British & American Investment Trust PLC

Report and accounts

31 December 2024

Investment Policy

To invest predominantly in investment trusts and other leading UK and US-quoted companies to achieve a balance of income and growth.

Ten largest security holdings (excluding subsidiaries)

Name	Sector	%
Geron Corporation (USA)	Biomedical	36.85
Dunedin Income Growth	Investment Trust	4.37
Lineage Cell Therapeutics (USA)	Biotechnology	1.75
Relief Therapeutics (Switzerland)	Healthcare	0.12
ADVFN	Other Financial	0.12
Vodafone	Telecommunications	0.10
Serina Therapeutics (USA)	Biotechnology	0.09
IQE	Semiconductors	0.09
Proteome Sciences	Pharmaceuticals	0.03
Northwest Biotherapeutics (USA)	Biotechnology	0.01
		43.53

Country Exposure

Country	£m	%
UK	0.61	10.83
USA	5.05	88.88
Switzerland	0.02	0.29
Total investments (exc. subsidiaries)	5.68	100.00

Net Asset Value Total Return (NAVTR) (source: AIC)

	%
1 year	72.6
3 year	43.9
5 year	90.0

Salient Facts

Launch Date	1996
Management	Self-managed
Year/Interim End	31 December/30 June
Capital Structure	25,000,000 Ordinary Shares of £1 (listed); 10,000,000 Convertible Preference Shares of £1 (unlisted)
Number of Holdings	14
Net Assets (£m)	6.0
Yield	7.3%
Dividend Dates	Interim dividend – December Final dividend – June
Share price (p)	24.0
NAV/share (p)	17.0 *(diluted)*
Premium	41.1% *(diluted)*
Ongoing charges	13.0%
Sedol Code	0065311
ISIN Code	GB000065311

Status

Eligible to be held in an ISA or Savings Scheme.

Contact

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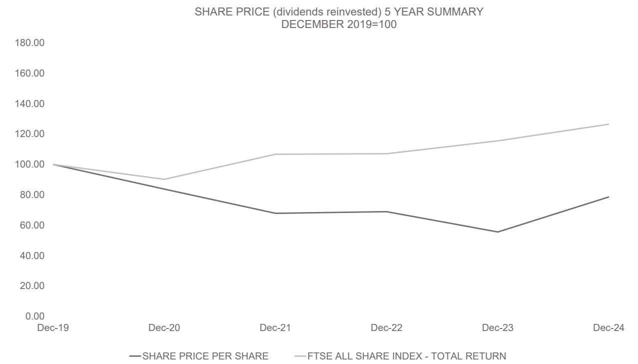
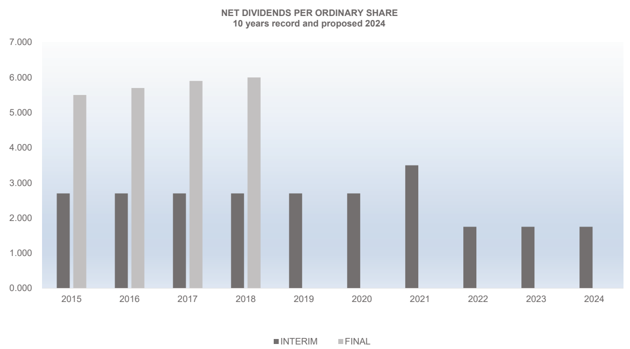
Registered in England. Registered number 00433137
VAT Reg. No. 241 1621 10





British & American Investment Trust PLC

Annual Report and Accounts

for the year ended 31 December 2024

Registered number: 00433137

Contents

Directors and officials

Directors
David G Seligman *(Chairman)*
Jonathan C Woolf *(Managing Director)*
Julia Le Blan *(Non-executive and Chair of the Audit Committee*)
Alex Tamlyn *(Non-executive)*

Secretariat and registered office
M Silverov (Secretary)
Wessex House
1 Chesham Street
London SW1X 8ND

Registrars
Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Bankers
Metro Bank PLC
One Southampton Row
London
WC1B 5HA

Credit Suisse AG
Talacker 16
8001 Zurich
Switzerland

Auditors
MHA
2 London Wall Place
London
EC2Y 5AU

Biographical details of directors and investment policy

Chairman

David G Seligman (Age 73)

Formerly a director of S.G. Warburg & Co Ltd in corporate finance and private equity advisory. Founder of Seligman Private Equity Select, a private liquidity solutions fund manager. Appointed as Director 26 September 2017 and as Chairman 1 January 2018.

Managing Director

Jonathan C Woolf (Age 68)

Director of Romulus Films Limited and associated companies, formerly merchant banker with S.G. Warburg & Co Ltd. Appointed 14 July 1983.

Non-Executive

Julia Le Blan (Age 70)

Formerly a partner at Deloitte. Currently a director of the Biotech Growth Trust plc. Appointed 1 June 2022.

Alex Tamlyn (Age 59)

Solicitor, partner in DLA Piper UK LLP. Appointed 1 July 2018.

Investment policy

To invest predominantly in investment trusts and other leading UK and US-quoted companies to achieve a balance of income and growth. Full details of the company's investment policy are contained in the Business Review on page 17.

AIC

The company is a member of the Association of Investment Companies (AIC).

Chairman's statement

I report our results for the year ended 31 December 2024.

Revenue

The return on the revenue account before tax amounted to £0.4 million (2023: £0.8 million), a lower level than in the previous year due to a lower level of dividends received from our subsidiary company. The bulk of this revenue was accounted for by dividends received from our subsidiary company arising from gains and income related to our US investments.

Gross revenues totalled £0.9 million (2023: £1.3 million). In addition, film income of £112,000 (2023: £74,000) was received in our subsidiary company. In accordance with IFRS10, this income stream is not included within the revenue figures noted above because consolidated financial statements are not prepared.

The total return before tax, comprising revenue and capital return, amounted to a profit of £2.0 million (2023: £2.0 million loss), representing net revenue of £0.4 million, a realised loss of £0.7 million and an unrealised gain of £2.3 million. The revenue return per ordinary share was 0.5p (2023: 1.9p) on an undiluted basis.

Net Assets and Performance

Net assets at the year end were £6.0 million (2023: £4.5 million), an increase of 31.9 percent after payment of £0.6 million in dividends to shareholders during the year. This compares to an increase in the FTSE 100 index of 5.7 percent and to an increase in the UK All Share index of 5.6 percent over the period. On a total return basis, after adding back dividends paid during the year, our net assets increased by 45.5 percent compared to increases of 9.7 percent and 9.5 percent in the FTSE 100 and UK All Share indices, respectively.

This substantial outperformance for the year as a whole more than reversed the underperformance of the previous year despite falling from the exceptional outperformance of over 100 percent registered at the half year. These results were due almost entirely to the significant recovery of 70 percent in the value of our largest investment, Geron Corporation, over the year as a whole. As reported at the interim stage, this reflected the long-awaited achievement by Geron of clearance by the US FDA of its haematological cancer drug, Rytelo, its first such approval, on 7th June last year. Following which Geron immediately commenced the marketing in the USA generating sales in line with expectations in the third and fourth quarters of the year. This represents a significant milestone in our long history of investment in this company which has proved to be a long and often difficult road given the elevated levels of volatility experienced in both the individual stock price and biopharma market as a whole. A more detailed description of the performance of Geron is given in the Managing Director's report below.

Equity markets in the UK and USA performed firmly in 2024, as inflationary pressures subsided in response to central bank interest rate policies which had kept rates higher for longer than had been anticipated, particularly in the USA. Inflation had proved to be more stubborn than expected in the USA and this was in part due to the effects of the Biden administration's albeit very successful policy of stimulating growth and activity in infrastructure and environmental investment. These higher levels of corporate activity also resulted in the steady increase in the value of US equities over the year, with the indices rising by 20 percent and surpassing their all time highs throughout the year as they rose. In the UK, the equity market showed a similar performance in the first half, rising by 10 percent, as growth returned to the economy but remained flat thereafter. This followed the change in government in July and its policy of talking down the UK's economic prospects to prepare the ground for a hard-hitting budget in the autumn. This had the unfortunate effect of killing business and consumer confidence which by the fourth quarter had translated into monthly declines in GDP. In my interim statement, I described at length the likely damaging effects of the labour government's economic approach and policies and I will not repeat these here. However, the introduction a record-breaking tax and spend budget and other legislation since then which placed significant extra tax and operational burdens on the corporate sector has only added to my previous comments about the government's much vaunted but misdirected promises and policies to achieve

Chairman's statement (continued)

economic growth. Unfortunately the inevitable outcome of these policies is already beginning to be seen in the reversal of growth and record levels of taxation, government spending and borrowing. A further blow to UK and indeed world-wide growth prospects has occurred in the first quarter of 2025 with the introduction of Trump's international trade tariffs as more fully described in recent events below.

Dividend

In 2024, dividends of 1.75 pence per ordinary share and 1.75 pence per preference share were paid as an interim payment during the year. This was the same level of dividend for ordinary and preference shareholders as in the previous year and represented a yield of approximately 6 percent on the ordinary share price averaged over a period of 12 months.

It is our intention to pay an interim dividend this year of no less amount contingent on the profitable sales of investments during the year. The position regarding these investments is set out in more detail in the Managing Director's report below.

Recent events and outlook

As explained in considerably more detail in the Managing director's report below, 2025 has to date brought a totally unexpected reversal in the advances the portfolio experienced in 2024 due to an unexpected and significant fall in the share price of Geron in the last two months which has negatively impacted our portfolio value. We believe this reversal to be temporary and that the portfolio will regain its value of the previous year for the reasons set out in that report.

The perceived economic and business uncertainties going forward in the UK have been discussed at length above and in our interim report. Since when, however, a major new source of uncertainty has arisen with the election last November of President Trump in the USA on the promise of a radical programme of change and indeed disruption across almost all areas of domestic political, economic, social and financial policy as well as globally in terms of trade, defence and international relations.

The initial market reaction to his promises to reduce the costs of living and inflation, cut taxes and promote business was positive and the equity market and US dollar strengthened further in the last two months of 2024. However, this reaction soon dissipated after the new administration took office in mid January.

It had been expected that some of Trump's more extreme plans - for example to slash the costs of government administration, abolish entire government departments and introduce penal international trade tariffs on goods - were intended more as a negotiating tactic rather than firm strategy, given Trump's tendency to use extreme policy announcements as a crude lever and then change course abruptly to achieve quick commercial gains. However, this has not been the case and if anything has been doubled down upon as seen by the mass and indiscriminate layoffs of government employees, the nonchalant shedding of age-old alliances and earlier this month the imposition of a far harsher than expected regime of international trade tariffs on goods imported from all other countries.

The accumulation of all these disruptive and damaging policies, many of which upend long-established economic, defence and trade arrangements which have underpinned global prosperity and security as long as most people can remember, has resulted in extreme levels of uncertainty since the beginning of the year causing significant falls or re-alignments in all markets, be they financial, investment, currency, commodity, employment or trade, whether in the USA or worldwide.

It is too early to say how these unprecedented policy changes in the USA will play out over time, save to say that in the short to medium term increases in inflation, slower reductions in interest rates and lower levels of economic growth and therefore investment markets can be expected. For these reasons and the continuing high levels of uncertainty, the reaction of markets both in the US and internationally has been extremely negative with very high levels of volatility. US equity markets fell by up to 20 percent at one stage and the US dollar has retreated by almost 10 percent from recent highs. Economic indicators for consumer sentiment, business activity, employment and growth in the USA have fallen to their pandemic low levels and these can expected to be translated into hard data within months as actual out-turns confirm

Chairman's statement (continued)

these predictions.

Our investment policy has for some time relied on the capture of value from our major investments in US biotechnology and this remains the case. However, as reported at the interim stage, it has also been our aim to rotate some of our investments into other asset classes as conditions and performance warrant and we have recently started to initiate this change. The recent turmoil in equity markets has provided some early justification for this, but we still await the achievement of target returns from our US biotechnology investments to follow through with this on a sustained basis. Our largest investment, Geron Corporation, had an excellent year in 2024, finally completing its aim of obtaining FDA approval for its oncology drug in the USA and swiftly commencing sales which in their first two quarters met expectations. Having now successfully completed its transformation from a clinical development company to a product sales company in an important area of significant unmet medical need, we fully expect the substantial increase in the company's value seen in 2024 to continue and accelerate once the unfortunate and unexpected price setbacks of the last few weeks referred to above have been overcome and the current turmoil in financial markets has been eliminated.

As at 25 April 2025, our net assets had decreased to £1.0 million, a decrease of 83.6 percent since the beginning of the calendar year. This is equivalent to 3.0 pence per share (prior charges deducted at fully diluted value) and 3.0 pence per share on a diluted basis. Over the same period the FTSE 100 increased 3.0 percent and the All Share Index increased 1.8 percent.

David Seligman

30 April 2025

Managing Director's report

2024

As noted in the Chairman's statement above, our portfolio outperformed substantially in 2024 as a result of increases in the value of our principal investment, US biopharma company Geron Corporation. After many years of investment in this company as it pursued its long and complicated path through multiple stages of clinical development in the USA, the company finally achieved its objective in 2024 of transitioning from a clinical drug development company to a commercial income generating biopharma company, having gained official FDA marketing approval in the USA in June for its haematological oncology drug, Rytelo.

Geron's share price rose to a 6 year high in June, representing an all time high in terms of market capitalisation of US$ 3 billion. Assisted also by strength in US equity markets and relative firmness of the US dollar, our portfolio outperformed the comparative indices by 35 percent over the last year on a total return basis and by 25 percent over 5 years. It also similarly outperformed the relevant AIC investment trust sector indices for these years on the same basis.

2025

2025 has to date brought a totally unexpected reversal in the advances the portfolio experienced in 2024 due to an unexpected and significant fall in the share price of Geron in the last two months. We believe this reversal to be temporary and that the portfolio will regain its value of the previous year for the reasons set out below.

Geron Corporation

On 26th February 2025, Geron announced its 4th quarter 2024 results describing 2024 as "a terrific year". The major milestones which the company achieved in 2024 were listed: obtaining FDA advisory committee clearance in March, official FDA marketing approval in June, the commencement of sales in July, the generation of increasing initial sales income in the second half of 2024 in line with projections and the completion of a US$375 million non-dilutive financing in November.

Based on this excellent report, one could have expected further and significant advances in Geron's value. However, since then inexplicably and very frustratingly the exact opposite has occurred.

Following a botched presentation by the CEO of these results the same day, a major sell-off occurred in the company's share price. This followed remarks by the CEO to say that the company's sales had been flat over the Thanksgiving/Christmas period, which precipitated a fall of over 30 percent in the share price by the end of the trading day. This was despite confirmation in the Q&A after the presentation that the first year net revenue target remained unchanged.

A statement of this nature by the CEO, without including the obvious caveat that it might be linked to a reduced take-up of a new drug over the holiday period given the many administrative and monitoring requirements connected with new drug commencement and the obtaining of insurance cover (a fact belatedly acknowledged in the subsequent Q&A session as being not un-common for companies marketing new drugs) was always going to be a hostage to fortune, and particularly given Geron's long history as a target of short selling and other negative market practices. And so it proved, with the always ready short funds taking advantage of the opportunity to sell the stock down aggressively and in high volume. And within 10 days of his presentation, Geron's long-time President and CEO had left the company.

This decline in price took the stock price down to levels 75 percent below the high reached last June when it had received marketing approval and to valuations of 6 years ago when the Phase 3 trials had not even commenced. As will be seen from the analysis below, Geron stock should now be trading at multiples of the current price based on standard market metrics and so it can only be surmised that this recent and precipitous decline in price could very well be attributable to the continued and indeed enhanced effect of the untoward actions and market forces which have for so long time obscured the true and fair market valuation of the company's operational circumstances and business potential.

That this drop was unjustified can be seen in the context of how biotech company valuations typically progress after receiving new drug marketing approvals and commencing sales. In the initial period following the introduction to the market of an important new and ground-breaking drug providing significant unmet medical need, such as Geron's Rytelo, biotech company sales will generally increase steadily and indeed exponentially as patients start to take up the new drug in response to accelerating sales efforts and word of mouth from doctors and patients about the effectiveness of the drug. This was indeed the pattern starting to be seen in the first six months of Geron's commercial sales which commenced last July.

Geron is currently trading on a multiple of less than 3 times management's expected first year sales estimates whereas generally one would expect a company marketing a new drug to be trading on around 10 times first year sales (in anticipation of standard industry multiples of approximately 6 times sales for a successful drug once sales have grown to reach stable levels of market penetration). And this takes no account of potential future sales from Rytelo's second indication, Myelofibrosis (MF), which is nearing completion of Phase 3 trials and which has a larger addressable market than MDS, its already approved indication, or indeed prospective European sales following Rytelo's recent approval in Europe. Consequently, the market price of Geron is currently trading up to three times below what one would normally expect at this stage.

If one also takes into account the fact that Geron holds cash balances of US$ 500 million, representing some 60 percent of its current market value, then on a net of cash basis, the current share price is equivalent to 1.5 times sales based on flat first year sales or just 1 times sales based on the company's expected sales forecast. And at a normalised margin of say 50 percent, this would represent an effective current year P/E multiple of 3 times, to say nothing of a prospective the P/E multiple. Given that the US pharma industry trades on an average multiple of 20 times, this obviously represents an unreasonably large discount to the market and makes it clear by how much Geron is being mispriced.

As noted above, within 10 days of this mismanaged presentation and its unfortunate aftermath, the CEO's summary departure after 15 years in the position was announced. Given the long-term unhappiness of many of Geron's shareholders (ourselves included) in the CEO's management of the company and his repeated inability over many years to protect the interests of shareholders in the face of negative market forces (as referred to many times in our previous reports), we had expected some recovery in the share price following his departure.

However, to date such recovery has not occurred and has to a considerable extent been prevented by the extreme turbulence in financial markets which occurred three weeks later on 2nd April with the announcement of Donald Trump's international trade tariff increases. The ensuing retaliatory trade tariff war brought immediate and severe disruption to all equity markets worldwide, and particularly in the USA, as discussed in more detail below, which has made it even more difficult for Geron's share price promptly to recover to a level which attributes reasonable value to its current circumstances and prospects.

We have had cause over the past many years to comment on the abnormal trading patterns of this stock and the severe lack of price discovery which has plagued its market movements. We have criticised management frequently for its inability to protect the interests of shareholders in the face of this market distortion.

It is believed that this repeated and unexplained pattern of adverse market movements is indicative of the various powerful and opposing market forces at work in relation to this stock. While it is only possible to speculate, it could be surmised that the high level of short selling seen for years in this stock (fed by the periodic but inevitable flow of dilutive secondary issues applicable to all biotech stocks), the high level of institutional holdings (with over 80 percent of the

Managing Director's report (continued)

stock) willing to stock lend to generate ongoing income by satisfying short-seller cover as they await the ultimate realisation of capital profit on their holdings and, in the background, big pharma companies waiting to acquire the company but minimise an eventual acquisition cost, has conspired unhelpfully and damagingly to keep the stock price artificially low. The stock has effectively become the plaything of these groups until they are ready to commit and realise the gains or capitulate and suffer the losses on their positions.

