash inflow from operating activities	14		2,861		2,253
Servicing of finance					
Bank and loan interest paid			(397)		(320)
Financial investment					
Purchases of investments		(14,476)		(22,661)	
Sales of investments		19,422		24,333	
Net cash inflow from financial investment			4,946		1,672
Equity dividends paid			(2,735)		(2,661)
Net cash inflow before financing			4,675		944
Financing					
Share capital issue expenses		–		(7)	
Buyback of shares		(5,485)		(3,897)	
Exercise of Warrants		–		100	
Loans drawn down		750		–	
Net cash outflow from financing			(4,735)		(3,804)
Decrease in cash			**(60)**		**(2,860)**
Reconciliation of net cash flow to movements in net debt					
Decrease in cash as above			(60)		(2,860)
Drawdown of loan			(750)		–
Exchange movements			9		2
Movement in net debt in the year			(801)		(2,858)
Net debt at 1 May			(5,494)		(2,636)
Net debt at 30 April	15		**(6,295)**		**(5,494)**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 30 April 2009

1 Accounting policies

(a) Basis of preparation and going concern

The financial statements have been prepared in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in January 2009 and adopted early). They have been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Directors' Report on page 20.

(b) Valuation of investments

Investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured as fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. The unquoted investments held (see note 9) are valued by the Directors using primary valuation techniques, such as earnings multiples, recent transactions and net assets, which equate to their fair values. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Income Statement.

(c) Income

Income from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex dividend. Special dividends are credited to capital or revenue, according to the circumstances. The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares. Interest receivable on short term deposits is treated on an accruals basis.

(d) Expenses

All expenses are accounted for on an accrual basis. Expenses are charged to revenue within the Income Statement except as follows:

- transaction costs on the acquisition or disposal of investments are charged to capital;
- expenses are charged to the capital reserve where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect the investment management fee and loan interest on the £7.0m bank loan have been allocated 50% to capital and 50% to revenue within the Income Statement;
- loan break costs and performance fees are charged 100% to the capital reserve within the Income Statement.

(e) Capital reserves

Gains or losses on realisation of investments and changes in fair values of investments which are readily convertible to cash, without accepting adverse terms, are transferred to the capital reserve.

Also, expenses and finance costs, together with the related taxation effect, are charged to this reserve in accordance with (d) above, as well as movements in exchange differences.

(f) Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, 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 future against which the deferred tax asset can be offset.

Due to the Company's status as an investment trust company, 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 revaluation or disposal of investments.

(g) Foreign currency

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Balance Sheet date. Transactions involving foreign currencies are converted to sterling, being the Company's functional currency, at the rate ruling at the date of the transaction.

2 Income

	2009 £'000	2008 £'000
Income from investments		
UK franked income	1,467	1,980
UK unfranked dividend income	119	51
UK unfranked interest income	559	950
Overseas dividends	1,123	1,328
Stock dividends	16	–
	3,284	4,309
Other income		
Deposit interest	40	90
Other commission	5	24
	45	114
Total income	**3,329**	**4,423**

Income from investments	2009 £'000	2008 £'000
Listed UK	2,359	3,123
Listed overseas	361	352
Unlisted	548	834
Stock dividends	16	–
	3,284	**4,309**

3 Investment management and performance fees

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Investment management fee	240	240	480	373	374	747
Irrecoverable VAT	–	–	–	29	29	58
	240	**240**	**480**	**402**	**403**	**805**

Midas Capital Partners Limited ('Midas') was appointed the Investment Manager on 19 August 2005 (formerly Aberdeen Asset Managers Limited) and the management fee payable to Midas during the year was 1% of net assets. The fee is chargeable 50% to capital and 50% to revenue within the Income Statement. The agreement is terminable by either party on twelve months' notice. The balance due to Midas at the year end was £32,000 (2008 - £56,000).

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Performance fee	–	–	–	–	–	–

A performance fee is calculated based on a comparison of the net asset value at the start of the calculation period and the net asset value at the period end. Where there has been an increase of greater than the benchmark of 8% per annum then a performance fee of 10% of the excess is applicable. The performance fee is subject to a high-watermark based on the higher of the total return of 8% per annum and the previous highest NAV on which a performance fee was paid. The balance due to Midas at the year end in respect of the performance fee was £nil (2008 - £nil).

