Midas Income & Growth Trust PLC

Annual Report and Accounts 30 April 2012

midascapital
Midas Capital Partners Limited

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 Ordinary shares are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies (the "AIC").

Investment Objective

For the period to 18 January 2012 the Company's investment objective was 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 and the Company's performance was measured against an absolute return benchmark of 8 per cent per annum.

With effect from 18 January 2012 the Company's investment objective has been to outperform 3-month LIBOR plus 3.0 per cent. over the longer term, with low volatility and the prospect of capital and income growth, through investment in a multi-asset portfolio.

The Directors intend to measure the Company's performance based upon rolling three year periods.

Investment Policies

The former investment policy of the Company in place for the period to 18 January 2012 is described in detail in the Appendix to this Annual Report.

On 18 January 2012 shareholders approved a number of amendments to the Company's investment policy. The asset classes included in the Company's portfolio are UK and overseas equities, fixed interest securities, property, alternative assets and structured products. The asset allocations vary around a core long-term position for each asset class with a view to adding value through tactical asset allocation within a range for each asset class. The core asset allocations and asset allocation ranges, which are calculated at the time of any relevant investment based on the Company's gross assets, are as follows:

	Core Asset Allocation %	Asset Allocation Range %
UK equities	35	15 - 60
Overseas equities	25	10 - 40
Total equities	60	25 - 85
Fixed interest	15	0 - 40
Alternative assets	15	0 - 25
Property	10	0 - 25

Ordinarily, exposure to overseas companies is achieved through the use of specialist collective investment schemes and products.

The Company will not:

(i) invest more than 7.5 per cent. (calculated at the time of any relevant investment) in unquoted securities;

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

(iii) invest more than 10 per cent. (calculated at the time of any relevant investment) of its gross assets in other closed-ended funds with securities admitted to the Official List, provided that this restriction does not apply to investments in any such closed-ended funds which themselves have published investment policies to invest no more than 15 per cent. of their gross assets in other closed-ended funds with securities admitted to the Official List;

(iv) 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;

(v) invest in physical commodities;

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

(vii) conduct any significant trading activity;

(viii) 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-ended); and

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

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 £7.0 million bank facility which was drawn down as at 30 April 2012 (equivalent to 14.6 per cent. of its net assets). Further details of the bank facility are in note 11. The Board believes these levels are appropriate for the Company at the present time.

Investment Manager

The Company is managed by Midas Capital Partners Limited ("Midas", "Manager" or "Investment Manager"), a fund management company formed in early 2002. The Midas investment team of 7 investment managers has in aggregate 100 years of investment experience and boasts a pension fund track record which is 15th percentile over 10 years.

In March 2008 Midas merged with iimia MitonOptimal plc, to form Midas Capital PLC, an AIM traded fund management company. The company changed its name to MAM Funds Plc in July 2010. In February 2011 the company appointed a new senior management team and carried out a placing, which raised £20 million, leaving it with net cash on the balance sheet. The company had assets under management of circa £1.7 billion at 31 December 2011.

Investment Approach

The Company seeks to achieve its investment objective 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 aims to take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

The Manager endeavours to construct a balanced portfolio of assets with both market and non-market correlation with an emphasis on reducing volatility and 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.

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, aim to add an element of absolute return to the portfolio while the property and fixed interest elements aim to 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. Unquoted investments will not 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 6.2 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 themselves 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.

Capital Structure

As at 30 April 2012 the Company had a capital structure comprising 39,896,361 Ordinary shares of 25p and bank borrowings of £7.0 million which rank for repayment ahead of any capital return to shareholders.

Shareholders are entitled to receive notice of, and to attend and speak at, General Meetings 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[A] of £54.9 million and a basic net asset value of 120.03p per Ordinary share at 30 April 2012.

Website

www.mamfundsplc.com/private/fundpages/midas_income_growth_trust.php

Company Secretary up to 30 June 2012

Aberdeen Asset Management PLC, Bow Bells House,
1 Bread Street, London EC4M 9HH

Email: **company.secretary@invtrusts.co.uk**

Company Secretary from 1 July 2012

The Company has appointed R&H Fund Services as its company secretary and the registered office will change, with effect from 1 July 2012 to:

Eighth Floor, 6 New Street Square, New Fetter Lane
London EC4A 3AQ

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 42 to 45 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 the underlying net asset value of the investee company. 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 3 and note 11 on page 40). Gearing has the effect of magnifying market falls and increasing 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 of 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 has a 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 Alan Borrows and Simon Callow. The loss of either or both of these individuals could have an adverse effect on the Company's performance.

Taxation: 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 Sections 1158 - 1159 of the Corporation Tax Act 2010 (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.

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

Corporate Summary (continued)

Duration

Under Article 137 of the Company's Articles of Association, at each Annual General Meeting commencing with the Annual General Meeting to be held in 2013 the Directors are obliged to cause an ordinary resolution to be proposed to the effect that the Company continues as an investment trust (a "Continuation Resolution").

In the event that a Continuation Resolution is not passed, the Directors will cause a general meeting of the Company to be convened for a date not later than 180 days after the AGM at which the resolution to continue was not passed. Prior to, or with, the notice of such general meeting the Directors shall send to shareholders detailed proposals for the voluntary liquidation, open-ending or other reconstruction or reorganisation of the Company (which proposals may include a continuation of the Company in a revised form, including, without limitation, a new investment objective and/or policy). At any general meeting of the Company convened pursuant to Article 137 the Directors will cause a special resolution to be proposed instructing the Directors to implement the proposals. If such resolution is not passed as a special resolution: (a) if the Proposals included a voluntary liquidation of the Company, the Company shall continue as an investment trust; or (b) if the Proposals did not include a voluntary liquidation of the Company, the Directors will cause a further general meeting of the Company to be convened for a date not later than 60 days after the date of the general meeting convened in accordance with Article 137 at which further general meeting the Directors will cause a special resolution to be proposed to implement proposals which include a voluntary liquidation of the Company (and, in the event of such resolution, in its original or amended form, is not passed as a special resolution, the Company shall continue as an investment trust).

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 and on page 36 of the Directors' Report.

For the period to 31 December 2011 the Manager was entitled to receive management fees at the rate of 1.0% of net assets per annum together with a performance fee equivalent to 10% of the outperformance above a total return of 8% per annum.

Under the terms of the Management Agreement, with effect from 1 Janary 2012, the Manager is entitled to receive an annual management fee of 0.9 per cent. of the Company's market capitalisation and there is no performance fee.

The Management Agreement is terminable on 12 months' notice.

The Directors have reviewed the terms of the 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 MAM Funds.

Discount Management and Treasury

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 2012 and will seek annual (or, if required, more frequent) renewal of this authority. In the year ended 30 April 2012 150,000 Ordinary shares were purchased for cancellation. Subsequent to the year end no Ordinary shares have been purchased for cancellation. The Company is seeking to renew its buyback 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 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

21 June 2012	Publication of Annual Financial Report Announcement for year ended 30 April 2012
4 September 2012	Annual General Meeting in Liverpool at 12.30p.m.
September 2012	First interim dividend payable for year ending 30 April 2013
December 2012	Publication of Half-Yearly Report for six months ending 31 October 2012
December 2012	Second interim dividend payable for year ending 30 April 2013
March 2013	Third interim dividend payable for year ending 30 April 2013
June 2013	Fourth interim dividend payable for year ending 30 April 2013

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: 71

Length of service: 16 years 3 months, appointed a Director on 19 March 1996, appointed Chairman on 15 September 2004

Experience: formerly chairman of Enterprise Inns plc and senior independent director of Michael Page International plc. Prior to this he was 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: 25 August 2011

Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration: £22,500 per annum

All other public company directorships: Deputy chairman of Majedie Investments PLC

Employment by the Manager: None

Other connections with Manager: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 110,000 Ordinary shares

Ian Richard Davis
Independent Non-Executive Director and Chairman of the Audit Committee

Age: 52

Length of service: 7 years 8 months, 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: 25 August 2011

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: 91,266 Ordinary shares

Adam David Cooke
Independent Non-Executive Director

Age: 52

Length of service: 6 years 10 months, 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 covers INVESCO's 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: 7 September 2010

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: 60,000 Ordinary shares

Highlights

	30 April 2012	30 April 2011	% change
Total assets[A]	£54,889,000	£58,307,000	-5.9
Total equity shareholders' funds (net assets)	£47,889,000	£51,307,000	-6.7
Share price (mid market)	104.50p	115.88p	-9.8
Net asset value per share	120.03p	128.12p	-6.3
Benchmark[B]	6.9%	8.0%	
Actual gearing	1.13	1.12	
Potential gearing	1.15	1.14	
Total expense ratio	1.78%	1.71%	
Dividend and earnings			
Total return per share	(1.95)p	11.28p	-117.3
Revenue return per share	5.80p	5.37p	+8.0
Dividends per Ordinary share	5.86p	6.52p	-10.1
Revenue reserves	£635,000	£790,000	

[A] Total assets less current liabilities (excluding bank debt)
[B] 8% per annum to 18 January 2012 and thereafter 3 month LIBOR GBP +3%

Performance (total return)

	1 year % return	3 year % return	5 year % return	Since 19/08/05 % return
Share price	-4.6	+41.6	-24.6	+2.0
Net asset value	-1.4	+41.3	-12.5	+6.8
Benchmark[B]	+6.9	+24.7	+45.4	+65.8

Dividends

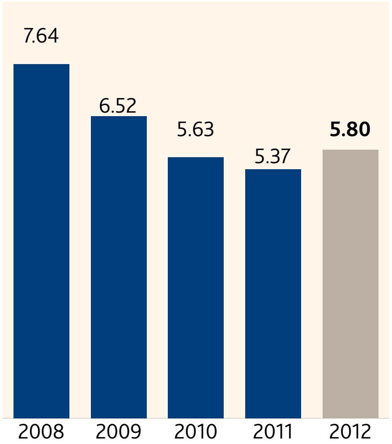
	Rate	xd date	Record date	Payment date
First interim 2012	1.63p	24 August 2011	26 August 2011	19 September 2011
Second interim 2012	1.63p	23 November 2011	25 November 2011	15 December 2011
Third interim 2012	1.30p	22 February 2012	24 February 2012	16 March 2012
Fourth interim 2012	1.30p	23 May 2012	25 May 2012	18 June 2012
Total	**5.86p**			
First interim 2011	1.63p	25 August 2010	27 August 2010	17 September 2010
Second interim 2011	1.63p	24 November 2010	26 November 2010	15 December 2010
Third interim 2011	1.63p	23 February 2011	25 February 2011	18 March 2011
Fourth interim 2011	1.63p	25 May 2011	27 May 2011	17 June 2011
Total	**6.52p**			

Five Year Financial Record

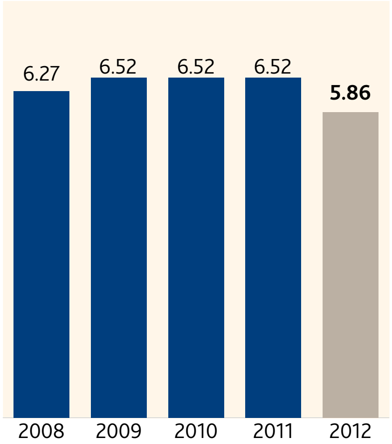
	Total return per share (basic) p	Net dividends paid per share p	Basic net asset value per share p	Equity shareholders' funds £'000
2008	(16.20)	6.27	154.94	67,614
2009	(51.01)	6.52	100.12	38,374
2010	30.93	6.52	124.59	47,484
2011	11.28	6.52	128.12	51,307
2012	(1.95)	5.86	120.03	47,889

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 they relate.

