Midas Income & Growth Trust PLC

Half-Yearly Financial Report

Six months ended 31 October 2011

midascapital
Midas Capital Partners Limited

Highlights and Financial Calendar

Financial Highlights	31 October 2011	30 April 2011	% Change
Total assets (£'000)[A]	54,851	58,307	-5.9
Total equity shareholders' funds (£'000)	47,851	51,307	-6.7
Share price (mid-market)	107.50p	115.88p	-7.2
Net asset value per share	119.94p	128.12p	-6.4
Discount to net asset value	10.4%	9.6%	

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

Performance (total return)	Six months ended 31 October 2011	Year ended 30 April 2011
Share price	-4.5%	4.3%
Net asset value	-3.9%	8.6%

Financial Calendar

14 December 2011	**Announcement of Half Yearly Financial Results**
15 December 2011	**Payment of second interim dividend for year ending 30 April 2012**
December 2011	**Posting of Half Yearly Financial Report**
March 2012	**Payment of third interim dividend for year ending 30 April 2012**
June 2012	**Payment of fourth interim dividend for year ending 30 April 2012**
July 2012	**Announcement of Annual Results**
August 2012	**Annual Report posted to Shareholders**
September 2012	**Annual General Meeting**

Chairman's Statement

Highlights

- **Net asset value total return of -3.9%**
- **Share price total return of -4.5%**
- **Quarterly dividends of 1.63p**
- **Share price discount to net asset value of 10.4% (averaged 8.8% over period)**

Market Background and Performance

The period has been difficult for markets as concerns surrounding the European sovereign debt crisis and the potential knock on effects dominated investor sentiment. Political brinkmanship in the United States and a subsequent debt downgrade further undermined confidence. This uncertainty, together with political and social upheaval in the Middle East, generally slowing economic conditions in the major developed economies, and rising interest rates to control inflation in Asia, all combined to produce a sell-off in equity and corporate bond markets in August and September.

The FTSE All Share fell by 14.3% in the third quarter, the worst outturn since the same quarter in 2002. Volatility returned to levels not seen since the height of the credit crunch in late 2008. Whilst equity markets recovered some lost ground in October, corporate bond markets showed only passing interest in joining the rally. Meanwhile investors continued to seek a 'safe-haven' in gilts and US Treasuries, pushing yields ever lower. The period ended with a hint that better economic data may be beginning to emerge in the United States, although this improvement may yet prove fragile unless policy makers can demonstrate more substantive policies over the coming months.

Against this volatile background the Company's net asset value total return for the period (including dividends) was -3.9%. The Company's share price fell by 7.2%, which, with dividends reinvested, produced a return of -4.5%. This compares with the Company's absolute return benchmark for the period of 4% (8% per annum) and the total return of the FTSE All Share Index of -7.6%.

The discount at which the Company's shares traded to net asset value widened over the period, averaging 8.8% and ending October at 10.4%. 150,000 shares were repurchased and cancelled in May 2011. Your Board and Manager remain committed to improving 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 August 2011.

Gearing

The Company's short term rolling debt facility of £7 million was successfully renegotiated in July and on significantly improved terms over the previous agreement. The facility has been fully drawn over the period. Gearing (pre cash) at the end of October was 14.6% of net assets, slightly higher than at 30 April 2010. Gearing has remained comfortably within the Board's stated maximum of 25% of net assets throughout the period.

Dividends

A first interim dividend of 1.63p was declared on 24 August 2011. This matched the quarterly dividend rate paid in the previous financial year. On 23 November 2011 a second interim dividend of 1.63p (2010 1.63p) was declared which is payable on 15 December 2011.

Changes to investment policies rebasing level of dividend payments and related matters

The Board recognises the importance of income to investors in the current environment. Whilst the Company has maintained the current level of dividend payments for the past three years, this has required dividends to be paid, in part, from revenue reserves. Although the revenue account position has improved in the current year, if the current level of dividend payments is maintained, dividends paid in respect of this year will again be uncovered.