4 Administrative expenses	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Administration fees	129	–	129	129	–	129
Directors' fees	57	–	57	54	–	54
Printing and stationery	20	–	20	11	–	11
Auditors' remuneration:						
- audit	25	–	25	23	–	23
- for review of Interim Report	6	–	6	6	–	6
Other	154	–	154	125	–	125
	391	–	**391**	**348**	–	**348**

The Company has an agreement with Aberdeen Asset Managers Limited ("AAM") which is delegated to Aberdeen Asset Management PLC for the provision of administration services with fees based on the following basis:

– £90,000 per annum plus VAT where the Company's net asset value is less than £50 million; and,

– £110,000 per annum plus VAT where the Company's net asset value exceeds £50 million.

The net asset position is assessed at 1 August for each year the agreement is in place. At this date the fee will also be increased, but not decreased, by the movement in RPI over the twelve month period.

The agreement is terminable by either party on three months' notice. No sum was due to AAM at the year end (2008 - £nil).

5 Finance costs	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
On bank loans and overdrafts	**153**	**153**	**306**	**192**	**198**	**390**

Finance costs relate to interest charge on the revolving loan facility, details of which are disclosed in note 11.

6 Taxation	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
(a) Analysis of charge for the year						
Overseas withholding tax	–	–	–	–	–	–

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	2009 £'000	2008 £'000
Return on ordinary activities before taxation	**(21,020)**	**(7,384)**
Return on ordinary activities at the UK standard tax rate of corporation tax (28%) (2008 - 29.75%)	(5,886)	(2,197)
Effects of:		
Non-taxable UK dividend income	(411)	(591)
Expenses disallowed for tax purposes	11	–
Losses on investments not relievable	6,591	3,054
Exchange gains not taxable	(3)	(1)
Movement in overseas dividends taxable on receipt	(8)	16
Utilisation of brought forward excess expenses	(294)	(281)
Current total tax charge for the year	–	–

(c) Factors that may affect future tax changes

There was no provision for deferred taxation made for either this year or the previous year. The Company has not recognised a deferred tax asset of £1,157,000 (2008 – £4,133,000) arising as a result of non-trading deficits and eligible unrelieved foreign tax. These deficits will only be utilised if the Company has profits chargeable to corporation tax in future accounting periods. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

7 **Dividends**	2009 £'000	2008 £'000
Amounts recognised as distributions to equity holders in the period:		
Fourth interim dividend for 2008 – 1.68p (2007 – 1.45p)	733	488
Special C share dividend for 2008 – nil (2007 – 0.40p)	–	87
First interim dividend for 2009 – 1.63p (2008 – 1.53p)	677	708
Second interim dividend for 2009 – 1.63p (2008 – 1.53p)	677	699
Third interim dividend for 2009 – 1.63p (2007 – 1.53p)	648	679
	2,735	**2,661**

A fourth interim dividend for the year of £621,000 (2008 - £733,000) was paid to Shareholders on 19 June 2009. Since the year end the Company bought back 215,000 shares, therefore the fourth interim dividend for 2009 is based on 38,111,950 shares in issue. There is no final dividend proposed for the year (2008 - nil).

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 842 of the Income and Corporation Taxes Act 1988 are considered. The revenue available for distribution by way of dividend for the year is £2,685,000 (2008 - £3,481,000).

	2009 £'000	2008 £'000
First interim dividend for 2009 – 1.63p (2008 – 1.53p)	677	708
Second interim dividend for 2009 – 1.63p (2008 – 1.53p)	677	699
Third interim dividend for 2009 – 1.63p (2008 – 1.53p)	648	679
Fourth interim dividend for 2009 – 1.63p (2008 – 1.68p)	621	733
	2,623	**2,819**

8 Return per Ordinary share

The return per Ordinary share is based on the following figures:

	2009			2008		
	Revenue p	Capital p	Total p	Revenue p	Capital p	Total p
Basic	6.52	(57.53)	(51.01)	7.64	(23.84)	(16.20)
Diluted	6.50	(57.37)	(50.87)	7.52	(23.47)	(15.95)