Illustrative of this has, for instance, been the immediate filing of a number of class action suits by ambulance chasing lawyers following the recent severe drop on Geron's share price. Daily reminders soliciting plaintiffs for these class action suits are publicly posted which contribute to the artificially low share price being sustained as they inevitably cause ongoing reputational and investment damage to the company. This practice is a well known and cost free ploy of market participants such as short funds or prospective pharma acquirers seeking a lower share price for their own advantage. Typically these suits prove to be baseless and are settled by the companies concerned to save legal costs and reputation, with no admission of fault and any shareholder compensation or litigation commissions are covered by the company's insurers. This is now the third occurrence of such suits against Geron over the past 10 years, with no wrong-doing proved against the company and no fault admitted in the first two cases settled.

The endgame of these market distortions is now at hand, as the company is no longer a speculative play but rather a company with an approved product, generating sales and capable of being valued on standard and well-established financial metrics. With the stock trading at levels far below what such metrics would reasonably dictate, it is starting to look like a false market has developed in this stock as the influence of these opposing and powerful institutional forces trading Geron stock has become even clearer.

The endgame for a post-approval biotech generating sales would normally be acquisition by or partnership with a large pharma company. Very few biotech companies remain independent or un-partnered by this stage of the process. Furthermore, the recent abrupt departure of Geron’s long-time CEO leaves the company vulnerable or indeed ready for strategic corporate action by interested pharma companies and so should only enhance such an outcome. Furthermore, the important announcement made shortly after the CEO’s departure that Geron received marketing approval in Europe, a significant and long-awaited milestone with the potential to double sales, can only have strengthened this eventuality.

Whether it was pressure from institutional shareholders or the board which engineered the CEO’s sudden departure, investors have every right to be angry about the way management has failed to protect their interests over many years and particularly now. Management may be aligned to some extent with investors given the heavy and consistent award to them of bonus and incentive equity over many years, but they have shown little sign of protecting shareholder interests. Perhaps with the recent departure of the CEO and with their equity now well underwater they might now start to do so.

We believe it is now incumbent on Geron’s board to take urgent steps to normalise its stock price to a range which properly reflects its current circumstances and prospects and is not just the victim of powerful market participants with their own agendas. Given the lack of confidence the market has shown over a number of years in the ability of management to protect shareholder interests from these forces and even now after the successes of 2024, these steps should include without delay negotiating a sale or partnering of the company with a suitable large pharma company at a price which properly recognises its current and potential value and offers shareholders a proper return on their investment.

Given all of the above, we see this unfortunate reversal in Geron’s share price of the past two months to be temporary and fully expect it to regain its value of the previous year to reflect its current circumstances and future prospects, irrespective of the current very volatile general market conditions. A presentation of the company’s first quarter results is due to be made by the interim management on 7th May when they will hopefully be able to report that sales have resumed their previously rising track after the Christmas lull and the first year sales estimates can be re-confirmed.

Notwithstanding that, however, we sincerely hope that the interim management now proceeds to take the steps noted above to free the company from trading at the whim of competitively self-serving market forces at prices unconnected with the company's underlying financial fundamentals and prospects and provides shareholders, be they institutions, retail or employees, with the return they – and we - deserve for holding this stock.

US trade tariffs and other new policy initiatives

The avalanche of over 120 executive orders issued by Donald Trump across all areas of government policy since his inauguration on 20th January, and particularly the announcement of wide-ranging and punitive trade tariffs on 2nd April, has completely changed the landscape, rules and financial order of the Western and indeed the wider developed world which had been in place and enjoyed since World War II.

This fundamental and isolationist shift in US domestic and international policy has in just a few short months resulted in shock and damage to practically every measure of US strength and international relevance, including its financial markets - both equity and bonds, the US dollar, US treasury yields, international trade, its long-term strategic alliances, defence arrangements and 'soft' power. All things which have for the past many decades made the US the exceptional power with a pre-eminent economy which we all recognise.

Further adverse effects of these new policies are expected to reveal themselves in the USA in the months to come in terms of higher inflation, tighter interest rate policy, lower economic growth, increased unemployment, lower consumer spending and even social unrest as the measures are challenged for being unconstitutional or 'un-American' and highly damaging.

The numerous mis-steps of the new US administration surrounding the changes themselves and their subsequent chaotic implementation has caused high levels of uncertainty not only in the USA but also around the world given the inter-connectedness between the USA and most other countries in the globalised economy.

This has damaged markets worldwide and presented the greatest shock to markets since the financial crisis of 2008. The highly turbulent market in the USA has also provided a difficult background for our own portfolio, given its preponderance of US investments, and has impeded recovery in the value of our largest investment to prior levels after the price decline of the last two months. Further such headwinds can also be expected from the recent substantial fall in the US dollar by almost 10 percent and the threatened tariffs on pharma imports into the USA with possible ongoing implications for valuations in the pharma industry as a whole.

The basic incoherence behind these recently introduced, suspended, reduced and then re-instated tariffs and the bogus nature of their calculation has already caused substantial real world damage to markets (whether equity, bond, currency, or commodity), to international trade, to the US dollar and to America's international and financial reputation over the last few weeks, as is evident for all to see.

For example, within days of the announcement of these trade tariffs on 2nd April (so called 'Liberation Day'), the US NASDAQ and Biotech indices fell precipitously and entered bear market territory. The Dow suffered almost the same fate, retreating 18 percent from its high in January. Although these indices have recovered marginally since, they are all still firmly in correction territory being 18.5 percent, 20 percent and 13 percent, respectively, below their all time highs at the end of last year. In the case of the Dow, its precipitous decline of 9 percent in the first three weeks of April, has been the largest such April decline since 1932, at the time of the Great Depression.

The fatuous notion espoused by Trump that a trade deficit in goods represents theft by the exporting country and must

Managing Director's report (continued)

be punished is based on an entirely false premise when those goods are supplied at costs and in quantities unable to be supplied by the importing country. This is compounded by the fact that if the export of US services is taken into account, the US runs a huge overall trade surplus with the world in the other direction. And this situation exists precisely because over time the US economy and its workforce has developed, grown and sophisticated, providing better, new economy and more highly paid jobs to its citizens, which has in turn resulted in the massive outperformance and wealth creation the USA has enjoyed as a whole over the last many decades.

Trade tariffs between countries have always existed and in many cases are used as a tool both to protect importing countries from the malign trade practices of others such as predatory pricing and dumping contrary to the rules of the WTO, and also as a means of raising revenue for the importing country. There can also be an effective policy element embedded in trade tariffs designed to encourage domestic production via import substitution and the protection of vital or security relevant industries.

The latter is the more rational impetus behind Trump’s imposition of higher tariffs, given his perceived notion that the USA needs to rebuild its manufacturing base after many decades of de-industrialisation by bringing production back onshore thereby becoming less reliant on other countries, and particularly geopolitical adversaries, not only (and mistakenly) for old economy products such as coal, internal combustion vehicles and steel but even new economy and advanced products such as personal technology, renewable energy products, EV and industrial energy batteries and high end consumer goods.

However, for such tariffs to be effective in any meaningful way and not have the counter-productive effect in the meantime of destroying domestic demand and economic confidence due to the imposition of high prices and disruption to global supply chains (and thus investors’ appetite to shoulder the many years of work and investment needed to create alternative and viable domestic production), they have to be implemented seriously, cautiously, carefully and gradually which is very far from the case at the moment. On the contrary, these tariffs have been poorly designed, poorly planned and poorly executed as has become obvious from the wild and value destroying swings in financial and trade markets which have occurred since their imposition. Encouraging the creation of new centres and means of domestic production is a delicate and incentive-laden task which will not necessarily be furthered through the stick of imposing of heavy financial penalties on trade.

In sum, Trump’s hope that his trade and re-industrialisation policies would represent a ‘back to the future’ moment for the USA could very well have the result that the US economy finds itself stuck destructively in the past.

Jonathan Woolf

30 April 2025

Financial highlights

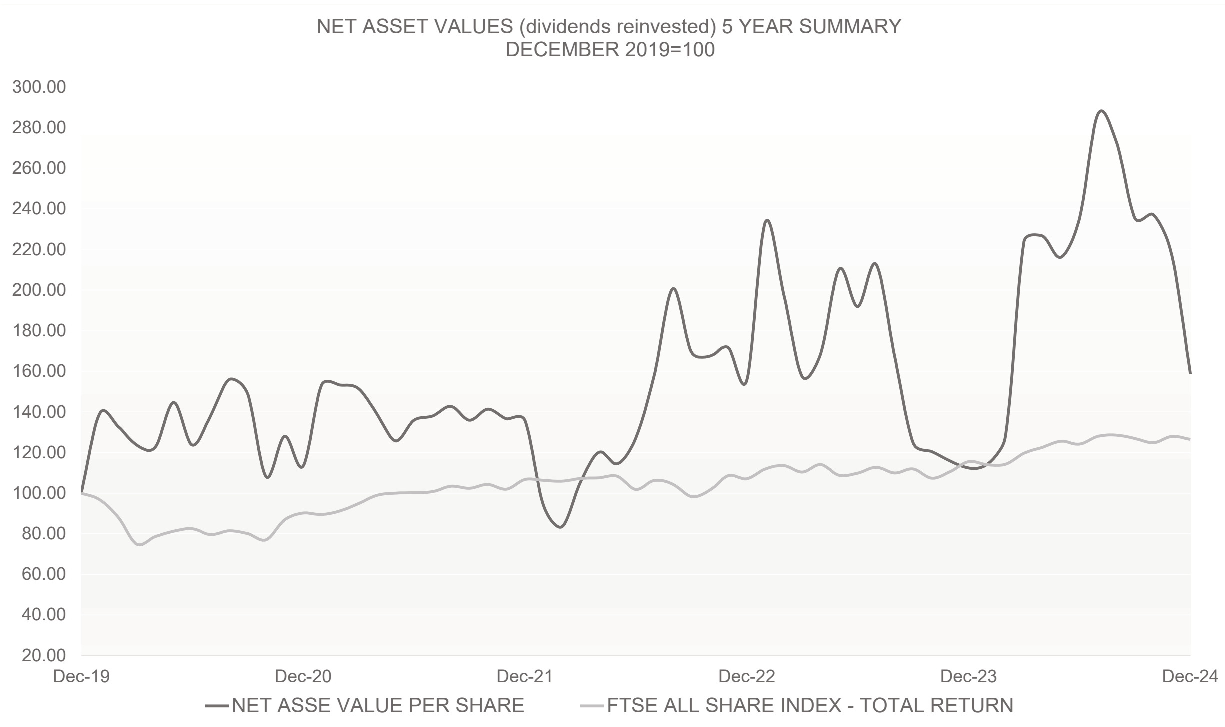
For the year ended 31 December 2024

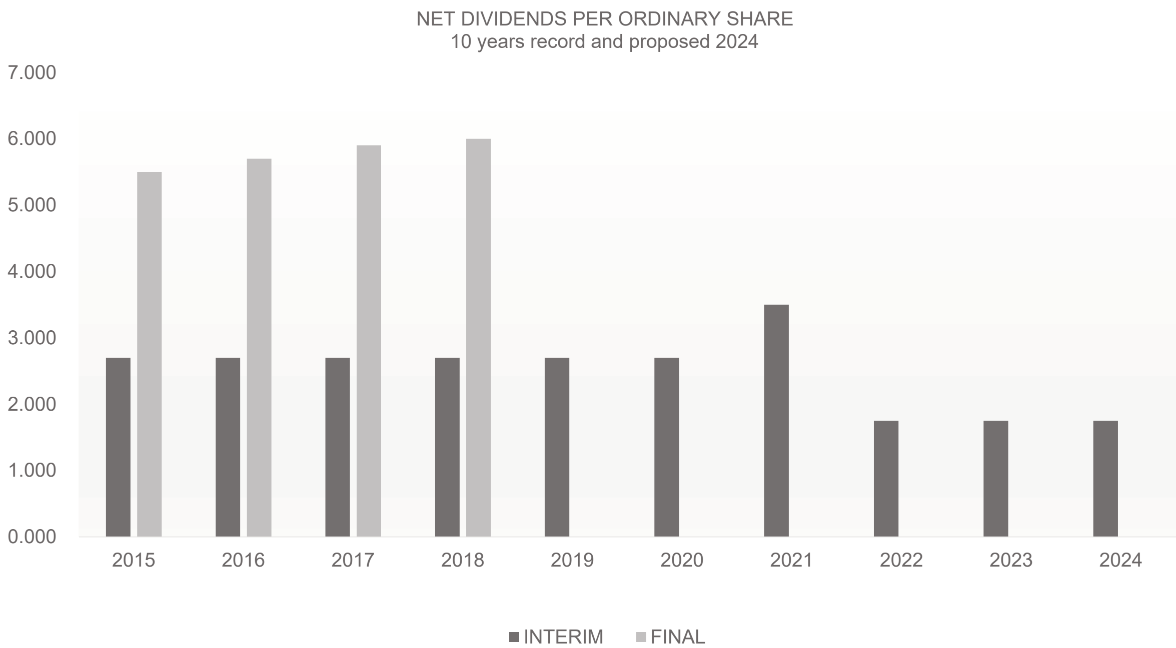
	2024			2023		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Profit/(loss) before tax – realised	438	(690)	(252)	797	(585)	212
Profit/(loss) before tax – unrealised	–	2,270	2,270	–	(2,196)	(2,196)
Profit/(loss) before tax – total	438	1,580	2,018	797	(2,781)	(1,984)
Earnings per £1 ordinary share – basic*	0.49p	6.32p	6.81p	1.86p	(11.12)p	(9.26)p
Earnings per £1 ordinary share – diluted*	0.49p	4.51p	5.87p	1.86p	(11.12)p	(9.26)p
Net assets			5,953			4,512
Net assets per ordinary share						
– deducting preference shares at fully diluted net asset value**			17p			13p
– diluted			17p			13p
Dividends declared or proposed for the period:						
per ordinary share – interim paid			1.75p			1.75p
– final proposed			0.0p			0.0p
per preference share			1.75p			1.75p

*Calculated in accordance with International Accounting Standard 33 ‘Earnings per Share’. The cumulative convertible non-redeemable preference shares are anti-dilutive relating to the calculation of diluted EPS on the revenue return (Note 7).

**Basic net assets are calculated using a value of fully diluted net asset value for the preference shares.

Net asset and dividend growth





Distribution of investments and cash

Distribution of investments and cash balances:

	At valuation	
	31 December 2024 £000	31 December 2023 £000
Biomedical – USA	4,805	2,715
Investment Trusts (equities)	569	1,568
Biotechnology – USA	241	521
Healthcare	16	8
Other Financial	15	20
Telecommunications	14	14
Semiconductors	11	15
Pharmaceuticals	4	5
Overseas	1	1
Media	–	23
Software and Computer services	–	3
Total quoted equities	5,676	4,893
Unquoted	2	2
Unquoted subsidiaries*	7,359	6,665
Total portfolio	13,037	11,560
Derivatives - traded options	11	–
Balances at banks and stockbrokers	249	39
	13,297	11,599

This represents gross assets and therefore excludes bank loan and the guarantee of subsidiary obligations by the parent.

*The majority of the above value of unquoted subsidiaries comprises £4.3 million overseas quoted investments, £1.8 million fair value of film rights and net loans due of £1.3 million.

Investment portfolio
At 31 December 2024

Company	Nature of business	Company Valuation £000	Subsidiaries Valuation £000	Total group Valuation £000	Total group % of Portfolio
Geron Corporation (USA)	Biomedical	4,805	4,824	9,629	85.86
Dunedin Income Growth	Investment Trust	569	–	569	5.07
Lineage Cell Therapeutics (USA)	Biotechnology	229	678	907	8.09
Relief Therapeutics (Switzerland)	Healthcare	16	–	16	0.14
ADVFN	Other Financial	15	–	15	0.14
Vodafone	Telecommunications	14	13	27	0.24
Serina Therapeutics (USA)	Biotechnology	11	2	13	0.12
IQE	Semiconductors	11	–	11	0.10
Proteome Sciences	Pharmaceuticals	4	–	4	0.03
Sherborne (unlisted)	Financial services	1	–	1	0.01
Northwest Biotherapeutics (USA)	Biotechnology	1	1	2	0.02
Regent Pacific	Overseas	1	–	1	0.01
Sarossa Capital (unlisted)	Biotechnology	1	–	1	0.01
M&G Securities	Unit Trust	–	18	18	0.16
Investment portfolio		5,678	5,536	11,214	100.00

Holdings in other investment companies

It is the company's stated policy to have an unlimited percentage of its gross assets in other listed investment companies. In accordance with the Listing Rules, the company will restrict any future investments in listed investment companies, which themselves do not have a policy of restricting their investments in other listed investment companies to 15% (or less) of their gross assets, to 10% of its gross assets at the time of the investment. As at 31 December 2024, none of the company's total assets were invested in the securities of other UK listed investment companies which themselves do not have a policy of restricting their investments to the 15% mentioned above.

Five year record

Capital

At 31 December	Equity shareholders' funds £000	Net asset value per share (diluted) pence	Share price pence	Premium (diluted) %
2020	6,720	19.2	34.5	79.7
2021	6,727	19.2	25.0	30.1
2022	7,091	20.3	24.0	18.5
2023	4,512	12.9	18.0	39.6
2024	5,953	17.0	24.0	41.1

Revenue

Year to 31 December	Total income £000	Profit after tax £000	Earnings per ordinary share (diluted) pence	Ongoing charges %	Dividend per ordinary share (net) pence
2020	1,372	908	2.59	9.71	2.70
2021	1,439	1,014	2.66	9.89	3.50
2022	1,156	674	1.30	9.76	1.75
2023	1,264	814	1.86	12.20	1.75
2024	939	473	0.49	13.03	1.75

Earnings per ordinary share (diluted) is based on the revenue column of the 'Profit/(loss) for the period' in the Income statement and on 35,000,000 ordinary and convertible preference shares in issue.

Ongoing charges is based on the ratio of total expenses to average shareholders' funds. The absolute level of total expenses has decreased by 3.7% in 2024 compared to the prior financial year.

