

Midas Income & Growth Trust PLC

Half-Yearly Financial Report
Six months ended 31 October 2010



Highlights and Financial Calendar

Financial Highlights	31 October 2010	30 April 2010	% Change
Total assets (£'000) ^A	56,440	54,484	3.6
Total equity shareholders' funds (£'000)	49,440	47,848	3.3
Share price (mid-market)	117.25p	117.75p	(0.4)
Basic net asset value per share	123.46p	124.59p	(0.9)
Diluted net asset value per share ^B	n/a	123.40p	–
Discount to basic net asset value	5.0%	4.6%	

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

Performance (total return)	Six months ended 31 October 2010	Year ended 30 April 2010
Share Price	2.6%	42.4%
Net Asset Value (Par)	1.9%	31.9%
Diluted Net Asset Value (Par) ^B	n/a	30.7%

^B All Warrants were exercised on 31 August 2010 resulting in no further dilution.

Financial Calendar

15 December 2010	Payment of second interim dividend for year ending 30 April 2011
21 December 2010	Announcement of Half Yearly Financial Report
January 2011	Posting of Half Yearly Financial Report
March 2011	Payment of third interim dividend for year ending 30 April 2011
June 2011	Payment of fourth interim dividend for year ending 30 April 2011
July 2011	Announcement of Annual Results
August 2011	Annual Report posted to Shareholders
September 2011	Annual General Meeting

Chairman's Statement

Highlights

- Net asset value total return of 1.9%
- Share price total return of 2.6%
- Quarterly dividends maintained at 1.63p
- Share price discount to net asset value 5.0% (averaged 5.1% over period)

Market Background and Performance

The period was very much a 'game of two halves', with the strong recovery in financial markets seen since March 2009 moving sharply into reverse in May and June 2010 primarily due to investor concerns regarding the sovereign debt crisis within Europe. However, July saw a resumption of the 'risk on' environment and most major markets rallied to challenge new post crisis highs later in the period.

There remains a very wide range of potential economic outcomes following an unprecedented period of financial instability. The headwinds afflicting developed markets including austerity packages, obstinately high unemployment, further deleveraging by banks and sovereign debt problems, continue to act as an anchor to over positive sentiment. However, the corporate sector appears to be in relatively good shape, both in terms of current trading (particularly those companies with emerging economy exposure) and balance sheets which do not, in general, look over stretched.

Against this volatile background the Company's net asset value total return for the period (including dividends) was 1.9%. The Company's share price fell by 0.4%, which with dividends reinvested, gave a positive return of 2.6%. This compares with the benchmark return for the period of 4% (8% per annum).

The discount at which the Company's shares traded to net asset value remained fairly constant over the period, averaging 5.1% and ending October at 5.0%. Whilst no shares were bought back over this period, your Board and Manager remain committed to maintaining the rating at which the shares trade. To this end the renewal of the Company's buyback facility was approved by shareholders at the AGM in September.

Gearing

The Company's short term rolling debt facility of £7 million was fully drawn over the period. Gearing (pre cash) at the end of October was 14.1%, down from 15% at 30 April 2010 and has remained comfortably within the Board's stated maximum of 25% of net assets throughout the period.

Exercise of Warrants

The Company's Warrants expired on 31 August 2010 with all Warrants being exercised. Any Warrantholders not taking up their right to exercise should by now have received a payment of 10.4p per Warrant held, being the price (less costs) received on the sale through the market of the shares resulting from their Warrants. The full exercise of Warrants led to an increase in net assets of £1,934,000.

Dividends

A first interim dividend of 1.63p per share was declared on 17 August 2010. This matched the quarterly dividend rate paid in the previous financial year. On 24 November 2010 a second interim dividend of 1.63p per share was declared.

The revenue position of the Company has been improving over the course of the period, despite the cut in dividends by BP which did not help. However, it is probable that there will be a shortfall in the revenue generated from the portfolio to cover dividends for the current year. It is therefore likely that some use of revenue reserves may again be required to maintain the current level of distributions.

Your Board is continuing to monitor this revenue position, which looks set to show further improvement over the second half of the financial year and into next. The Directors are fully aware of the importance of a high level of regular dividend payments to many of the Company's shareholders.