The basic revenue return per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £2,685,000 (2008 – £3,481,000) and on 41,204,120 (2008 – 45,578,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The basic capital return per Ordinary share is calculated on net capital returns for the year of (£23,705,000) (2008 – (£10,865,000)) and on 41,204,120 (2008 – 45,578,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The basic total return per Ordinary share is calculated on the total return for the year of (£21,020,000) (2008 – returns of (£7,384,000)) and on 41,204,120 (2008 – 45,578,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Diluted returns have been calculated on the basis set out in Financial Reporting Standard 22 'Earnings per share' ('FRS 22').

The diluted revenue return per Ordinary share is calculated on net revenue on ordinary activities for the year of £2,685,000 (2008 – £3,481,000) plus £119,000 (2008 – £95,000) in respect of amounts due to dilution adjustments, and on 43,138,531 (2008 – 47,557,237) Ordinary shares, being the weighted average number of Ordinary shares and warrants in issue during the year.

The diluted capital return per Ordinary share is calculated on net capital on ordinary activities for the year of (£23,705,000) (2008 – (£10,865,000)) less £1,044,000 (2008 – £297,000) in respect of amounts due to dilution adjustments, and on 43,138,531 (2008 – 47,557,237) Ordinary shares, being the weighted average number of Ordinary shares and warrants in issue during the year.

The diluted total return per Ordinary share is calculated on the total return for the year of (£21,020,000) (2008 – (£7,384,000)) less £925,000 (2008 – £202,000) in respect of amounts due to dilution adjustments, and on 43,138,531 (2008 – 47,557,237) Ordinary shares in issue during the year.

9 Investments at fair value through profit and loss	**Listed in UK £'000**	**Unquoted (incl. Unit Trusts & OEICS) £'000**	**Total £'000**
Opening book cost	61,930	15,513	77,443
Opening fair value (losses)/gains on investments held	(5,552)	678	(4,874)
Opening valuation	56,378	16,191	72,569
Movements in year:			
Purchases at cost	11,638	2,782	14,420
Sales - proceeds	(17,635)	(1,975)	(19,610)
- losses on sales	(8,293)	(938)	(9,231)
Current year fair value losses on investments held	(10,076)	(4,231)	(14,307)
Closing valuation	**32,012**	**11,829**	**43,841**
Closing book cost	47,640	15,382	63,022
Closing fair value losses on investments held	(15,628)	(3,553)	(19,181)
	32,012	**11,829**	**43,841**

	2009 £'000	**2008 £'000**
(Losses)/gains on investments sold	(9,231)	1,136
Increase in fair value losses on investments held	(14,307)	(11,402)
	(23,538)	**(10,266)**

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within losses on investments in the Income Statement. The total costs were as follows:

	2009 £'000	2008 £'000
Purchases	42	50
Sales	22	22
	64	**72**

10 Debtors: amounts falling due within one year	2009 £'000	2008 £'000
Dividends and interest receivable	352	769
Prepayments and other debtors	383	22
Amounts due from brokers	188	–
	923	**791**

11 Creditors: amounts falling due within one year	2009 £'000	2008 £'000
Bank loan	7,000	6,250
Amounts due to brokers	–	56
Interest payable	3	94
Other creditors	92	102
	7,095	**6,502**

The Company has an £8,000,000 revolving loan facility in place with Royal Bank of Scotland plc, of which at 30 April 2009 £7,000,000 had been drawn down at an all-in-rate of 1.504%. Subsequent to the year end the loan was rolled over until 3 July 2009 at an all-in-rate of 1.2536%. The remaining £1,000,000 has not been drawn down and remains available for draw down in the future for purposes of funding investments consistent with the Company's investment policy.

The termination date of the facility is 2 August 2009. The Company anticipates refinancing the facility through a similar arrangement.