Cumulative performance (2019=100)

Year	NAV total return	AIC NAV sector return Global Eq Inc	AIC NAV sector return UK Eq Inc	Share price total return	AIC Share price sector return Global Eq Inc	AIC Share price sector return UK Eq Inc	FTSE All Share total return
2019	100	100	100	100	100	100	100
2020	115	106	91	84	102	94	90
2021	136	125	109	68	116	108	107
2022	156	128	107	69	122	108	107
2023	112	140	115	56	128	114	116
2024	159	157	127	79	140	124	126

Following a meeting with the AIC Statistics department, it was agreed to move British & American Investment Trust PLC to the Global Equity Income sector from the UK Equity Income sector with effect from 24 November 2022. As a result, the performance of the company to 31 December 2024 is compared to the UK Equity Income sector, Global Equity Income sector and FTSE All Share Index.

Business review

Business and status

The activities of the company and its subsidiary undertakings during the accounting year were as follows:

Company	Activities
British & American Investment Trust PLC (the 'company')	Investment trust
BritAm Investments Limited	Investment holding
Second BritAm Investments Limited	Investment holding
British & American Films Limited	Film investment company

All subsidiaries are incorporated in the United Kingdom and have their registered office as that of British & American Investment Trust PLC, which can be found on page 1 of the report.

The company is an investment company under section 833 of the Companies Act 2006.

The company has obtained approval as an investment trust from HM Revenue & Customs for all accounting periods commencing on or after 1 January 2012 and has continued to conduct its affairs in compliance with the ongoing requirements of section 1158 of the Corporation Tax Act 2010.

S172 Statement

The directors of the company are required to promote the success of the company for the benefit of the members, shareholders and other stakeholders as a whole and describe how they have performed this duty as set out in Section 172 of the Companies Act (2006). The board will look to understand and take into account the needs of each stakeholder, although recognising that different stakeholders may have conflicting priorities and every decision the board makes will not necessarily result in a positive outcome for all.

British & American Investment Trust PLC does not have any customers so its main stakeholders include its shareholders, employees and a small number of third-party suppliers. These suppliers are well recognised independent firms supplying registration, custodial and banking services.

Shareholders - At every board meeting the directors review the performance of the company towards meeting the company's investment objective through its strategy. The Managing Director reports to other board members and answers any questions raised. Compliance with existing regulatory and legal requirements is reviewed, together with any new regulations that are due to be introduced or are being proposed that may affect the company. The board recognises the importance of, and is committed to, understanding the views of shareholders and maintaining communication with its shareholders in the most appropriate manner. This is undertaken through the Annual General Meeting, published reports and shareholder enquiries.

The company encourages all shareholders to attend and participate at its Annual General Meeting. Whilst the formal business of the meeting is the primary purpose of the meeting, members of the board are available to answer questions directly from shareholders, to provide an update to the meeting and to offer shareholders an insight into the business. The publication of Annual and Half Yearly Reports is considered to be the primary method of communication to shareholders.

Employees - The company has a small number of employees which enables regular formal and informal access to board directors. Since the number of employees is very small the board believes these arrangements are appropriate. The company provides an inclusive, diverse and motivating place to work which encourages, supports and assists engagement in the delivery of the long-term objective.

Other suppliers - The board maintains regular contact with its auditors, custodians, registrars and bankers and receives regular reporting from the registrar and custodians at its committee meetings. The board reviews and appraises the key service providers annually.

Wider Society and environment - Whilst investment performance is the company's main focus, the board recognises

Business review

that to provide an investment vehicle that is sustainable over the long term regard must be had to ethical and environmental issues. The board has delegated authority to the Managing Director for monitoring the corporate governance of investee companies. The board has delegated to the Managing Director responsibility for selecting the portfolio of investments within investment guidelines established by the board and for monitoring the performance and activities of investee companies. On behalf of the company the Managing Director carries out detailed research of investee companies and possible future investee companies through broker and internally generated research. The research includes an evaluation of fundamental details such as financial strength, quality of management, market position and product differentiation. Other aspects of research include an appraisal of social, ethical and environmentally responsible investment policies.

The board made several significant decisions during the year:

- considered and approved interim dividend payment at the same level of dividend for ordinary and preference shareholders as in the previous year;
- the valuation of film rights papers were reviewed by the board and the valuation of £1.75 million was approved.

Investment policy

The company's stated investment policy, as approved at the Annual General Meeting held on 27 June 2017, is to invest ‘predominantly in investment trusts and other leading UK and US-quoted companies to achieve a balance of income and growth’.

In fulfilling this policy, the company acts as a long-only investment vehicle and in recognition of its status as an authorised investment trust and parent of a group of companies comprising two other investment companies and a film investment company. The company does utilise gearing in its portfolio and will from time to time be temporarily modestly geared to facilitate re-alignment of the investment portfolio. The company does on occasion make use of derivative instruments to hedge exposures to particular investments or markets. The company may write options on shares held within the investments portfolio where such options are priced attractively relative to longer term expectations of the relevant share prices.

<u>Investment Policy</u>

To invest predominantly in investment trusts and other leading UK and US-quoted companies to achieve a balance of income and growth.

<u>Asset Allocation</u>

Equities

The majority of the UK equity element of the portfolio will be invested in listed investment trusts, unit trusts and other collective investment schemes, the balance being invested in other UK listed companies and unquoted investments, the latter subject to a maximum of 5% of the portfolio.

The majority of the US equity element of the portfolio will be invested in listed stocks in the biotechnology, biopharma and pharmaceutical sectors, the balance being invested in listed companies in other sectors.

Fixed Interest

Fixed interest holdings may be held for yield enhancement purposes and may account for up to 50 percent of the total portfolio if market conditions are considered appropriate.

Risk Diversification

Risk is managed through diversification of holdings, investment limits set by the board and appropriate financial or other controls relating to the administration of assets.

The company maintains a portfolio of investments, typically comprising around 20 holdings, but without restricting the company from holding a more or less concentrated portfolio from time to time as circumstances require. Derivative instruments are used in certain circumstances, and with the prior approval of the board, for hedging purposes.

Gearing

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The company's net gearing range may fluctuate between 0% and 20% based on the current balance sheet structure with an absolute limit of 40%.

Portfolio Investment Level

As a general rule, it is the board's intention that the portfolio should be reasonably fully invested. An investment level of 90% of shareholder funds (net of short term cash held for dividend payments) is regarded as a guideline minimum level, although lower levels of investment may be considered appropriate for a period of time in the event of unusual market conditions.

Investment strategy and Business model

The company's objective is to achieve a balance to investors of growth in income and capital with the intention of reverting to paying progressive dividends when circumstances allow. The policy of the investment portfolio is to invest predominantly in investment trusts and other leading UK and US-quoted companies.

Investments are self-managed. The portfolio currently consists of a list of around 6 UK quoted companies, investment in subsidiaries (56.4% of the portfolio), 6 overseas quoted companies and two UK unquoted holdings.

Historically, investments in other investment trusts have accounted for approximately 50 (currently 10.0%) percent of the total portfolio with the balance being invested in a selection of leading quoted companies and other investments to provide opportunities for capital growth and income generation. Currently, these individual exposures are in US biomedical (36.9%) and biotechnology (1.9%). The other investments have often been concentrated in a small number of companies, typically in the healthcare, other financial, telecommunications, semiconductors and pharmaceuticals.

The implementation of portfolio strategy includes some purchases of investee stocks after the announcement of a dividend and, consequently, some of the revenue income may have a corresponding capital loss, on the subsequent disposal of these investments.

The company currently does not hedge against currency fluctuations.

At 31 December 2024 the company's current liabilities included a bank credit facility of £942,000 (2023 – £1,235,000) and trade and other payables of £2,249,000 (2023 – £2,008,000), including £1,002,000 (2023 – £789,000) owed to subsidiary companies and £715,000 (2023 – £675,000) owed to related parties.

At 31 December 2024 the company's net gearing was 11.64% (2023 – 26.51%).

Whenever total investment in UK listed investment companies, which have not declared an investment policy to invest less than 15% of their gross assets in other UK listed investment companies, exceeds 10% of gross assets, no further investments in such companies are made until the total investments in such companies returns below 10% of gross assets. Currently these investments amount to nil% of company gross assets.

Portfolio performance in capital and income is measured and reported against the benchmark FTSE All Share Index and relative performance against AIC peer group members is monitored. There is a recognition that at times, particularly when foreign or foreign currency denominated investments form a significant element of the portfolio, a certain degree of performance mismatch to the benchmarks is likely to occur.

Performance

The directors consider a number of performance measures to assess the company's success in achieving its objectives.

The key performance indicators (KPIs) used to measure the performance of the company over time are the following

Business review (continued)

established industry measures:

- the movement in net asset value per ordinary share (after deducting preference shares at fully diluted net asset value) compared to the benchmark FTSE All Share Index;
- share price total return;
- the discount/premium (after deducting preference shares at fully diluted net asset value);
- the ongoing charges;
- earnings per share; and
- dividend per share.

A historical record of these measures is shown on pages 11, 12 and 15.

The board also considers peer group comparative performance.

The review of the business is included in the Chairman's Statement on pages 3 to 5 and Managing Director's Report on pages 6 to 10. Information on movements in the NAV and on investments since the year end is included on pages 11 and 13 respectively.

The financial highlights for the year under review are as follows: the net asset value per share assuming conversion of the preference shares increased by 31.9% on a diluted basis during the year, compared to an increase in the benchmark (FTSE All Share) of 5.6%, ordinary share dividends remained 1.75p per share and the premium of the share price over the net asset value per share assuming conversion of the preference shares moved from 39.6% to 41.1% at the year end.

Discount/premium

The discount or premium, in absolute terms and relative to other similar investment trust companies, and the composition of the share register is monitored by the board. While there is no discount target or management policy the board is aware that discount volatility is unwelcome to many shareholders and that share price performance is the measure used by most investors. The board seeks to provide effective communication to existing and potential shareholders and maintain the profile of the company.

Principal risks and uncertainties

The Board has carried out a robust assessment of the principal and emerging risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. The audit committee meets at least twice a year to review the company's internal controls framework and to establish the nature of the risks the company is subject to in carrying out its strategic objectives. The audit committee maintains a risk register which identifies current (including principal risks) and emerging risks and seeks to manage these risks through continual review, evaluation, mitigating controls and action as necessary. The Company outsources custody and share registration to well recognised well established firms and receives internal control reports from these firms. Further information regarding the Board's governance, oversight of risk, and its review process can be found in the Corporate Governance Report and the Audit Committee report.

Operational risks may arise from inadequate or failed processes, people and systems or from external factors. The risk matrix maintains and updates the key internal controls of the company including business continuity plans and emerging risks such as cyber security to ensure effective operation. The reviews by the Audit Committee ensure that these controls, which may be amended as required by the Committee, are adequate to mitigate risk and prevent and detect fraud.

Emerging risks - during the year the Board considered emerging risks relevant for the Company because of the potential impact on market risk, for example, risk of recession, inflation becoming embedded, pandemics and biohazards, quantum computing and geopolitical events such as the war in Ukraine and in the Middle East between Israel and Hamas, tensions

Business review (continued)

with China, the appointment of Donald Trump as President of the United States and the introduction of tariffs and ungoverned artificial intelligence. These risks are monitored as part of the investment management process and added to the main risk register if necessary. Principal risks - are those risks derived from the matrix which have the highest risk ratings and they tend to be relatively consistent from year to year given the nature of the Company and its business. The principal risks faced by the Company, together with the approach taken by the Board towards them, are summarised below.

(i) Investment policy/performance risk – The Company's investment policy and strategy exposes the portfolio to share price movements.

The performance of the investment portfolio typically differs from the performance of the benchmark and is influenced by stock selection, liquidity and market risk (see (ii) below and Note 9 for further details). 89% of the Company's portfolio is invested in a small number of US quoted Biotech stocks which are generally perceived to be volatile. To mitigate this volatility and concentration risk the remainder of the portfolio is invested in one investment trust with a broad range of companies and sectors.

The Board monitors performance against the investment objective over the long term by ensuring the investment portfolio is managed appropriately, in accordance with the investment policy and strategy. The Managing Director is responsible for portfolio management and has a clearly defined investment philosophy and investment process. The Board receives regular and detailed reports on investment performance including detailed portfolio analysis and risk profile. Peer group performance is also regularly monitored by the Board. This risk has been elevated for some time and remains elevated.

(ii) Market risk – Investment performance is affected by external market risk factors, including those creating uncertainty about future price movements of investments.

The Managing Director is responsible for assessing market risk as part of his portfolio management. The Managing Director regularly assesses the exposure to market risk when making investment decisions and the Board monitors the results via his monthly and ad hoc other reporting. Market risk also includes such factors as interest rate risk, currency risk, risk of inflation and risk of impending recession. This risk has been high for some time, is constantly changing and remains high.

(iii) Gearing risk – In rising markets, gearing enhances returns, but in falling markets it reduces returns to Shareholders.

The Board and the Managing Director have specifically considered the gearing strategy and associated risks during the year. To mitigate the risk, all borrowings require the prior approval of the Board and gearing level is kept under close review by the Board.

(iv) Political Risk

The Board continues to monitor the political situation in Ukraine and shares global concern about the Russian aggression in Ukraine, however the company's portfolio has no direct exposure to Russia or Ukraine. The Board also monitors the war in the Middle East (Israel-Hamas war) and tensions with China. Although the company has no Chinese stocks, the market generally is unsettled by the tensions.

(iv) Operational Risk – Operational risks may arise from inadequate or failed processes, people and systems.

The Board is aware of the increased cyber threat with cyber attacks growing and their increasing frequency and scales. Failure of the company's information technology systems could lead to financial loss, disruption or damage to the reputation of company. The Managing Director regularly assesses the information technology systems and its exposure

Business review (continued)

to cyber risks and the Board receives regular reports and updates on disaster recovery plans, information technology security and improvements to information technology systems. The risk of the unavailability of the Managing Director has been considered by the Board and, steps to be taken by the Board in the event that the Managing Director becomes unexpectedly unavailable for a significant period of time, have been documented.

Viability Statement

In making its assessment, the Board is aware that there are other matters that could have an impact on the Company's viability in the future.

In accordance with provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council in July 2018, the directors have assessed the viability of the company over a period of three years, taking account of the company's current position and the potential impact of the principal risks and uncertainties. The directors believe this period to be appropriate as it reflects the longer term investment strategy of the company in terms of both investment prospect and income growth.

In considering the viability of the company, the directors have conducted a thorough assessment of each of the principal risks and uncertainties and in particular the impact of market risk where a significant fall in global equities markets would adversely impact the value of the investment portfolio.

The directors have also considered the company's income and expenses, where the current level of external dividend income does not cover the expenses and hence a reliance on the Credit Suisse credit facility, until the true market potential of its US Biomedical/Biotech investments are realised. The Credit Suisse facility has been confirmed to continue on its existing terms as the recently announced Credit Suisse – UBS AG merger proceeds. The Credit Suisse facility limit is based on the value of collateral lodged with the bank and currently has unutilised capacity which can be increased by lodging more collateral. A downward movement in market values would reduce the facility limit. The facility is repayable on demand and in that event the company would be required to sell some of its readily realisable investments, possibly at sub-optimal prices.

The directors have also considered how the forecast income stream and levels of reserves could impact on the company's ability to pay dividends to shareholders over that period in line with its dividend policy. The payment of future dividends is likely to be largely based on the successful realisation of the US Biomedical/Biotech investments held in the company's subsidiaries. As disclosed in Note 17 one subsidiary owes a related party, Romulus Films Limited, £5.0 million. Romulus Films Limited has given an undertaking that the loan, which is unsecured and on more cost effective terms than a bank loan, will not be repaid at less than three year's notice. There are sufficient assets in the subsidiary to meet this obligation.

The directors currently support the continuation of the company and expect that the company will continue to exist for the foreseeable future, at least for the period of the assessment. Based on this assessment, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the next three year period.

Employee, social, human rights, economic and environmental responsibility

The company's direct exposure is reasonably small but the company, with the support of the Board, takes environmental, social and governance factors and human rights issues into consideration with regard to investment decisions made on behalf of the company and also the considerations have been made in s172.

Details of the company's policy on socially responsible investment can be found under Corporate governance and Stewardship on page 69.

The company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged

Business review (continued)

to make a slavery and human trafficking statement. The company considers its supply chains, dealing with professional advisers and service providers in the financial services industry, to be low risk. The number of directors and employees during the year were 9 (2023 – 10).

	2024		2023	
	Male	Female	Male	Female
Directors (non-executive)	2	1	2	1
Directors (executive)	1	0	1	0
Employees	0	5	1	5

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the appropriate knowledge in order to allow the Board to fulfil its obligations. When recruiting a new director, the Board's policy is to appoint individuals on merit matched against the skill requirements identified by the Board. The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives this consideration when recruiting new directors and has also noted the requirements of Listing Rule 6.6.6R (9). As at 31 December 2024, there were three male directors and one female director on the Board. All directors identified themselves as Caucasian by ethnic background. When making appointments in the future the Board will continue to operate an open-minded approach to recruitment without restrictions against any perceived group or individual. The Board will take into consideration the diversity targets set by Listing Rule 6.6.6R (9) when making future appointments, however due to the size of the Board meeting a target of 40% of directors being women with one being a senior Board position, and one individual being from a minority ethnic background may not be reached in the immediate future.The Board's statement on diversity is set out in the Statement of Corporate Governance on page 67.

Individual Saving Accounts

The company has conducted its investment policy so as to remain a qualifying investment under the ISA regulations. It is the intention of the directors to continue to satisfy these regulations.

Dividend Tax Allowance

For dividends paid on or after 6 April 2024 the dividend tax-free allowance was reduced from £1,000 to £500. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. Our registrars will continue to provide registered shareholders with a confirmation of the dividends paid by British & American Investment Trust PLC and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating tax requirements.

Suitable for Retail Investors

The company currently conducts its affairs so that the Ordinary shares can be recommended by Financial Advisers to ordinary retail investors in accordance with FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The directors have considered the Annual Report and Accounts and believe that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

The Strategic report, which includes pages 3 to 22, was approved by the board and signed on its behalf by:

J C Woolf
Director
30 April 2025

Directors' report

For the year ended 31 December 2024

Directors' report

The directors present their annual report on the affairs of the company together with the audited financial statements and auditors' report for the year ended 31 December 2024.

Basis of reporting the financial statements

Shareholders should note that, we are presenting single company accounts under IFRS (International Financial Reporting Standards). In accordance with IFRS 10, the group is not permitted to consolidate its subsidiaries and therefore instead of preparing group accounts it prepares a separate financial statement for the parent entity only.

IFRS 10 'Consolidated Financial Statements' became effective from 1 January 2014. Under the initial standard (and also the subsequent revisions) the company is classified as an investment entity and is therefore required to value any investment in a subsidiary at its fair value through profit or loss in accordance with IFRS 9 'Financial Instruments: Recognition and Measurement' unless the subsidiary provides services that relate directly to the company's investment activities.