Repayment of VAT on Management Fees

On 19 November 2010 the Company received a payment from Aberdeen Asset Managers Limited (the former manager) of £49,016 representing the full and final settlement of the VAT paid on management fees in respect of (i) 1990 to 1996 and (ii) 2001 to 2007. The cumulative amount repaid by Aberdeen is £222,837 and in due course the Company will also receive simple interest on this sum and a claim has been lodged with HMRC for compound interest. In respect of VAT paid between 1996 and 2001 (the 'Scottish Equitable' period) HMRC continues to resist claims and a conclusion to this case is awaited.

Annual General Meeting

The Company's Annual General Meeting will be held at 12.30 p.m. on Tuesday 6 September 2011 at the offices of Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London EC4M 9HH.

Outlook

The outlook remains opaque with a wide range of economic outcomes still possible. Opinions are split between those that expect inflation to pick up, as the Quantitative Easing and other financial supports work through into the global economy; whilst others still voice warnings of a 'double dip recession' and a Japanese style deflationary environment. Against this background it seems that markets could experience further bouts of volatility, with the stresses within the Eurozone area also likely to continue to give cause for concern.

However, not all is gloomy. Interest rates are anticipated to remain low for some time in the western economies and the new found confidence within the corporate sector has already led to a raft of M&A activity. This seems set to continue, as strong businesses use the current uncertainties to build market share through acquisitions. Elsewhere in the world, economic prospects appear much brighter and should provide good opportunities for domestic and international companies alike.

Although the future remains uncertain, the Company's high level of dividend yield and potential for further capital growth should continue to prove attractive to investors.

Chairman's Statement

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 in Note 18 to the Annual Report and financial statements for the year ended 30 April 2010. A significant proportion of the assets of the Company may be invested in debt security investments and overseas equities. Whilst this broader spread of investments is intended to reduce the volatility and risk profile of the Company's portfolio this cannot be assured.

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

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

Borrowings: The Company currently utilises gearing in the form of bank borrowings (see note 11 to the Annual Report and financial statements for the year ended 30 April 2010). Gearing has the effect of exacerbating market falls and market gains.

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

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

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

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

Taxation: 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.

Directors' Responsibility Statement

The Directors are responsible for preparing the half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and,
- the Chairman's Statement and Manager's Review (together constituting the interim management report) include a fair review of the information required by rules 4.2.7R of the UK Listing Authority's Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period and any changes in the related party transactions described in the last annual report that could so do).

21 December 2010

Hubert Reid
Chairman

Manager's Review

Market and Economic Commentary

Opacity ruled the period. Split views on inflation/deflation and the fears of a double dip recession perplexed markets and investors alike. The outlook was further confused by mixed US economic data and worries over China's economic tightening measures. Asset volatility remained high across the spectrum, equity indices gyrating sharply and a clear reflection of wildly changing investor sentiment. Investor doubts fed through to sovereign bond yields in the UK, US and Germany, all of which traded at multi year lows into late summer before rising again through most of October as investors shunned yields which seemed to augur a return to recessionary conditions in the developed economies.

As the period progressed equity markets rallied and this was in part due to positive economic activity data emerging from the US and China. Accelerating merger and acquisition activity, as cash rich companies sought to deploy their capital, also contributed to the rally. Further momentum was provided by a benign outcome from the Basel III discussions regarding future banking regulation. Recent economic releases appear consistent with the view of a slow but steady recovery in the United States and Europe and a soft landing in China.

The peripheral bond markets of countries within the Eurozone came under considerable scrutiny as first Greece and then Ireland sought support from the European Central Bank. Sentiment towards the emerging economies, particularly within Asia, has remained positive throughout most of the period as the higher growth rates and, in many cases, more soundly based public finances, have attracted positive fund flows.

The period also has been remarkable as the high level of correlation between the various asset classes which was very much a feature on both the downside in May and June, and again in the rally which took place through the rest of the period. This is perhaps a reflection of liquidity seeping back into the financial markets and the paucity of returns from cash in the current low interest rate environment.

Investment Report

The returns from the portfolio over this period have been below the very strong performance achieved over the previous 12 months. Nonetheless, overall returns have been positive. There have been few major asset allocation changes although some UK equity positions were trimmed as the strong market rally left some valuations, to our minds, looking a little extended. The alternative asset position was increased with the introduction of a new structured product.

