

British & American
Investment Trust PLC

Report and accounts

31 December 2025

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)

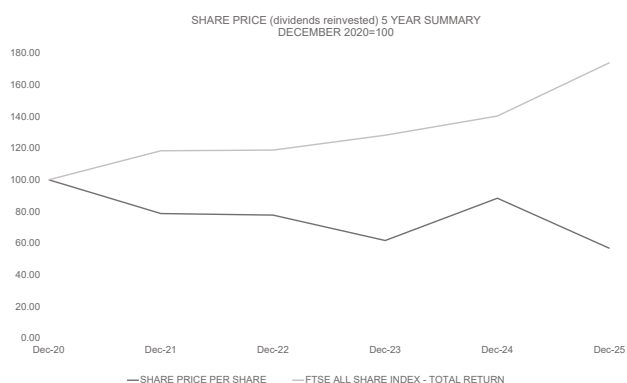
Name	Sector	%
Geron Corporation (USA)	Biomedical	11.36
MindMaze Therapeutics (Switzerland)	Healthcare	0.08
IQE	Semiconductors	0.05
Proteome Sciences	Pharmaceuticals	0.05
CellBxHealth	Pharmaceuticals & Biotechnology	0.03
Regent Pacific Group	Healthcare	0.02
Northwest Biotherapeutics (USA)	Biotechnology	0.01
Sarossa (unlisted)	Biotechnology	0.01
Sherborne (unlisted)	Financial Services	0.01
		<u>11.62</u>

Country Exposure

Country	£m	%
UK	0.02	1.85
USA	1.05	97.22
Switzerland	0.01	0.93
Total investments (exc. subsidiaries)	<u>1.08</u>	<u>100.00</u>

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

	%
1 year	(41.5)
3 year	(39.9)
5 year	(18.8)

**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	13
Net Assets (£m)	2.3
Yield	nil%
Dividend Dates	Interim dividend – December Final dividend – June
Share price (p)	14.5
NAV/share (p)	7.0 (diluted)
Premium	107.1% (diluted)
Ongoing charges	12.5%
Sedol Code	0065311
ISIN Code	GB000065311

Status

Eligible to be held in an ISA or Savings Scheme.

Contact

British & American Investment Trust PLC

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London SW1X 8ND

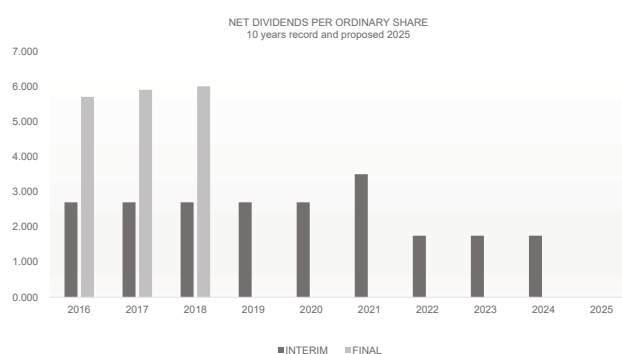
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British & American Investment Trust PLC

Annual Report and Accounts
for the year ended 31 December 2025

Registered number: 00433137

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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 74)

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 69)

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 71)

Formerly a partner at Deloitte. Appointed 1 June 2022.

Alex Tamlyn (Age 60)

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 15.

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 2025.

Revenue

The loss on the revenue account before tax amounted to £0.3 million (2024: £0.4 million profit). This loss compared to the profit in the previous year is due to the lower level of dividends received from our subsidiary company. Dividends received from our subsidiary company have in previous years arisen from film income and gains related to our US investments, the latter of which were not available in the current year.

Gross revenues totalled £0.1 million (2024: £0.9 million). In addition, film income of £117,000 (2024: £112,000) 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 loss of £3.7 million (2024: £2.0 million profit), representing net revenue of £0.3 million loss, a realised loss of £2.2 million and an unrealised loss of £1.2 million. The revenue loss per ordinary share was 2.3p (2024: 0.5p earnings) on an undiluted basis.