In December 2014 further amendments were made to IFRS 10 such that if a subsidiary is itself an investment entity then it must not be consolidated. We reviewed all the activities of our subsidiaries and their classification as investment entities and concluded that all of the company's subsidiaries should be valued at fair value through profit or loss, and not be consolidated.

The financial statements on pages 36 to 60 therefore comprise the results of the company only.

A review of the company's activities is given in the Strategic Report on pages 3 to 22. This includes the overall strategy of the business of the company and its principal activities, main risks and uncertainties and future prospects.

Future prospects

The future prospects of the company are explained in the Chairman's Statement on pages 3 to 5 and in the Managing Director's Report on pages 6 to 10.

Financial statements

The financial statements will be presented for approval at the seventy seventh Annual General Meeting of the company to be held on Thursday 26 June 2025 and a Notice of the meeting is found on page 75.

Results and dividends of the company for the year

The directors set out below the results and dividends of the company for the year ended 31 December 2024.

	Revenue	Capital	Total
	£000	£000	£000
Profit before tax	438	1,580	2,018
Tax	35	–	35
Profit after tax	473	1,580	2,053

Dividends	Pence per share	£000
Interim per £1 ordinary share (paid 5 December 2024)	1.75	437
3.5% preference share paid (paid 5 December 2024)	1.75	175
Final per £1 ordinary share	–	–
		612

Financial instruments

The financial risk management objectives and policies of the company and the types of financial risks the company is exposed to are discussed in Note 20 on page 56.

Directors and their interests

The present directors of the company are as set out on page 1.

The directors during the year ended 31 December 2024 had interests in the shares of the company as follows:

	2024		2023	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Ordinary shares of £1				
JC Woolf	460,812	15,771,562	460,812	15,771,562
DG Seligman	–	–	–	–
J Le Blan	–	–	–	–
A Tamlyn	–	–	–	–
Non-voting convertible preference shares of £1 each				
JC Woolf	–	10,000,000	–	10,000,000

Included in the non-beneficial interest in the ordinary shares of £1 each referred to above, are 6,902,812 (27.6%) (2023 – 6,902,812 (27.6%)) ordinary shares held by Romulus Films Limited, 7,868,750 (31.5%) (2023 – 7,868,750 (31.5%)) ordinary shares held by Remus Films Limited and 1,000,000 (4.0%) (2023 – 1,000,000 (4.0%)) ordinary shares held by PKL Pictures Limited. Romulus Films Limited also holds 10,000,000 cumulative convertible preference shares (2023 – 10,000,000). Mediterranean Holdings Ltd has also notified an interest in all the holdings of Romulus Films Limited and Remus Films Limited.

Except in the ordinary course of business no director had an interest in any contract in relation to the company's business at any time during the year.

Other information

In addition to the directors' interests in shares detailed above, at 30 April 2025 the directors had been notified of the following interests of 3% or more of either class (these interests relate to the ordinary shares of the company):

	Number of shares held 30 April 2025	%	Number of shares held 31 December 2024	%
Lady Lever of Manchester	1,186,562	4.7	1,186,562	4.7

Share Capital

Capital Structure

The company's capital comprises £35,000,000 (2023 – £35,000,000) being 25,000,000 ordinary shares of £1 (2023 – 25,000,000) and 10,000,000 non-voting convertible preference shares of £1 each (2023 – 10,000,000).

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are approved by the directors and the proposed final dividend is subject to shareholder approval.

The preference shares have a 3.5% fixed cumulative preferential dividend payable half yearly in equal amounts.

The company's Articles of Association specifies the preference rate of dividend and provides that, if at any dividend date the profits available for distribution are insufficient to pay the ordinary and preference shareholders at the 3.5% rate then the dividend will be paid to all shareholders pari passu.

Further, any arrears of preference dividend cannot be paid in any year unless the ordinary shares have received a 3.5% dividend, on par.

Finally, no dividends on ordinary shares may be paid (above the rate of 3.5% per annum) if there are unpaid arrears of the preference shares dividend.

Capital entitlement

On a winding up, after meeting the liabilities of the company the surplus assets will be distributed as follows:

(i) firstly, any arrears of preference shares fixed rate dividend

(ii) secondly, an amount equal to the nominal value of the ordinary and preference shares to be paid pari passu

(iii) lastly, the balance of surplus assets to be paid rateably to the ordinary shares.

Voting

The preference shares shall not have any right to vote unless the business of the meeting includes consideration of any resolution for the winding up of the company, purchase by the company of any of its own shares, or a reduction of the capital, or a varying of the rights of the preference shares.

On a show of hands, every ordinary shareholder (or preference shareholder in the situations described in the above paragraph) present in person (or, being a corporation, by a representative) has one vote and upon a poll every shareholder present has one vote for every share, and a proxy has one vote for every share. Information on the deadlines for proxy appointment is shown on page 75.

Conversion

At any time, during the period from 1 January 2006 to 31 December 2025 (both dates inclusive), and, if published audited annual accounts showing company shareholders' funds are £50 million or more, preference shareholders have the right to convert all or any of their shares on a one for one basis to new ordinary shares.

Purchase of shares

The company does not have a buy-back authority and no present intention to seek shareholders' approval for one.

Directors' & officers' liability insurance cover

Directors' & officers' liability insurance cover has been maintained by the board during the year ended 31 December 2024 and it is intended that this policy will continue for the year ended 31 December 2025 and subsequent years.

Directors' indemnities

As at the date of this report, indemnities are in force between the company and each of its directors under which the company has agreed to indemnify each director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his role as a director of the company. The directors are also indemnified against the costs of

Directors' indemnities (continued)

defending any criminal or civil proceedings or any claim by the company or a regulator as they are incurred provided that where the defence is unsuccessful the director must repay those defence costs to the company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006. A copy of each deed of indemnity is available for inspection at the company's registered office during normal business hours.

Directors' remuneration report

The Directors' remuneration report is set out on pages 70 to 74. An ordinary resolution to approve the report will be put to shareholders at the company's next Annual General Meeting.

Corporate Governance

The Corporate Governance Statement on pages 61 to 69 (which forms part of this directors' report) and the contents of the directors' report constitutes the statement on the application by the company of the principles of the UK Corporate Governance Code.

Greenhouse gas emissions

As an investment company the company has no greenhouse gas emissions to report from its operations for the year ended 31 December 2024 (2023 – same) nor does it have responsibility for any other emissions producing sources. The company uses less than 40,000 kilowatt-hours (kWh) per year and is exempt from GHG disclosures.

Bribery Act 2010

The Bribery Act came into force on 1 July 2011. The company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly.

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware, and each member 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.

Directors' responsibility statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors confirm that to the best of their knowledge the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the company taken as a whole and that the Strategic Report includes a fair review of the information required by rules 4.1.8R to 4.1.11R of the FCA's Disclosure and Transparency Rules.

Auditors

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Jonathan Woolf
Managing Director

Wessex House
1 Chesham Street
London SW1X 8ND
30 April 2025

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Company law requires the directors to prepare a company's financial statements for each financial year. Under that law the directors are required to prepare financial statements in accordance with UK adopted international accounting standards.

Under section 393 of the Companies Act 2006, 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 and 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 accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in these financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate 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 the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, a Strategic Report, a Directors' remuneration report and corporate governance statement that complies with the law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The maintenance and integrity of the British & American Investment Trust PLC website is the responsibility of British & American Investment Trust PLC; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent auditor's report to the members of British & American Investment Trust PLC

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of British & American Investment Trust plc. For the purposes of the table on pages 29 to 30 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The “Company” is defined as British & American Investment Trust plc. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

Opinion

We have audited the financial statements of British & American Investment Trust plc for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- the Income Statement
- the Statement of Changes in Equity
- the Balance Sheet
- the Cash Flow Statement, and
- Notes 1 to 20 of the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the company’s financial statements is applicable law and UK adopted international accounting standards (“UK adopted IFRS”).

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2024 and of the Company’s profit for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Company’s operations and specifically its business model.
- The evaluation of how those risks might impact on the Company’s available resources.
- The liquidity of the Company and its ability to settle its outstanding liabilities as they fall due.
- Review of third party credit facility and the ongoing assessment of adherence to its terms and conditions.
- Review of related party loan arrangements and receipt of third party confirmation from the parties of deferral of repayment arrangements.
- The liquidity of the Company and financial forecasts of the Company and the Group covering a minimum of 12 months from the date of signing the financial statements and consideration of the period beyond.

- Considering whether management's disclosures in the Annual Report and Accounts were appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the company's financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Company and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.	
Materiality	**2024**	**2023**
Company	£120,000	£120,000
	2% of net assets (2023: 1% of gross assets)	
Key audit matter		
Recurring	• Valuation of film rights as underpinning the fair value of the investment in subsidiaries	

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Film Rights as underpinning the fair value of the investment in subsidiaries

Key audit matter description	The Company measures its investments in subsidiaries at fair value on the basis that it meets the definition of an investment entity. This fair value of the investment in subsidiaries of £7.36M is disclosed in note 9 to the financial statements and that amount is inclusive of film rights held by the subsidiary British & American Films Limited. The valuation of the film rights is based on financial models which are a level 3 valuation technique prepared in accordance with the fair value hierarchy. The valuation of the film rights is inherently judgemental including an

	estimation by management of various valuation techniques inclusive of an assessment of future cash generation and the timing of such cash flows. In determining the film rights valuation management are required to assess market lending rates and the period over which the film rights will generate cash flows.
How the scope of our audit responded to the key audit matter	In order to address the key audit matter in respect of the valuation risk for the film rights, we performed the following procedures: • We engaged our valuation specialists to assess the appropriateness of the valuation methodologies applied by management including a detailed review of the inputs into the modelling and understanding of the data used by management in its fair value modelling. • Checking the mathematical accuracy of the model. • Challenged management's choice of valuation techniques used in determining the fair value of the film rights. • Benchmarked the discount rates used in management's assessment and challenged their appropriateness. • Considered bond yields over a comparable period of the life of the film rights. • Agreed that the fair value was measured in accordance with level 3 of the fair value hierarchy of IFRS 13. • Confirmed the fair value of the film rights has been accurately included in the fair value of the investment in subsidiaries.
Key observations	The valuation of the film rights was assessed to be at the higher end of our expected range. However, this is supported by management's application of appropriate valuation methodologies and reasonable assumptions. We found the valuation to be consistent with IFRS 13 and concluded that the film rights are fairly stated and appropriately disclosed in the context of the investment valuation.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	£120,000 (2023: £120,000)
• Basis of determining overall materiality	We determined materiality based on 2% of the Company's net assets (2023: 1% of gross assets). We have considered the primary users of the financial statements to be investors, regulators, management and funders.

	We determined net assets to be the key benchmark for setting materiality given alignment with industry practice and investor focus on net asset value of the Company as an investment entity. Net asset value is of primary significance to the principal users of the financial statements and in our opinion is therefore the benchmark with which the users of the financial statements are principally concerned.
Performance materiality	£72,000 (2023: £72,000)
• Basis of determining overall performance materiality	We set performance materiality based on 60% (2023: 60%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding £6,000 (2023: £6,000) to the Audit Committee, as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds. We also report to management on disclosure matters that we identified when assessing the overall presentation of the financial statements.

The control environment

We evaluated the design and implementation of those internal controls of the Company which are relevant to our audit, such as those relating to the financial reporting cycle.

Climate related risks

In planning our audit and gaining an understanding of the Group, we considered the potential impact of climate related risks on the business and its financial statements.

We have agreed with management's assessment that the Company is currently not impacted by key regulation and that climate related risks are not material to these financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors’ report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors’ report.

Directors’ remuneration report

Those aspects of the director’s remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Corporate governance statement

We have reviewed the directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity’s voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 64 to 65 and on pages 68 to 69;
- Directors’ explanation as to its assessment of the group’s prospects, the period this assessment covers and why the period is appropriate set out on pages 64 to 65 and on pages 68 to 69;
- Director’s statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on pages 64 to 65 and on pages 68 to 69;
- Directors' statement on fair, balanced and understandable set out on page 27;
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 19 to 20;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 63 and page 68; and
- Section describing the work of the audit committee set out on pages 63 to 66.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or

- the part of the directors' remuneration report to be audited is not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Company.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk.auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation including the Company's Investment Trust status or those that had a fundamental effect on the operations of the Company.

- We enquired of the Directors and management concerning the Company’s policies and procedures relating to:

- identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur by evaluating management’s incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were in relation to management bias in accounting estimates particularly in determining the valuation of film rights.

Audit response to risks identified

In respect of the above procedures:

- audit procedures performed by the engagement team in connection with the risks identified included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;

- testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations.

- enquiry of management around actual and potential litigation and claims;

- obtaining confirmations from third parties to confirm existence of a sample of transactions and balances; and

- challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the valuation of film rights as reported in the key audit matter section of our report.

- the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and

- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were appointed by the Directors on 20 December 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years.

We did not provide any non-audit services which are prohibited by the FRC’s Ethical Standard to the Company, and we remain independent of the Company in conducting our audit.

Use of our report

This report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of 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.

The company is required to include in these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. The auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Andrew Moyser FCA FCCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

30 April 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Income statement

For the year ended 31 December 2024

	Notes	2024 Revenue return £000	2024 Capital return £000	2024 Total £000	2023 Revenue return £000	2023 Capital return £000	2023 Total £000
Investment income	2	939	–	939	1,264	–	1,264
Holding gain/(losses) on investments at fair value through profit or loss	9	–	2,270	2,270	–	(2,196)	(2,196)
(Losses)/gains on disposal of investments at fair value through profit or loss	9	–	(198)	(198)	–	45	45
Losses on provision for liabilities and charges	9	–	(254)	(254)	–	(220)	(220)
Foreign exchange gains/(losses)		(7)	41	34	36	(119)	(83)
Expenses	3	(436)	(246)	(682)	(453)	(255)	(708)
Profit/(loss) before finance costs and tax		496	1,613	2,109	847	(2,745)	(1,898)
Finance costs		(58)	(33)	(91)	(50)	(36)	(86)
Profit/(loss) before tax		438	1,580	2,018	797	(2,781)	(1,984)
Tax	6	35	–	35	17	–	17
Profit/(loss) for the year		473	1,580	2,053	814	(2,781)	(1,967)
Earnings per share							
Basic - ordinary shares*	7	0.49p	6.32p	6.81p	1.86p	(11.12)p	(9.26)p
Diluted - ordinary shares*	7	0.49p	4.51p	5.87p	1.86p	(11.12)p	(9.26)p

The company does not have any income or expense that is not included in the profit/(loss) for the year. Accordingly, the ‘Profit/(loss) for the year’ is also the ‘Total Comprehensive Income for the year’ as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the company's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All profit and total comprehensive income is attributable to the equity holders of the company.

The notes on pages 40 to 60 form part of these financial statements.

*Calculated in accordance with International Accounting Standard 33 ‘Earnings per Share’. The cumulative convertible non-redeemable preference shares are anti-dilutive relating to the calculation of diluted EPS on the revenue return.

Statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £000	Capital reserve £000	Revenue reserve £000	Total £000
Balance at 31 December 2022		35,000	(27,928)	19	7,091
Changes in equity for 2023					
(Loss)/profit for the period		–	(2,781)	814	(1,767)
Ordinary dividend paid	8	–	–	(437)	(437)
Preference dividend paid	8	–	–	(175)	(175)
Balance at 31 December 2023		35,000	(30,709)	221	4,512
Changes in equity for 2024					
Profit for the period		–	1,580	473	2,053
Ordinary dividend paid	8	–	–	(437)	(437)
Preference dividend paid	8	–	–	(175)	(175)
Balance at 31 December 2024		35,000	(29,129)	82	5,953

The notes on pages 40 to 60 form part of these financial statements.

Balance sheet

31 December 2024

Registered number: 00433137

	Notes	2024	2023
		£000	£000
Non - current assets			
Investments - at fair value through profit or loss	9	5,678	4,895
Investment in subsidiaries - at fair value through profit or loss	9	7,359	6,665
		13,037	11,560
Current assets			
Receivables	11	20	362
Derivatives - at fair value through profit or loss		11	–
Cash and cash equivalents		249	39
		280	401
Total assets		13,317	11,961
Current liabilities			
Trade and other payables	12	1,884	2,008
Bank credit facility	12	942	1,235
		(2,826)	(3,243)
Total assets less current liabilities		10,491	8,718
Non - current liabilities	13	(4,538)	(4,206)
Net assets		5,953	4,512
Equity attributable to equity holders			
Ordinary share capital	14	25,000	25,000
Convertible preference share capital	14	10,000	10,000
Capital reserve	15	(29,129)	(30,709)
Retained revenue earnings	15	82	221
Total equity		5,953	4,512
Net assets per ordinary share (Note16)			
- deducting preference shares at fully diluted net assets value		17p	13p
- diluted		17p	13p

The notes on pages 40 to 60 form part of these financial statements.

The financial statements on pages 36 to 60 were approved and authorised for issue by the board of directors on 30 April 2025.

Jonathan Woolf

Managing Director

Cash flow statement

For the year ended 31 December 2024

	2024	2023
	£000	£000
Cash flow from operating activities		
Profit/(loss) before tax	2,018	(1,984)
Adjustment for:		
(Gains)/losses on investments	(1,818)	2,371
Proceeds on disposal of investments at fair value through profit or loss	832	136
Purchases of investments at fair value through profit or loss	(236)	(536)
Interest (received)/expensed	(5)	22
Operating cash flows before movements in working capital	791	9
Decrease in receivables	331	161
Decrease in payables	(172)	(140)
Net cash from operating activities before interest	950	30
Interest paid	(67)	(73)
Net cash flows from operating activities	883	(43)
Cash flows from financing activities		
Dividends paid on ordinary shares	(300)	(180)
Dividends paid on preference shares	(80)	–
Net cash used in financing activities	(380)	(180)
Net increase/(decrease) in cash and cash equivalents	503	(223)
Cash and cash equivalents at beginning of year	(1,196)	(973)
Cash and cash equivalents at end of year	(693)	(1,196)
Cash and cash equivalents at end of year		
Cash and cash equivalents	249	39
Bank credit facility	(942)	(1,235)
Cash and cash equivalents at end of year	(693)	(1,196)

Purchases and sales of investments are considered to be operating activities of the company, given its purpose, rather than investing activities. Cash and cash equivalents at year end shows net movement on the bank facility.

The notes on pages 40 to 60 form part of these financial statements.

Notes to the financial statements

31 December 2024

1 Accounting policies

A summary of the material accounting policies is set out below.

a) Basis of preparation and statement of compliance
The company's financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have also been prepared as far as applicable and relevant to the company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP), reissued in July 2022 by the Association of Investment Companies (AIC).

Presentation of income statement
In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement.

Until 2014 the company published group accounts for British & American Investment Trust PLC Group which were prepared under IFRS. Following an amendment introduced in IFRS 10 in 2014, the parent is not permitted to consolidate its subsidiaries and therefore instead of preparing group accounts it now prepares separate financial statements for the parent entity only.