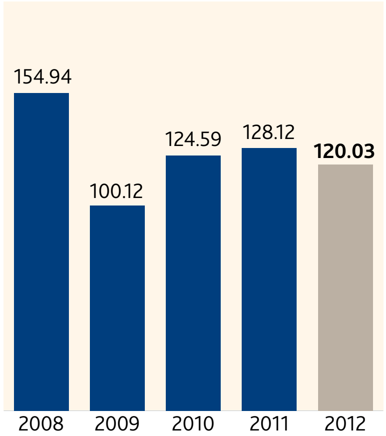
Revenue return per share
(pence)



Dividends per share
(pence)



NAV per share
(pence)



Chairman's Statement

Highlights

- Net asset value total return of -1.4%
- Share price total return of -4.6%
- Changes to investment policies and Articles of Association approved by shareholders
- Quarterly dividends rebased to 1.3p from 1.63p
- Manager and shareholder interests brought into closer alignment through new fee structure
- Continuation vote introduced with effect from AGM in September 2013

Market Background and Performance

This year appears to have marked the end of the strong recovery experienced in markets since March 2009. Investor sentiment has been challenged by concerns surrounding the European debt crisis, stagnant growth in the developed economies and geopolitical uncertainty in both developed and emerging economies. Against this background markets have experienced wide mood swings, producing a return to more volatile conditions.

Over the year the Company's net asset value total return was -1.4%, although the return over the second half of the year was positive. This compares with a benchmark return of 6.9%[A]. The share price total return (with dividends reinvested) gave a total return of -4.6%, which is disappointing due to a further widening of the discount to net asset value.

Changes to Investment Policy, Rebasing of Dividends and Related Matters

Whilst recognising the importance of dividends to shareholders and despite an improving revenue account position, the Board believed that current year dividend was again going to be uncovered, as had been the case in the previous two years, further depleting the Company's revenue reserves. With this in mind and having regard to the challenging economic environment your Board concluded that dividend growth from the prevailing level was unlikely for several years. Furthermore, it was felt that the constraints imposed on investment to maintain such a relatively high level of dividends had been, and was likely to remain, detrimental to the future total return to shareholders.

Accordingly, following a strategic review undertaken with the assistance of the Manager and the Company's financial adviser, the Board proposed a number of changes, designed to increase investment flexibility and offer the prospect of enhanced longer term total returns, whilst still recognising the importance of income to investors.

The main changes proposed and subsequently approved by shareholders at a General Meeting on 18 January 2012, are summarised below:

- Dividend rebased to 5.2p per annum (from 6.52p) with effect from third interim dividend.
- Core allocation to overseas equities increased from 15% to 25% to allow further investment in stronger economic conditions in developing markets and to take advantage of wider opportunities for dividend growth.
- Core allocation to fixed income reduced by 10% to allow for higher allocation to overseas equities.
- Asset allocation ranges widened to increase flexibility to take advantage of investment opportunities.
- Investment objective changed to seeking to outperform 3 month LIBOR +3% over the longer term, with low volatility and the prospect of capital and income growth, through investment in a multi asset portfolio.
- Benchmark of an absolute return of 8% per annum replaced with 3 month LIBOR +3% over a three year rolling period.

Management Fees

In addition to the changes detailed above your Board agreed changes to the fee arrangements with the Manager. These changes have both simplified the arrangements and also more closely aligned the Manager's interests with shareholder returns. With effect from 1 January 2012 the Manager no longer has the potential of earning a performance related fee. In addition the basic management fee was reduced to 0.9% per annum from 1%, with this to be charged based on the Company's market capitalisation rather than on its net asset value. Your Board believes these new arrangements to be in line with best practice in the investment trust industry.

Company's Rating

Whilst the Company has in the past generally traded at a single figure discount to net asset value, there have been more recent periods when low double digit discounts have developed. The Board and Manager remain committed to improving the rating of the Company including additional marketing initiatives and, to further this commitment, it was proposed to shareholders that the Company's Articles of Association should be amended to move to an annual continuation vote, starting at the AGM in September 2013. This proposal was approved at the General Meeting on 18 January 2012.

During the year 150,000 shares were bought back for cancellation and your Board will be seeking a renewal of the share buyback facility at the Annual General Meeting in September.

[A] Benchmark was changed on 18 January 2012 to 3-month LIBOR +3% (previously 8% per annum)

Chairman's Statement (continued)

Gearing

The Company's short term rolling debt facility of £7 million was successfully renegotiated in July 2011 and significantly better terms were achieved over the previous agreement. The debt facility remained fully drawn over the course of the year. End of year gearing (pre cash) was 14.6% of net assets, up slightly from 14% at 30 April 2011. Gearing has remained well within the Board's stated maximum of 25% throughout the year.

Dividends

Two interim dividends of 1.63p were declared during the year, with a further 1.3p interim dividend (the rebased dividend level) also being declared. These three dividends together with the fourth interim dividend of 1.3p announced on 15 May 2012 (paid on 18 June 2012), give total dividends of 5.86p (2011 - 6.52p). The revenue position of the Company has benefitted from the rebased dividend policy and the Board remains committed to the re-establishment of a progressive dividend policy at the earliest opportunity. This should further enhance the attractions of the Company to both existing and new investors.

Company Secretary

The Company's secretarial services have been provided by Aberdeen Asset Management (AAM) since August 2005. However, the Board was informed early in the year that AAM had decided that they no longer wished to provide third party secretarial services. The Board and Manager would like to thank AAM for their services over the past 7 years and in particular would like to record their appreciation to Charles Mearns, whose capable skills and professional approach have been much valued in his time as company secretary. The Board, having carried out a thorough market search, are pleased to welcome Martin Cassels of R&H Fund Services Limited ("R&H") as the new company secretary. R&H will assume their duties on 1 July 2012.

Articles of Association

The law relating to investment trusts has recently been amended to modernise the investment trust regime. In particular, new conditions for a company being approved as an investment trust came into effect for accounting periods beginning on or after 1 January 2012. As a result of the change in legislation there is no longer a requirement for there to be a prohibition in the Company's Articles of Association on the distribution as a dividend of surpluses arising from the realisation of investments. The definition of "investment company" under the Companies Act 2006 has also been amended with effect from 6 April 2012 to remove the requirement that the distribution of the Company's capital profits be prohibited by its Articles of Association.

The Board therefore will be seeking shareholder approval at the AGM to amend the Articles of Association by removing the relevant provisions prohibiting the distribution of capital profits by the Company thereby permitting the distribution of capital profits by way of a dividend. This will provide the Company with increased flexibility to at least maintain dividends although it is the Directors' intention that dividends should generally be paid from revenue.

Annual General Meeting

This year's Annual General Meeting will be held at 12.30 p.m. on Tuesday 4 September 2012 at The Racquet Club, Hargreaves Buildings, 5 Chapel Street, Liverpool L3 9AG. 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

This year has been one of change for the Company and your Board firmly believes that the amended investment objective and policy will provide the Manager with the flexibility to both enhance future capital returns but also provide a platform to return to dividend growth.

Markets are likely to remain both unpredictable and volatile given the major challenges outlined by the Manager in their report. The benefits of a relatively high income and low volatility, delivered through a disciplined multi asset approach, should prove attractive to an increasing number of investors. Particularly so in an era, post the 25 year credit boom, of generally sub trend economic growth and low interest rates.

Hubert Reid
Chairman

21 June 2012

Manager's Review

Market Background

The year under review has seen a return to volatile market conditions, albeit not to the same extent as seen in 2008 and early 2009. Investor sentiment has experienced something of a rollercoaster ride, with the relative stability early in the year being replaced by sharp setbacks in both equities and corporate bonds in the period from July until October. The main catalysts for this reversal of market fortunes were the growing concerns regarding the indebtedness of governments in Europe, and to a lesser extent the United States, where the debt rating agency, Standard and Poor's, downgraded the country from its AAA status. These concerns were further compounded by a slew of disappointing economic data emerging from the developed economies. Meanwhile several of the larger developing economies also hit problems as interest rates were increased to curb inflationary pressures and, in the case of China, to control the excesses building within the residential property sector.

The 'Jekyll and Hyde' nature of sentiment was once again demonstrated as we moved through the final quarter of 2011, when more encouraging economic reports emerging from the United States bolstered confidence. In Europe market watchers were encouraged by the introduction by the European Central Bank of the Long Term Refinancing Operation, which provided much needed liquidity support to the beleaguered banking system. Markets rallied strongly and this more positive environment carried forward well into the first quarter of 2012.

However, as the Company's financial year drew to its close sentiment was once again challenged as the Greek debt crisis escalated and politics took centre stage in Europe. The willingness of the electorate to accept the austerity measures being implemented in the peripheral European countries started to be questioned, with even the continued existence of the Euro coming into sharp focus. Meanwhile the better economic data emerging from the United States reversed, with the employment data being particularly disappointing. Markets reacted by again experiencing an uplift in volatility and experiencing sharp falls. This weaker market environment has continued into the current year leaving investors concerned that the World economy may be lurching into another crisis, propelled by financial dislocations in Europe, which would leave few economies unscathed.