During the year, steps have been taken to reduce substantially the running costs of the company to respond to current circumstances. As a result, general costs have been reduced by approximately 25 percent in the current year and this reduction will be taken forward into future years.

Net Assets and Performance

Net assets at the year end were £2.3 million (2024: £6.0 million), a decrease of 61.2 percent. This compares to an increase in the FTSE 100 index of 21.5 percent and to an increase in the UK All Share index of 19.8 percent over the period. With no dividends paid during the year, the total return on assets is the same.

While representing a slight improvement from the interim stage, these results are most disappointing, particularly after the out-performance of 35 percent in the previous year, and are due entirely to the large and unexpected fall of 65 percent in the value of our largest US investment Geron Corporation in the first half of the year. This fall was exacerbated by significant weakness in the US dollar which fell by 7.5 percent against sterling during the year. By contrast, the value of our second largest US investment, Lineage Cell Therapeutics increased by over 200 percent over the year.

As set out in the interim report, the large and unexpected fall in Geron's share price which occurred in February 2025 came after the FDA had granted approval of its haematological cancer drug, Rytelo, the company's first such approval, in the previous year and the commencement of sales in the second half of 2024. The immediate cause of the fall was static quarterly sales over the 2024 Christmas period, considered a disappointing result from a newly launched product, which unnerved the market.

The long-serving CEO left the company soon afterwards to be replaced by a new and highly experienced CEO in the third quarter. A major re-calibration of the sales team and strategy was implemented in the second half with a view to re-invigorating sales and achieving break even in 2026. Most importantly, as a result of these changes, the company felt able for the first time to issue a sales forecast for 2026 which called for a current year increase in sales of approximately 30 percent. While Geron's share price did not recover appreciably during the past year, the current year sales forecast as recently re-confirmed by the company could be expected, using standard market valuation metrics, to result in a significant re-rating of the stock to over twice its current valuation when applied even to the lower end of the sales projections range. More detailed comments on the performance and valuation of Geron are set out in the Managing Director's report below.

The year 2025 and the opening months of 2026 have been a time of significant upheaval, bringing turbulence to financial, trade and commodity markets alike and to global affairs and geopolitics generally. The underlying factors giving rise to this upheaval can be summed up in three words: Volatility, Resilience and Re-Alignment.

Chairman's statement (continued)

The volatile character and erratic decision-making of the current US President, un-checked by a compliant cabinet and a seemingly powerless Congress, has translated into periods of substantial volatility and instability in markets over the period.

This was initially seen in financial and trade markets in the second and third quarters of 2025 following the 'Liberation Day' imposition of ultra-high and indiscriminate international trade tariffs by the USA on 2nd April. The subsequent chaotic and partial reversal of these unrealistic tariffs over the following months only served to exacerbate and extend this volatility into the remainder of the year.

Equity markets had entered 2025 with ongoing strength as interest rates world-wide continued their downward path. However, this strength began to be steadily eroded in the early months of the year following the inauguration of the new President in January, declining by 7.5 percent in the USA in the first quarter. The markets were then severely tested by the tariff announcement in April, causing the equity markets to fall almost immediately by a further 11 percent in the USA and by 12 percent in the UK.

However, these falls were quickly reversed as the tariffs themselves were substantially reduced. Equity markets in the US – and even in the UK despite its growing domestic problems – then continued their upward trajectory, finishing the year with gains of 20 percent. It should be noted, however, that much of this upward movement, particularly in the US market, was attributable to those high growth businesses, the so-called 'Magnificent 7', involved in artificial intelligence programming and associated industries. This effect lasted through to the fourth quarter when some of these companies began to lose favour as the market started to appreciate the huge scale of their investment programmes.

This strength in equities continued despite the numerous politically-motivated and unpredictable initiatives emanating from the White House over the second half of 2025, such as the regime-changing attack on Venezuela, US territorial aspirations towards Canada and Greenland, a seemingly acquiescent attitude to Russia's territorial designs on Ukraine and the vehement US criticism and even potential abandonment of NATO. All of which had the increasing effect of undermining the USA's credibility and respect internationally and contributed to a significant weakening of the US dollar index, which fell by 10 percent over the year.