UK equity holdings have in the main been defensive, with an emphasis on large, cash generative companies with strong balance sheets. The high level of international exposure offered by these companies is attractive in the current environment, enabling the portfolio to benefit from the better economic trends outside the United Kingdom. The best performers within the portfolio were financial companies with the Life Assurance positions improving and Ashmore Group, the emerging market investment manager, performing particularly well. The biggest disappointment over the period came from BP following the tragic and well publicised problems in the Gulf of Mexico. We have retained the holding as we believe the company will recover and we expect dividend payments to resume in 2011.

Exposure to emerging economies was increased early in the period, whilst the Company's exposure to Asian equities was also expanded through the purchase of a fairly defensive, high yielding open ended fund. This investment was partly funded by a reduction in Asian investment trust holdings which had moved to trade on premia to net asset value. Measures to protect the European equity holdings from Euro weakness, which we fear may accelerate as stresses rise within the Eurozone, included reducing overall exposure and also switching some existing positions into a currency hedged vehicle. Japanese equity exposure was reduced slightly to protect currency gains following a period of Yen appreciation.

Corporate bond markets have continued to recover over the period and some profits were taken as yields moved to less attractive levels. However, we also took the opportunity to add a new holding in the shape of a US short duration high yield bond fund, which offers a high running yield and some protection should interest rates begin to rise in 2011. No Gilts have been held during the period, as we still feel that the yields offered are too low given the high level of issuance and 'sticky' inflation within the UK economy.

Alternative asset positions have, on balance, performed fairly well over the period and were increased as a new structured product was introduced to the portfolio. This product offered a gross redemption yield of over 9% on acquisition and carries a high level of capital protection.

Elsewhere private equity positions have continued to benefit from the improving economic and market environment. The Company's largest investment, the unquoted A J Bell Holdings, has, we understand, continued to trade well over the past six months and quoted comparator companies have seen their valuations rise over the period. However, we feel that the current carried value should be retained at 400p per share, which reflects the price achieved in the most recent sale of shares, which was made earlier this year.

Hedge fund holdings are predominantly in the specialist fixed interest area and have seen some modest (although reassuring) net asset value increases over the period. These companies will benefit, we believe, from their exposure to specialist managers operating in the distressed credits market, together with a further narrowing of the discounts on which they trade.

Commodity holdings have also accrued some further value, with the forestry asset holding, Phaunos Timber, performing well late in the period. We are hopeful the company will be in a position to commence dividend payments in 2011, which should help towards a further improvement in its rating.

Property investments have seen some mixed performance with the companies exposed to Asia performing better than those invested in Europe.

The revenue generated from the portfolio has continued to improve over the period, with the notable exception of the BP dividend suspension. Dividend growth from equity holdings looks set to improve further as we move into 2011 and other portfolio holdings have the potential to either resume or indeed make maiden distributions. Nonetheless it is likely that this year's dividend will be uncovered and require some contribution from the Company's revenue reserves.

Asset Allocation

The asset allocation across the portfolio at 31 October 2010 is shown in the table below.

Asset Class	Portfolio Weight %	Core Allocation %	Allocation Range %
UK Equities	28.0	35	20-55
Overseas Equities	19.2	15	10-25
Total equities	47.2	50	30-80
Fixed Interest (inc Cash)	21.7	25	15-45
Alternative Assets	22.5	15	10-25
Property	8.6	10	0-25

All figures are expressed as a percentage of Gross assets.

Summary

The Company's portfolio has been moved slightly more defensive over the period, which reflects the uncertainties which exist in the economic outlook. However, we still believe that a slow growth environment in the developed economies is the most likely outcome. Meanwhile, better growth in other parts of the world should still prove supportive to further, albeit muted, investment returns from risk assets. Although markets are likely to remain volatile we feel that the Company is well positioned to provide both a high level of income, coupled with further capital appreciation from a highly diversified portfolio of assets.