Performance

The gyrations in markets were detrimental to performance in the first half of the year. However, the rally seen in risk assets over the period since the end of October helped to improve the overall out-turn for the year. The Company's net asset value total return was -1.4% which was helped in no small measure by the high level of income generated within the portfolio. Whilst the return was well below that achieved in the previous two years, it was produced against a background much less friendly to risk assets. The share price total return of -4.6% was disappointing, as the discount to net asset value increased over the course of the year. With the Company's shares trading at a discount of over 10% at the period end and offering a prospective yield of in excess of 5%, we firmly believe that they offer good value for investors seeking a diversified investment portfolio with low volatility and a relatively high income.

Asset Allocation

The changes to the investment objective and policy approved by shareholders have provided more flexibility to improve future capital returns and further diversify the Company's assets. The move to rebase the dividend in particular has allowed investment to be made with more emphasis on a growing income stream, offering the prospect of better future revenue performance and also improved capital returns.

The Company's exposure to equities has been bolstered over the course of the year, as the relative attractions of well financed companies with strong business franchises and growing dividends have been increasingly emphasised within the portfolio. This increased exposure was achieved both through the direct UK equity holdings and also by introducing further high quality specialist overseas managers, predominantly those with a focus on identifying companies offering sustainable dividend growth. Holdings more prone to volatility were reduced into strength with more defensive sectors being favoured.

Fixed interest positions have been reduced to finance the increase in equity allocations. In particular preference shares and the closed-ended corporate bond holdings were used as a source of funding. Overall we continue to prefer corporate bonds to sovereign debt, with yields in 'safe haven' gilts and treasuries offering little by way of return for the risks being taken. Within corporate bonds emphasis is on shorter maturity bonds and senior loans, which offer better protection against inflation and have little interest rate risk.

Alternative asset holdings were reduced, primarily through the sale of structured product positions, where counterparty risks were not being compensated for by the returns available. Private equity holdings have been maintained although exposure was reduced post the year end. Hedge fund positions have also been reduced with emphasis being placed on managers positioned for deterioration in the distressed debt markets.

Property holdings have been reduced with commercial property likely to suffer from both difficult market conditions and also excess supply as banks reduce property exposure on their balance sheets over the coming years. The remaining holdings are mainly centred on Asia, where property market fundamentals still appear attractive. However, the bank deleveraging process is also throwing up opportunities for investors in certain parts of the property market, which we have been able to exploit.

A new area introduced into the portfolio over the year was aircraft leasing through an investment in a vehicle with a 9% running yield and potential for further capital appreciation, a combination which should produce mid-teen returns over its 12 year life.

The asset allocation across the portfolio at 30 April 2012 is shown in the table below.

Asset Class	Portfolio Weight %	Core Allocation approved on 18/01/2012 %	Change to core allocation %	Range %
UK Equities	34.5(28.1)	35		15-60
Overseas Equities	23.3(17.6)	25	+10	10-40
Total Equities	**57.8(45.7)**	**60**	**+10**	**25-85**
Fixed Interest (inc Cash)	**17.9(21.1)**	**15**	**-10**	**0-40**
Alternative Assets	**18.3(22.4)**	**15**		**0-25**
Property	**6.0(10.8)**	**10**		**0-25**

All figures are expressed as a percentage of Gross assets.
30 April 2011 figures are shown in brackets.

UK Equities (34.5%)

Exposure to the UK equity market was increased over the period. Several new holdings were introduced to the portfolio with D S Smith (international paper & packaging manufacturer), W S Atkins (infrastructure service provider) and Centrica (owner of British Gas) being the most notable. We believe these companies to be well positioned in their respective businesses, well financed and capable of supporting good and growing dividends.

The portfolio emphasis remains focussed on well capitalised, strongly cash-generative businesses with growing international franchises. Such companies include GlaxoSmithKline, Unilever, Reckitt & Benckiser and Vodafone. Another new position introduced was Diageo, the international branded beverages producer, although we were only able to build around half of the desired position due to the share price moving beyond what we felt comfortable to pay. The deleveraging theme led us to make an investment in Intermediate Capital, a company providing mezzanine finance to mid-sized companies in Europe and offering a very attractive yield. Small initial investments were made in both GKN and Prudential but these were subsequently sold due to strong price performance post acquisition.

The Company participated in the £200m C share placing of Doric Nimrod Air Two Limited, a specialist aircraft leasing vehicle managed by Guernsey based Doric Nimrod. This vehicle leases Airbus A380 aircraft to Emirates Airlines and yields 9% with potential for mid-teens returns over its 12 year life.

Stocks sold included BP, following recovery from the Gulf of Mexico disaster; Standard Life and Aviva to reduce exposure to the volatile life assurance sector; whilst some profit was also taken in Legal & General.

Performance across the UK portfolio was in general satisfactory with the defensive holdings performing particularly well in the more difficult market environment. However, the best performance over the year was recorded by William Hill, the bookmaker, following a series of positive trading statements and better than expected dividend increases. The holding was top sliced into this strong performance as the valuation became a little less attractive.

On the negative side was the performance of Tesco and BHP Billiton, with the former issuing a profit warning and the latter being hit by falling metal prices. The Company's holding in Man Group was also a disappointing performer as the company's main trading strategy run by AHL suffered poor performance and consequent investor outflows. This was particularly galling as we had previously sold the position and were tempted back in following significant share price weakness, which has unfortunately continued post investment. However, more positive was the performance of emerging market fund manager Ashmore Group, which offers attractive exposure to the growth in capital markets in the developing economies.

Dividend growth from the portfolio was generally strong over the year and we anticipate further healthy growth in the coming year.

Overseas Equities (23.3%)

Exposure to overseas equity markets was increased as further diversification was sought to equity positions in economies with superior financial positions and growth prospects. Several new funds were introduced to the portfolio with our focus being on managers investing for dividend growth.

The Company's first actively managed position in the US equity market was introduced through an investment in the Cullen North American High Dividend Value Fund, whilst existing Asian equity holdings were increased by the addition of the Prusik Asian Equity Income Fund. Elsewhere emerging market equity exposure was topped up through new investments in the closed-end Aberdeen Latin American Income Fund and the UBS Emerging Markets Equity Income Fund. In addition further top-up investment was made in the Somerset Emerging Markets Dividend Growth Fund. Towards the end of the year, and following poor performance, European equity exposure was increased through an initial investment in the Henderson European Focus Trust, which was bought on an attractive discount to net asset value.

Existing positions in general performed well against their respective benchmarks, although the overall negative environment for equities meant that several holdings still produced negative returns. Amongst the best performers were the Asian funds held, with all producing positive returns despite a negative outturn from their Asian equity benchmark. Best amongst these was the Newton Asian Equity Income Fund which returned 9%, some 17% better than the benchmark. This was closely followed by the Schroder Oriental Income Fund which returned close to 8%.

Another noteworthy performer was the Somerset Emerging Markets Dividend Growth Fund, which produced a return of 2% despite the emerging market index falling by 9%. European holdings also outperformed their benchmark, although their returns were still negative with the European markets being amongst the worst performers over the year. US holdings underperformed with the covered call strategies adopted failing to match the market outturn.

Fixed Interest (17.9%)

Investment in this area was reduced over the course of the year to provide funds for the Company's increased equity exposure. Our preference for 'real assets' is borne from concerns that inflation, whilst subdued at present, may become a significant problem should the very loose monetary policy being adopted in many developed economies continue. Within the fixed interest markets we still see some value in high yield corporate bonds but have been keen to reduce duration and interest rate risk, with rates in the developed economies at historically very low levels. We see little investment value in the safer sovereign bond markets where inflation and funding risks are not being priced into yields.

Holdings in preference shares have been trimmed, whilst closed-ended fund exposure was also reduced with the outright sale of the City Merchants Investment Trust (a very successful investment for the Company since acquisition in late 2008) and a top slicing of the holding in Invesco Leveraged High Yield Trust. Elsewhere holdings in the AXA US Short Duration High Yield Fund and the M&G European Loan Fund were also reduced.

Although we remain generally cautious on banks, the Company's holding in the Lloyds Banking Group 7.975% contingent convertible bond was increased on a yield of over 11%. This looked attractive given the much improved balance sheet position at the bank.

The Company ended the period with its main fixed interest exposures being in high yield corporate bonds, senior loans and preference shares. A position was also maintained in emerging market corporate debt.

Alternative Assets (18.3%)

The main change in the alternative asset area was the sale of the Company's structured product positions. Having seen a recovery in pricing in these products it was felt that they no longer gave an attractive enough return to compensate for counterparty risks. Hedge fund exposure was reduced following a period of disappointing performance with the full sale of the Liontrust European Absolute Return Fund and a reduction in the Signet Global Fixed Interest Strategies Fund. Part of the proceeds from the latter was reinvested into the existing holding in Acencia Debt Strategies, a hedge fund trading on a substantial discount to net asset value and offering exposure to a range of managers operating in the distressed debt markets.

Private equity positions performed well with A J Bell Holdings, one of the leading SIPP providers in the UK, reporting excellent results for the year to 30 September 2011 with revenue and profits increased by 18% and dividends by 14%. We feel these results fully justified the carried value of 500p per share, which was improved from 400p in June 2011. This valuation was further underpinned late in the period when negotiations were concluded with Invesco Perpetual to sell 35% of the Company's holding at this level. We remain confident of the prospects for this well managed and strategically positioned company.

Partners Group Global Opportunities Fund ("PGGO") had another good year with the net asset value rising by 15.6%. The fund opened for redemptions in December and the opportunity to bank some profits was taken with around 9% of the holding being redeemed at a 5% discount (dilution levy) in December. A further 9% of the shares were redeemed in March, with proceeds being received after the year end. The residual holding is still being carried at a 20% discount to net asset value, reflecting the illiquidity of this fund. However, we would expect further redemptions to be achieved over the course of the year as the fund has received the proceeds from several successful realisations in the early part of 2012.