Moving into 2026, the outbreak of hostilities between the USA and Iran in February of this year has so far only served to repeat the pattern from 2025, with financial markets falling sharply on the event and then reacting erratically in response to the daily pronouncements and unpredictable actions of the US President as this unpopular war has unfolded.

On this particular occasion, however, volatility has additionally spread to the commodities markets as a significant portion of global oil supply has been interrupted by the closure of the Strait of Hormuz. With the outcome of the war still unclear, the volatility in the oil price, which has risen to levels not seen since the Russian invasion of Ukraine in 2022, continues. In the absence of a quick re-establishment of shipments through the Persian Gulf and given the damage already inflicted on energy infrastructure in the Gulf and the associated production of downstream products, a significant reduction in global supply of crude oil and refined products over the longer term is in prospect, potentially resulting in price increases not seen since the oil embargo of 1973, when the oil price quadrupled compared to the less than doubling seen so far in the current crisis.

As has recently been noted in a special report by the IMF, any long-term and substantial increase in energy and derivative products prices caused by this war is likely to put significant downward pressure on global growth going forward, with the inevitable accompanying negative effects on financial markets and investment. The IMF also noted that the UK was particularly vulnerable to these pressures, not just because of the UK's reliance on imported energy but because of the generally weak position of the UK's economy in terms of growth, borrowing costs and tax burden, the political causes of which were examined in some detail in our interim statement.

Chairman's statement (continued)

Associated with these financial and commodity market upheavals has been the political and strategic reaction to the erratic and in many cases unprecedented policy decisions made by the current US administration since its inauguration.

Many countries, particularly the long-term allies of the USA in the West, have begun to realise that the return of American isolationism has edged out the age of American exceptionalism and that they must therefore become more prepared for a world and challenges without American support. This has started a major process of political, strategic and indeed financial re-alignment throughout the world which is likely to have long-lasting and consequential geopolitical and strategic effects. What this re-alignment might lead to over time is impossible to predict, but given the great disappointment and shock felt by many countries at this unprecedented and counter-productive shift in US domestic and global policy, such countries are unlikely to want to rely on an eventual change in American administration and policy to return the West to the status quo ante, when unrivalled American power – both hard and soft - and a competitive but rational and forward-looking engagement with the rest of the world was instrumental in producing the long era of prosperity, relative peace and well-being which the developed world has enjoyed over the many decades since the Second World War.

Dividend

As a result of the large and unexpected decline in the market value of our largest investment in 2025, we will not pay an interim or final dividend for the year. We intend to resume the payment of dividends upon the return of valuation levels closer to those prevailing in the previous year.

Recent events and outlook

Despite the continued and surprising resilience in equity markets over the period, it will be evident from the remarks made above that the general background to financial markets and investment has become even more turbulent, uncertain and difficult to gauge than it has been for many years.

As previously noted in our interim report, the massive uncertainties caused by the often outlandish and unpredictable initiatives emanating from the USA and the many anti-business and economically disruptive policies being introduced in both the USA and the UK, plus more recently with the outbreak of a regional war in the Middle East with its seriously negative global implications, do not bode well for ensuring the stable and predictive background in which businesses can thrive and be profitable.

With respect to our own particular portfolio, given that our investments have over the last year become concentrated on a specific sector, US biotechnology, which has its own unique dynamic and particularly given the current circumstances of the investments in question, it could be said that our portfolio is somewhat less exposed to the general vicissitudes of the broader market, as has indeed been seen over the last year. We remain convinced that developments expected in both of our main US investments will bear fruit in terms of increased value over the forthcoming period, enabling us to re-establish a broader range of investments in the portfolio as market conditions at the time permit.

As at 22 April 2026, our net assets had increased to £2.7 million, an increase of 15.4 percent since the beginning of the calendar year. This is equivalent to 7.6 pence per share (prior charges deducted at fully diluted value) and 7.6 pence per share on a diluted basis. Over the same period the FTSE 100 increased 5.5 percent and the All Share Index increased 5.1 percent.