Having regard to the challenging economic environment and, following discussions with your Manager, your Board has concluded that dividend growth from the current level is unlikely for several years. Furthermore, your Board believes that the constraints imposed on investment to maintain the current relatively high level of dividends has been, and will continue to be, detrimental to the total return to Shareholders. Accordingly, following a fundamental review of the Company's strategy undertaken with the assistance of the Manager and the Company's financial adviser, the Board is proposing a number of changes, which should increase investment flexibility and offer the prospect of enhanced long term returns, whilst still recognising the importance of income to investors. The main changes that are being proposed are summarised below:

- Core allocation to overseas equities to be increased from 15% to 25% to allow further investment in stronger economic conditions in developing markets and wider opportunities for dividend growth.
- Core allocation to fixed income to be reduced by 10% to allow for higher allocation to overseas equities.
- Widening of asset allocation ranges to increase flexibility to take advantage of opportunities.
- Changing the Company's objective to seeking 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.
- Replacing the existing benchmark of an absolute return of 8% per annum to 3-month LIBOR plus 3.0 per cent. over a three year rolling period.
- Dividend to be rebased to 5.2p per annum (from current level of 6.52p), with effect from the next (third) interim dividend.

The changes to asset allocation described above constitute a material change to the Company's investment objective and policy and, as a result, require shareholder approval. This will be sought at the general meeting referred to below. Directors will also seek shareholder approval at the general meeting for the proposed change to the Company's investment objective.

Management fees

The Board has agreed to changes to the management fee arrangements with the Manager, which simplify the arrangements and more closely align the Manager's interests with shareholder returns. Accordingly, with effect from 1 January 2012, the Manager will no longer have the potential of earning a performance related fee and the annual basic fee will be reduced to 0.9% and will be charged based on the Company's market capitalisation rather than its net asset value as at present. Your Board and Manager believe that these new arrangements are in line with best practice in the investment trust industry.

Company's rating

Whilst the Company has generally traded at a single figure discount to net asset value, there have been periods when low double digit discounts have developed. The Board and Manager remain committed to improving the rating of the Company and, to further this commitment, it is proposed that the Company should move to annual continuation votes, starting at the AGM in September 2013. This will require an amendment to the Company's articles of association, which will also be sought at the general meeting referred to below. The Company's existing share buy-back facility will continue to be implemented at the Board's discretion.

Shareholder Circular and General Meeting

Further details of the proposed changes to the Company's investment objective and policy, benchmark, dividend policy and articles of association will be set out in a separate circular to shareholders, which will also include a notice convening a general meeting of the Company at 4.00pm on 18 January 2012 at which the necessary resolutions will be proposed.

Annual General Meeting

The Company's Annual General Meeting will be held at 12.30pm on 4 September 2012 in Liverpool.

Outlook

The investment outlook remains very challenging, with the biggest obstacle remaining being the sovereign debt crisis in Europe. Whilst policy makers stumble to reach agreement on an effective response, the risk of policy mistakes remains heightened. Bank and public sector deleveraging will continue to suppress growth for many years to come, an unhappy reminder of previous over indulgence. However, the picture in developing economies is more encouraging and offers opportunities for investment both through UK companies selling into these markets and also for specialist managers with the necessary skills to find ways of exploiting the further development of capital flows and structural improvements within these regions.

Your Board believe the changes detailed will allow the Manager the flexibility to deliver better overall returns to shareholders, whilst still providing an attractive level of dividends and maintaining a very positive and progressive dividend policy from the proposed new base.

Principal Risks and Uncertainties

Investment and Market Risks: Managing a portfolio of shares and debt security investments necessarily involves certain risks, in the Annual Report for the year ended 30 April 2011. 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. 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 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.

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).

Hubert Reid
Chairman

13 December 2011

Manager's Review

Market and Economic Commentary

Financial markets have experienced a very difficult period with the main focus of attention being the unravelling picture on the sovereign debt crisis in Europe. Whilst this has certainly been the most serious challenge to sentiment there have been others. Amongst these are numbered the slow-down in world economic growth and volatile political situation in the Middle East, which have also added to investor uncertainty. Throw into the mix the hangover from natural disasters in Japan and New Zealand and a debt downgrade in the United States, demonstrating that political paralysis was not confined to Europe, and it is not surprising that there was also a significant pick up in market volatility.

Corporate bond markets had begun to flag a deteriorating appetite for risk in early July, with a flight to perceived 'safe haven' areas such as US treasuries and gilts already under way. As the period unwound, this trend accelerated with equity markets experiencing one of their worst reversals for many years in the third quarter. Amongst the worst hit were emerging markets where falls of over 20% were common, whilst European markets also fared badly. Even gold, previously seen as a shelter in times of stress, came under pressure, peaking at $1,900 per ounce in early September, before plummeting to just over $1,600 by the end of the month, albeit still at a higher level than at the end of June.