The proceeds from the PGGO redemptions, together with the sale of the Company's profitable investment in the Standard Life European Private Equity Fund, have been reinvested into the quoted Princess Private Equity Limited. This is a fund also managed by Partners Group, which was bought on a 35% discount to net asset value (nav) and offering a yield of 8%. The underlying portfolio investments are predominantly in limited partnerships, which are now maturing having been set up in 2006/07. This should result in further successful realisations over the next 18 months, leading to a further increase in the fund's nav and cash-flows to support the high level of dividends.

The balance within the Company's infrastructure-linked investments was changed during the course of the year with the holding in HICL Infrastructure being sold at a premium to NAV. Proceeds were reinvested into the C share issue by the GCP Infrastructure Fund. This infrastructure specialist invests in providing debt financing to UK projects through a master fund structure and offers a very attractive income yield of 7.5%. We believe the returns from debt financing will be better than that achieved by infrastructure equity investors, with lower risks. This is a good example of opportunities being created by bank deleveraging at present, as previously banks would have been the main providers of debt to such projects.

Property (6.0%)

Exposure to property was reduced over the course of the year with the outright sale of the Threadneedle Property Unit Trust, which was sold on concerns over the prospects for UK commercial property. The holding in the Celsius Real Estate Income Fund was downsized due to the relatively large size within the portfolio.

Returns from property investments have again been disappointing, although the holding in Macau Property Opportunities Fund has seen a year of significant progress, which is currently not reflected in the share price. The fund paid a special dividend in June following the sale of one of its developments and the net asset value has continued to advance, buoyed by the very strong Macau economy. The holding in the Celsius Asian Real Estate Income Fund recorded a negative return, despite its very high dividend yield of 14%, which is generated from a portfolio of 20 Asian REITs complemented by a covered call strategy.

Outlook

We have felt for some time that investment markets are likely to be range bound but also prone to periods of volatility. This view has certainly been vindicated over the course of the year. Concerns over the European sovereign debt crisis seem destined to cap market upside, whilst at the same time a relatively healthy corporate sector, trading at undemanding valuations, will continue to provide support to risk assets in a low interest rate environment.

Increasingly it would appear that cycles will be short and more policy-led. In a world full of uncertainties we have taken a cautious approach to investing in a relatively higher risk asset, namely equities. When viewing the alternatives we see equities as offering the best risk against return trade off. Financially strong companies investing in growing their developing market business franchises, whilst paying regular and growing dividends are likely, we feel, to achieve returns significantly in advance of other assets. Such opportunities do exist and the portfolio is very focussed on these. Meanwhile the end of the 25 year long credit boom is throwing up other opportunities, which should, over a period of years, produce very positive returns for patient investors.

The investment policy changes agreed by shareholders in January will be crucial to the delivery of future returns, we believe. The ability to both protect capital and enhance future returns has been significantly improved. However, income will remain a very important element of returns to the Company, and indeed all investors, in the difficult years ahead.

Alan Borrows
Simon Callow
Midas Capital Partners Limited
21 June 2012

Investment Portfolio

As at 30 April 2012

Company	Sector	Asset Class	Valuation 2012 £'000	Total assets[A] %
Bell AJ[B]	Special & Other Finance	Alternative Assets	3,250	5.92
Partners Group Global Opportunites[C]	Unit Trusts & OEICS	Alternative Assets	2,364	4.31
Royal London Sterling Extra Yld Bond A Acc[C]	Unit Trusts & OEICS	Fixed Interest	1,476	2.69
Somerset Cap Emerging Markets Dividend Growth[C]	Unit Trusts & OEICS	Overseas Equities	1,339	2.44
GlaxoSmithKline	Pharmaceuticals & Biotechnology	UK Equities	1,283	2.34
Unilever	Food Producers	UK Equities	1,262	2.30
Celsius Fund Asian Real Estate Income[C]	Unit Trusts & OEICS	Property	1,249	2.28
BNY Mellon Fund Manager Newton Asian Income Institutional[C]	Unit Trusts & OEICS	Overseas Equities	1,243	2.26
Acencia Debt Strategies 'C'	Special & Other Finance	Alternative Assets	1,238	2.26
Lindsell Train Japanese Eqty 'B'[C]	Unit Trusts & OEICS	Overseas Equities	1,194	2.18
Top ten investments			**15,898**	**28.98**
Reckitt Benckiser Group	Household Goods & Home Construction	UK Equities	1,166	2.12
Vodafone Group	Mobile Telecommunications	UK Equities	1,151	2.10
Royal Dutch Shell EUR0.07 'B'	Oil & Gas Producers	UK Equities	1,123	2.05
AstraZeneca	Pharmaceuticals & Biotechnology	UK Equities	1,080	1.97
Prusik Investment Asian Equity Income[C]	Unit Trusts & OEICS	Overseas Equities	1,048	1.91
Legal & General Group	Life Insurance	UK Equities	1,035	1.89
Ashmore Group	Financial Services	UK Equities	1,033	1.88
Ecclesiastical Insurance Office 8 5/8% Net Cum Irred Pref	Fixed Interest	Preference Shares	1,022	1.86
Cullen North American High Dividend Value Equity Fund[C]	Unit Trusts & OEICS	Overseas Equities	1,014	1.85
HSBC Holdings	Banks	UK Equities	971	1.77
Top twenty investments			**26,541**	**48.38**
LBG Capital No.1 7.975% 15/09/24	Fixed Interest	UK Preference Share	948	1.73
Duet Real Estate Finance	Investment Companies	Property	947	1.72
Schroder Unit Trusts Asian Inc Maximiser[C]	Unit Trusts & OEICS	Overseas Equities	932	1.70
Hill (William)	Travel & Leisure	UK Equities	921	1.68
Centrica	Gas Water & Multiutilities	UK Equities	921	1.68
Atkins WS	Support Services	UK Equities	909	1.65
Smith DS	General Industrials	UK Equities	906	1.65
BHP Billiton	Mining	UK Equities	889	1.62
Ignis AM Argonaut European Income Fund[C]	Unit Trusts & OEICS	Overseas Equities	887	1.62
Scottish & Southern Energy	Electricity	UK Equities	859	1.56
Top thirty investments			**35,660**	**64.99**

Investment Portfolio (continued)

Company	Sector	Asset Class	Valuation 2012 £'000	Total assets[A] %
Macau Property Opportunities	Investment Companies	Property	821	1.49
Harbourvest Senior Loans Europe	Special & Other Finance	Fixed Interest	799	1.45
Tesco	Food & Drug Retailer	UK Equities	793	1.44
Schroder Oriental Income	Investment Companies	Overseas Equities	772	1.41
Intermediate Capital	Financial Services	UK Equities	770	1.40
Princess Private Equity Holding	Investment Companies	Alternative Assets	752	1.37
Ignis Enhanced Argonaut European Income[C]	Unit Trusts & OEICS	Overseas Equities	746	1.36
Thames River Traditional High Income Fund[C]	Unit Trusts & OEICS	Fixed Interest	719	1.31
Invesco Leveraged High Yield Fund	Investment Companies	Fixed Interest	715	1.30
Royal & Sun Alliance Insurance Group 7.375% Cum Pref	Fixed Interest	Preference Shares	714	1.30
Harewood Structured Inv US Enhanced Hedge Pref Cls 'A'	Investment Companies	Overseas Equities	706	1.29
AXA Investment Managers US Short Duration High Yield[C]	Unit Trusts & OEICS	Fixed Interest	671	1.22
Doric Nimrod Air Two 'C'	Investment Companies	UK Equities	663	1.21
Phaunos Timber Fund	Investment Companies	Alternative Assets	647	1.18
Policy Selection Assured GBP[C]	Unit Trusts & OEICS	Alternative Assets	642	1.17
Blackrock Commodities	Investment Companies	Overseas Equities	623	1.13
Diageo	Beverages	UK Equities	620	1.13
Aberdeen Latin American Income Fund	Investment Companies	Overseas Equities	614	1.12
GCP Infrastructure Investments	Investment Companies	Alternative Assets	610	1.11
Ecofin Water & Power Opportunities	Investment Companies	Overseas Equities	591	1.08
M&G European Loan 'C'[C]	Unit Trusts & OEICS	Fixed Interest	555	1.01
Henderson European Focus Trust	Investment Companies	Overseas Equities	544	0.99
Man Group	Financial Services	UK Equities	466	0.85
Signet Global Hedge Fund Bond	Fixed Interest	Alternative Assets	353	0.64
Other investments			1,245	2.26
Total investments			**52,811**	**96.21**
Net current assets[A]			**2,078**	**3.79**
Total assets[A]			**54,889**	**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] Open-ended.

Top Ten Holdings Comparative Value

Company	Sector	Asset Class	2012 £'000	2011 £'000
Bell AJ[A]	Special & Other Finance	Alternative Assets	3,250	2,600
Partners Group Global Opportunites[B]	Unit Trusts & OEICS	Alternative Assets	2,364	2,450
Royal London Sterling Extra Yld Bond A Acc[B]	Unit Trusts & OEICS	Fixed Interest	1,476	1,556
Somerset Cap Emerging Markets Dividend Growth[B]	Unit Trusts & OEICS	Overseas Equities	1,339	917
GlaxoSmithKline	Pharmaceuticals & Biotechnology	UK Equities	1,283	1,371
Unilever	Food Producers	UK Equities	1,262	1,068
Celsius Fund Asian Real Estate Income[B]	Unit Trusts & OEICS	Property	1,249	1,663
BNY Mellon Fund Manager Newton Asian Income Institutional[B]	Unit Trusts & OEICS	Overseas Equities	1,243	842
Acencia Debt Strategies 'C'	Special & Other Finance	Alternative Assets	1,238	797
Lindsell Train Japanese Eqty 'B'[B]	Unit Trusts & OEICS	Overseas Equities	1,194	787

[A] Unquoted.
[B] Open-ended

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, together with offering third party SIPP administration solutions.

In the company's financial year ended 30 September 2011, revenues increased by 18% to £41.6 million, whilst pre-tax profits were £19.0 million, a rise of 18%. The company paid dividends of 21p, an increase of 14% over the previous year. Net assets attributable to the company were £27.6 million (£20.7 million), whilst assets under administration increased by 9% to £15 billion.