David Seligman

29 April 2026

Managing Director's report

As noted above in the Chairman's statement, US and UK equity markets demonstrated high levels of both volatility and resilience over the past year. By year end, these markets had recovered their all time high levels despite the plethora of the otherwise disruptive events and negative conditions which prevailed over the period.

This can to some extent be explained by the weight of liquidity seeking a home as interest rates and inflation continued to recede from their post-Covid highs and the effects of the energy price shock following the Russian invasion of Ukraine. Additionally, there was an unprecedented rush of investment into AI related companies which drove up the indices and also into gold, the latter increasing by 100 percent over the year in US dollar terms to never before seen values as central banks, particularly in China, India and Brazil, increased their holdings significantly as a counterweight to their US treasury investments.

By contrast, the US dollar, US treasuries, UK gilts and the property sector came under sustained pressure as medium to long-term interest rates reflected the poor longer-term political and economic outlook of many Western countries faced with stubborn levels of inflation, weak growth and growing government debt and debt servicing burdens.

This was particularly the case in the UK as the misguided political, fiscal and financial initiatives of the new Labour government continued to have a negative impact on its vaunted ambitions to achieve sustained growth, reduce inflation and observe fiscal rectitude. These policy mis-steps were detailed in the interim statement and their combined effects have left the UK in a weakened position to deal with the additional pressures now caused by the hostilities in Iran, as the IMF has recently pointed out.

Despite this, however, the UK equity market remained firm over the year, although it should be noted that while the UK FTSE 100 index of large capitalisation companies - reflecting the activities of mainly international companies with foreign earnings - grew by 20 percent in 2025, the FTSE 250 index of mid-capitalisation companies - which better represents the domestic activities of UK companies - grew by the lower amount of 9 percent. Reflecting this and the weak underlying condition of the UK economy and its prospects, the pound sterling, while gaining by 10 percent against a weak US dollar, lost 4 percent against the Euro over the year.

As the equity concentration of our portfolio has narrowed considerably with the planned disposal last year of many of our UK-based stocks, the substantial downward movement in the price of our largest US investment, Geron Corporation, and also in the US dollar, has had a disproportionately negative effect on the portfolio's overall value, as previously noted in our interim statement and in the Chairman's statement above. The 200 percent recovery over the year in the share price of our second largest US investment, Lineage Cell Therapeutics, when coupled with the 10 percent fall in the US dollar, was not sufficient to prevent the large decline in the value of our portfolio overall, as set out in the Chairman's statement above. Since the year end, however, the price of Geron has recovered by 17 percent with further advances expected this year as the company's sales start to reflect the increases recently forecast by the company, as explained in more detail below.

Geron Corporation

Geron's share price fell by 75 percent in 2025 from the high levels achieved in 2024 which reflected the solid and long-awaited progress achieved in that year; namely, approval received from the FDA of its haematology drug, Imetelstat (marketed as 'Rytelo'), and the commencement of commercial sales. The severe reversal in 2025 was quite unexpected and, as previously explained in the interim statement, followed static sales in the Christmas quarter of 2024 when such first year sales of a newly launched drug are expected to follow a steadily rising pattern.

In response, the long-serving CEO departed, a new and experienced CEO was appointed in the summer and a significant restructuring of the sales team and its focus was carried out. Its aim was to enhance sales quickly and reduce costs with a view to achieving break-even in the second half of 2026. Additionally and most importantly,

Managing Director's report (continued)

the company for the first time issued a sales forecast for 2026 which called for a current year increase in sales of approximately 30 percent, the sort of early-year sales trajectory which a newly released and ground-breaking drug would expect to enjoy.

Despite these substantial and forward-looking operational adjustments, the company's share price remained subdued during the year, valuing the company significantly below its comparators when applying standard market sales-based metrics to the sales actually achieved in the USA in the year, let alone prospective sales expected to be generated in the current year, in line with the recently announced sales forecasts. This sales-related market valuation methodology applicable to such early-stage biotechnology company as Geron was fully explained in our interim statement.