One beneficial aspect of slower global growth has been the impact on inflationary expectations, stemming from the decline in commodity prices. The S&P GSCI Commodity Index fell by over 30% from its peak in April to its low point in early October.

October saw a rally in equity markets, recouping around half of the losses seen earlier. The rise partly reflected hopes that the growing crisis in Europe would force decisive action from policymakers. However, perhaps of greater significance was the steady improvement in economic indicators in the United States, which went some way to restore investors' risk appetite.

Investment Report

The returns from the portfolio over this period have been affected by the sell-off in risk assets. Moves in late 2010 and earlier this year to reduce risk proved opportune, however the net asset value total return was still -3.9%. The share price total return was lower at -4.5% due to a slight widening in the discount at which the Company's shares traded over the period. Whilst this outturn was slightly disappointing, it was achieved against a very difficult background and much of the portfolio performed in line with expectations.

UK equity positions were maintained early in the period with emphasis remaining on large, cash generative companies boasting strong balance sheets. However, equity market falls in August were used as an opportunity to increase positions and widen the breadth of holdings. New positions in Intermediate Capital, W S Atkins and GKN were bought (although GKN was subsequently sold following a strong bounce). Oil & Gas exposure was reduced with reductions in both BP and Royal Dutch Shell, as we took a more cautious view on the political environment and risks within the industry. Whilst overall performance was mixed the clear emphasis on companies with strong business models helped avoid more serious falls. Dividend income is likely to be crucial to returns in this challenging economic environment and it has been pleasing that holdings have generally been demonstrating solid dividend growth over the period.

Overseas equity holdings have, in general, performed satisfactorily compared to local indices, with the more defensive positioning adopted earlier in the year proving beneficial. There has been little turnover in the portfolio over the period with a small addition to Asian equity exposure in early October. This was achieved by adding to the Newton Asian Equity Income Fund, representing the only change of any significance. Currency hedging made a small negative contribution to performance, with Yen hedging in particular being detrimental over the period.

Fixed interest positions were cut, with reductions in City Merchants High Yield Trust (later completely sold), M&G European Loan Fund and AXA US Short Duration High Yield Fund. These sales and those of several of the holdings in preference shares were effectively used to purchase UK equities and to build cash balances. The portfolio has not held any gilts over the period as we continue to see little value and, at best, little reward for the inflation risk being taken with yields at such low levels. The emphasis on corporate bonds within Company holdings has been a drag on performance this period.

Alternative asset positions have demonstrated mixed fortunes with private equity performing well. The carried value of the Company's holding in A J Bell Holdings was increased to 500p (from 400p) in early June, following an excellent set of interim results and a third party transaction at this level. Elsewhere, hedge fund holdings, which are exposed to fixed interest markets, proved less resilient. Overall alternative positions have been reduced, with the Liontrust European Absolute Return Fund being sold and structured product exposure reduced to limit counterparty risk.

Property holdings gave mixed returns with the emphasis on Asian property proving beneficial and UK commercial property at least 'washed its face'. Less positive were the residual holdings in European property vehicles, which again suffered in the risk-off market environment. On a more positive note, the Company's infrastructure holding performed well. This was also the case with the Duet Real Estate Finance Fund, which continues to take advantage of mezzanine finance opportunities in high quality commercial market deals.

The revenue generated from the portfolio has continued to improve over the period fuelled by dividend growth from equities and maiden dividends from Phaunos Timber and Duet Real Estate Finance. The portfolio emphasis on high quality equities will be crucial in the difficult times that lie ahead as dividend growth is likely to be much sought after by investors, particularly should inflation continue to prove sticky.

Asset Allocation

The asset allocation across the portfolio at 31 October 2011 is shown in the table below.

Asset Class	Portfolio Weight %	Core Allocation %	Allocation Range %
UK Equities	29.3	35	20-55
Overseas Equities	17.3	15	10-25
Total Equities	**46.6**	**50**	**30-80**
Fixed Interest (inc Cash)	**21.6**	**25**	**15-45**
Alternative Assets	**22.2**	**15**	**10-25**
Property	**9.6**	**10**	**0-25**

All figures are expressed as a percentage of Gross assets.