The holding of 650,000 A J Bell shares represents 1.63% of the shares in issue. These shares have a book value of £672,848 and were valued at £3,250,000 based on the most recent Director's valuation on 27 June 2011.

Classification of Investment Portfolio

As at 30 April	2012 %	2011 %
UK Equities	34.48	28.17
Overseas Equities	23.34	17.58
Alternative Assets	18.33	22.40
Fixed Interest	9.52	13.71
Property	5.98	10.81
UK Preference Shares	4.91	6.42
Precious Metals	0.09	-
Convertible Bonds	-	0.10
Cash	3.35	0.81
	100.00	**100.00**

Analysis of Investment Portfolio

	2012		2011	
As at 30 April	Valuation £'000	Total fixed assets %	Valuation £'000	Total fixed assets %
Listed	32,167	60.91	36,411	62.81
Unlisted	16,376	31.01	18,441	31.82
Unquoted	3,250	6.15	2,649	4.57
AIM	1,018	1.93	465	0.80
	52,811	**100.00**	**57,966**	**100.00**

Your Company's Capital History

39,896,361	Ordinary shares of 25p as at 30 April 2012

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
Year to 30 April 2010	During the year to 30 April 2010 a total of 215,000 Ordinary shares were purchased in the market and cancelled
6 September 2010	1,934,411 Ordinary shares of 25p issued following the final subscription date for the Warrants on 31 August 2010
Year to 30 April 2012	During the year to 30 April 2012 a total of 150,000 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 2012.

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 9 and 10 and the Manager's Review on pages 11 to 14. 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 of Corporate Governance on pages 24 to 27.

The Key Performance Indicators (NAV movements together with details of the share price performance and total expense ratio (TER)) for the Company are shown in the Highlights on page 7.

The Company makes no political donations or expenditures or donations for charitable purposes and, in common with most investment trusts, the Company has no employees.

Results and Dividends

Details of the Company's results and dividends paid are shown on page 7 of this Report.

Following shareholder approval of changes to the Company's investment objective and policy on 18 January 2012 the level of the Company's dividend was rebased to 5.2p per Ordinary share per annum.

Principal Activity

The business of the Company is that of an investment trust investing in a diversified portfolio principally comprising UK and overseas 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 seeks to 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 and is registered in England and Wales with registered number 03173591. 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 1159 of the Corporation Tax Act 2010 for the year ended 30 April 2011. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 April 2012 so as to be able to continue to obtain approval as an investment trust under Sections 1158 - 1159 of the Corporation Tax Act 2010 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 an Individual Savings Account ("ISA") and it is the Directors' intention that the Company should continue to qualify.

Significant Contracts

The Company has an 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 (with administration delegated to Aberdeen Asset Management PLC). Further details are disclosed in note 4 to the financial statements.

The Company has appointed R&H Fund Services Limited as its new Company Secretary and Administrator with effect from 1 July 2012 and has entered into a new Administration Agreement with R&H Fund Services Limited.

Share Capital

On 19 May 2011 the Company purchased for cancellation 150,000 Ordinary shares. As at 30 April 2012 there were 39,896,361 Ordinary shares in issue.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations")

The following further information is disclosed in accordance with the Regulations:

- the Company's capital structure and voting rights are summarised on page 3;
- details of the substantial shareholders in the Company are listed on page 21;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 25;
- 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 Statement of Corporate Governance forms part of this Directors' Report and covers the Company's compliance with the UK Corporate Governance Code and is shown on pages 24 to 27.

Directors

Details of the current Directors of the Company are shown on page 6.

In accordance with the Articles of Association, Directors must offer themselves for re-election at least once every three years. Mr A D Cooke will retire by rotation and offer himself for re-election at the Annual General Meeting ("AGM") to be held on 4 September 2012. 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 UK Corporate Governance Code.

The Directors at 30 April 2012 and at 1 May 2011 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 2012 Ordinary shares	At 30 April 2011 Ordinary shares
H V Reid (Chairman)	110,000	110,000
A D Cooke	60,000	50,000
I R Davis	91,135	64,866

Mr Davis is a member of the Aberdeen Investment Trust Share Plan and has elected to reinvest his dividends. Consequently his beneficial interests have increased since 30 April 2012 by 131 shares as at 21 June 2012, being the latest practicable date prior to the signing of this Report. There were no other changes to report at this date. Mr Alan Borrows and Mr Simon Callow of the Company's Manager are beneficially interested in 200,000 and 4,500 Ordinary shares respectively.

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

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company at 21 June 2012, being the nearest practicable date prior to the signing of this Report.

Shareholder	Number of shares held	% held
Brewin Dolphin, stockbrokers	5,821,439	14.60
MAM Funds	4,494,989	11.27
Midas Investment Management	4,363,604	10.94
Jupiter Asset Management	3,025,000	7.58
HIM Capital	2,594,283	6.50
Philip J Milton, stockbrokers	1,530,032	3.84
Corporation of Lloyds	1,274,140	3.19

Annual General Meeting

The Notice of Annual General Meeting is contained on page 49.

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 relevant securities but will also provide a further authority (subject to certain limits) to allot shares pursuant to fully pre-emptive rights issues. Resolution 6 authorises the Directors to generally allot shares up to an aggregate nominal amount of £6,649,394 representing approximately two-thirds of the existing issued capital of the Company, of which a maximum nominal amount of £3,324,697 (approximately one-third of the existing issued share capital) may only be applied to fully pre-emptive rights issues.

The authority granted by Resolution 6 will expire at the conclusion of the Annual General Meeting in 2013.

The Directors do not have any present intention of allotting the unissued share capital of the Company.

The Company does not currently hold any shares in treasury.

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 disapplication of pre-emption rights relates to shares that the Company issues pursuant to the authority conferred by Resolution 6 or transfers from treasury (if any). This resolution limits the authority conferred by Resolution 6 to issues of Ordinary shares (or sales of treasury shares) to a maximum aggregate nominal amount of £997,409 representing approximately 10 per cent. of the Company's existing issued share capital.

The authority granted by Resolution 7 will expire at the conclusion of the Annual General Meeting in 2013.

The Directors do not have any present intention of exercising this authority.

Purchase of the Company's Shares

Resolution 8 which is a Special Resolution 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 2006 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. Under the Companies Act 2006, a listed company is able to hold shares in treasury rather than cancel them. Any shares purchased under the authority granted by Resolution 8 will either be cancelled and the number of Ordinary shares reduced accordingly or held in treasury. It is possible 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 2013 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. In particular, the Directors will not use this authority to purchase the Company's Shares unless to do so would result in an increase in net asset value per share.

If Resolution 8 is 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 this authority relates.

Notice of Meeting

Resolution 9, which is a Special Resolution, will be proposed to authorise the Directors to call general meetings of the Company (other than Annual General Meetings), on 14 clear days' notice as permitted by the Companies Act 2006 and as amended by the Companies (Shareholders' Rights) Regulations 2009. The Company will also need to meet the Companies Act 2006 requirements for electronic voting before it may call a general meeting on 14 clear days' notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as is practicable and will only utilise the authority granted by Resolution 9 in limited and time sensitive circumstances.

Amendments to Articles

As referred to in the Chairman's Statement, the statutory conditions for approval as an investment trust no longer require the Company's Articles of Association to prohibit the Company from distributing capital profits. The definition of "investment company" in company law has also been amended in the same way. Resolution 10, which is a Special Resolution, will therefore be proposed to amend the Company's Articles of Association by removing the existing provisions of the Articles which prevent the Company from making distributions out of capital. The amendments to the Articles are intended to provide the Company with greater flexibility in relation to the payment of dividends to shareholders.

Recommendation

Your Board in its opinion considers Resolutions 6, 7, 9 and 10 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, 9 and 10 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 261,266 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 (2011: nil).

Discount Management

In order to sustain the rating of the Company's shares, the Board has a discount management policy. However, the making and timing of any share buybacks will be at the absolute discretion of the Board.

Going Concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's assets consist of a portfolio of predominantly liquid assets which in most circumstances are realisable within a short time-frame.

The Directors are mindful of the principal risks and uncertainties disclosed on page 3 and have reviewed the revenue forecasts and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report.

Accountability and Audit

The respective responsibilities of the Directors and Auditors in connection with the financial statements are set out on pages 28 and 30.

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 21.

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.

Bow Bells House	By order of the Board
1 Bread Street	**Aberdeen Asset Management PLC**
London EC4M 9HH	Secretaries
21 June 2012	

Statement of Corporate Governance

Introduction

The UK Listing Authority requires all listed companies to describe how they have complied with the principles of the UK Corporate Governance Code published in May 2010 (the "Governance Code"), which is available on the Financial Reporting Council's website: **www.frc.org.uk.** The Governance Code covers in particular the annual re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of business model and strategy.

The Association of Investment Companies has also published a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide") which are available on the AIC's website: **www.theaic.co.uk.** The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in Section 1 of the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code), will provide better information to shareholders.

Application of the Principles of the Codes

The Company has complied with the provisions of the AIC Code and the Governance Code, except for the Governance Code 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)

As indicated by the AIC Code the above exceptions are not believed to be applicable to 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 2012 the Board met 11 times. In addition, there were 2 Audit Committee meetings, 1 Management Engagement Committee meeting, a Nomination Committee meeting and 6 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 2012 as follows (with their eligibility to attend the relevant meeting in brackets):

	Board meetings	Audit and management engagement committee meetings	Other committee meetings
H V Reid (Chairman)	11 (11)	3 (3)	5 (6)
I R Davis	11 (11)	3 (3)	6 (6)
A D Cooke	10 (11)	3 (3)	3 (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 A D Cooke 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.

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 their findings. 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 £7,000 inc. VAT were paid to the Auditor in respect of non audit services in connection with the review of the Interim Report (2011: £5,600) and £4,000 in connection with iXBRL costs (2011: £nil)- 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.

Stewardship Code

The Financial Reporting Council ("FRC") published "The UK Stewardship Code" for institutional shareholders on 2 July 2010. The purpose of the Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

The Board has delegated responsibility for actively monitoring the activities of investee companies to the Manager. The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee company, and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights. The Manager's policy is to assess each voting opportunity individually and to vote only in cases where it is believed that the Company's best interests need to be protected. The Board has reviewed, and endorses, the Manager's Statement of Compliance with the Code, which appears on the Manager's website, at **www.mamfundsplc.com.**

The Board will also receive from the Manager regular reports on the exercise by the Manager of the Company's voting rights.