12 Called up share capital	2009 £'000	2008 £'000
Authorised		
390,000,000 (2008 – 390,000,000) Ordinary shares of 25p	**97,500**	**97,500**
Called-up, allotted and fully paid		
38,326,950 (2008 – 43,639,950) Ordinary shares of 25p	**9,582**	**10,910**

At 30 April 2009 there were in issue 1,934,411 (2008 – 1,934,411) Warrants to subscribe for one Ordinary share at 100p on 31 August in each of the years 2009 and 2010 inclusive or, if later, the date in any such year 30 days after the date on which copies of the audited financial statements of the Company for its then immediately preceding financial year are dispatched to Shareholders.

During the year to 30 April 2009 the Company purchased 5,313,000 Ordinary shares in the market for immediate cancellation at a cost of £5,485,000.

13 Capital reserve	2009 £'000	2008 £'000
At 30 April 2008	6,163	16,996
Movement in fair value losses	(23,538)	(10,266)
Foreign exchange movement	9	2
Exercise of warrants	–	32
VAT recoverable on capitalised investment management fees	217	–
Capitalised expenses	(393)	(601)
At 30 April	**(17,542)**	**6,163**

The capital reserve includes investment holding losses amounting to £19,181,000 (2008 - £4,874,000), as disclosed in note 9.

14 Reconciliation of net revenue before finance costs and taxation to net cash inflow from operating activities	2009 £'000	2008 £'000
Net return before finance costs and taxation	(20,714)	(6,994)
Adjustments for:		
Losses on investments	23,538	10,266
Exchange gains	(9)	(2)
Decrease/(increase) in accrued income	417	(203)
(Increase)/decrease in other debtors	(361)	11
Decrease in other creditors	(10)	(825)
Net cash inflow from operating activities	**2,861**	**2,253**

15 Analysis of changes in net debt	1 May 2008 £'000	Cash flow £'000	Exchange movements £'000	30 April 2009 £'000
Cash and short term deposits	756	(60)	9	705
Debt due in less than one year	(6,250)	(750)	–	(7,000)
	(5,494)	**(810)**	**9**	**(6,295)**

16 Commitments and contingencies

As at 30 April 2009 there were no contingent liabilities (2008 – nil.)

As at 30 April 2009 there was a commitment to pay a fee for any sums not drawn down on the bank loan. The fee of £3,000 (2008 – £6,000) is based on 0.325% of the undrawn sum (2008 – 0.325%).

17 Net asset value per equity share

	2009	2008
Basic		
Net assets attributable	£38,374,000	£67,614,000
Number of Ordinary shares in issue	38,326,950	43,639,950
Net asset value per Ordinary share	100.12p	154.94p
Diluted		
Net assets attributable	£40,308,000	£69,548,000
Number of Ordinary shares if Warrants converted	40,261,361	45,574,361
Net asset value per Ordinary share	100.12p	152.60p

The diluted net asset values per Ordinary share as at 30 April 2009 and 30 April 2008 have been calculated by reference to the total number of Ordinary shares in issue at each year end and on the assumption that those Warrants which are not exercised at the period end, amounting to 1,934,411 Warrants as at 30 April 2009 (30 April 2008 – 1,934,411), were fully exercised on the first day of the financial year at 100p per share, giving a total of 40,261,361 Ordinary shares (30 April 2008 – 45,574,361).

18 Risk management, financial assets and liabilities

The Company's financial instruments comprise:

- Equities and debt security investments that are held in accordance with the Company's investment objectives, which are set out on page 1 of this Report;
- Term loans and bank overdrafts, the main purpose of which are to raise finance for the Company's operations; and
- Cash and liquid resources that arise directly from the Company's operations.

The main risks arising from the Company's financial instruments are market price risk (comprising interest rate risk, currency risk and other price risk). There may also be exposure to liquidity risk and credit risk from time to time. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Company.

(i) 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 market positions in the face of price movements.

To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long term investments. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

A list of the investments held by the Company at 30 April 2009 is shown in the 'Investment Portfolio' table on pages 13 and 14. All investments are stated at fair value.

Interest rate risk

Financial assets

Bonds, Open Ended Investment Companies, floating rate notes and preference share yields, and as a consequence their prices, are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee company.