Income Statement

	Notes	Six months ended 31 October 2010 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Gains on investments		-	518	518
Income	2	1,227	13	1,240
Investment management fee		(115)	(115)	(230)
Performance fee		-	-	-
VAT recoverable on investment management fees		25	25	50
Administration expenses		(175)	-	(175)
Exchange losses		-	(11)	(11)
Net return before finance costs and taxation		962	430	1,392
Finance costs		(60)	(60)	(120)
Net return on ordinary activities before taxation		902	370	1,272
Taxation on ordinary activities		(3)	-	(3)
Return on ordinary activities after taxation		899	370	1,269
Return per share (pence):				
Basic		2.32	0.95	3.27
Fully-diluted		n/a	n/a	n/a

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

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

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

Six months ended 31 October 2009 (unaudited)			Year ended 30 April 2010 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	6,296	6,296	-	9,981	9,981
1,164	-	1,164	2,779	-	2,779
(103)	(103)	(206)	(213)	(213)	(426)
-	-	-	-	-	-
-	-	-	40	40	80
(170)	-	(170)	(319)	-	(319)
-	(9)	(9)	-	(20)	(20)
891	6,184	7,075	2,287	9,788	12,075
(85)	(85)	(170)	(144)	(144)	(288)
806	6,099	6,905	2,143	9,644	11,787
(3)	-	(3)	2	-	2
803	6,099	6,902	2,145	9,644	11,789
2.11	15.99	18.10	5.63	25.30	30.93
2.11	15.99	18.10	5.62	25.27	30.89

Balance Sheet

	Notes	As at 31 October 2010 (unaudited) £'000	As at 31 October 2009 (unaudited) £'000	As at 30 April 2010 (audited) £'000
Non-current assets				
Investments at fair value through profit or loss		54,906	48,679	53,468
Current assets				
Debtors and prepayments		527	847	386
Cash and short term deposits		1,114	2,552	1,077
		1,641	3,399	1,463
Creditors: amounts falling due within one year				
Bank loan		(7,000)	(7,000)	(7,000)
Other creditors		(107)	(1,239)	(447)
		(7,107)	(8,239)	(7,447)
Net current liabilities		(5,466)	(4,840)	(5,984)
Net assets		49,440	43,839	47,484
Capital and reserves				
Called-up share capital		10,012	9,528	9,528
Share premium		1,445	-	-
Special reserve		41,954	41,954	41,954
Warrant reserve		-	616	616
Capital redemption reserve		2,061	2,061	2,061
Capital reserve	6	(6,912)	(11,443)	(7,898)
Revenue reserve		880	1,123	1,223
Equity Shareholders' funds		49,440	43,839	47,484
Net asset value per Ordinary share (pence):	8			
Basic		123.46	115.03	124.59
Diluted		n/a	114.30	123.40

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 October 2010 (unaudited)

Notes	Share capital £'000	Share premium £'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	-	-	-	-	-	370	899	1,269
Dividends paid 5	-	-	-	-	-	-	(1,242)	(1,242)
Balance at 31 October 2010	10,012	1,445	41,954	-	2,061	(6,912)	880	49,440

Six months ended 31 October 2009 (unaudited)

Notes	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2009	9,582	-	42,149	616	2,007	(17,542)	1,562	38,374
Purchase of Ordinary shares for cancellation	(54)	-	(195)	-	54	-	-	(195)
Return on ordinary activities after taxation	-	-	-	-	-	6,099	803	6,902
Dividends paid 5	-	-	-	-	-	-	(1,242)	(1,242)
Balance at 31 October 2009	9,528	-	41,954	616	2,061	(11,443)	1,123	43,839

Year ended 30 April 2010 (audited)

Notes	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2009	9,582	-	42,149	616	2,007	(17,542)	1,562	38,374
Purchase of Ordinary shares for cancellation	(54)	-	(195)	-	54	-	-	(195)
Return on ordinary activities after taxation	-	-	-	-	-	9,644	2,145	11,789
Dividends paid 5	-	-	-	-	-	-	(2,484)	(2,484)
Balance at 30 April 2010	9,528	-	41,954	616	2,061	(7,898)	1,223	47,484

