

MIDAS INCOME & GROWTH TRUST PLC

UNAUDITED

SECTION 838 COMPANIES ACT 2006

INTERIM ACCOUNTS

for the period to 31 July 2011

Registered Number: 3173591

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Statement of Directors' Responsibilities in Respect of the Interim Accounts

Section 838 of the Companies Act 2006 requires the Directors to prepare interim accounts for the period from 1 May 2011 to 31 July 2011 for the purpose of determining the amount the Company may distribute by way of interim dividends. The interim accounts are required to give a true and fair view of the state of the Company's affairs and profit or loss for the period and to be properly prepared in terms of Section 838 of the Companies Act 2006 subject to matters which are not material for determining whether the proposed distribution would contravene the relevant requirements of the Companies Act 2006.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Midas Income & Growth Trust

Revenue Account (unaudited)

For the period to 31 July 2011

	Notes	£'000
Income from investments		
Franked investment income		480
Unfranked investment income		464
Other income		
Other interest receivable and similar income		3
		<u>947</u>
Administration expenses		(150)
Interest payable		(55)
Revenue from ordinary activities before taxation		<u>742</u>
Taxation		-
Revenue from ordinary activities after taxation		<u>742</u>
Dividends		
Dividends on Ordinary shares	7	(650)
Revenue surplus for the period		<u><u>92</u></u>

Midas Income & Growth Trust

Balance Sheet (unaudited)

As at 31 July 2011

	Notes	£'000
Non-current assets		
Investments at fair value through profit or loss	3	<u>57,256</u>
Current assets		
Debtors and prepayments	4	451
Cash at bank		<u>600</u>
		1,051
Creditors: amounts falling due within one year	5	<u>(7,229)</u>
Net current liabilities		<u>(6,178)</u>
Net assets		<u><u>51,078</u></u>
Capital and reserves		
Called-up share capital	6	9,974
Share premium account		1,445
Special reserve		41,783
Capital redemption reserve		2,098
Capital reserve		(5,105)
Revenue reserve	8	<u>883</u>
Total shareholders' funds		<u><u>51,078</u></u>

These accounts were approved by the Directors on 16 August 2011 and signed on behalf of the Board of Directors by



H V Reid
Chairman

Midas Income & Growth Trust

Notes to the Accounts

For the period to 31 July 2011

1. Accounting policies

(a) The financial statements have been prepared in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in January 2009). 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.

(b) Revenue, expenses and interest payable - 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. Short term deposits, expenses and interest payable are treated on an accruals basis. All expenses are charged to revenue except where (i) they directly relate to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds, and (ii) expenses are charged to capital reserve where a connection with maintenance or enhancement of the value of the investments can be demonstrated. In this respect the management fee and loan interest on the £7m bank loan have been allocated 50% to capital reserve and 50% to revenue account.

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

(d) Dividends payable - Interim and final dividends are recognised in the period in which they are paid.

(e) 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.

Midas Income & Growth Trust

Notes to the Accounts

For the period to 31 July 2011

2.	Tax on ordinary activities		£'000
	(a) Charge for the period		
	Current tax		
	Taxation on overseas dividends	<u>-</u>	
	(b) Factors effecting the tax charge for the year		
	Profit on ordinary activities before tax	<u>742</u>	
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26%	193	
	Effects of		
	Non-taxable UK dividend income	(125)	
	Non-taxable overseas dividend income	(71)	
	Movement in unutilised management expenses	3	
	Taxation on overseas dividends	<u>-</u>	
	Current taxation charge for the period (note 2 (a))	<u><u>-</u></u>	
3	Investments		£'000
	Fair value through profit or loss		
	Opening fair value	57,966	
	Opening fair value losses on investments held	<u>1,559</u>	
	Opening book cost	59,525	
	Acquisitions at cost	2,201	
	Sales proceeds	(2,874)	
	Losses on sales	<u>(333)</u>	
	Closing book cost	58,519	
	Closing fair value losses on investments held	<u>(1,263)</u>	
	Closing fair value	<u><u>57,256</u></u>	
4	Debtors		£'000
	Accrued income receivable	403	
	Amounts due from brokers	43	
	Other debtors and prepayments	<u>5</u>	
		<u><u>451</u></u>	
5	Creditors amounts falling due within one year		£'000
	Bank loan	7,000	
	Other accruals	<u>229</u>	
		<u><u>7,229</u></u>	
6.	Called up share capital	Number of	£'000
	<i>Authorised</i>	shares	
	Ordinary shares of 25p each	390,000,000	97,500
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of 25p each	39,896,361	9,974

Midas Income & Growth Trust

Notes to the Accounts

7 Dividends on Ordinary shares	£'000
Equity share dividends	
4th interim dividend paid for 2011 on Ordinary shares - 1 63p	650
	<u>650</u>
8 Revenue post 4th interim dividend paid	£'000
B/f revenue reserve at 1 May 2011 per Annual Report	790
Less 4th interim dividend paid for 2011 on Ordinary shares - 1 63p	(650)
Adjusted revenue reserves at 1 May 2011 (Companies Act basis)	<u>140</u>
Current period (see Revenue Account)	
Revenue on ordinary activities after taxation	742
Less 1st interim dividend 2012 on Ordinary shares payable - 1 63p	(650)
Revenue reserves after dividends payable	<u>92</u>
Adjusted revenue reserves at 1 May 2011	140
Current year revenue reserves after dividends paid	92
Revenue reserve post payment of 1st interim dividend for 2012	<u>232</u>