Returns from bonds, floating rate notes and preference shares are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

Financial liabilities

The Company finances its operations through the use of a loan facility. The Board sets borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

The interest rate profile of the Company (excluding short term debtors and creditors) at 30 April 2009 and 30 April 2008 was as follows:

	Total (as per Balance Sheet) £'000		Floating rate £'000		Fixed rate £'000		Financial assets on which no interest is paid £'000		Weighted average interest rate[A] %		Weighted average period for which rate is fixed[B] years	
Type	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Assets												
Equities	23,817	38,900	–	–	–	–	23,817	38,900	–	–	–	–
Property	1,073	1,483	–	–	–	–	1,073	1,483	–	–	–	–
OEIC's	7,236	10,615	–	–	–	–	7,236	10,615	–	–	–	–
Corporate Bond	4,036	5,118	–	–	4,036	5,118	–	–	3.04	8.44	2.05	2.55
Floating Rate Notes	1,897	8,699	1,897	8,699	–	–	–	–	16.95	6.80	3.23	4.79
Preference shares	3,268	4,171	–	–	3,268	4,171	–	–	9.26	8.51	4.94	5.94
Convertible Bond	264	833	–	–	264	833	–	–	24.19	6.76	2.08	3.08
Unquoted	2,250	2,750	–	–	–	–	2,250	2,750	–	–	–	–
Cash at bank – Sterling	705	755	705	755	–	–	–	–	3.26	5.40	–	–
Cash at bank – Euro	–	1	–	1	–	–	–	–	–	–	–	–
	44,546	73,325	2,602	9,455	7,568	10,122	34,376	53,748	n/a	n/a	n/a	n/a
Liabilities												
Bank loan – Sterling	(7,000)	(6,250)	–	–	(7,000)	(6,250)	–	–	1.50	6.25	–	–
Total	**37,546**	**67,075**	**2,602**	**9,455**	**568**	**3,872**	**34,376**	**53,748**	**n/a**	**n/a**	**n/a**	**n/a**

[A] The 'weighted average interest rate' is based on the current yield of each asset, weighted by their market value. This excludes all equities and stocks where payments have been suspended.

[B] The 'weighted average period for which rate is fixed' excludes stocks with no maturity date.

Maturity profile

The maturity profile of the Company's financial assets at 30 April 2009 and 30 April 2008 was as follows:

At 30 April 2009	Within 1 year £'000	More than 5 years £'000	Total £'000
Fixed rate			
Corporate Bond	2,078	1,958	4,036
Convertible Bond	264	–	264
Preference shares	–	828	828
	2,342	**2,786**	**5,128**
Floating rate			
Cash	**705**	–	**705**

Details of the Company's loans are shown in note 11. All the other financial assets (including Preference shares of £2,440,000 (2008 - £4,792,000)) and liabilities do not have a maturity date.

At 30 April 2008	Within 1 year £'000	More than 5 years £'000	Total £'000
Fixed rate			
Corporate Bond	2,564	2,554	5,118
Convertible Bond	833	–	833
Preference shares	–	840	840
	3,397	**3,394**	**6,791**
Floating rate			
Cash	**756**	–	**756**

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for floating and fixed interest investments at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of investments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's:

- profit before tax for the year ended 30 April 2009 would increase/ decrease by £7,000 (2008 – £8,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.
- profit before tax for the year ended 30 April 2009 would increase/ decrease by £523,000 (2008 – £149,000). This is also mainly attributable to the Company's exposure to interest rates on its fixed interest securities. This is based on a Value at Risk calculated at a 99% confidence level.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will fluctuate depending on the current market perception.

Foreign currency risk
The income and capital value of the Company's investments are mainly denominated in Sterling; therefore, the Company is not subject to any material risk of currency movements. At the year end the Company held the following investments:

	2009		2008	
	Currency '000	Sterling equivalent £'000	Currency '000	Sterling equivalent £'000
Euro	540	482	2,945	2,315
Japanese Yen	197,382	1,354	270,286	1,306
US Dollar	1,957	1,320	4,219	2,130

At the year end the Company held euro cash balances with the sterling equivalent of £nil (2008 – £1,000).

Other price risk
Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on pages 1 and 2, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Other price risk sensitivity
If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary Shareholders for the year ended 30 April 2009 would have increased/decreased by £3,438,000 (2008 – increase/decrease of £5,375,000) and equity reserves would have increased/decreased by the same amount.