Furthermore, the current valuation also fails to take any account of a number of the company's other important value drivers. These include:

- expected break-even this year,
- European sales following EMEA approval in Europe last year. Although the commencement of these sales has been delayed by the US administration's recent imposition of Most Favoured Nation rules on US drug company pricing, the management is actively seeking European partners to collaborate with under this new regime and limited exceptional sales are already underway in Germany,
- a second disease indication (MF - Myelofibrosis) currently in advanced Phase 3 trials with a larger addressable market than the current disease indication currently being commercialised (MDS - Myelodysplastic Syndrome),
- significant levels of cash with little debt, and
- potential interest from big pharma companies. The sector has seen considerably increased levels of corporate activity over the recent year, not to address the perennial issue of patent expiry but in response to widespread industry concern caused by the damaging price and trade tariff changes introduced by the White House.

Because of this current disconnect between market valuation and the underlying value of the company's sales and prospects, we fully expect the market to re-rate the company in the near term, particularly if the first quarter results to be announced next month confirm the trajectory of significantly higher sales projected by the company for 2026. We are therefore committed to retaining this investment until such time as its prior and indeed a properly representative market value is realised. At which time, we will be able to rebalance the portfolio back to a more traditional structure and recommence the payment of dividends.

Feature film rights

In 2025, our film company subsidiary changed the basis valuation of its feature film rights to reflect more accurately the market value of these assets, in line with third-party professional valuations obtained in previous years and re-confirmed in 2025.

Previously, these films and their long-term world-wide copyrights had been valued using a financial proxy methodology based on historical revenues, including discounted cash flow, comparable price earnings and market yield calculations.

The resulting valuations using this method were considerably lower than the valuation range determined by the professional valuation which captured not only the income-based value noted above but also the open-market sale values of both the films themselves and the ancillary value associated with the long copyright world-wide rights to these titles, including for example valuable feature film and TV series remake rights and licensing. Work is currently ongoing to exploit these ancillary rights in relation to two titles.

Strategic Report (continued)

Managing Director's report (continued)

As a result, an upward revaluation of these assets of £1.7 million has been included in this year's results to a level which itself has been conservatively capped at a discount of approximately 40 percent to the low end of the range determined by the professional valuation to take account of uncertainty and the long time-frame involved in film making.

Jonathan Woolf

29 April 2026

Strategic Report (continued)