Note: Certain core allocations/allocation ranges will be changed if shareholders approve the relevant resolution at the general meeting.

Summary

Uncertainties surrounding the solvency of European sovereign nations and indeed the survival of the Euro are likely to test investor confidence for some time. Even if this issue is resolved many developed nations face severe headwinds to economic progress against a background of further bank deleveraging and austerity. However, in the developing world there remain strong secular growth prospects, which can benefit the profitability not only of their domestic companies, but also international businesses able to build new, exciting profit drivers.

We believe that the proposed changes put forward following the strategic investment review involving your Board and the Company's financial adviser, have been very constructive. Implementation of the proposals will enable your Manager to fully take advantage of these long term opportunities to grow capital, whilst continuing to focus on the enhancement of dividends from the proposed rebased level.

Alan Borrows
Simon Callow
Midas Capital Partners Limited

13 December 2011

Income Statement

	Notes	Six months ended 31 October 2011 (unaudited) Revenue £'000	Capital £'000	Total £'000
Gains on investments		-	(2,960)	(2,960)
Income	2	1,554	2	1,556
Investment management fee		(124)	(124)	(248)
VAT recovered on investment management fees		-	-	-
Administration expenses		(180)	-	(180)
Exchange losses		-	(1)	(1)
Net return before finance costs and taxation		**1,250**	**(3,083)**	**(1,833)**
Finance costs		(76)	(76)	(152)
Net return on ordinary activities before taxation		**1,174**	**(3,159)**	**(1,985)**
Taxation on ordinary activities	3	-	-	-
Return on ordinary activities after taxation		**1,174**	**(3,159)**	**(1,985)**
Return per share (pence):	4	**2.94**	**(7.91)**	**(4.97)**

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 2010 (unaudited)			Year ended 30 April 2011 (audited)		
Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
-	518	518	-	2,597	2,597
1,227	13	1,240	2,796	50	2,846
(115)	(115)	(230)	(240)	(240)	(480)
25	25	50	25	25	50
(175)	-	(175)	(344)	-	(344)
-	(11)	(11)	-	14	14
962	**430**	**1,392**	**2,237**	**2,446**	**4,683**
(60)	(60)	(120)	(119)	(119)	(238)
902	**370**	**1,272**	**2,118**	**2,327**	**4,445**
(3)	-	(3)	(3)	-	(3)
899	**370**	**1,269**	**2,115**	**2,327**	**4,442**
2.32	**0.95**	**3.27**	**5.37**	**5.91**	**11.28**

Balance Sheet

	Notes	As at 31 October 2011 (unaudited) £'000	As at 31 October 2010 (unaudited) £'000	As at 30 April 2011 (audited) £'000
Non-current assets				
Investments at fair value through profit or loss		52,487	54,906	57,966
Current assets				
Debtors and prepayments		225	527	551
Cash and short term deposits		2,432	1,114	472
		2,657	1,641	1,023
Creditors: amounts falling due within one year				
Bank loan		(7,000)	(7,000)	(7,000)
Other creditors		(293)	(107)	(682)
		(7,293)	(7,107)	(7,682)
Net current liabilities		(4,636)	(5,466)	(6,659)
Net assets		**47,851**	**49,440**	**51,307**
Capital and reserves				
Called-up share capital		9,974	10,012	10,012
Share premium account		1,445	1,445	1,445
Special reserve		41,783	41,954	41,954
Capital redemption reserve		2,099	2,061	2,061
Capital reserve	6	(8,114)	(6,912)	(4,955)
Revenue reserve		664	880	790
Equity shareholders' funds		**47,851**	**49,440**	**51,307**
Net asset value per Ordinary share (pence):	8	**119.94**	**123.46**	**128.12**

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 October 2011 (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 2011		10,012	1,445	41,954	-	2,061	(4,955)	790	51,307
Purchase of Ordinary shares for cancellation		(38)	-	(171)	-	38	-	-	(171)
Return on ordinary activites after taxation		-	-	-	-	-	(3,159)	1,174	(1,985)
Dividends paid	5	-	-	-	-	-	-	(1,300)	(1,300)
Balance at 31 October 2011		**9,974**	**1,445**	**41,783**	**-**	**2,099**	**(8,114)**	**664**	**47,851**

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 activites 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**