(ii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant as the Company's assets are comprised of mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

(iii) Credit risk
This is failure of the counter party to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant, and is managed as follows:

- where the Investment Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;
- investments in quoted bonds are made across a variety of industry sectors and geographic markets so as to avoid concentrations of credit risk;
- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, the Custodian carries out a stock reconciliation on a monthly basis to ensure discrepancies are picked up on a timely basis. The Manager's compliance department carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's risk management committee; and,
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

19 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity Shareholders through an appropriate balance of equity capital and debt. Gearing is limited to a maximum of 25% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's capital at 30 April comprised:	**2009 £'000**	**2008 £'000**
Debt		
Bank loan	**7,000**	**6,250**
Equity		
Equity share capital	9,582	10,910
Retained earnings and other reserves	28,792	56,704
	38,374	**67,614**
Debt as a % of net assets	**18.24**	**9.24**

20 Contingent assets

On 5 November 2007, the European Court of Justice ruled that management fees should be exempt from VAT. HMRC has announced its intention not to appeal against this case to the UK VAT Tribunal and therefore protective claims which have been made in relation to the Company will be processed in due course.

The Manager and former Manager have agreed to refund £357,000 to the Company for VAT charged on investment management fees for the period 1 January 2004 to 30 September 2007 and this has been included in these financial statements. This repayment has been allocated to capital and revenue in line with the accounting policy of the Company for the periods in which the VAT was charged. The reclaim for interest and for previous periods and the timescale for receipt are at present uncertain and the Company has taken no account in these financial statements of any such repayment.

21 Related party disclosure

On 7 March 2008 Midas Capital Partners Limited and iimia MitonOptimal plc merged to form Midas Capital PLC. The Company has appointed Intelli Corporate Finance Limited ("Intelli"), a subsidiary company of Midas Capital PLC, to act as its Stockbroker and Financial Adviser. The aggregate remuneration paid by the Company to Intelli was £29,000 (2008 – £30,000) in respect of their services as brokers. Group subsidiaries of Midas Capital PLC, on occasions, earn broking commissions on share transactions on behalf of the Company. During the period Intelli received commission fees totalling £11,000 (2008 – £1,000).

Glossary of Terms and Definitions

Actual Gearing	Total Assets (as below) less all cash divided by shareholders' funds.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Discount/Premium	The amount by which the market price per share of an investment trust is lower or higher than the net asset value per share. The discount or premium is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
Net Asset Value - Basic	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. To calculate the undiluted net asset value per ordinary share the net asset value divided by the number of shares in issue produces the net asset value per share.
Net Asset Value - Diluted	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. To calculate the diluted net asset value per ordinary share the value of the number of warrants in issue multiplied by the exercise price is added to the net asset value and divided by the number of shares in issue plus the number of warrants in issue.
Potential Gearing	Total Assets (as below) divided by shareholders' funds.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Redemption Yield	The measure of the annualised total return on the current price of a security up to the date of its repayment. The calculation is based on aggregated income and capital returns, no account being taken of taxation.
Total Assets	Total Assets less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.
Winding-up Date	The date specified in the Articles of Association for winding-up a company.

Notice of Meeting

Notice is hereby given that the Thirteenth Annual General Meeting of Midas Income & Growth Trust PLC will be held at One Bow Churchyard, Cheapside, London EC4M 9HH at 12.30 p.m. on 8 September 2009 to consider the following resolutions:

As Ordinary Business

To consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:

1. To receive the Directors' report and financial statements for the year ended 30 April 2009, together with the auditors' report thereon.
2. To re-elect Mr H V Reid, as a Director.
3. To re-elect Mr I R Davis, as a Director.
4. To reappoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to agree their remuneration.
5. To approve the Directors' Remuneration Report.