The financial statements have been prepared on a going concern basis adopting the historical cost convention except for the measurement at fair value of investments, derivative financial instruments, and investments in subsidiaries.

IFRS 10, investment entities and non-consolidation
IFRS 10 Consolidated Financial Statements was introduced and became effective from 1 January 2014. Under IFRS 10, entities that meet the definition of an investment entity shall not consolidate their subsidiaries or apply IFRS 3 when they obtain control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9. The criteria which define an investment entity are as follows:

(a) An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) An entity that commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The directors have concluded that the company qualifies as an investment entity under IFRS 10 meeting all the criteria defined above.

An amendment to IFRS 10 was published in December 2014 which clarifies that, if an investment entity has a subsidiary that provides investment-related services or activities, and it is not itself regarded as an investment entity, it shall consolidate that subsidiary. Having reviewed the activities of the subsidiaries, the directors have concluded that all the subsidiaries under the company are themselves investment entities and accordingly all the subsidiaries within the Group have been valued at fair value through profit or loss.

New, revised and amended standards applicable during the year
The following new and revised Standards and Interpretations are applicable in the current year. Their application has not had any significant impact on the amounts reported in these financial statements:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1;

1 Accounting policies (continued)

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16;

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

New, revised and amended standards applicable to future reporting periods
Lack of Exchangeability (Amendments to IAS 21) - effective 1 January 2025.

Amendments to IFRS 9 and IFRS 7 - effective 1 January 2027.

Presentation and Disclosure in Financial Statements - IFRS 18 - effective 1 January 2026 (have not been endorsed).

The company does not believe that there is a material impact on the financial statements from the adoption of these standards.

Critical Accounting Estimates and Judgements
The preparation of the financial statements may require the directors to make estimations where uncertainty exists. It also requires the Directors to make judgements, estimates and assumptions, in the process of applying the accounting policies.

The valuation of the film rights, held by the subsidiary British & American Films Limited, and the allocation of expenses between revenue and capital are inherently judgemental including an estimation by management of various valuation techniques inclusive of an assessment of future cash generation and the timing of such cashflows.

The company's other material accounting policies are set out below, together with the judgements made by management in applying these policies, which have the most significant effect on the amounts recognised in the financial statements, apart from those involving estimations that are dealt with separately below. These accounting policies have been applied consistently to all periods presented in these company financial statements.

These financial statements are presented in pounds sterling being the currency of the primary economic environment within which the company operates. There are no foreign operations.

b) Going Concern
The directors have assessed the ability of the company to continue as a going concern for a period of at least twelve months from approval of these financial statements. The assets of the company consist mainly of securities that are readily realisable and there is an available credit facility with Credit Suisse as set out in note 20. The credit facility has no fixed repayment term, and the level of the available credit facility fluctuates depending on the market value of equities secured as collateral to the credit facility. The company has sufficient capacity to provide additional collateral to ensure that the credit facility remains available to the company over the period of twelve months from approval of these financial statements. The company also has loans due to related parties which are payable on demand, but the related parties have agreed that these loans will not be called in within twelve months of approval of these financial statements. Given the continuing access to the credit facility and the deferral of related party loans the directors have assessed that the company will have sufficient resources to enable it to continue as a going concern.

c) Valuation of investments
As the company’s business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, non-current investments are designated as fair value through profit or loss on initial recognition. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the company’s directors.

Investments held at fair value through profit or loss, including derivatives held for trading, are initially recognised at fair value.

1 Accounting policies (continued)

All purchases and sales of investments are recognised on the trade date.

After initial recognition, investments, which are designated at fair value through profit or loss, are measured at fair value.

Gains or losses on investments designated at fair value through profit or loss are included in profit or loss as a capital item, and material transaction costs on acquisition or disposal of investments are expensed and included in the capital column of the income statement. For investments that are actively traded in organised financial markets, fair value is determined by reference to official quoted market closing prices or last traded prices, depending upon the convention of the exchange on which the investment is quoted. Investments in units of unit trusts or shares in OEICs are valued at the closing price released by the relevant investment manager.

Profit or loss on disposals of investments are recognised as sales proceeds less the opening carrying value or later cost.

Revaluation gains or losses are recognised as being the closing carrying value less the opening carrying value or later costs.

Exchange traded stock options are, until disposal, included under current assets or current liabilities, and valued in accordance with the above fair value policy.

Gains or losses on disposals and revaluation of such options are included in profit or loss as a capital item.

In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using an appropriate valuation technique, determined by the directors, based upon latest dealing prices, net asset values and other information.

Investments of the company in subsidiary companies are held at the fair value of their underlying assets and liabilities. This includes the valuation of film rights in British & American Films Limited and thus the fair value of its immediate parent BritAm Investments Limited. In determining the fair value of the film rights, estimates are made, including future film revenues, which are estimated by the management. Estimations made have taken into account historical results, current trends and other relevant factors.

Where a subsidiary has negative net assets it is included in investments at nil value and an allowance for doubtful debt is made for any amounts owed to the company by that subsidiary undertaking. A financial liability is also made on the balance sheet where the company has made guarantees to pay net liabilities of that subsidiary if they fall due.

d) Income
Dividend income from investments is recognised as revenue when the shareholders' rights to receive payment has been established, normally the ex-dividend date.

Interest income on fixed interest securities is recognised on a time apportionment basis so as to reflect the effective interest rate of the security.

When special dividends are received, the underlying circumstances are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature. Amounts recognised as revenue will form part of the company's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

e) Pension costs
Employer contributions to a defined contribution pension scheme (sponsored by a related party undertaking - see note 17) for staff are charged against revenue, on an accruals basis.

1 Accounting policies (continued)

f) Expenses

- transaction costs which are incidental to the purchase or sale of an investment designated as fair value through profit or loss are included in the capital column of the income statement and disclosed in note 9;
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly investment management and related costs have been allocated 50% (2023 - 50%) to revenue and 50% (2023 - 50%) to capital, in order to reflect the directors' long-term view of the nature of the expected investment returns of the company.

g) Classification of employee costs between revenue and capital
Employee costs are allocated between capital and revenue in line with AIC SORP in accordance with the Board's expected long-term split of investment returns in the form of capital gains and revenue respectively.

h) Bank borrowings and finance charges
The interest-bearing bank loan is recorded at the proceeds received. Finance charges are accounted for on an accrual basis in the income statement. Finance charges are primarily charged to revenue unless borrowings have been made specifically to acquire investments and can be identified as such in which case the relevant finance charges are allocated between capital and revenue in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively from the relevant investments.

i) Cash and cash equivalents
Cash and cash equivalents comprises current deposits with its banks and its bank credit facility which operates as a bank overdraft payable on demand which is utilised as an integral part of the company's cash management.

j) Taxation
The tax expense represents the tax currently payable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the income statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the income statement, then no tax relief is transferred to the capital column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under sections 1158 and 1159 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

1 Accounting policies (continued)

k) Foreign currency

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period where investments are classified at fair value through profit or loss and presented as revenue or capital as appropriate.

l) Hedge accounting

During the year 2020, the company created a currency hedge for its US$ loan position. The relationship between the hedging instrument, being amounts owed by subsidiary undertakings, and the hedged item, being US$ bank loans, along with its risk management objectives of managing currency exposures arising from the translation of balances at the period end to pounds sterling, was formally documented on 18 March 2020 with the additional condition (Sources of ineffectiveness) documented on 10 June 2020. Since this date and on an ongoing basis, the company was documenting whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item arising from foreign exchange differences. The foreign exchange gain or loss on the hedging instrument was taken to the income statement and offset against the foreign exchange gain or loss on the hedged item. The net gain or loss was allocated between capital and revenue in line with the accounting policy set out above for bank borrowings and finance charges. The repayment of $2,500,000 of the loan during the year 2020 led to hedge ineffectiveness in offsetting changes in fair values of the hedged item arising from foreign exchange differences and as a result hedge accounting was discontinued and the net gains and losses arising on amounts owed by subsidiary undertakings followed the treatment of the underlying instrument and have been recognised within the company's capital reserve.

m) Distributable reserves

Distributable reserves comprise revenue earnings and the capital reserve. Gains and losses on disposal of investments, changes in fair value of investments held and capitalised expenses are dealt with in the capital reserve. Unrealised gains and losses on quoted investments are included in the calculation of capital reserves. As the capital reserves are currently negative, they are not distributable.

n) 3.5% cumulative convertible non-redeemable preference shares

The 3.5% cumulative convertible non-redeemable preference shares issued by the company are classified as equity instruments in accordance with IAS 32 'Financial Instruments - Presentation' as the company has no contractual obligation to redeem the preference shares for cash or pay preference dividends unless similar dividends are declared to ordinary shareholders.

o) Segmental reporting

The directors are of the opinion that the company is engaged in a single segment of business, being investment business.

2 Income

	2024	2023
Income from investments	£000	£000
UK dividends	263	94
Dividend from subsidiary	578	867
	841	961
Other income	98	303
Total income	939	1,264

2 Income (continued)

Total income comprises:

Dividends	841	961
Other interest	96	64
Other income - settlement of US class action suit	2	239
	939	1,264

Income from investments:

Listed investments	263	94
Unlisted investments	578	867
	841	961

During the year the company received a dividend of £578,000 (2023 – £867,000) from a subsidiary which was generated from gains made on the realisation of investments held by that company. As a result of the receipt of this dividend a corresponding reduction was recognised in the value of the investment in the subsidiary company.

During the year the company recognised £48,000 of a foreign exchange gain (2023 – £154,000 gain) on the loan of $3,526,000 to a subsidiary. As a result of this gain, the corresponding movement was recognised in the value of the investment in the subsidiary company.

Under IFRS 10 the income analysis is for the parent company only rather than that of the consolidated group. Thus, film revenues of £112,000 (2023 – £74,000) received by the subsidiary British & American Films Limited are shown separately in this paragraph.

3 Administrative expenses	2024 £000	2023 £000
Staff costs – including executive director (Notes 4 and 5)	480	493
Non-executive directors' fees (Note 4)	57	57
Auditors' remuneration:		
audit of the company's financial statements	53	53
audit of the subsidiary's financial statements	2	2
Other	73	85
Irrecoverable VAT	17	18
	682	708

4 Directors' remuneration

Directors' remuneration is disclosed in the Directors' remuneration report on page 70.

The directors do not receive any performance related pay or any benefits in kind. None of the directors has any share options and no pension contributions are paid on their behalf. There are no long-term incentive schemes for any directors.

5 Staff costs

	2024 £000	2023 £000
Wages and salaries	375	379
Social security costs	52	53
Pensions scheme contributions	53	61
	480	493

The average number of persons (including the executive director) employed during the year was 6 (2023 – 7).

	2024 Number	2023 Number
Investment	1	2
Administration	5	5
	6	7

6 Tax

Analysis of tax charge in the year
The tax credit for the year is £35,000 (2023 – £17,000) being payment receivable for losses surrendered to the company's subsidiaries at 25.0%. Allowable expenses of the company exceed taxable income.

Corporation tax is calculated at 25.0% (2023 – 23.5%) of the estimated assessable loss for the year.

Profits of the company's subsidiaries are chargeable to UK corporation tax at the main rate of 25.0% (2023 – 23.5%). Therefore part of the excess of management expenses of the company is surrendered as group relief against profits in the subsidiaries at their 25.0% tax rate.

6 Tax (continued)

Factors affecting total tax charge for the year

The tax assessed for the year is different (2023: different) than the standard rate of UK corporation tax of 25.0% (2023: 23.5%) for the following reasons:

	2024			2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Total profit before tax	438	1,580	2,018	797	(2,781)	(1,984)
Tax at the UK corporation tax rate of 25.0% (2023 – 23.5%)	(110)	(395)	(505)	(188)	654	466
Tax effect of non-taxable income	211	–	211	282	–	282
Gains/(losses) on investments that are not (deductible)/taxable	–	454	454	–	(558)	(558)
Adjustments arising on the difference between taxation and accounting treatment of expenses	59	(59)	–	96	(96)	–
Unrelieved tax losses	(125)	–	(125)	(173)	–	(173)
Tax credit	35	–	35	17	–	17

Deferred tax

It is unlikely the company will generate sufficient taxable profits in the future as it normally generates taxable losses which are usually offset by the taxable profits generated by subsidiary companies, to recover cumulative management expenses and non-trade loan relationship deficit which will generate a tax asset of £952,155 (2023 – £826,674) which has not been recognised in the year or prior years. Deferred tax is calculated at 25% (2023 – 25%).

7 Earnings per ordinary share

The calculation of the basic (after deduction of preference dividend) and diluted earnings per share is based on the following data:

	2024			2023		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Earnings:						
Profit after tax	473	1,580	2,053	814	(2,781)	(1,967)
Cumulative convertible non-redeemable preference shares dividend	(350)	–	(350)	(350)	–	(350)
Adjusted profit after tax	123	1,580	1,703	464	(2,781)	(2,317)

7 Earnings per ordinary share (continued)

	2024			2023		
	Weighted average number of ordinary shares			Weighted average number of ordinary shares		
	‘000	‘000	‘000	‘000	‘000	‘000
Basic	25,000	25,000	25,000	25,000	25,000	25,000
Diluted	35,000	35,000	35,000	35,000	35,000	35,000

Basic revenue, capital and total return per ordinary share is based on the net revenue, capital and total return for the period after tax and after deduction of dividends in respect of preference shares and on 25 million (2023 – 25 million) ordinary shares in issue.

The diluted revenue, capital and total return is based on the net revenue, capital and total return for the period after tax and on 35 million (2023 – 35 million) ordinary and preference shares in issue.

Calculated in accordance with International Accounting Standard 33 ‘Earnings per Share’. The cumulative convertible non-redeemable preference shares are anti-dilutive relating to the calculation of diluted EPS on the revenue return.

8 Dividends

	2024 £000	2023 £000
Amounts recognised as distributions to ordinary shareholders in the period		
Dividends on ordinary shares:		
Final dividend for the year ended 31 December 2023 of 0.0p (2022 – 0.0p) per share	–	–
Interim dividend for the year ended 31 December 2024 of 1.75p (2023 – 1.75p) per share	437	437
	437	437
Proposed final dividend for the year ended 31 December 2024 of 0.0p (2023 – 0.0p) per share	–	–

	2024 £000	2023 £000
Dividends on 3.5% cumulative convertible preference shares:		
Preference dividend for the 6 months ended 31 December 2023 of 0.00p (2022 – 0.00p) per share	–	–
Preference dividend for the 6 months ended 30 June 2024 of 1.75p (2023 – 1.75p) per share	175	175
Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023 – 0.00p) per share	–	–
	175	175

We have set out below the total dividend payable in respect of the financial year, which is the basis on which the retention requirements of section 1158 of the Corporation Tax Act 2010 are considered.

8 Dividends (continued)

Dividends proposed for the period:

	2024 £000	2023 £000
Dividends on ordinary shares:		
Interim dividend for the year ended 31 December 2024 of 1.75p (2023 – 1.75p) per share	437	437
Proposed final dividend for the year ended 31 December 2024 of 0.0p (2023 – 0.0p) per share	–	–
	437	437
Dividends on 3.5% cumulative convertible preference shares:		
Preference dividend for the 6 months ended 30 June 2024 of 1.75p (2023 – 1.75p) per share	175	175
Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023 – 0.00p) per share	–	–
	175	175

The non-payment in December 2019, December 2020, June 2022, December 2023 and December 2024 of the dividend of 1.75 pence per share on the 3.5% cumulative convertible preference shares, consequent upon the non-payment of a final dividend on the Ordinary shares for the year ended 31 December 2019, for the year ended 31 December 2020, for the period ended 30 June 2022, for the year ended 31 December 2023 and for the year ended 31 December 2024, has resulted in arrears of £875,000 on the 3.5% cumulative convertible preference shares. These arrears will become payable in the event that the ordinary shares receive, in any financial year, a dividend on par value in excess of 3.5%.

An interim dividend declared for the year ended 31 December 2024 of 1.75 pence per ordinary share was paid on 5 December 2024 to shareholders on the register at 14 November 2024. A preference dividend of 1.75 pence was paid to preference shareholders on the same date.

9 Investments – fair value through profit or loss

	2024 £000	2023 £000
Investments quoted on a recognised investment exchange	5,676	4,893
Unquoted investments		
– Subsidiary undertakings (Note 10)	7,359	6,665
– Other	2	2
	13,037	11,560

BritAm Investment Limited, being a subsidiary of the company, owns 100% of British & American Films Limited. British & American Films Limited owns film rights to four longstanding commercially released films which generate royalty income (see note 2 on page 45). Film rights are valued at fair value £1,750,000 (2023 – £1,800,000).

9 Investments – fair value through profit or loss (continued)

December 2023	Quoted in UK £000	Quoted overseas £000	Unlisted* £000	Total £000
Opening cost	1,398	6,772	6,996	15,166
Investment holding (losses)/gains	445	(3,015)	716	(1,854)
Opening fair value at 1 January 2023	1,843	3,757	7,712	13,312
Purchases at cost	58	1,367	–	1,425
Transfer at market value at 31 December 2022	(1)	–	1	–
Sales – proceeds	(136)	(890)	–	(1,026)
– gains on sales	4	41	–	45
(Increase)/decrease in investment holding (losses)/gains	(120)	(1,030)	(1,046)	(2,196)
Closing fair value	1,648	3,245	6,667	11,560
Closing cost	1,293	5,902	7,090	14,285
Investment holding (losses)/gains	355	(2,657)	(423)	(2,725)
Closing fair value at 31 December 2023	1,648	3,245	6,667	11,560

December 2024	Quoted in UK £000	Quoted overseas £000	Unlisted* £000	Total £000
Opening cost	1,293	5,902	7,090	14,285
Investment holding (losses)/gains	355	(2,657)	(423)	(2,725)
Opening fair value at 1 January 2024	1,648	3,245	6,667	11,560
Purchases at cost	13	224	–	237
Transfer at market value at 31 December 2023/cost	(192)	–	192	–
Sales – proceeds	(802)	(30)	–	(832)
– (losses)/gains on sales	(17)	8	(189)	(198)
(Increase)/decrease in investment holding (losses)/gains	(36)	1,615	691	2,270
Closing fair value	614	5,062	7,361	13,037
Closing cost	466	6,101	7,142	13,709
Investment holding (losses)/gains	147	(1,038)	219	(672)
Closing fair value at 31 December 2024	613	5,063	7,361	13,037

*Level 3 investments (Note 2)

(Losses)/gains on investments designated at fair value through profit or loss are net of transaction costs incurred on both the purchase and sale of those assets, in the amount of £2,456 (2023 – £1,658) being £552 (2023 – £1,327) on purchases and £1,904 (2023 – £331) on sales.