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.

Statement of Corporate Governance (continued)

Remuneration Committee

Under the UK Listing Rules, where an investment trust has only non-executive directors, the Governance 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 29.

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 Asset Management as Company Secretary and Administrator (using the services of a third party) 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 and reports to the Board on a six monthly basis;
- 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 2012 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 2012. The results of the assessment were then reported to the Board at the next Board meeting.

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.

Bow Bells House
1 Bread Street
London EC4M 9HH
21 June 2012

By order of the Board
Aberdeen Asset Management PLC
Secretaries

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 judgements and estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the Company's transactions and 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, where applicable. They are responsible 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.mamfundsplc.com/migt/index.asp** 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

21 June 2012

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 fulfill 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 2013 and subsequent years. 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.

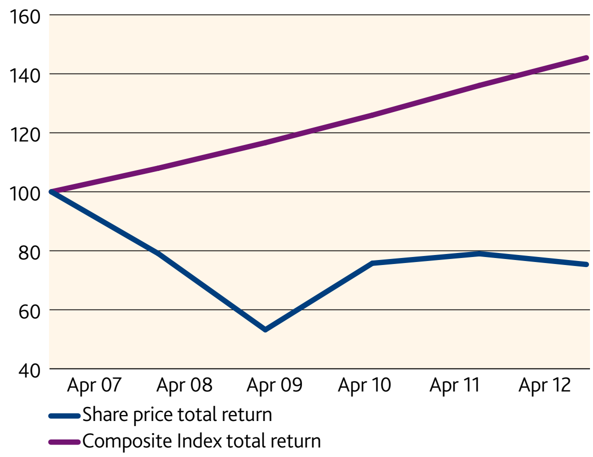
No Director has a service contract with the Company. Letters of appointment are in place under which the Directors are appointed to the Board subject, inter alia, to reappointment in accordance with the Articles of Association.

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 and separate deeds of indemnity exist in this regard between the Company and each Director.

The chart shown below illustrates the total shareholder return for a holding in the Company's shares as compared to the notional annualised return of 8% from 1 May 2007 to 18 January 2012 and 3 month LIBOR plus 3% from 18 January 2012 to 30 April 2012.



Source: Aberdeen Asset Management, Morningstar, LIM & Russell Mellon

Audited Information

Directors' Emoluments

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

	2012 £'000	2011 £'000
H V Reid (Chairman and highest paid Director)	22.5	22.5
Ian R Davis	20	20
A D Cooke	18	18
Totals	**60.5**	**60.5**

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

21 June 2012

Independent Auditor's 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 2012 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 Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, 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 2012 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 returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information we require for our audit.

Under the Listing Rules we are required to review:

- The Directors' statement on page 23 in relation to going concern;
- The part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and,
- Certain elements of the report to the shareholders by the Board on Directors' remuneration.

Julian Young
(Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
London

21 June 2012

Income Statement

	Notes	Year ended 30 April 2012 Revenue £'000	Capital £'000	Total £'000	Year ended 30 April 2011 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	9	-	(2,745)	(2,745)	-	2,597	2,597
Income	2	3,075	4	3,079	2,796	50	2,846
Investment management fee	3	(225)	(225)	(450)	(240)	(240)	(480)
VAT recoverable on investment management fees		-	-	-	25	25	50
Administrative expenses	4	(418)	-	(418)	(344)	-	(344)
Exchange (losses)/gains	15	-	(8)	(8)	-	14	14
Net return on ordinary activities before interest payable and taxation		2,432	(2,974)	(542)	2,237	2,446	4,683
Finance costs	5	(118)	(118)	(236)	(119)	(119)	(238)
Net return on ordinary activities before taxation		2,314	(3,092)	(778)	2,118	2,327	4,445
Taxation	6	-	-	-	(3)	-	(3)
Return on ordinary activities after taxation		**2,314**	**(3,092)**	**(778)**	**2,115**	**2,327**	**4,442**
Return per share (pence)	8	**5.80**	**(7.75)**	**(1.95)**	**5.37**	**5.91**	**11.28**

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 2012 £'000	As at 30 April 2011 £'000
Non-current assets			
Investments at fair value through profit or loss	9	52,811	57,966
Current assets			
Debtors and prepayments	10	347	551
Cash and short term deposits		1,828	472
		2,175	1,023
Creditors: amounts falling due within one year	11		
Bank loan		(7,000)	(7,000)
Other creditors		(97)	(682)
		(7,097)	(7,682)
Net current liabilities		(4,922)	(6,659)
Net assets		**47,889**	**51,307**
Capital and reserves			
Called-up share capital	12	9,974	10,012
Share premium account		1,445	1,445
Special reserve		41,783	41,954
Capital redemption reserve		2,099	2,061
Capital reserve	13	(8,047)	(4,955)
Revenue reserve		635	790
Equity shareholders' funds		**47,889**	**51,307**
Net asset value per share (pence)	17	**120.03**	**128.12**

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2012 and were signed on its behalf by:

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 2012

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2011	10,012	1,445	41,954	2,061	(4,955)	790	51,307
Purchase of own shares for cancellation	(38)	-	(171)	38	-	-	(171)
Return on ordinary activities after taxation	-	-	-	-	(3,092)	2,314	(778)
Dividends paid (see note 7)	-	-	-	-	-	(2,469)	(2,469)
Balance at 30 April 2012	**9,974**	**1,445**	**41,783**	**2,099**	**(8,047)**	**635**	**47,889**

For the year ended 30 April 2011

	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 2010	9,528	-	41,954	616	2,061	(7,898)	1,223	47,484
Exercise of warrants	484	1,445	-	(616)	-	616	-	1,929
Return on ordinary activities after taxation	-	-	-	-	-	2,327	2,115	4,442
Dividends paid (see note 7)	-	-	-	-	-	-	(2,548)	(2,548)
Balance at 30 April 2011	**10,012**	**1,445**	**41,954**	**-**	**2,061**	**(4,955)**	**790**	**51,307**

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 2012 £'000	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000	Year ended 30 April 2011 £'000
Net cash inflow from operating activities	14		2,286		1,997
Servicing of finance					
Bank and loan interest paid			(250)		(219)
Taxation					
Tax payable on non UK income			-		(3)
Financial investment					
Purchases of investments		(16,814)		(15,359)	
Sales of investments		18,782		13,584	
Net cash inflow/(outflow) from financial investment			1,968		(1,775)
Equity dividends paid			(2,469)		(2,548)
Net cash inflow/(outflow) before financing			1,535		(2,548)
Financing					
Buyback of shares		(171)		-	
Exercise of warrants		-		1,929	
Net cash (outflow)/inflow from financing			(171)		1,929
Increase/(decrease) in cash			**1,364**		**(619)**
Reconciliation of net cash flow to movements in net debt					
Increase/(decrease) in cash as above			1,364		(619)
Exchange movements			(8)		14
Movement in net debt in the year			1,356		(605)
Net debt at 1 May			(6,528)		(5,923)
Net debt at 30 April	15		**(5,172)**		**(6,528)**

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

Notes to the Financial Statements

For the year ended 30 April 2012

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'. They have also 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 23.

(b) 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. Unlisted investments held are not quoted on a recognised stock exchange, however there is a quoted price available, and is considered by the Directors to approximate fair value. 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 million bank loan have been allocated 50% to capital and 50% to revenue within the Income Statement;
- loan break costs are charged 100% to the capital reserve within the Income Statement.

(e) Capital reserve

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.

(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

Transactions involving foreign currencies are converted to sterling, being the Company's functional currency, at the rate ruling at the date of the transaction.

Translation of all other foreign currency balances including foreign assets and foreign liabilities is at the middle rates of exchange at the year end. Differences arising from translation are treated as a gain or loss to capital or revenue within the Income Statement depending upon the nature of the gain or loss.

2 Income	2012 £'000	2011 £'000
Income from investments		
UK franked income	1,580	1,354
UK unfranked dividend income	507	400
UK unfranked interest income	280	291
Overseas dividends	697	700
	3,064	2,745
Other income		
Deposit interest	11	3
Interest from HM Revenue & Customs	-	48
	11	51
Total income	**3,075**	**2,796**

Income from investment	2012 £'000	2011 £'000
Listed UK	1,697	1,631
Listed overseas	379	311
Unlisted	944	803
Stock dividend	44	-
	3,064	**2,745**

3 Investment management and performance fees	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Investment management fee	**225**	**225**	**450**	**240**	**240**	**480**

Midas Capital Partners Limited ('Midas') were appointed the Investment Manager on 19 August 2005 and the management fee payable to Midas for the period to 31 December 2011 was 1% of net assets along with a performance fee (see below). From 1 January 2012 the annual management fee was calculated by reference to the Company's market capitalisation, with the rate reduced to 0.9%, and the performance fee was terminated (see below). The agreement is terminable by either party on twelve months' notice. The fee is chargeable 50% to capital and 50% to revenue within the Income Statement. The balance due to Midas at the year end was £31,000 (2011 - £43,000).

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Performance fee	**n/a**	**n/a**	**n/a**	**-**	**-**	**-**

With effect from 1 January 2012, the performance fee arrangement was terminated.

4 Administrative expenses	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Administration fees	132	-	132	110	-	110
Directors' fees	60	-	60	60	-	60
Printing and stationery	11	-	11	14	-	14
Auditors' remuneration:						
- audit (inclusive of VAT)	29	-	29	27	-	27
- for review of half yearly financial report (inclusive of VAT)	7	-	7	7	-	7
- other services (inclusive of VAT)	4	-	4	-	-	-
Other	175	-	175	126	-	126
	418	**-**	**418**	**344**	**-**	**344**

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

- £94,000 per annum plus VAT where the Company's net asset value is less than £50 million;
- £115,000 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 (2011 - £nil).

As reported in the Chairman's Statement the Company's agreement with AAM for the provision of administration services will be terminated on 1 July 2012 and AAM will be replaced by R&H Fund Services (UK) Limited who will assume their duties on the same day.

5 Finance costs	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
On bank loans and overdrafts	**118**	**118**	**236**	**119**	**119**	**238**

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

6 Taxation	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
(a) Analysis of charge for the year						
Overseas withholding tax	**-**	**-**	**-**	**3**	**-**	**3**

(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.