Year ended 30 April 2011 (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 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	5	-		-	-	-	-	(2,548)	(2,548)
Balance at 30 April 2011		**10,012**	**1,445**	**41,954**	**-**	**2,061**	**(4,955)**	**790**	**51,307**

Cash Flow Statement

	Notes	Six months ended 31 October 2011 (unaudited) £'000	Six months ended 31 October 2010 (unaudited) £'000	Year ended 30 April 2011 (audited) £'000
Net (loss)/return on ordinary activities before finance costs and taxation		**(1,833)**	**1,392**	**4,683**
Adjustments for:				
Losses/(gains) on investments		2,960	(518)	(2,597)
Exchange losses/(gains)		1	11	(14)
Decrease/(increase) in accrued income		232	83	(103)
(Increase)/decrease in other debtors		(14)	(58)	7
(Decrease)/increase in creditors		(6)	15	21
Net cash inflow from operating activities		**1,340**	**925**	**1,997**
Net cash outflow from servicing of finance		(152)	(123)	(219)
Tax refund on non UK income		-	-	(3)
Net cash inflow/(outflow) from financial investment		2,243	(1,441)	(1,775)
Equity dividends paid	5	(1,300)	(1,242)	(2,548)
Net cash inflow/(outflow) before financing		**2,131**	**(1,881)**	**(2,548)**
Net cash (outflow)/inflow from financing		**(170)**	**1,929**	**1,929**
Increase/(decrease) in cash		**1,961**	**48**	**(619)**
Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash as above		1,961	48	(619)
Foreign exchange movements		(1)	(11)	14
Movement in net debt in the period		**1,960**	**37**	**(605)**
Opening net debt		(6,528)	(5,923)	(5,923)
Closing net debt		**(4,568)**	**(5,886)**	**(6,528)**
Represented by:				
Cash at bank and in hand		2,432	1,114	472
Debt falling due within one year		(7,000)	(7,000)	(7,000)
		(4,568)	**(5,886)**	**(6,528)**

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 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 approved by shareholders.

2 Income	**Six months ended 31 October 2011 £'000**	**Six months ended 31 October 2010 £'000**	**Year ended 30 April 2011 £'000**
Income from investments			
UK franked income	750	677	1,354
UK unfranked dividend income	224	181	400
UK unfranked interest income	154	41	291
Overseas dividends	400	335	700
Stock Dividends	22	-	-
	1,550	1,234	2,745
Other income			
Deposit interest	4	2	3
Interest from HMRC	2	-	50
Other commission	-	-	48
Other income	-	4	-
	6	6	101
Total income	**1,556**	**1,240**	**2,846**

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 half year to 31 October 2011, based on a rate of 26%.

4 Return per share

The revenue return of 2.94 pence (31 October 2010 - 2.32 pence; 30 April 2011 - 5.37 pence) per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £1,174,000 (31st October 2010 - £899,000; 30 April 2011 - £2,115,000) and on 39,911,035 (31 October 2010 - 38,753,249; 30 April 2011 - 39,394,491) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

The capital loss of 7.91 pence (31 October 2010 - gain - 0.95 pence; 30 April 2011 - gain - 5.91 pence) per Ordinary share is calculated on net capital losses for the period of £3,159,000 (31 October 2010 - gains - £370,000; 30 April 2011 - gains - £2,327,000) and on 39,911,035 (31 October 2010 - 38,753,249; 30 April 2011 - 39,394,491) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

The total loss of 4.97 pence (31 October 2010 - gain - 3.27 pence; 30 April 2011 - gain - 11.28 pence) per Ordinary share is calculated on the total losses for the period of £1,985,000 (31 October 2010 - gains - £1,269,000; 30 April 2011 - gains - £4,442,000) and on 39,911,035 (31 October 2010 - 38,753,249; 30 April 2011 - 39,394,491) Ordinary shares being the weighted average number of Ordinary shares in issue during the period.

During the period 150,000 Ordinary shares of 25p were bought back for a total cost of £170,000 before deduction of costs of £1,000. There were no potentially dilutive shares in issue during the period.