9 Investments – fair value through profit or loss (continued)

(Losses)/gains on investments

	2024	2023
	£000	£000
Gains/(losses) on disposal	20	(1,280)
(Gains)/losses on disposal recognised in prior years	(217)	1,325
	(197)	45
Losses in relation to provision for liabilities and charges in respect of net liabilities of subsidiary entity	(254)	(220)
Losses on derivatives accounted for as current assets	(1)	–
	(452)	(175)
Investment holding gains/(losses) in the year	2,270	(2,196)
	1,818	(2,371)

10 Subsidiary undertakings

The company has the following subsidiary undertakings:

Name of undertaking	Description of shares held	Proportion of nominal value of issued shares and voting rights held by:	
		Company (%)	Group (%)
BritAm Investments Limited	Ordinary £1	100	100
British & American Films Limited	Ordinary £1	–	100
Second BritAm Investments Limited	Ordinary £1	100	100

BritAm Investments Limited and Second BritAm Investments Limited are investment holding companies. British & American Films Limited is a film distribution company. All are incorporated in Great Britain.

The directors have concluded that the company meets the criteria set under IFRS 10. In that:

a) The company obtains funds from more than one investor for the purpose of providing those investors with investment management services;
b) The company commits to its investors that its business purpose is to invest funds solely for return from capital appreciation and investment income; and
c) The company measures and evaluates the performance of substantially all of its investments on a fair value basis.

Under IFRS 10, an entity that meets the definition of an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9.

IFRS10.28 explicitly states that the absence of any of the typical characteristics does not necessarily disqualify an entity from being an investment entity. In addition, IFRS10.B85A emphasises that an entity that possesses the three elements described in IFRS10.27 is an investment entity. The subsidiary entities do not have unrelated investors, however the subsidiary companies are set up in such a way that the investments made are intended to support the overall objectives of the group and the members of the group would not obtain benefits other than capital appreciation or investment income. Therefore the directors consider that the subsidiary entities qualify as investment entities even though all of its investors are related parties.

Details of intercompany balances with subsidiaries are included in notes 11 and 12. Details of financial support given to Second BritAm Investments Limited are shown in note 13.

11 Receivables

	Note	2024	2023
		£000	£000
Amount owed by subsidiary undertakings (repayable on demand)		3,136	3,544
Prepayments and accrued income		10	15
Other debtors		10	17
		3,156	3,576
Impairment provision against amounts owed by subsidiary undertaking	17	(3,136)	(3,214)
		20	362

The directors consider that the carrying amount of other debtors approximates to their fair value. The amounts owed by subsidiary undertakings are interest bearing.

12 Current liabilities

(a) Trade and other payables

	2024	2023
	£000	£000
Other taxes and social security	12	13
Other payables (repayable on demand)	448	469
Amounts due to related parties (repayable on demand)	715	675
Amounts owed to subsidiary undertakings (repayable on demand)	637	789
Accruals and deferred income	72	62
	1,884	2,008

The directors consider that the carrying amount of other payables approximates to their fair value. Details of Other payables and amounts due to related parties are shown in Note 17. The amounts owed to subsidiary undertakings are interest bearing.

(b) Bank credit facility

	2024	2023
	£000	£000
Credit Suisse facility	942	1,235

At 31 December 2024 the company has drawn down the sterling equivalent of £942,000 (2023 – £1,235,000) at an annual rate of 1.00 percent above the Secured Overnight Financing Rate (SOFR). The facility does not have a maturity date and is repayable on demand. At 31 December 2024 investments with a fair value of £3,446,158 (2023 – £3,384,088) have been deposited with Credit Suisse as collateral.

13 Non - current liabilities

Guarantee of subsidiary liability

	2024	2023
	£000	£000
Opening financial liability	4,206	3,896
Increase in period	332	310
Closing financial liability	4,538	4,206

13 Non - current liabilities (continued)

The financial liability is in respect of a guarantee made by the company for the liabilities of Second BritAm Investments Limited owed to the company's other wholly owned subsidiaries, BritAm Investments Limited and British & American Films Limited. The guarantee is to pay out the liabilities of Second BritAm Investments Limited if they fall due. There is no current intention for these liabilities to be called and accordingly these are classified as non-current liabilities.

During 2019 as part of a transaction to hedge the company against exchange effects of the foreign currency loan (note 12(b)), an amount corresponding to the $USD value was loaned by British & American Investment Trust PLC to Second BritAm Investments Limited. As a result of this, and other related intercompany transactions, £2,860,000 of amounts previously guaranteed became an asset of the company, as shown in note 11, and the provision brought forward against this was transferred to become an expected credit loss.

14 Share capital

	2024	2023
	£000	£000
Authorised:		
25,000,000 ordinary shares of £1 each	25,000	25,000
10,000,000 non-voting 3.5% cumulative convertible non-redeemable preference shares of £1 each	10,000	10,000
Allotted, called-up and fully-paid:		
25,000,000 ordinary shares of £1 each	25,000	25,000
10,000,000 non-voting 3.5% cumulative convertible non-redeemable preference shares of £1 each	10,000	10,000
	35,000	35,000

Any arrears of preference dividend cannot be paid on preference shares in any year unless the ordinary shares have received a 3.5% dividend, on their par value. If at any time, during the period from 1 January 2006 to 31 December 2025 (both dates inclusive), published, audited annual accounts show company shareholders' funds are £50 million or more, preference shareholders have the right to convert all or any of their shares on a one for one basis to new ordinary shares, further details are included in the 'Share Capital' section of the Directors' report on page 25.

15 Retained earnings and capital reserves

	Capital reserve	Retained earnings
	£000	£000
1 January 2023	(27,928)	19
Allocation of (loss)/profit for the year	(2,781)	814
Ordinary and preference dividends paid	–	(612)
31 December 2023	(30,709)	221
1 January 2024	(30,709)	221
Allocation of profit for the year	1,580	473
Ordinary and preference dividends paid	–	(612)
31 December 2024	(29,129)	82

The capital reserve includes £672,000 of investment holding losses (2023 – £2,725,000 losses) (see note 9 on page 50).

16 Net asset values

	Net asset value per ordinary share	
	2024	2023
Ordinary shares	£	£
Diluted	0.17	0.13
Undiluted	0.17	0.13

	Net assets attributable	
	2024	2023
	£000	£000
Total net assets	5,953	4,512
Less convertible preference shares **at fully diluted value**	(1,701)	(1,289)
Net assets attributable to ordinary shareholders	4,252	3,223

The undiluted and diluted net asset values per £1 ordinary share are based on net assets at the year end and 25 million (undiluted) ordinary and 35 million (diluted) ordinary and preference shares in issue.

17 Related party transactions

Romulus Films Limited and Remus Films Limited are companies that have significant shareholdings in the company (see page 24) and of which Mr JC Woolf is a director. There is no ultimate controlling party.

The company rents its offices from Romulus Films Limited, and is also charged for its office overheads. During the year the company paid £22,287 (2023 – £26,694) in respect of those services.

The salaries and pensions of the company's employees, except for the three (2023 – three) non-executive directors are paid by Remus Films Limited and Romulus Films Limited and are recharged to the company. Amounts charged by these companies in the year to 31 December 2024 were £421,474 (2023 – £404,053) in respect of salary costs and £47,301 (2023 – £45,338) in respect of pensions. During the year the company made a recharge of £5,000 (2023 – £5,000) of director's salary to BritAm Investments Limited and £5,000 (2023 – £5,000) to British & American Films Limited.

The compensation of key management personnel has been disclosed in the Directors' remuneration report.

At the year end the amount of £426,664 (2023 – £332,722) was due to Remus Films Limited and the amount of £288,022 (2023 – £341,745) was due to Romulus Films Limited. At the year end Other payables included amounts of £94,705 (2023 – £294,705) and £137,703 (2023 – £137,703) due to Romulus Films Limited and Remus Films Limited respectively relating to the interim dividend payable.

During the year BritAm Investments Limited paid dividends of £578,000 (2023 – £867,000) to the parent company, British & American Investment Trust PLC.

As disclosed in note 13 on page 52, British & American Investment Trust PLC has guaranteed the liabilities of £5,726,153 (2023 – £4,960,778) of Second BritAm Investments Limited to its fellow subsidiaries if they should fall due. Additionally a provision has been made of £3,136,072 (2023 – £3,214,326) to write down the carrying value of amounts due from Second BritAm Investments Limited to British & American Investment Trust PLC.

At 31 December 2024 £5,032,428 (2023 – £4,413,958) was owed by British & American Films Limited to Romulus Films Limited and £52,092 (2023 – £46,679) to Remus Films Limited. Interest was paid to Romulus Films Limited of £135,484 (2023 – £132,946) at the rate of 2.5% per annum per first quarter of the year and then at 3.0% per annum rising by 0.5 percent each year for three years. The loan is repayable at not less than one year's notice.

17 Related party transactions (continued)

During the year the company paid interest of £22,000 (2023 – £13,000) on the loan due to BritAm Investments Limited and £2,000 (2023 – £257 received from) on the loan due to British & American Films Limited and which are included in the balances at 31 December 2024.

During the year the company received interest of £96,000 (2023 – £64,000) from Second BritAm Investments Limited.

During the year the company did not enter into any investment transactions to sell stock to British & American Films Limited (2023 – £890,000) or to purchase stock from British & American Films Limited (2023 – £890,000).

During the year the company surrendered group tax relief of £8,000 (2023 – £nil) to British & American Films Limited and £27,000 (2023 – £17,000) to BritAm Investments Limited. These amounts are included as part of amounts owed by subsidiary undertakings in note 11 on page 52.

At the year end the subsidiaries' receivables and payables were as follows:

	2024	2023
	£000	£000
Name of the subsidiary		
Receivables:		
British & American Films Limited (Group Relief)	20	166
Second BritAm Investments Limited	3,136*	3,214*
BritAm Investments Limited (Group Relief)	–	164
Total	3,156	3,544
Payables:		
BritAm Investments Limited	657	741
British & American Films Limited	–	48
Total	657	789

All transactions with subsidiaries were made on an arm's length basis.

*The amount owed by Second BritAm Investments Limited of £3,136,000 (2023 – £3,214,000) has been provided for as an expected credit loss explained in note 11.

18 Deferred taxation

A deferred tax asset of £952,155 (2023 – £826,674) has not been recognised in respect of excess management expenses and non-trade loan relationship deficit as there is insufficient evidence that the asset will be recovered. The asset would be recovered if the company made sufficient future taxable profits.

19 Post balance sheet event

In February 2025 the portfolio experienced a significant reversal due to an unexpected and large fall in the share price of Geron which has negatively impacted our portfolio value. Our net assets decreased to £1.0 million, a decrease of 83.6 percent since the beginning of the calendar year. We believe this reversal to be temporary and that the portfolio will regain its value of the previous year for the reasons set out in the Managing director's report.

20 Risk management and other financial instruments

The company's financial instruments primarily comprise equity investments, cash and other items arising from its operations.

The company's investing activities undertaken in pursuit of its investment objective as set out on page 2 involve certain inherent risks.

The main risks arising from the company's financial instruments are market risk (comprising other price risk, interest rate risk, currency risk), liquidity risk, gearing risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The policies have remained unchanged throughout the year.

As an investment trust, the company invests in securities for the long term. The company's stated investment policy is to invest predominantly in investment trusts and other leading UK and US-quoted companies to achieve a balance of income and growth. The company may write options on shares held within the investments portfolio where such options are priced attractively relative to longer term expectations of the relevant share prices. This applies, in particular, to one of our largest investment, Geron Corporation, due to the short to mid term volatility in its share price.

At the year end premiums paid on open call options, which are traded on the Chicago Board Options Exchange, totalled £12,517 (2023 – £nil).

Other price risk

The company's exposure to other price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the company might suffer through holding positions in the face of unfavourable market price movements. The board has established investment parameters to adequately monitor the investment performance, status of the business and the inherent risk in managing a portfolio of investments. The board receives financial information monthly, meets generally on four scheduled occasions each year and reviews annually the aforesaid investment parameters. The company's exposure to other changes in market prices at 31 December on its quoted and unquoted investments was:

	2024	2023
	£000	£000
Investments held at fair value through profit or loss	13,037	11,560
deduct Investment in subsidiary companies	(7,359)	(6,665)
Derivatives held at fair value	11	–
	5,689	4,895

Details of the company investment portfolio at the year end are shown on page 14.

Other price risk sensitivity

A 10% increase in company portfolio valuations at 31 December 2024 would result in an increase of £568,000 (2023 – £490,000) in net asset value and profit for the year. A decrease of 10% would have had an equal but opposite effect.

Financial assets and liabilities - interest rate risk

The majority of the company's financial assets are equity shares 98.1% (2023 – 99.7%) or other investments which pay dividends rather than interest and do not have a maturity date.

Financial liabilities consist of bank loans.

Interest bearing investments, including cash deposits, comprise 1.9% (2023 – 0.3%) of the company's financial assets, of which 0.0% are at fixed rate and 1.9% are at floating rate.

20 Risk management and other financial instruments (continued)

Interest rate movements may directly affect the fair value of fixed rate securities and the level of interest receivable on floating rate cash deposits. Interest rate movements may also affect the general equity markets and thus indirectly affect the securities value of the company's investment portfolio by impacting the value of equity investments. The potential effects of these direct and indirect movements are considered when making investment decisions.

The board regularly reviews the level of investments in cash, floating and fixed income securities and the attendant level of interest receivable.

The interest rate risk profile of the financial assets and liabilities of the company at 31 December 2024 is shown below.

	2024		2023	
	Fair Value	Maturity	Fair Value	Maturity
Assets	£000		£000	
Floating rate				
Cash	249		39	
Total assets	249		39	
Weighted average interest rate (on fair value)	0.0%		0.0%	
Liabilities				
Bank credit facility	942	undated	1,235	undated
Total liabilities	942		1,235	
Weighted average interest rate	5.5%		6.4%	

Cash and cash equivalents comprise bank, broker and money market deposits with a maximum maturity period of one month.

Interest rate sensitivity

An increase of 0.5% in interest rates at 31 December 2024 would have decreased the fair value of fixed interest securities and increased interest payments on bank credit facility and subsidiary loan and hence decreased total net assets by £41,000 (2023 – £50,000). A decrease of 0.5% would have had an equal but opposite effect.

Fair values of financial assets and financial liabilities

All investments are carried at fair value. Other financial assets and liabilities are held at amounts that approximate to fair value. The book value of cash at bank and bank loans included in these financial statements approximate to fair value because of their short-term maturity.

Subsidiaries

The fair value of the subsidiaries is determined to be equal to the net asset values of the subsidiaries of £5.6 million at year end (2023 – £4.9 million) plus the uplift in the revaluation of film rights of £1.75 million (2023 – £1.8 million) in British & American Films Limited, a subsidiary of BritAm Investments Limited.

The directors of British & American Films Limited have determined a conservative valuation of £1.75 million for the five feature films in the library. This valuation has been arrived at from a combination of discounting expected cash flows over the full period of copyright at current long term interest rates and a recently received independent third party professional valuation.

The sensitivity of the fair value measurement of the subsidiaries to changes in unobservable inputs is not likely to be significant due to the nature of the underlying assets in the subsidiaries. The majority of the assets comprise loans due

20 Risk management and other financial instruments (continued)

from the parent company or fellow subsidiaries with the balance split between UK quoted investments, overseas quoted investments and fair value of film rights.

Gearing

At 31 December 2024 the company has drawn down £942,000 (sterling equivalent) (2023 – £1,235,000) (sterling equivalent) of its credit limit with Credit Suisse, Zurich. At 31 December 2024 investments of fair value of £3,446,158 sterling equivalent (2023 – £3,384,088) have been deposited with the Credit Suisse as collateral. Although this gearing increases the opportunity for gain, it also increases the risk of loss in falling markets.

Fair value hierarchy

Level 1 investments and derivatives are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 investments inputs are not based on observable market data (unobservable inputs).

The fair value hierarchy, as defined in IFRS 13, comprises 3 levels. With the exception of Sarossa Capital PLC (unquoted), Sherborne Investors (Guernsey) B Limited (unquoted) and Unbound Group PLC (unquoted) with a year end fair value of £1,883 (2023 – £1,785), BritAm Investments Limited and Second BritAm Investments Limited (unquoted subsidiaries) with a year end fair value respectively of £7,359,165(2023 – £6,665,074) and £nil (2023 – £nil) which are categorised as Level 3, all other investments £5,675,784 (2023 – £4,893,805) and derivative assets £11,187 (2023 – £nil) are categorised as Level 1.

At 31 December 2024

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets				
Equity investments	5,687	–	2	5,689
Unquoted subsidiaries	–	–	7,359	7,359
Total investments	5,687	–	7,361	13,048

At 31 December 2023

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets				
Equity investments	4,893	–	2	4,895
Unquoted subsidiaries	–	–	6,665	6,665
Total investments	4,893	–	6,667	11,560

The values for investments categorised by type are identified on page 13. The movement in Level 3 investments is shown in the Unlisted column in note 9 on page 50.

Currency risk

49% (2023 – 61%) of the company's total assets are in sterling and 27% (2023 – 45%) of the group's total assets are in sterling. The foreign currency exposure is almost exclusively in five (2023 – six) investments denominated in US dollars and Swiss francs. The board monitors the company's and group’s exposures to foreign currencies on a regular basis.

20 Risk management and other financial instruments (continued)

The Managing Director assesses the risk of this exposure and its possible effect on the net asset value of the company.

	2024 Group £000	2023 Group £000	2024 Company £000	2023 Company £000
US dollar/Swiss franc				
Investments	10,567	7,624	5,062	3,245
Amounts owed by subsidiary undertakings	–	–	2,817	2,769
Bank credit facility	(942)	(1,235)	(942)	(1,235)
Derivatives - at fair value through profit or loss	11	–	11	–
Net exposure	9,636	6,389	6,948	4,779
Total assets	13,255	11,665	13,682	11,961

Currency risk sensitivity

At 31 December 2024, if sterling had strengthened by 5% in relation to the US dollar, with all other variables held constant, total net assets of the company would have decreased by £330,000 (2023 – £228,000). Similarly, a 5% weakening of sterling against the US dollar, with constant other variables, would have increased total net assets by £365,000 (2023 – £252,000). Total net assets of the group would have decreased by £458,000 (2023 – £304,000). Similarly, a 5% weakening of sterling against the US dollar, with constant other variables, would have increased total net assets by £506,000 (2023 – £336,000).

The companies exposure primarily relates to the investments held in US dollars, these investments are held for long term capital gain. As a result, any increase or decrease in fair value due to fluctuations in currency will be unrealised until such a time the investments are disposed of.