As Special Business

To consider and, if thought fit, pass the following Resolution which will be proposed as an Ordinary Resolution:

6. THAT with effect from the time of the passing of this Resolution the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985 hereafter the "Act") up to 10 per cent. of the issued share capital (as at the date of the Annual General Meeting) provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company in 2010, but so that this authority shall allow the Company and its Directors before such expiry to make offers or agreements which would or might require relevant securities to be alloted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

To consider and, if thought fit, pass the following Resolution, which will be proposed as a Special Resolution:

7. THAT, subject to the passing of Resolution number 6 set out above, the Directors be and are hereby empowered, pursuant to Section 95(1) of the Act, to allot equity securities (within the meaning of Section 94(2) of the Act including the sale of shares as previously held as treasury shares within the scope of Section 94(3A) thereof) for cash pursuant to the authority conferred by Resolution number 6 as if Section 89(1) of the Act did not apply to any such allotment (or sale of treasury shares) provided that this power shall be limited to the allotment of equity securities (or sale of treasury shares) for cash:
   a) (otherwise than pursuant to sub-paragraph (b) below) which are, or are to be, wholly paid up in cash, at a price not less than the net asset value per share at allotment, as determined by the Directors, up to 10 per cent of the issued share capital (as at the date of the Annual General Meeting); and
   b) in common with issues by way of rights in favour of all holders of Ordinary shares where the equity securities respectively attributable to the interests of all such holders are either proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them on the record date of such allotment or otherwise allotted in accordance with the rights conferred on such equity securities (but subject in either case to such exclusions or other arrangements or legal problems under the laws of, or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price of not less than the net asset value per share at allotment, as determined by the Directors; and shall expire at the conclusion of the Annual General Meeting of the Company in 2010, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.

To consider and, if thought fit, pass the following Resolution, which will be proposed as a Special Resolution:

8. THAT, the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Act to make market purchases (within the meaning of Section 163 of the Act) of and to cancel or otherwise hold in treasury Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), provided that:
   a) the maximum number of Ordinary shares hereby authorised to be purchased is 14.99 per cent. of the Ordinary shares in issue as at the date of the passing of this Resolution;
   b) the minimum price 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 shall be not more than the higher of (i) 5 per cent. above the average market values of the shares taken from the Daily Official List of the London Stock Exchange for the 5 business days before the purchase is made and, (ii) the higher of the last independent trade and the highest current bid on the trading venue where the purchase is carried out;

d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2010 or, if earlier, on the expiry of 12 months from the passing of this Resolution, unless such authority is renewed prior to such time;

e) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to 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 pursuant to any such contract.

One Bow Churchyard, Cheapside
London EC4M 9HH
8 July 2009

By order of the Board
Aberdeen Asset Management PLC
Secretaries

Notes:

1. As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A form of proxy is enclosed.
2. To be valid, any proxy form or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's registrars so as to arrive not less than 48 hours before the time fixed for the meeting.
3. The return of a completed proxy form, other instrument of proxy or CREST proxy instruction will not prevent you attending the Meeting and voting in person if you wish to do so. In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by not later than 6.00pm on the day, two days prior to the meeting (or, in the event that the Meeting is adjourned, 6.00pm on the day, two days prior to the reconvened meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001

8. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

10. As at close of business on 26 June 2009 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 38,111,950 Ordinary shares of 25 pence each. Each Ordinary share carries the right to one vote at a general meeting of the Company.

11. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that member at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

12. No Director has a service contract with the Company, however, copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.

13. Shareholders should note that it is possible that, pursuant to requests made by the Members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the Members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Companies Act to publish on the website.

14. There are special arrangements for holders of shares through the Aberdeen Investment Trust Share Plan and Investment Trust Individual Savings Account ('Plan Participants'). These are explained in the separate 'Letter of Direction' which Plan Participants will have received with this Annual Report.

Corporate Information

Directors
Hubert V Reid, Chairman
Ian R Davis
Adam D Cooke

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Midas Capital Partners Limited
Martins Building
Water Street
Liverpool L2 3SP

Company Secretary, Administrator & Registered Office
Aberdeen Asset Management PLC
One Bow Churchyard, Cheapside
London EC4M 9HH
Company Registration Number: 3173591

Registrars
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Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder Helpline 0871 384 2411
Equiniti Fax number 0871 384 2100
Shareview dealing helpline 0871 384 2020
Textel/Hard of hearing line 0871 384 2255

Calls to the above Equiniti numbers are charged at 8p per minute from a BT landline. Other telephony providers costs may vary.

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1 More London Place
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Bankers
The Royal Bank of Scotland
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