Cash Flow Statement

	Notes	Six months ended 31 October 2010 (unaudited) £'000	Six months ended 31 October 2009 (unaudited) £'000	Year ended 30 April 2010 (audited) £'000
Net return on ordinary activities before finance costs and taxation		1,392	7,075	12,075
Adjustments for:				
Gains on investments		(518)	(6,296)	(9,981)
Exchange losses		11	9	20
Decrease in accrued income		83	171	17
(Increase)/decrease in other debtors		(58)	270	371
Increase/(decrease) in creditors		15	94	(3)
Net cash inflow from operating activities		925	1,323	2,499
Net cash outflow from servicing of finance		(123)	(173)	(288)
Tax refund on non UK income		-	-	2
Net cash (outflow)/inflow from financial investment		(1,441)	2,143	858
Equity dividends paid	5	(1,242)	(1,242)	(2,484)
Net cash (outflow)/inflow before financing		(1,881)	2,051	587
Net cash inflow/(outflow) from financing		1,929	(195)	(195)
Increase in cash		48	1,856	392
Reconciliation of net cash flow to movement in net debt				
Increase in cash as above		48	1,856	392
Foreign exchange movements		(11)	(9)	(20)
Movement in net debt in the period		37	1,847	372
Opening net debt		(5,923)	(6,295)	(6,295)
Closing net debt		(5,886)	(4,448)	(5,923)
Represented by:				
Cash at bank and in hand		1,114	2,552	1,077
Debt falling due within one year		(7,000)	(7,000)	(7,000)
		(5,886)	(4,448)	(5,923)

Notes to the Accounts

1 Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on half-yearly reporting issued by the Accounting Standards Board and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009. 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 financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The half yearly financial statements have been prepared using the same accounting policies as the preceding annual accounts.

(b) Dividends payable

Dividends are recognised in the period in which they are paid by the Company.

	Six months ended 31 October 2010 £'000	Six months ended 31 October 2009 £'000	Year ended 30 April 2010 £'000
2 Income			
Income from investments			
UK franked income	677	660	1,537
UK unfranked dividend income	181	143	232
UK unfranked interest income	41	-	255
Overseas dividends	335	335	728
	1,234	1,138	2,752
Other income			
Deposit interest	2	24	25
Other commission	-	2	2
Other income	4	-	-
	6	26	27
Total income	1,240	1,164	2,779

3 Taxation

The taxation expense reflected in the Income Statement represents withholding tax suffered on overseas dividend income and estimated mainstream UK corporation tax charge for the year to 30 April 2011, based on a rate of 28%.

4 Return per share

The basic revenue return of 2.32 pence (31 October 2009 - 2.11 pence; 30 April 2010 - 5.63 pence) per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £899,000 (31 October 2009 - £803,000; 30 April 2010 - £2,145,000) and on 38,753,249 (31 October 2009 - 38,128,309; 30 April 2010 - 38,120,197) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

The basic capital return of 0.95 pence (31 October 2009 - 15.99 pence; 30 April 2010 - 25.30 pence) per Ordinary share is calculated on net capital gains for the period of £370,000 (31 October 2009 - £6,099,000; 30 April 2010 - £9,644,000) and on 38,753,249 (31 October 2009 - 38,128,309; 30 April 2010 - 38,120,197) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

The basic total return of 3.27 pence (31 October 2009 - 18.10 pence; 30 April 2010 - 30.93 pence) per Ordinary share is calculated on the total gains for the period of £1,269,000 (31 October 2009 - £6,902,000; 30 April 2010 - £11,789,000) and on 38,753,249 (31 October 2009 - 38,128,309; 30 April 2010 - 38,120,197) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

During the period an additional 1,934,411 Ordinary shares of 25p were issued after the remaining 1,934,411 Warrants were exercised at 100p each. The total consideration received was £1,934,411 before deduction of conversion costs of £6,000. As there are no warrants outstanding, there is no dilutive effect for the period to 31 October 2010 and no diluted returns have been calculated on the basis set out in Financial Reporting Standard 22 'Earnings per share' ('FRS22'). The adjusted weighted average number of Ordinary shares used in the period to 31 October 2009 was 40,062,720 shares and 38,163,688 shares in the year to 30 April 2010.

5 Dividends

Ordinary dividends on equity shares deducted from reserves are analysed below:

	Six months ended 31 October 2010 £'000	Six months ended 31 October 2009 £'000	Year ended 30 April 2010 £'000
2009 fourth interim dividend - 1.63p	-	621	621
2010 first interim dividend - 1.63p	-	621	621
2010 second interim dividend - 1.63p	-	-	621
2010 third interim dividend - 1.63p	-	-	621
2010 fourth interim dividend - 1.63p	621	-	-
2011 first interim dividend - 1.63p	621	-	-
	1,242	1,242	2,484

The Company has declared a second interim dividend in respect of the year ending 30 April 2011 of 1.63p net (2010 - 1.63p) per Ordinary 25p share which was paid on 15 December 2010 to Ordinary Shareholders on the register on 26 November 2010.