5 Dividends

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

	Six months ended 31 October 2011 £'000	Six months ended 31 October 2010 £'000	Year ended 30 April 2011 £'000
2010 fourth interim dividend - 1.63p	-	621	621
2011 first interim dividend - 1.63p	-	621	621
2011 second interim dividend - 1.63p	-	-	653
2011 third interim dividend - 1.63p	-	-	653
2011 fourth interim dividend - 1.63p	650	-	-
2012 first interim dividend - 1.63p	650	-	-
	1,300	**1,242**	**2,548**

The Company has declared a second interim dividend in respect of the year ending 30 April 2012 of 1.63p net (2011 - 1.63p) per Ordinary 25p share which was paid on 15 December 2011 to Ordinary shareholders on the register on 25 November 2011.

6 **Analysis of capital reserve**

The capital reserve reflected in the Balance Sheet at 31 October 2011 includes losses of £4,077,000 (31 October 2010 - losses of £2,798,000; 30 April 2011 - losses of £1,559,000) which relate to the revaluation of investments held at the reporting date.

7 **Transaction costs**

During the six months ended 31 October 2011 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 2011 £'000	Six months ended 31 October 2010 £'000	Year ended 30 April 2011 £'000
Purchases	25	4	24
Sales	9	6	20
	34	**10**	**44**

8 **Net asset value per share**	As at 31 October 2011	As at 31 October 2010	As at 30 April 2011
Attributable net assets (£'000)	47,851	49,440	51,307
Number of Ordinary shares in issue	39,896,361	40,046,361	40,046,361
Net asset value per Ordinary share (p)	119.94	123.46	128.12

9 **Half-Yearly Financial Report**

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 2011 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.

10 This Half Yearly Report was approved by the Board on 13 December 2011.

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 2011 which comprises the Income Statement, Balance Sheet, Reconciliation of Movements in Shareholders' Funds, Cash Flow Statement and the related notes 1 to 10. 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 2011 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

13 December 2011

Investment Portfolio

As at 31 October 2011

Company	Sector	Asset class	Valuation £'000	Total assets %
Bell AJ[B]	Special & Other Finance	Alternative Assets	3,250	5.93
Partners Group Global Opportunities[C]	Unit Trusts & OEICS	Alternative Assets	2,553	4.65
Celsius Fund Asian Real Estate Income[C]	Unit Trusts & OEICS	Property	1,481	2.70
Royal London Sterling Extra Yld Bond A Acc[C]	Unit Trusts & OEICS	Fixed Interest	1,447	2.64
GlaxoSmithKline	Pharmaceuticals	UK Equities	1,260	2.30
Harewood Structured Inv US Enhanced Hedge Pref Cls 'A'	Investment Companies	Overseas Equities	1,244	2.27
Reckitt Benckiser Group	Household Goods	UK Equities	1,199	2.19
Legal & General Group	Life Insurance	UK Equities	1,188	2.17
Ecclesiastical Insurance Office 8 5/8% Net Cum Irred Pref	Fixed Interest	Preference shares	1,156	2.11
Unilever	Food Producers	UK Equities	1,147	2.09
Top ten investments			**15,925**	**29.05**
BNY Mellon Fund Manager Newton Asian Income Institutional[C]	Unit Trusts & OEICS	Overseas Equities	1,139	2.08
Symphony Structured Products Jersey 0% 20/12/13 GBP	Structured Product	Alternative Assets	1,077	1.96
Signet Global Fixed Income Fund	Investment Companies	Alternative Assets	1,073	1.96
AstraZeneca	Pharmaceuticals & Biotechnology	UK Equities	1,045	1.91
Vodafone Group	Mobile Telecommunications	UK Equities	1,037	1.89
AXA Investment Managers US Short Duration High Yield	Unit Trusts & OEICS	Fixed Interest	1,022	1.86
Policy Selection Assured GBP[C]	Unit Trusts & OEICS	Alternative Assets	1,020	1.86
Tesco	Food & Drug Retailer	UK Equities	1,004	1.83
Ashmore Group	Financial Services	UK Equities	1,001	1.82
Duet Real Estate Finance	Investment Companies	Property	985	1.80
Top twenty investments			**26,328**	**48.02**