	2012			2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net profit (loss) on ordinary activities before taxation	**2,314**	**(3,092)**	**(778)**	**2,118**	**2,327**	**4,445**
Corporation tax at 25.83% (2011 - 27.83%)	598	(799)	(201)	589	648	1,237
Effects of:						
Non-taxable UK dividends	(408)	-	(408)	(376)	-	(376)
Non-taxable overseas dividends	(249)	-	(249)	(260)	-	(260)
Movement in unutilited management expenses	59	88	147	47	80	127
Income taxable in different years	-	-	-	3	-	3
Losses/(gains) on investments not taxable	-	711	711	-	(728)	(728)
Current tax payable	**-**	**-**	**-**	**3**	**-**	**3**

(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 £1,331,000 (2011 - £1,294,000) 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**	**2012 £'000**	**2011 £'000**
Amounts recognised as distributions to equity holders in the period:		
Fourth interim dividend for 2011 - 1.63p (2010 - 1.63p)	650	621
First interim dividend for 2012 - 1.63p (2011 - 1.63p)	650	621
Second interim dividend for 2012 - 1.63p (2011 - 1.63p)	650	653
Third interim dividend for 2012 - 1.30p (2011 - 1.63p)	519	653
	2,469	**2,548**

A fourth interim dividend has been declared for the year of 1.30p (2011 - 1.63p) per share, amounting to £519,000 (2011 - £653,000). There is no final dividend proposed for the year (2011 - 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 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £2,314,000 (2011 - £2,115,000).

	2012 £'000	**2011 £'000**
First interim dividend for 2012 - 1.63p (2011 - 1.63p)	650	621
Second interim dividend for 2012 - 1.63p (2011 - 1.63p)	650	653
Third interim dividend for 2012 - 1.30p (2011 - 1.63p)	519	653
Fourth interim dividend for 2012 - 1.30p (2011 - 1.63p)	519	650
	2,338	**2,577**

8 Return per Ordinary share

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

	2012			2011		
	Revenue p	Capital p	Total p	Revenue p	Capital p	Total p
	5.80	**(7.75)**	**(1.95)**	**5.37**	**5.91**	**11.28**

The revenue return per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £2,314,000 (2011 – £2,115,000) and on 39,903,738 (2011 – 39,394,491) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The capital return per Ordinary share is calculated on net capital return for the year of (£3,092,000) (2011 – returns of £2,327,000) and on 39,903,738 (2011 – 39,394,491) Ordinary shares.

The total return per Ordinary share is calculated on the total return for the year of (£778,000) (2011 – returns of £4,442,000) and on 39,903,738 (2011 – 39,394,491) Ordinary shares.

9 Investments

		Listed in the UK £'000	Unquoted and unlisted £'000	Total £'000
Fair value through profit or loss:				
Opening book cost		37,904	21,621	59,525
Opening fair value losses on investments held		(1,028)	(531)	(1,559)
Opening valuation		36,876	21,090	57,966
Movements in year:				
Purchases at cost		9,973	6,291	16,264
Sales	- proceeds	(13,827)	(4,847)	(18,674)
	- profit/(loss) on sales	79	(1,731)	(1,652)
Movement in fair value of investments held		(1,203)	110	(1,093)
Closing fair value of investments held		**31,898**	**20,913**	**52,811**
Closing book cost		34,129	21,334	55,463
Closing fair value losses on investments held		(2,231)	(421)	(2,652)
		31,898	**20,913**	**52,811**

(Losses)/gains on investments	2012 £'000	2011 £'000
Losses on sales	(1,652)	(2,069)
(Decrease)/increase in fair value of investments held	(1,093)	4,666
	(2,745)	**2,597**

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)/gains on investments in the Income Statement. The total costs were as follows:

	2012 £'000	2011 £'000
Purchases	57	24
Sales	21	20
	78	**44**

10 **Debtors: amounts falling due within one year**	2012 £'000	2011 £'000
Dividends and interest receivable	333	438
Prepayments and other debtors	14	5
Amounts due from brokers	-	108
	347	**551**

11 **Creditors: amounts falling due within one year**	2012 £'000	2011 £'000
Bank loan	7,000	7,000
Amounts due to brokers	-	550
Interest payable	8	22
Other creditors	89	110
	7,097	**7,682**

The Company has a £7 million revolving loan facility in place with Royal Bank of Scotland plc, of which at 30 April 2012 the full amount had been drawn down at an all-in rate of 2.247%. Subsequent to the year end on 14 May 2012 the loan was rolled over until 14 June 2012 at an all-in rate of 2.237%. On 14 June 2012 the loan was rolled forward for a further month to 16 July 2012 at an all-in rate of 2.22073%.

The termination date of the facility is 25 July 2013. The Company anticipates refinancing the facility through a similar arrangement.

12 **Called up share capital**	2012 £'000	2011 £'000
Authorised		
390,000,000 (2011 - 390,000,000) Ordinary shares of 25p	**97,500**	**97,500**
Called-up, allotted and fully paid		
39,896,361 (2011 - 40,046,361) Ordinary shares of 25p	**9,974**	**10,012**

During the year, 150,000 (2011 - nil) Ordinary shares were bought back for immediate cancellation at a price of 113.25p each, for a total cost of £171,065 (2011 - £nil).

13 Capital reserve	2012 £'000	2011 £'000
Year ended 30 April		
At 30 April 2011	(4,955)	(7,898)
Movement in fair value (losses)/gains	(2,745)	2,597
Foreign exchange movement	(8)	14
Exercise of warrants	-	616
VAT recoverable on capitalised investment management fees	-	25
Capitalised expenses	(343)	(359)
Capitalised income	4	50
At 30 April	**(8,047)**	**(4,955)**

The capital reserve includes investment holding losses amounting to £2,652,000 (2011 - losses of £1,559,000), as disclosed in note 9.

14 Reconciliation of net revenue before finance costs and taxation to net cash inflow from operating activities	2012 £'000	2011 £'000
Net (loss)/return before finance costs and taxation	(542)	4,683
Adjustments for:		
Losses/(gains) on investments	2,745	(2,597)
Exchange losses/(gains)	8	(14)
Decrease/(increase) in accrued income	105	(103)
(Increase)/decrease in other debtors	(9)	7
(Decrease)/increase in other creditors	(21)	21
Net cash inflow from operating activities	**2,286**	**1,997**

15 Analysis of changes in net debt	1 May 2011 £'000	Cash flow £'000	Exchange movements £'000	30 April 2012 £'000
Cash and short term deposits	472	1,364	(8)	1,828
Debt due in less than one year	(7,000)	-	-	(7,000)
	(6,528)	**1,364**	**(8)**	**(5,172)**

16 Commitments and contingencies

As at 30 April 2012 there were no contingent liabilities (2011 - nil).

As at 30 April 2012 there was no commitment fee payable to The Royal Bank of Scotland as the bank loan was fully drawn down (2011 - nil).

17 Net asset value per equity share	2012	2011
Net assets attributable	£47,889,000	£51,307,000
Number of Ordinary shares in issue	39,896,361	40,046,361
Net asset value per Ordinary share	120.03p	128.12p

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 risk, interest rate risk and foreign currency risk. There may also be exposure to interest rate 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.

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 comprise of mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

Market risk

Market 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 2012 is shown in the 'Investment Portfolio' table on pages 15 and 16. All investments are stated at fair value.

Interest rate risk

Financial assets

Prices of bonds, open ended investment companies and floating rate notes together with preference share yields, 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 2012 and 30 April 2011 was as follows:

Type	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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Assets												
Equities	31,876	31,560	-	-	-	-	31,876	31,560	-	-	-	-
OEICs	14,017	17,085	-	-	-	-	14,017	17,085	-	-	-	-
Corporate Bonds	1,932	3,564	-	-	1,932	3,564	-	-	10.58	6.01	6.31	6.19
Floating Rate Notes	-	56	-	56	-	-	-	-	-	-	-	-
Preference shares	1,736	2,992	-	-	1,736	2,992	-	-	7.45	7.08	1.93	2.94
Convertible Bond	-	60	-	-	-	60	-	-	-	107.14	-	0.08
Unquoted	3,250	2,649	-	-	-	-	3,250	2,649	-	-	-	-
Cash at bank - Sterling	1,828	472	1,828	472	-	-	-	-	0.31	0.27	-	-
	54,639	58,438	1,828	528	3,668	6,616	49,143	51,294	n/a	n/a	n/a	n/a
Liabilities												
Bank loan - Sterling	(7,000)	(7,000)	-	-	(7,000)	(7,000)	-	-	2.66	3.42	-	-
Total	**47,639**	**51,438**	**1,828**	**528**	**(3,332)**	**(384)**	**49,143**	**51,294**	**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 2012 and 30 April 2011 was as follows:

At 30 April 2012	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate				
Corporate Bonds	-	269	948	1,217
Preference shares	-	714	-	714
Bank loan	(7,000)	-	-	(7,000)
	(7,000)	**983**	**948**	**(5,069)**
Floating rate				
Cash	**1,828**	**-**	**-**	**1,828**

Details of the Company's loans are shown in note 11. All the other financial assets (including Corporate Bonds of £715,000 (2011 - £1,703,000) and Preference shares of £1,022,000 (2011 - £800,000)) and liabilities do not have a maturity date.

At 30 April 2011	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate				
Corporate Bonds	-	1,104	757	1,861
Convertible Bond	60	-	-	60
Preference shares	-	-	2,192	2,192
Bank loan	(7,000)	-	-	(7,000)
	(6,940)	**1,104**	**2,949**	**(2,887)**
Floating rate				
Cash	**472**	**-**	**-**	**472**

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for floating and fixed interest investments and borrowings 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 respectively and all other variables were held constant, the Company's:

- Profit before tax for the year ended 30 April 2012 would increase/ decrease by £52,000 (2011- £65,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings and floating rate cash balances. These positions have been calculated based on cash balance and borrowing positions at each year end.

- Profit before tax for the year ended 30 April 2012 would increase/ decrease by £554,000 (2011- £724,000). This is mainly attributable to the Company's exposure to interest rates on its directly held fixed interest securities and third party managed debt funds, which are both fixed and variable rate vehicles. This is based on modified duration calculations on directly held fixed interest holdings and assumptions of modified duration on third party funds held.