Liquidity risk

The majority of the company's assets comprise listed realisable securities, which can be sold to meet funding requirements as necessary. The company has a framework credit limit with Credit Suisse with no maturity date but which is repayable on demand. The board has set, and regularly monitors, guidelines on limits for both individual holdings and exposure to quoted equities in total (see investment policy on pages 17 to 18). The company considers that its exposure is not significant. The company has also provided a financial guarantee for its subsidiary Second BritAm Investments Limited. The amounts related to the loan facility and guarantee are set out below:

	2004 £000	Maturity	2023 £000	Maturity
Bank credit facility drawn down	942	on demand	1,235	on demand
Guarantee	4,538	on demand	4,206	on demand
Amounts due to related parties	715	on demand	675	on demand
Amounts owed to subsidiary undertakings	637	on demand	789	on demand
	6,832		6,905	

If the bank credit facility became payable it might involve the sale of investments at sub-optimal prices.

Credit risk

This is the risk of loss to the company arising from the failure of a transactional counterparty to discharge its obligations.

20 Risk management and other financial instruments (continued)

The company manages this risk through the following controls:

- when making an investment in a bond or other security with credit risk, the risk is assessed and compared to the forecast investment return for each security;
- the board receives regular valuations of bonds and other securities;
- investment transactions are primarily placed through the company's broker. The credit worthiness of the broker and other entities is reviewed by the board. Investment transactions are normally done on a delivery versus payment basis such that the company or its custodian bank has ensured that the counterparty has delivered on its obligations before effecting transfer of cash or securities;
- cash is held at banks considered by the board to be reputable and of high credit quality.

The company's principal financial assets are bank, broker and money market balances and cash, other receivables and investments, which represent the company's maximum exposure to credit risk in relation to financial assets. Shares are held by the company custodians.

Cash and cash equivalents comprise bank, broker and money market balances and cash held by the company. The carrying amount of these assets approximates their fair value.

At 31 December 2024 the carrying value of assets is considered to approximate the maximum exposure to credit risk as set out below:

		2024		2023
	Balance sheet £000	Maximum exposure £000	Balance sheet £000	Maximum exposure £000
Current assets				
Receivables	20	20	362	362
Derivatives - at fair value through profit or loss	11	11	–	–
Cash and cash equivalent	249	249	39	39
	280	280	401	401

Other than amounts owed by Second BritAm Investments Limited against which full provision has been made to write down to the recoverable amount, none of the company's financial assets, are past their due dates, impaired or secured by collateral or other credit enhancements with the exception of investments of £3,446,158 (2023 – £3,384,088) lodged as collateral for a bank credit facility (see note 12(b) on page 52).

Capital management policies and procedures

The company's capital management objectives are:

- to ensure that it 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 ordinary and non-redeemable preference equity capital and loans.

The company's total capital equity (ordinary and non-redeemable preference share capital and other reserves) at 31 December 2024 was £5,953,000 (2023 – £4,512,000).

The Board monitors and reviews the broad structure of the company's capital on an ongoing basis.

The company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period. Under the provision of framework credit limit with Credit Suisse the credit limit can be used up to an amount equalling the collateral value of the collateral. The amount that is available is calculated by the bank in accordance with its valid lending guidelines and is constantly adjusted (as defined in the agreement).

Statement of Corporate Governance

For the year ended 31 December 2024

The Statement of Corporate Governance, which forms part of the Directors' report (page 26) is set out below. The following paragraphs describe the framework of internal controls in place to ensure that the company complies with the 2018 UK Corporate Governance Code which is available on the Financial Reporting Council's website: www.frc.org.uk.

The board has considered the principles and recommendations of the AIC Code of Corporate Governance ('AIC Code') which was issued in February 2019. The AIC Code addresses all the principles set out in the UK Corporate Governance Code as well as setting out additional principles and recommendations on issues that are of specific relevance to British & American Investment Trust PLC. The AIC Code is available on the AIC's website: www.theaic.co.uk.

The board considers that reporting against the principles and recommendations of the AIC Code will provide better information to shareholders.

The company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below:

- the whole board review the performance and remuneration arrangements of the Managing Director
- the need for an internal audit function

British & American Investment Trust PLC is a self-managed investment company. The company has therefore reported further in respect of these exceptions below.

Operation of the board

The board currently consists of four directors, one of whom is the executive Managing Director. The three non-executive directors are all independent, including the Chairman.

There is a formal schedule of matters to be specifically approved by the board and of the division of responsibilities between the Chairman and Managing Director and individual directors may seek independent advice at the expense of the company.

All non-executive directors have a formal letter of appointment and such terms and conditions of appointment of non-executive directors are available for inspection at the registered office of the company.

The board has delegated investment management, within clearly defined parameters and dealing limits to the Managing Director, who also has responsibility for the overall management of the business. The board makes all strategic decisions and reviews the performance of the company at board meetings.

As the Chairman is non-executive the board regards him as the Senior Independent Director and no separate Senior Independent Director has been appointed.

All the directors have access to the advice and services of the Company Secretary.

There were four board meetings and four audit committee meetings held during the year and the attendance by directors was as follows:

Number of meetings attended

	Board	Audit
DG Seligman	4/4	4/4
J Le Blan	4/4	4/4
JC Woolf	4/4	4/4*
A Tamlyn	4/4	4/4

* Not a member of the committee but in attendance by invitation.

All directors attended the Annual General Meeting.

Independence of the directors

The non-executive directors (Mrs J Le Blan and Mr A Tamlyn) are independent and have no other relationships or circumstances which might be perceived to interfere with the exercise of independent judgement.

Tenure of directors

Letters which specify the terms of appointment are issued to new directors. The letters of appointment are available for inspection upon request.

Directors are not subject to automatic reappointment. All non-executive directors are appointed for fixed terms of three years. In accordance with company's Articles of Association directors are subject to re-election by shareholders at the first AGM following their appointment and, subsequently, are subject to retirement by rotation over a period of a maximum of three years. However, the board has decided that all directors will retire annually in accordance with the current AIC Code. The board believes that each director has the necessary high level and range of investment and financial experience which enables the board to provide effective leadership and proper governance of the company.

Mr DG Seligman: A former director of merchant bank S.G. Warburg & Co Ltd in corporate finance and private equity advisory and currently chairman of a private equity company specialising in middle-sized European companies, Mr DG Seligman provides significant investment and managerial expertise to the board and to his role as chairman of the board.

Mrs Julia Le Blan: A chartered accountant and has worked in the financial services industry for over 30 years. She was formerly a partner at Deloitte with particular familiarity with the investment trust industry, having sat for two terms on the AIC's technical committee. Julia is currently a director of the Biotech Growth Trust plc.

Mr A Tamlyn: Partner and Head of Capital Markets EMEA at solicitors DLA Piper with wide-ranging experience in corporate finance, UK and international securities offerings, corporate governance and securities regulation, Mr A Tamlyn provides the board with extensive expertise in corporate finance, corporate governance and knowledge of the investment sector.

Mr JC Woolf: Former merchant banker with S.G. Warburg & Co Ltd in the areas of corporate finance and international banking and currently managing director of the Romulus Films group of companies, Mr JC Woolf brings corporate finance, banking, investment and executive expertise to the board.

The directors recognise that independence is not a function of service or age and that experience is an important attribute within the board. The directors may, therefore, decide to recommend a director with more than nine years service for re-election annually.

Chairman

The board is satisfied that Mr DG Seligman has sufficient time available to discharge fully his responsibility as Chairman. It is the board's policy that the Chairman of the board will not serve as a director beyond the Annual General Meeting following the ninth anniversary of his appointment to the board. However, this may be extended in exceptional circumstances or to facilitate effective succession planning and the development of a diverse board. In such a situation the reasons for the extension will be fully explained and a timetable for the departure of the Chairman clearly set out.

Audit Committee

The Audit Committee is a formally constituted committee of the Board with defined terms of reference, which include its role and the authority delegated to it by the Board, and which are available for inspection at the Company's registered office and are reviewed annually. All the non-executive directors are members of the Audit Committee and all have recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates. The member's biographies can be found on page 2.

Principal Objective

The objective of the Committee is to provide assurance to the Board as to the effectiveness of the Company's internal controls and the integrity of its financial records and externally published results.

Principal Responsibilities

The Committee has been given the following responsibilities:

- reviewing the Company's internal financial controls and risk management systems, identifying principal risks and monitoring the mitigating controls that have been established;
- monitoring compliance with the relevant statutory, regulatory and taxation requirements for a UK based investment trust that is listed on the London Stock Exchange;
- reviewing the Company's annual and interim financial statements and any formal announcements on the Company's financial performance, the accounting policies adopted and the main judgemental areas;
- ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable;
- agreeing the external auditor's terms of appointment and remuneration, determining the independence and objectivity of the auditor, assessing the effectiveness of the audit and conducting audit tenders;
- considering whether it is appropriate for certain non-audit services to be carried out by the auditor and reviewing the need for an internal audit function; and
- assessing the going concern and viability of the Company, including assumptions used.

Risk Management and Internal Control

The Directors have a robust process for identifying, evaluating and managing the significant risks faced by the Company, which are recorded in a risk matrix and reviewed twice a year. This work includes separate reviews for Corporate Strategy, Investment Activity, Published information, Compliance with Laws and Regulations, Relationship with Service providers and Financial Activity. As part of its risk process, the Committee also seeks to identify emerging risks to ensure that they are effectively managed as they develop and are recorded in the risk matrix. The Committee considers each risk in the matrix as well as reviewing the mitigating controls in place. Each risk is rated for its "likelihood" and "impact". The principal risks faced by the Company and Board's approach to managing these risks are set out on pages 19 and 20. This process was in operation during the year and continues in place up to the date of this report. It principally involves the Audit Committee receiving and examining regular reports from the main service providers. The Board then receives a detailed report from the Audit Committee on its findings. Further information on risk management and internal control is contained on pages 56 to 60 in the notes to the accounts. The Audit Committee has not identified any significant failures or weaknesses in respect of the Company's internal control system.

Meetings

There are at least four audit committee meetings each year and the Chair reports formally to the Board on the Committee's proceedings after each meeting. The external auditor attends these meetings as does the Managing Director and selected staff members.

Significant Issues	How the issue was addressed
Ownership and valuation of investments	The Committee reviewed the company's control framework which includes controls over valuation of quoted investments and investments in subsidiaries including film rights. Quoted investments of the company and of the subsidiaries are valued at the end of each month by the custodians. The ownership of investments is verified through reconciliations to the monthly valuations received from the custodians. The financial basis of the films rights valuation is performed annually and reviewed by the Audit Committee. The valuation of the portfolio is undertaken in accordance with the accounting policy for investments as stated in the Notes to the financial statements.
Allocation of Expenses between capital and income	The company allocates expenditure between revenue and capital on the basis of the board's expected long-term capital and revenue returns. The financial statements have been prepared using 50:50 ratio. The Committee reviewed whether the adopted approach to the allocation of the costs has been applied consistently and if there has been any fundamental changes in the assumptions made.
Revenue Recognition	The Committee reviewed the company's control framework, which includes controls over revenue recognition. The Committee reviewed forecast and actual monthly revenue entitlement at each meeting. The accounting treatment of all dividends was reviewed by the Committee and the external auditors.
Related party transactions	All related party transactions and balances have been reviewed by the external auditors and are disclosed in the financial statements.
Investment trust status	The Committee confirmed the position of the company in respect of compliance with investment trust status at the meetings with reference to a checklist. The position is also confirmed by the external auditor as part of the audit process.
Going concern and viability	The Committee received reports on going concern from the Secretary during the year. The content of the investment portfolio, trading activity, portfolio diversification and the existing borrowing facilities were also discussed. After due consideration, the Committee concluded it was appropriate to prepare the Company's accounts on a going concern basis and made this recommendation to the Board. The main factors that led to this conclusion were the portfolio

composition and the availability of the borrowing facility. The Committee also assessed the viability of the Company. The Committee agreed that it was appropriate to provide a Viability Statement for a three year period for the reasons set out in the Statement on page 21. The Committee has considered the risks and uncertainties facing the company and in particular the potential impact of a severe market downturn, on Shareholders' funds, the borrowing facility and investment income. The outcome of this activity led the Committee to recommend the Viability Statement to the Board.

Internal control and risks

The Committee carefully considered a Matrix of the Company's principal and emerging risks and the mitigating controls at each meeting. The Committee enhanced the content of the Matrix during the year, including: adding escalations to market and performance risks; updating risk ratings where appropriate; and adding some political and economic emerging risks. The Committee believes the Matrix continues to reflect accurately the Company's principal risks. These risks are detailed on pages 19 and 20. The Committee also reviewed the Company's internal controls. In addition, the Committee received internal control reports from the Custodians and the Registrar. The Committee reviewed these reports and concluded that there were no significant control weaknesses or other issues that needed to be brought to the Board's attention. The Committee continues to monitor closely the increasing risk arising from cyber threats.

External Auditor

The Audit Committee regularly meets the Auditor and may challenge any aspect of its work. The Committee is aware of the latest Corporate Governance provisions related to auditor tenure. The Audit Committee ensures that the Auditor has unlimited access to any company record.

MHA had been the company's auditor since 20 December 2023.

In accordance with mandatory audit rotation requirements, the committee intends to undertake a further tender process during the year to 31 December 2033. The fees for audit purposes for the financial year ending 31 December 2024, including audit of a subsidiary's financial statements, were £65,000 (2023 –

£60,000).

Following publication by the Financial Reporting Council in December 2019 of revised ethical standards applicable from 1 January 2020, Evelyn Partners LLP (formerly Smith & Williamson LLP) has been engaged to provide taxation compliance service for the year ending 31 December 2020 onwards.

It is the board's responsibility to monitor the independence of external audit process and there are procedures and policies in place to assess it.

Evaluation of the Committee

On an annual basis the Board formally reviews its performance including the Audit Committee as a whole as well as the performance of the individual directors.

Conclusion

The Audit Committee has approved the year end 31 December 2024 Report and Accounts. It has reviewed the company's internal controls and risk management. After satisfying itself as to the independence of the Auditor, it has recommended that MHA be appointed for the 2025 financial year.

J Le Blan
Chair
30 April 2025

Nominations

The board as a whole fulfils the function of the nomination of directors. As the board has only four members, the board as a whole fulfills the function of the nomination of directors.

The board oversees a formal review procedure governing the appointment of new directors, manages succession planning and evaluates the overall composition of the board from time to time, taking into account the existing balance of skills and knowledge. Its chairman is the Chairman of the board. There are procedures for a new director to receive relevant information on the company together with appropriate induction.

In considering new appointments, the need to have a balance of skills, experience, independence, diversity, including gender, and knowledge of the company within the board are taken into account. However the overriding priority is to appoint the most appropriate candidates, regardless of gender or other forms of diversity.

Board and director evaluation

On an annual basis the board formally reviews its performance. The review covers an assessment of how cohesively the board, audit committee and nomination committee work as a whole as well as the performance of the individuals within them.

The Chairman is responsible for performing this review. Mrs Le Blan and Mr A Tamlyn perform a similar role in respect of the performance of the Chairman. The formal evaluation confirmed that all directors continue to be effective on behalf of the company.

Remuneration

The remuneration of the executive director is decided by the board as a whole (comprising a majority of non-executive directors), rather than a remuneration committee. There is no performance-related element of the executive director's remuneration. The board considers that the interests of the Managing Director, who is himself a shareholder (see page 24), are aligned with those of other shareholders.

Relations with shareholders

Shareholder relations are given high priority by the board. The principal medium of communication with shareholders is through the interim and annual reports. This is supplemented by monthly NAV announcements.

The board largely delegates responsibility for communication with shareholders to the Managing Director and, through feedback, expects to be able to develop an understanding of their views.

Currently, there is a small number of major shareholders, details of which can be found on page 24.

All members of the board are willing to meet with shareholders for the purpose of discussing matters relating to the operation and prospects of the company.

The board welcomes investors to attend the AGM and encourages questions and discussions on issues of concern or areas of uncertainty. All directors expect to be present at the AGM.

Accountability, Internal Controls and Audit

The directors' statement of responsibilities in respect of the financial statements is set out on page 27.

The directors are responsible for the effectiveness of the risk management and internal control systems for the company, which are designed to ensure that adequate accounting records are maintained, that the financial information on which the business decisions are made and which are issued for publication is reliable, and that the assets of the company are safeguarded. Such a system of internal control is designed to manage rather than eliminate the risks of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The board recognises its ultimate responsibilities for the company's system of risk management and internal controls and for monitoring its effectiveness. The board has established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated. The board assesses on an ongoing basis the effectiveness of the internal controls. The board receives regular reports on all aspects of internal control (including financial, operational and compliance control, risk management and relationships with external service providers). Adequate internal controls are in place for identifying, evaluating and managing risks faced by the company. This process, together with key procedures established with a view to providing effective financial control, has been in place for the full financial year and up to the date the financial statements were approved and is consistent with the internal control guidance issued by the Financial Reporting Council.

The Board has reviewed the need for an internal audit function. Given the size of the business, the company has decided that the systems and procedures employed by the directors provide sufficient assurance that a sound system of internal control, which safeguards the company's assets, is maintained. A separate internal audit function specific to the company is therefore considered unnecessary. This is subject to periodic review.

The board has produced a risk matrix against which the business risks and the effectiveness of the internal controls can be monitored, which is regularly reviewed by the Audit Committee and at other times as necessary. It is believed that an appropriate framework is in place to meet the requirements of the AIC Code and the UK Corporate Governance Code.

Arrangements are in place by which staff of the group may, in confidence, raise concerns under the Public Interest Disclosure Act 1998 about possible improprieties in matters of financial reporting or other matters. If necessary, any member of staff with an honest and reasonable suspicion about possible impropriety may raise the matter directly with the Chairman of the company. Arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

Powers to authorise conflict situations

In accordance with section 175 of the Companies Act 2006 and the Articles of Association, as amended at the AGM in June 2008, the company has procedures in place for ensuring that the unconflicted directors' powers to authorise conflict situations are operated effectively.

The board confirms that the above procedures have been complied with.

Going concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the directors have undertaken a thorough review of the company's ability to continue as a going concern.

The assets of the company consist mainly of securities that are readily realisable and, accordingly, the company has adequate financial resources to continue its operational existence for the next 12 months. Therefore, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

Employee, social, economic and environmental matters

As an investment trust the company has no direct impact on social, economic and environmental issues and the company's primary objective is to achieve capital and income growth by investing the company's assets in accordance with the stated investment policy. As such the company does not have any policies to disclose in these areas. All but one employee contracts are with a related party as disclosed in note 17 and as such the company does not have any formal policies in this area. The non-executive directors review the level of remuneration of the Managing Director and employees annually.