Company	Sector	Asset class	Valuation £'000	Total assets %
Merrill Lynch 2.2% 16/05/13	Structured Product	Alternative Assets	956	1.74
Elders Investment 17A Merrill Lynch Japan High Income[C]	Structured Product	Overseas Equities	907	1.65
LBG Capital No.1 7.975% 15/09/24	Fixed Interest	UK Preference Share	900	1.64
Scottish & Southern Energy	Gas Water & Multiutilities	UK Equities	874	1.59
Macau Property Opportunities	Investment Companies	Property	872	1.59
Schroder Unit Trusts Asian Income Maximiser[C]	Unit Trusts & OEICS	Overseas Equities	872	1.59
Invesco Leveraged High Yield Fund	Investment Companies	Fixed Interest	869	1.58
Somerset Capital Emerging Markets Dividend Growth[C]	Unit Trusts & OEICS	Overseas Equities	858	1.56
Royal Dutch Shell EUR0.07 'B'	Oil & Gas Producers	UK Equities	844	1.54
HSBC Holdings	Banks	UK Equities	817	1.49
Top thirty investments			**35,097**	**63.99**
Atkins WS	Support Services	UK Equities	802	1.46
General Accident 8.875% Cum Pref	Fixed Interest	Preference shares	780	1.42
Royal Sun Alliance Insurance Group 7.375% Cum Pref	Fixed Interest	Preference shares	776	1.41
Acencia Debt Strategies	Investment Companies	Alternative Assets	765	1.39
Phaunos Timber Fund	Investment Companies	Alternative Assets	757	1.38
Thames River Traditional High Income Fund[C]	Unit Trusts & OEICS	Fixed Interest	745	1.36
BHP Billiton	Mining	UK Equities	738	1.35
HICL Infrastructure	Investment Companies	Property	738	1.35
Intermediate Capital	Financial Services	UK Equities	734	1.34
Ignis AM Argonaut European Enhanced Income Fund [C]	Unit Trusts & OEICS	Overseas Equities	732	1.34
Top forty investments			**42,664**	**77.79**

Company	Sector	Asset class	Valuation £'000	Total assets %
Lindsell Train Japanese Equity 'B'[C]	Unit Trusts & OEICS	Overseas Equities	726	1.32
Threadneedle Property Fund[C]	Unit Trusts & OEICS	Property	719	1.31
Hill (William)	Travel & Leisure	UK Equities	707	1.29
Ignis Enhanced Argonaut European Income Fund[C]	Unit Trusts & OEICS	Overseas Equities	706	1.29
Schroder Oriental Income Fund	Investment Companies	Overseas Equities	703	1.28
BP	Oil & Gas Producers	UK Equities	692	1.26
Blackrock Commodities	Investment Companies	Overseas Equities	622	1.13
Ecofin Water & Power Opportunities	Investment Companies	Overseas Equities	555	1.01
Harbourvest Senior Loans Europe C	Investment Companies	Fixed Interest	553	1.01
M&G European Loan[C]	Unit Trusts & OEICS	Fixed Interest	539	0.99
Top fifty investments			**49,186**	**89.68**
Aviva	Life Insurance	UK Equities	460	0.84
Man Group	Financial Services	UK Equities	450	0.82
Standard Life European Private Equity Trust	Investment Companies	Alternative Assets	409	0.75
Canyon Resources 10% 31/12/13[C]	Fixed Interest	Fixed Interest	348	0.63
Harewood Structured Inv US High Sterling Hedge Fund 'A'	Investment Companies	Overseas Equities	344	0.63
Harbourvest Senior Loans Europe	Special & Other Finance	Fixed Interest	331	0.60
Dolphin Capital Investors	Real Estate	Property	315	0.57
Source Structured Debt	Investment Companies	Alternative Assets	244	0.44
Hotel Corp	Travel & Leisure	UK Equities	137	0.25
Battersea Power Station[B]	Warrants	Property	77	0.14
ZKB Gold ETF - 'A'[C]	Commodities	Alternative Assets	53	0.10
Altus Capital Japan Opportunities II B[B]	Investment Companies	Property	52	0.09
Speymill Deutsche Immobilien	Real Estate	Property	49	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	5	0.01
Battersea Power Station[C]	Warrants	Property	1	0.00
Total fixed asset investments			**52,487**	**95.69**
Net current assets			**2,364**	**4.31**
Total assets[A]			**54,851**	**100.00**

With the exception of those marked all investments are in the ordinary shares of the investee company.
[A]Excluding total bank loans of £7,000,000
[B]Unquoted
[C]Unlisted

Corporate Information

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Hubert V Reid, Chairman
Adam D Cooke
Ian R Davis

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Calls to this/these numbers are charged at 8p per minute from a BT landline. Lines open 8.30am to 5.30pm, Monday to Friday.
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