Financial highlights

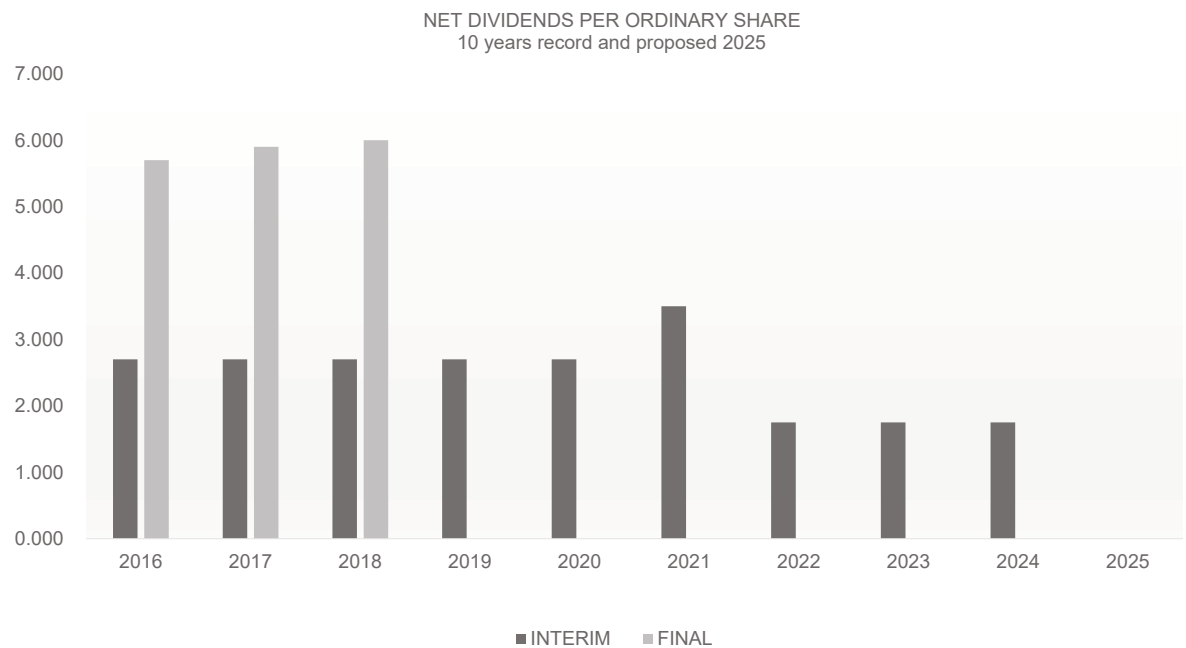
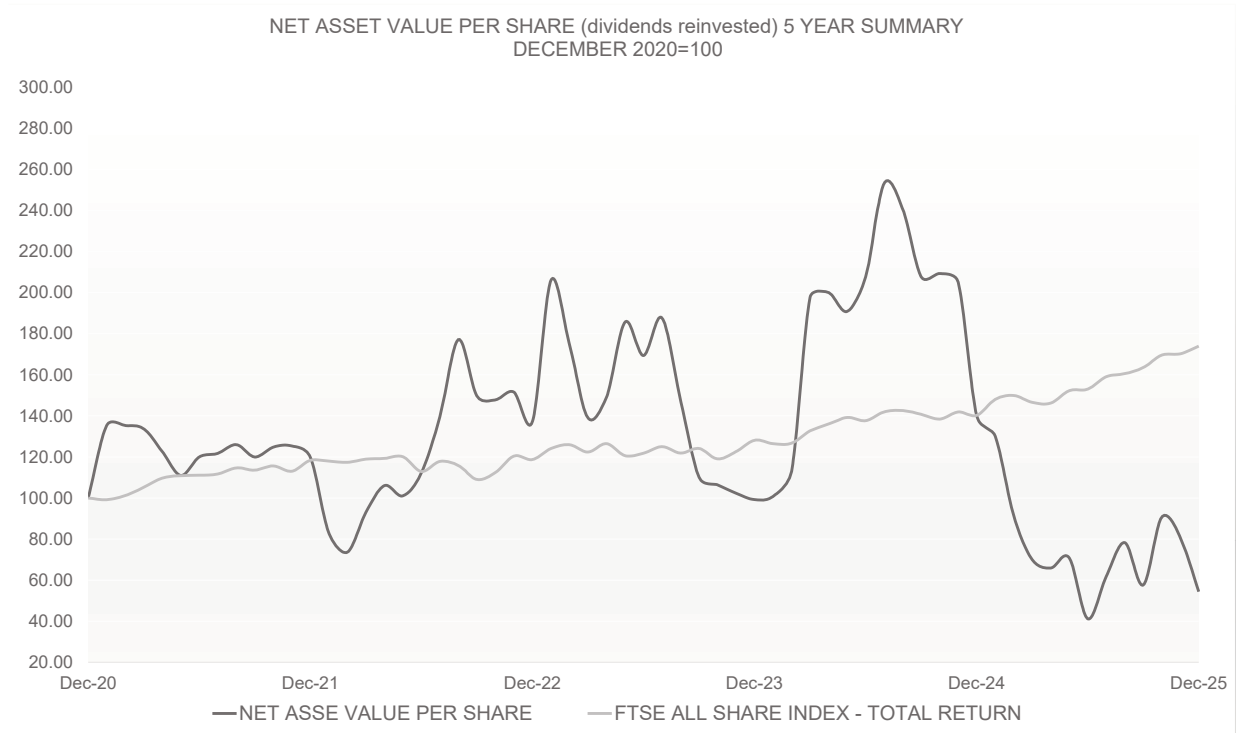
For the year ended 31 December 2025