6 Analysis of capital reserve

The capital reserve reflected in the Balance Sheet at 31 October 2010 includes losses of £2,798,000 (31 October 2009 - losses of £10,893,000; 30 April 2010 - losses of £6,225,000) which relate to the revaluation of investments held at the reporting date.

7 Transaction costs

During the six months ended 31 October 2010 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 gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 October 2010 £'000	Six months ended 31 October 2009 £'000	Year ended 30 April 2010 £'000
Purchases	4	32	58
Sales	6	9	23
	10	41	81

8 Net asset value per share

	As at 31 October 2010	As at 31 October 2009	As at 30 April 2010
Basic			
Attributable net assets (£'000)	49,440	43,839	47,484
Number of Ordinary shares in issue	40,046,361	38,111,950	38,111,950
Net asset value per Ordinary share (p)	123.46	115.03	124.59
Diluted			
Attributable net assets (£'000)	n/a	45,773	49,418
Diluted number of Ordinary shares in issue	n/a	40,046,361	40,046,361
Net asset value per Ordinary share (p)	n/a	114.30	123.40

9 Share capital

As a result of the exercise of 1,934,411 Warrants to subscribe for Ordinary shares at 100p per share, on 7 September 2010, the Company allotted 1,934,411 new Ordinary shares. Following the exercise there were no Warrants remaining in issue.

- 10** The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the year ended 30 April 2010 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2),(3) or (4) of the Companies Act 2006.
- 11** This Half-Yearly Financial Report was approved by the Board on 21 December 2010.

Independent Review Report to Midas Income & Growth Trust PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2010 which comprises the Income Statement, Balance Sheet, Reconciliation of Movements in Shareholders' Funds, Cash Flow Statement and the related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Accounting Standards Board Statement "Half-Yearly Financial Reports".

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2010 is not prepared, in all material respects, in accordance with the Accounting Standards Board Statement "Half-Yearly Financial Reports" and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London

21 December 2010

Investment Portfolio

As at 31 October 2010

Company	Sector	Asset class	Valuation £'000	Total assets %
Bell (AJ) ^a	Special & Other Finance	Alternative Assets	2,600	4.61
Celsius Fund Asian Real Estate Income	Unit Trusts & OEICS	Property	1,773	3.14
Blackrock Commodities Income Fund	Investment Companies	Overseas Equities	1,750	3.10
Partners Group Global Opportunities	Unit Trusts & OEICS	Alternative Assets	1,738	3.08
Royal London Sterling Extra Yld Bond A Acc	Unit Trusts & OEICS	Fixed Interest	1,495	2.65
Threadneedle Property	Unit Trusts & OEICS	Property	1,466	2.60
City Merchants High Yield Trust	Investment Companies	Fixed Interest	1,436	2.55
GlaxoSmithKline	Pharmaceuticals	UK Equities	1,282	2.27
Harewood Structured Inv US Enhanced Hedge Pref Cls 'A'	Investment Companies	Overseas Equities	1,281	2.27
Merrill Lynch 2.2% 16/05/13	Special & Other Finance	Overseas Equities	1,250	2.21
Top ten investments			16,071	28.48
Ashmore Group	General Financial	UK Equities	1,244	2.20
Acencia Debt Strategies 'C'	Special & Other Finance	Alternative Assets	1,209	2.14
Standard Life	Life Insurance	UK Equities	1,192	2.11
Ecclesiastical Insurance Office 8 5/8% Net Cum Irred Pref	Fixed Interest	UK Preference Share	1,120	1.98
Royal Dutch Shell EUR0.07 'B'	Oil & Gas Producers	UK Equities	1,099	1.95
Scottish & Southern Energy	Gas Water & Multiutilities	UK Equities	1,095	1.94
AXA IM US Short Duration High Yield	Unit Trusts & OEICS	Fixed Interest	1,034	1.83
National Grid	Gas Water & Multiutilities	UK Equities	1,033	1.83
Royal Sun Alliance 7.375% Cum Pref	Fixed Interest	UK Preference Share	1,020	1.81
Vodafone Group	Mobile Telecommunications	UK Equities	1,019	1.81
Top twenty investments			27,136	48.08