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:

	2012		2011	
	Currency '000	Sterling equivalent £'000	Currency '000	Sterling equivalent £'000
Euro	3,880	3,162	2,812	2,501
Japanese Yen	-	-	113,153	836
US Dollar	3,216	1,980	2,070	1,241

At the year end the Company held foreign currency cash balances with the sterling equivalent of £nil (2011 - nil).

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 page 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 2012 would have increased/decreased by £4,853,000 (2011 : increase/decrease of £5,259,000) and equity reserves would have increased/decreased by the same amount.

Credit risk

Credit risk represents the failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not considered 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 prior to undertaking the transaction 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 by the Administrator on a daily basis. In addition, the Administrator carries out a stock reconciliation to the Custodian's records on a weekly 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.
- 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.

The Board normally seeks to limit gearing to 20% 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.

Capital management policies and procedures	2012 £'000	2011 £'000
Debt		
Bank loan	**7,000**	**7,000**
Equity		
Equity share capital	9,974	10,012
Retained earnings and other reserves	37,915	41,295
	47,889	**51,307**
Debt as a % of net assets	**14.62**	**13.64**

20 Fair value hierarchy

The Company adopted the amendments to FRS 29 'Financial Instruments: Disclosures' which requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at 30 April 2012 as follows:

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted Equities	a)	30,283	-	-	30,283
OEICs	a)	12,764	3,561	-	16,325
Corporate Bond	a)	1,217	-	-	1,217
Preference shares	a)	1,736	-	-	1,736
Unquoted Equities	b)	-	-	3,250	3,250
Net fair value		**46,000**	**3,561**	**3,250**	**52,811**

a) Quoted Equities

The fair value of the Company's investments in quoted equities have been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Unquoted Equities

The fair value of the Company's investments in unquoted stocks have been determined by reference to primary valuation techniques described in note 1 (b).

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	Equity investments £'000	Total £'000
Opening balance	2,649	2,649
Purchases	914	914
Sales	-	-
Total gains or losses included in gains on investments in the Income Statement:		
- on assets sold	-	-
- on assets held at the end of the year	(313)	(313)
Closing balance	**3,250**	**3,250**

21 Related parties

With effect from 1 January 2012 the investment management arrangements between the Company and Midas Capital Partners Limited ("MCP") were amended by reducing the annual management fee payable to MCP to 0.9% which is calculated on market capitalisation rather than net assets and the performance fee was terminated. These changes amounted to a related party transaction between the Company and MCP (the "Related Party Transaction").

In accordance with the UK Listing Authority's Listing Rules, for the purpose of classifying the Related Party Transaction, the gross assets and profits tests under Listing Rule 11 were not applicable as no assets were the subject of the Related Party Transaction and the gross capital test was not applicable as no company or business was being acquired. As the rate at which the new management fee would be payable was fixed at 0.9% per annum of the Company's market capitalisation, the percentage ratio for the consideration test was 0.9% (as required by the UK Listing Authority, this ratio has been calculated on the basis of the new fee arrangement on a stand-alone basis and without regard to the amounts payable under the existing fee arrangements). Based on this analysis the Related Party Transaction was classified as a Class 3 transaction to which LR 11.1.10 also applies. At the time of the amendment to the annual management fee Canaccord Genuity Limited, the Company's broker, confirmed in writing that the terms of the Related Party Transaction were fair and reasonable so far as the shareholders of the Company are concerned and the Company undertook to include details of the Related Party Transactions in this Annual Report and Accounts.

For illustrative purposes the total fees payable to the Manager for the period from 1 January 2012 to 30 April 2012 under the new basis were £124,000 and the fees due to the Manager if calculated under the old basis for this period would have been £160,000.

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 or NAV	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. To calculate the 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.
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.

Notice of Annual General Meeting

Notice is hereby given that the sixteenth Annual General Meeting of Midas Income & Growth Trust PLC will be held at The Racquet Club, Hargreaves Buildings, 5 Chapel Street, Liverpool L3 9AG, at 12.30 p.m. on 4 September 2012 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 2012, together with the auditors' report thereon.
2. To re-elect Mr H V Reid, as a Director.
3. To re-elect Mr A D Cooke, 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 as an Ordinary Resolution:

6. THAT, in substitution for all existing powers the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act"), to allot shares in the Company, and to grant rights ("Relevant Rights") to subscribe for, or to convert any security into, shares in the Company:

   (a) up to an aggregate nominal amount of £3,324,697; and

   (b) up to a further aggregate nominal amount of £3,324,697 in connection with an offer made by means of a negotiable document to (a) all holders of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of such Ordinary shares held by them (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and,

   such authorisation to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2013 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer or enter into an agreement which would or might require shares to be allotted or Relevant Rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant Relevant Rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

To consider and, if thought fit, pass the following resolution as a Special Resolution:

7. THAT, subject to the passing of resolution numbered 6 above and in substitution for all existing powers the Directors be empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 (1), (2) and (3) of the Act) pursuant to the authorisation under Section 551 of the Act as conferred by resolution 6 above or by way of sale of treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

   (a) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £997,409 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; and

   (b) the allotment of equity securities in connection with an offer to (a) all holders of ordinary shares of 25p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) to holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, or requirements of, any territory, 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

   such power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2013, 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.

Notice of Annual General Meeting (continued)

To consider and, if thought fit, pass the following resolution as a Special Resolution:

8. THAT, the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), and to cancel or hold in treasury such shares provided that:

   (a) the maximum number of Ordinary shares hereby authorised to be purchased is the amount equal to 14.99 per cent. of the Ordinary shares in issue as at the date of the passing of this Resolution 8;

   (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 not be more than the higher of (i) an amount equal to 5 per cent. above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the current highest independent 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 to be held in 2013 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and

   (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.

To consider and, if thought fit, pass the following resolution as a Special Resolution:

9. THAT, a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

To consider and, if thought fit, pass the following resolution as a Special Resolution:

10. THAT, the Articles of Association of the Company be amended by the deletion of the following words from Article 110.5:

    "No part of the capital reserve shall be available for distribution as dividend (within the meaning of section 842 of the Income and Corporation Taxes Act 1988) or for distribution (within the meaning of the section 829 of the Act)."

By order of the Board
Aberdeen Asset Management PLC
Secretaries
Bow Bells House
1 Bread Street
London EC4M 9HH

2 July 2012

Notes:

1. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website **www.mamfundsplc.com/migt/index.asp.**

2. 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.

3. 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. The return of a completed proxy form or other instrument of proxy will not prevent you attending the Meeting and voting in person if you wish to do so.

4. The right to vote at the meeting is determined by reference to the Company's Register of Members as at 6.00 p.m. on 2 September 2012 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting. Changes to the entries on that Register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

5. As a member you have the right to put questions at the meeting relating to the business being dealt with at the meeting.

6. 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 which can be viewed at **www. euroclear.com/CREST**. 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.

7. 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.

8. 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.

9. 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.

10. 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. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

11. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

12. As at close of business on 21 June 2012 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 39,896,361 Ordinary shares of 25 pence each. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 21 June 2012 is 39,896,361.
13. 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.
14. Under Section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting. Under Section 338A of that Act, members may request the Company to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.
15. Members 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 before the Meeting; or (ii) any circumstances 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 2006 to publish on the website.
16. There are special arrangements for holders of shares through Aberdeen's Investment Plan for Children, 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.
17. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

Corporate Information

Directors

Hubert V Reid, Chairman
Ian R Davis
Adam D Cooke

Manager

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

Company Secretary, Administrator & Registered Office (from 1 July 2012)

R&H Fund Services Limited
Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ

Company Secretary, Administrator & Registered Office (to 30 June 2012)

Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH

Company Registration Number: 03173591

Registrars

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder helpline **0871 384 2411**
Equiniti fax number **0871 384 2100**
Shareview dealing helpline **0845 603 7037**
Textel/Hard of hearing line **0871 384 2255**
International helpline **+44 121 415 7047**

Calls to the Equiniti shareholder helpline are charged at 8p per minute from a BT landline. Other telephony providers costs may vary. Lines open 8.30am to 5.30pm, Monday to Friday.

Website **www.mamfundsplc.com/migt/index.asp.**

Corporate Broker

Canaccord Genuity Limited
7th Floor, Cardinal Place
80 Victoria Street
London SW1E 5JL

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

The Royal Bank of Scotland PLC
24-25 St Andrew Square
Edinburgh EH2 1AF

Custodian Bankers

State Street Bank and Trust Company
One Canada Square
London E14 5AF

Solicitors

Maclay Murray & Spens LLP
One London Wall
London EC2Y 5AB

Details of the Company's Investment Objective and Policy for the Period to 18 January 2012

The Company's previous investment policy and objective, for the period up to 18 January 2012 was as follows:

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 Policy

The asset classes included in the Company's portfolio are UK and overseas equities, fixed interest securities, property, alternative assets and structured products. The asset allocations vary around a core long-term position for each asset class with a view to adding value through tactical asset allocation within a range for each asset class. The core asset allocations and asset allocation ranges, which are calculated at the time of any relevant investment based on the Company's gross assets, are as follows:

	Core Asset Allocation	**Asset Allocation Range**
UK equities	35	20 - 55
Overseas equities	15	10 - 25
Total equities	50	30 - 80
Fixed interest	25	15 - 45
Alternative assets	15	10 - 25
Property	10	0 - 25

Ordinarily, exposure to overseas companies is achieved through the use of specialist collective investment schemes and products.

The Company will not:

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

(ii) invest more than 25 per cent. (calculated at the time of any relevant investment) of its gross assets in overseas equities;

(iii) invest more than 45 per cent. (calculated at the time of any relevant investment) of its gross assets in fixed interest securities;

(iv) invest more than 25 per cent. (calculated at the time of any relevant investment) in alternative assets;

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

(vi) invest more than 7.5 per cent. (calculated at the time of any relevant investment) in unquoted securities;

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

(viii) 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;

(ix) 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;

(x) invest in physical commodities;

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

(xii) conduct any significant trading activity;

(xiii) 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); and

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

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.

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

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www.mamfundsplc.com

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midascapital
Midas Capital Partners Limited