Responsibilities as an institutional shareholder

The board has delegated to the Managing Director responsibility for selecting the portfolio of investments within investment guidelines established by the board and for monitoring the corporate governance, the performance and activities of investee companies. On behalf of the company the Managing Director carries out detailed research of investee companies and possible future investee companies through broker and internally generated research. The research includes an evaluation of fundamental details such as financial strength, quality of management, market position and product differentiation. Other aspects of research include an appraisal of social, ethical and environmentally responsible investment policies. The board regularly reviews the Managing Director's overall performance including investment performance and portfolio risk as well as the remit regarding environmental, social and corporate governance issues in respect of holdings in the company's portfolio.

The board has delegated authority to the Managing Director to vote on behalf of the company in accordance with the company's best interests. The primary aim of the use of voting rights is to ensure a satisfactory return from investments.

The company's policy is, where appropriate, to enter into engagement with an investee company in order to communicate its views and allow the investee company an opportunity to respond.

In such circumstances the company would not normally vote against investee company management but would seek, through engagement, to achieve its aim. The company would vote, however, against resolutions it considers would damage its shareholder rights or economic interests.

The company has a procedure in place that where the Managing Director, on behalf of the company, has voted against an investee company resolution it is reported to the Board.

The UK Stewardship Code was implemented by the Financial Reporting Council, on a voluntary basis and was revised in October 2019 to take effect from 1 January 2020.

The board considers that it is not appropriate for the company, as a small self-managed investment trust, to formally adopt the UK Stewardship Code.

However, many of the UK Stewardship Code's principles on good practice on engagement with investee companies are used by the company, as described above.

Introduction

This report is submitted in accordance with the requirements of sections 420 to 422 of the Companies Act 2006 in respect of the year ended 31 December 2024. The report comprises a policy report, which is subject to a triennial binding shareholder vote, or sooner if an alteration to policy is proposed, and a remuneration policy implementation report, which is subject to an annual advisory vote.

The remuneration policy was last approved at the AGM held on 29 June 2023. The remuneration policy is set out in the Future Policy Table on page 73.

An ordinary resolution to approve this report will be put to members at the forthcoming Annual General Meeting, but the directors' remuneration is not conditional upon the resolution being passed.

Statement by the Chairman

The board as a whole considers the directors' remuneration. The board has not appointed a committee to consider matters relating to directors' remuneration. There is no performance-related element of the executive director's remuneration. The board considers that the interests of the Managing Director, who is himself a shareholder (see page 24), are aligned with those of other shareholders.

The board has not been provided with advice or services by any person in respect of its consideration of directors' remuneration (although the directors expect from time to time to review the fees paid to the boards of directors of other investment companies).

There have been no changes to the Directors' remuneration policy during the period of this report nor are there any proposals for the foreseeable future.

DG Seligman
Chairman
30 April 2025

Annual report on remuneration

Directors' remuneration as a single figure (audited)

	Salary and fees 2024	Salary and fees 2023
	£000	£000
JC Woolf - salary	88	83
DG Seligman (Chairman) - fees	22	22
J Le Blan (Chair of Audit Committee) - fees	19	19
A Tamlyn - fees	16	16
Total	145	140

The table above omits other columns because no payments of other types prescribed in the relevant regulations were made.

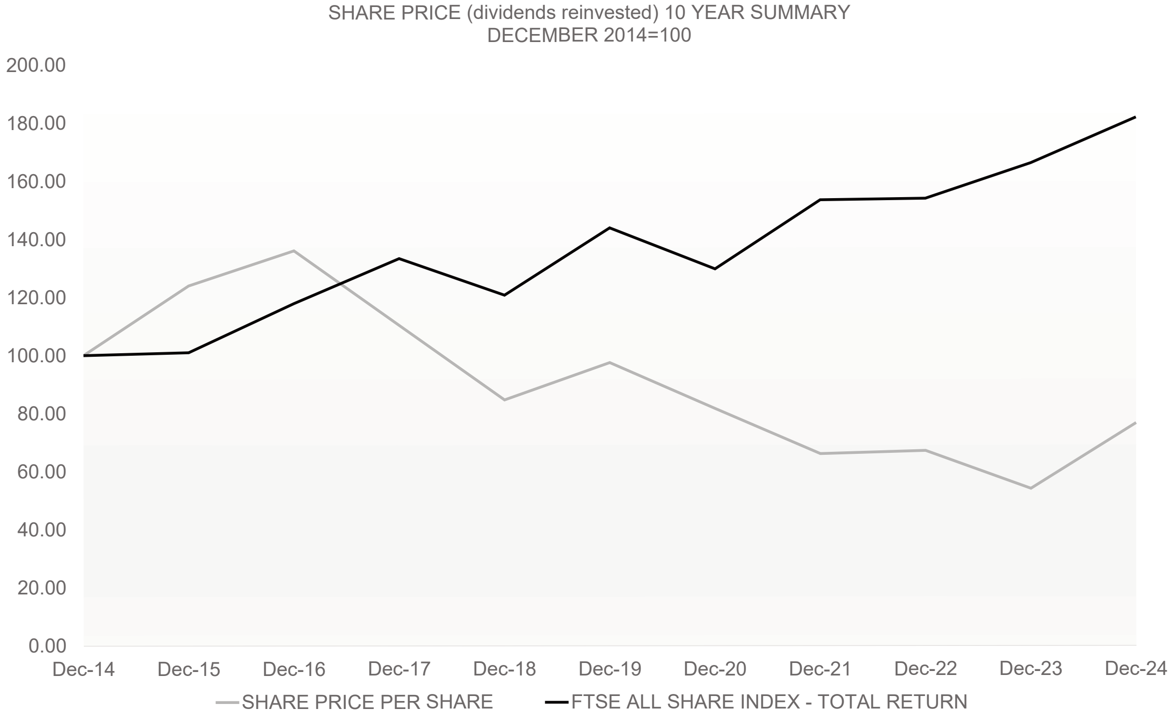
No other remuneration or compensation was paid or payable by the company during the year to any current or former directors.

The non-executive directors' fees have remained unchanged from 1 January 2016.

	£
DG Seligman (Chairman) - fees	22,000
J Le Blan (Chair of Audit Committee) - fees	18,700
A Tamlyn - fees	16,500

Performance graph and table

The graph below shows the performance of British & American Investment Trust PLC's share price against the FTSE All Share index, in both instances with dividends reinvested, for the ten years since 2014. The FTSE All Share equity market index is used as the company's benchmark.



Managing Director's remuneration table

	Total remuneration
	£000
2015	56
2016	60
2017	63
2018	67
2019	71
2020	74
2021	72
2022	79
2023	83
2024	88
Total	713

The table below shows the percentage change in the remuneration of the Managing Director and the company's employees as a whole between the year 2023 and 2024.

	Change in salary Percent	Change in annual bonus Percent
Managing Director	5.61%*	no bonus paid
Employees (exc. non-executive directors)	3.95%	4.39%

*adjusted to 5.0% before recharge to subsidiaries

Significance of spend on pay

	Remuneration (inc. non-executive directors) £	Shareholder distribution £
2023	500,000	612,000
2024	520,000	612,000
Difference	20,000	–
Percentage change	4.00%	nil%

Directors' interests

The directors during the year ended 31 December 2024 had interests in the shares of the company as follows (audited):

	2024		2023	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Ordinary shares of £1				
JC Woolf	460,812	15,771,562	460,812	15,771,562
DG Seligman	–	–	–	–
J Le Blan	–	–	–	–
A Tamlyn	–	–	–	–
Non-voting convertible preference shares of £1 each				
JC Woolf	–	10,000,000	–	10,000,000

There has been no change in shareholding from year end to 30 April 2025.

Voting at Annual General Meeting

At the Annual General Meeting held on 12 June 2024, votes cast by proxy and at the meeting in respect of the directors' remuneration were as follows:

Resolution	Votes For	% For	Votes Against	% Against	Total votes Cast	Votes withheld
To receive and approve: the directors' remuneration report (excluding policy) for the year ended 31 December 2023	17,580,254	99.96	6,559	0.04	17,586,813	28,409

Directors' remuneration policy

The company's policy is that fees payable to non-executive directors should reflect their expertise, responsibilities and time spent on company matters. In determining the level of non-executive remuneration, market equivalents are considered in comparison to the overall activities and size of the company.

Mr JC Woolf has a service contract dated 1 September 1992 with the company. The contract does not have a fixed term, requires 12 months notice of termination, with salary and benefits compensation payable for the unexpired portion on early termination. No other director has a service contract with the company.

The maximum level of non-executive directors' remuneration is fixed by the company's Articles of Association, amendment to which is by way of an ordinary resolution subject to ratification by shareholders. The current level (effective from 1 January 2011) is that aggregate non-executive directors fees should not exceed £75,000 per annum.

The emoluments and benefits of any executive director for his services as such shall be determined by the directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants.

The company's policy is to allow executive directors to accept appointments and retain payments from sources outside the company as long as such appointments do not interfere with the performance of their company responsibilities.

The company does not confer any share options, long term incentives or retirement benefits on any director, nor does it make a contribution to any pension scheme on behalf of the directors. The company has not added any performance-related elements in the remuneration package of executive directors. As noted on page 24 Mr JC Woolf is a significant shareholder in the company. The company also provides directors' liability insurance.

Future policy table

The table below summarises the components of the remuneration of the directors.

	Component	**Link to strategy**
Managing Director	Salary	The annual salary paid is a fixed amount, subject to annual review, and is not related to the portfolio performance.
Non-executive Directors	Fees	Fees aim to be competitive with other investment trusts of similar size and complexity. Fees are fixed annual amounts and are reviewed periodically by the board. The Chairman, the Chair of the Audit Committee and the remaining non-executive director are paid to reflect a market rate of a self-managed investment trust having regard also to the size of the company, expertise, their responsibilities and the time required to be spent to fulfil their responsibilities.

There is no maximum or minimum applicable to the salary of the Managing Director.

The policy on remuneration of employees generally is to incentivise them for effective performance whilst recognising market equivalents. As such their remuneration packages are structurally different to that of the Managing Director.

Approach to recruitment remuneration

The principles the company would apply in setting remuneration for new Board members would be in accordance with the Remuneration Policy, such remuneration being commensurate with existing Board members and their relevant peer group.

Illustration of Application of Remuneration Policy

Managing Director

	Minimum	In line with expectations	Maximum
Salary	£88,000	£88,000	£88,000

The Managing Director's salary is a fixed amount not related to performance. There is therefore no minimum or maximum variation.

	Minimum	In line with expectations	Maximum
Salary	100%	100%	100%

Statement of consideration of employment conditions elsewhere in the company

The employees were not consulted when setting the Directors' remuneration policy and no remuneration comparison measurement with employees was used.

Consideration of shareholder views

The company places great importance on communication with its shareholders. The board welcomes investors to attend the AGM and encourages questions and discussions on all aspects of performance and governance, including remuneration issues. The company can confirm that it is aware of negative views being expressed by shareholders in relation to its policy on Directors' remuneration and have taken account of this in the formulation of the policy.

It is intended that this policy will continue for the year ending 31 December 2025 and until the Annual General Meeting of the company held in 2026.

The Directors' Remuneration Report 2024 was approved by the Board and signed on its behalf by:

DG Seligman
Chairman
30 April 2025

Notice of meeting

NOTICE IS HEREBY GIVEN THAT the seventy seventh Annual General Meeting of the company will be held at Wessex House, 1 Chesham Street, London SW1X 8ND on Thursday 26 June 2025 at 12.15pm for the following purposes:

1. To receive and consider the directors' report and company accounts for the year ended 31 December 2024 and the report of the auditors thereon.
2. To re-elect Mr DG Seligman as a director.
3. To re-elect Mr A Tamlyn as a director.
4. To re-elect Mr JC Woolf as a director.
5. To re-elect Mrs J Le Blan as a director.
6. To approve the directors' remuneration report (excluding policy).
7. To appoint MHA as the company's auditors to hold office until the conclusion of the next annual general meeting of the company.
8. To authorise the audit committee to determine the remuneration of the auditors.

By order of the board

M Silverov
Secretary
30 April 2025

Wessex House
1 Chesham Street
London
SW1X 8ND

Notes:

Any member of the company entitled to attend and vote at the meeting may appoint another person or persons (whether a member or not) as his/her proxy to attend and to vote instead of him/her provided that if more than one proxy is appointed each proxy must be appointed to exercise the rights attached to a different share or shares. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should the member subsequently decide to do so. A form to be used for appointing a proxy or proxies for this meeting to vote on your behalf can be found at page 78 of this document. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the company at Wessex House, 1 Chesham Street, London SW1X 8ND or by fax to 020 7201 3101, not less than 24 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting.

Under the company's articles of association only holders of the ordinary shares are entitled to attend and vote at this meeting. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, this entitlement is determined by reference to the company's register of members and only those members entered on the company's register of members at 12.15pm on 24 June 2025 or, if the meeting is adjourned, shareholders entered on the company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting.

As at 30 April 2025, the last practicable day before printing this document, the total number of ordinary shares of £1, carrying one vote each on a poll, in issue was 25,000,000, the total number of cumulative convertible non-voting preference shares of £1, in general carrying no votes at general meetings of the company, in issue was 10,000,000 and the total voting rights in the company were 25,000,000.

A copy of this notice, together with any other information that the company is required to make available on a website in accordance with section 311A of the Companies Act 2006 will be included on the company's website www.baitgroup.co.uk.

Any member attending the meeting is entitled, pursuant to section 319A of the Companies Act 2006 to ask any question relating to the business being dealt with at the meeting. The company will answer any such questions unless (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

Where members satisfying the thresholds in sections 338 and 338A of the Companies Act 2006 require the company to:

(a) circulate to each member of the company entitled to receive notice of the annual general meeting, notice of a resolution which may properly be moved and is intended to be moved at the annual general meeting;

(b) include in the business to be dealt with at an annual general meeting a matter (other than a proposed resolution) which may properly be included in the business;

the company must:

(a) circulate the resolution proposed pursuant to section 338 of the Companies Act 2006 to each member entitled to receive notice of the annual general meeting;

(b) include in the business to be dealt with at the annual general meeting the matter proposed pursuant to section 338A of the Companies Act 2006.

A resolution may be properly moved at the annual general meeting unless: (a) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise); or (b) it is defamatory of any person; or (c) it is frivolous or vexatious.

A matter may be properly included in the business of an annual general meeting unless it is defamatory of any person or is frivolous or vexatious.

A member or members wishing to request the circulation of the resolution and/or the inclusion of a matter must send the request to the company using one of the following methods:

in hard copy form to the company at Wessex House, 1 Chesham Street, London SW1X 8ND marked for the attention of the Company Secretary - the request must be signed by or on behalf of the member(s) making it and accompanied by any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority; or

by fax to 020 7201 3101 marked for the attention of the Company Secretary - the request must be signed by or on behalf of the member(s) making it and accompanied by any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority.

Whichever form of communication is chosen, the request must be received by the company not later than 15 May 2025 and (as appropriate):

(a) identify any resolution of which notice is to be given;

(b) identify the matter to be included in the business and be accompanied by a statement setting out the grounds for the request.

Where the company receives requests from a member or members either to (a) give notice of a resolution to be proposed by members at the annual general meeting and/or (b) circulate a matter proposed by members to be included within the business to be dealt with at the annual general meeting, the expenses of giving such notice or circulating such matter must be paid by the member or members submitting the request by depositing with the company not later than 15 May 2025 a sum reasonably sufficient to meet these expenses.

Members satisfying the thresholds in section 527 of the Companies Act 2006 may require the company to publish on its website, a statement setting out any matter that such members propose to raise at the annual general meeting relating to 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 annual general meeting. Where the company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the company in complying with the request, it must forward the statement to the company's auditors no later than the time the statement is made available on the company's website, and the statement may be dealt with as part of the business of the annual general meeting.

A member or members wishing to request publication of such a statement on the company's website must send the request to the company using one of the following methods:

in hard copy form to the company at Wessex House, 1 Chesham Street, London SW1X 8ND marked for the attention of the Company Secretary - the request must be signed by or on behalf of the member(s) making it and accompanied by any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority; or

by fax to 020 7201 3101 marked for the attention of the Company Secretary - the request must be signed by or on behalf of the member(s) making it and accompanied by any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority.

Whichever form of communication is chosen, the request must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported, and be received by the company at least one week before the annual general meeting.

The register of directors' interests and copies of the managing director's service agreement and the letters of appointment of non-executive directors will be available for inspection at the registered office of the company during normal business hours from the date of this notice until the conclusion of the Annual General Meeting.

FORM OF PROXY

BRITISH & AMERICAN INVESTMENT TRUST PLC

(For use by ordinary shareholders)

I/We .... (Please complete in BLOCK CAPITALS)

of ....

being (a) member(s) of the above company, hereby appoint the Chairman of the meeting or .... to be my/our proxy to vote on my/our behalf at the Annual General Meeting of the company to be held at Wessex House, 1 Chesham Street, London SW1X 8ND at 12.15 pm on Thursday 26 June 2025 and at any adjournment thereof.

Signed ....

Dated .... 2025.

Please tick here to indicate that this proxy instruction is in addition to a previous instruction. Otherwise it will overwrite any previous instruction.

RESOLUTIONS	For	Against	Vote Withheld	Discretionary
1. To adopt the report and accounts.	☐	☐	☐	☐
2. To re-elect Mr DG Seligman.	☐	☐	☐	☐
3. To re-elect Mr A Tamlyn.	☐	☐	☐	☐
4. To re-elect Mr JC Woolf.	☐	☐	☐	☐
5. To re-elect Mrs J Le Blan.	☐	☐	☐	☐
6. To approve the directors' remuneration report (excluding policy).	☐	☐	☐	☐
7. To appoint MHA as the company's auditors.	☐	☐	☐	☐
8. To authorise the audit committee to determine the remuneration of the auditors.	☐	☐	☐	☐

NOTES

1. Please indicate with an X in the boxes above how you wish your votes to be cast. If you select 'Discretionary' or the form is returned without any indication as to how the proxy shall vote on any particular matter, and on any other business which may come before the meeting, the proxy will vote or abstain as he thinks fit.
2. In order to be valid, this form of proxy and any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the company at Wessex House, 1 Chesham Street, London SW1X 8ND or by fax to 020 7201 3101, not less than 24 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting. Appointment of a proxy will not preclude a member from attending and voting in person should he subsequently decide to do so.
3. A corporation's proxy must be either under its common seal or under the hand of a duly authorised officer or attorney.
4. A space is provided to appoint a proxy other than the person named above. A proxy need not be a member of the company.
5. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting the company on 020 7201 3100 or you may copy this form. Pease indicate with the proxy holder's name the number of securities in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is in addition to a previous instruction. All forms must be returned together in the same envelope.
6. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. This form of proxy should only be completed by the ordinary shareholders.

Second fold

Please affix postage stamp

British & American Investment Trust PLC
Wessex House
1 Chesham Street
London SW1X 8ND

First fold

Third fold