Company	Sector	Asset class	Valuation £'000	Total assets %
Symphony Structured Products Jersey 0% 20/12/13 GBP	Fixed Interest	Alternative Assets	1,004	1.78
Policy Selection Assured GBP C	Unit Trusts & OEICS	Alternative Assets	1,002	1.78
AstraZeneca	Pharmaceuticals & Biotechnology	UK Equities	1,001	1.78
Unilever	Food Producers	UK Equities	989	1.75
Schroder Oriental Income Fund	Investment Companies	Overseas Equities	964	1.71
Invesco Leveraged High Yield Fund	Equity Investment Instruments	UK Equities	963	1.71
BP	Oil & Gas Producers	UK Equities	958	1.70
Schroder Unit Trusts Asian Income Maximiser	Unit Trusts & OEICS	Overseas Equities	946	1.68
Elders Investment 17A	Structured Product	Overseas Equities	934	1.65
Merrill Lynch Japan High Income				
Macau Property Opportunities	Investment Companies	Property	922	1.63
Top thirty investments			36,819	65.25
BHP Billiton	Mining	UK Equities	885	1.57
Hill (William)	Travel & Leisure	UK Equities	884	1.57
Phaunos Timber Fund	Investment Companies	Alternative Assets	865	1.53
Ignis AM Argonaut	Unit Trusts & OEICS	Overseas Equities	858	1.52
European Income Fund				
General Accident 8.875% Cum Pref	Fixed Interest	UK Preference Share	851	1.51
Thames River Traditional High Income Fund	Unit Trusts & OEICS	Fixed Interest	848	1.50
Specialist Investment Funds M&G European Loan	Unit Trusts & OEICS	Fixed Interest	827	1.47
Signet Global Hedge Fund Bond	Fixed Interest	Alternative Assets	825	1.46
Standard Life European Private Equity Trust	Equity Investment Instruments	UK Equities	809	1.43
Ignis AM Argonaut European Income Fund	Unit Trusts & OEICS	Overseas Equities	790	1.40
Top forty investments			45,261	80.21

Company	Sector	Asset class	Valuation £'000	Total assets %
Lindsell Train Japanese Equity B Institutional	Unit Trusts & OEICS	Overseas Equities	784	1.39
Legal & General Group	Life Insurance	UK Equities	753	1.33
Tesco	Food & Drug Retailer	UK Equities	747	1.32
Aberdeen Asian Income Fund	Investment Companies	Overseas Equities	736	1.30
Somerset Capital Emerging Markets Dividend Growth	Unit Trusts & OEICS	Overseas Equities	690	1.22
Ecofin Water & Power Opportunities	Investment Companies	Overseas Equities	637	1.13
Liontrust European Absolute Return Acc	Unit Trusts & OEICS	Alternative Assets	632	1.12
HSBC Holdings	Banks	UK Equities	598	1.06
Lloyds Banking Group	Fixed Interest	UK Preference Share	558	0.99
6.475% Non-Cum Irr Prf Man Group	Financial Services	UK Equities	522	0.92
Top fifty investments			51,918	91.99
Canyon Resources 10% 31/12/13	Fixed Interest	Fixed Interest	508	0.90
Psource Structured Debt	Investment Companies	Fixed Interest	481	0.85
Hotel Corp	Travel & Leisure	UK Equities	476	0.84
Dolphin Capital Investors	Real Estate	Property	470	0.83
Harewood Structured Inv	Investment	Overseas Equities	457	0.81
US High Sterling Hedge Fund 'A'	Companies			
Bellway 9.50% Cum Red Prf 06/04/14	Fixed Interest	UK Preference Share	163	0.29
Speymill Deutsche Immobilien	Real Estate	Property	148	0.26
ZKB Gold ETF - 'A'	Commodities	Alternative Assets	126	0.22
Barclays Bank Floating Rate Note 30/04/12	Fixed Interest	Alternative Assets	56	0.10
Altus Capital Japan Opportunities II B ^B	Investment Companies	Property	51	0.09
Aberdeen Development Capital	Investment Companies	Alternative Assets	26	0.05
Real Estate Opportunities 7.5% Cnv 31/05/11	Fixed Interest	Convertible Bonds	26	0.05
Total fixed asset investments			54,906	97.28
Net current assets			1,534	2.72
Total assets^A			56,440	100.00

Unless otherwise stated all investments are in the ordinary shares of the investee company.

^A Excluding total bank loans of £7,000,000

^B Unquoted

Corporate Information

Directors

Hubert V Reid, Chairman
Adam D Cooke
Ian R Davis

Manager

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Other telephony providers' costs may vary.

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