	2025			2024		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
(Loss)/profit before tax – realised	(265)	(2,236)	(2,501)	438	(690)	(252)
(Loss)/profit before tax – unrealised	–	(1,169)	(1,169)	–	2,270	2,270
(Loss)/profit before tax – total	(265)	(3,405)	(3,670)	438	1,580	2,018
Earnings per £1 ordinary share – basic*	(2.35)p	(13.62)p	(15.97)p	0.49p	6.32p	6.81p
Earnings per £1 ordinary share – diluted*	(2.35)p	(13.62)p	(15.97)p	0.49p	4.51p	5.87p
Net assets			2,310			5,953
Net assets per ordinary share						
– deducting preference shares at fully diluted net asset value**			7p			17p
– diluted			7p			17p
Diluted net asset value per ordinary share at 22 April 2026			8p			
Dividends declared or proposed for the period:						
per ordinary share – interim paid			0.0p			1.75p
– final proposed			0.0p			0.0p
per preference share			0.0p			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 and capital 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



Strategic Report (continued)

Distribution of investments and cash

Distribution of investments and cash balances:

	At valuation	
	31 December 2025 £000	31 December 2024 £000
Biomedical – USA	1,052	4,805
Healthcare	10	17
Semiconductors	5	11
Pharmaceuticals	5	4
Pharmaceuticals & Biotechnology	3	–
Biotechnology – USA	1	241
Investment Trusts (equities)	–	569
Other Financial	–	15
Telecommunications	–	14
Total quoted equities	1,076	5,676
Unquoted	2	2
Unquoted subsidiaries*	8,185	7,359
Total portfolio	9,263	13,037
Derivatives - traded options	1	11
Balances at banks and stockbrokers	10	249
	<u>9,274</u>	<u>13,297</u>

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 £4.1 million overseas quoted investments, £3.5 million fair value of film rights and net loans due of £0.6 million.

Strategic Report (continued)

Investment portfolio

At 31 December 2025

<u>Company</u>	<u>Nature of business</u>	Company	Subsidiaries	Total group	Total group
		Valuation £000	Valuation £000	Valuation £000	% of Portfolio
Geron Corporation (USA)	Biomedical	1,052	2,129	3,181	59.53
MindMaze Therapeutics (Switzerland)	Healthcare	8	–	8	0.15
IQE	Semiconductors	5	–	5	0.09
Proteome Sciences	Pharmaceuticals	5	–	5	0.09
CellBxHealth	Pharmaceuticals & Biotechnology	3	–	3	0.06
Regent Pacific Group	Healthcare	2	–	2	0.04
Sherborne (unlisted)	Financial services	1	–	1	0.02
Northwest Biotherapeutics (USA)	Biotechnology	1	1	2	0.03
Sarossa Capital (unlisted)	Biotechnology	1	–	1	0.02
Lineage Cell Therapeutics (USA)	Biotechnology	–	2,095	2,095	39.22
M&G Securities	Unit Trust	–	20	20	0.38
Vodafone	Telecommunications	–	19	19	0.36
Serina Therapeutics (USA)	Biotechnology	–	1	1	0.01
Investment portfolio		<u>1,078</u>	<u>4,265</u>	<u>5,343</u>	<u>100.00</u>

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 2025, 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) %
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
2025	2,310	7.0	14.5	107.1

Revenue

Year to 31 December	Total income £000	Profit/(loss) after tax £000	Earnings per ordinary share (diluted) pence	Ongoing charges %	Dividend per ordinary share (net) pence
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
2025	106	(238)	(2.35)	12.49	–

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 24.3% in 2025 compared to the prior financial year.

Cumulative performance (2020=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
2020	100	100	100	100	100	100	100
2021	118	118	120	81	115	116	118
2022	134	121	117	82	121	116	119
2023	95	136	126	66	134	122	128
2024	143	154	138	94	147	132	140
2025	56	170	163	57	167	159	174

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 2025 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 the following significant decision during the year:

the valuation of film rights papers were reviewed by the board and the valuation of £3.5 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.

Investment Policy

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

Asset Allocation

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.

Business review (continued)

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 3 UK quoted companies, investment in subsidiaries (88.4% of the portfolio), 5 overseas quoted companies and 5 UK unquoted holdings with Geron Corporation being our major US biomedical investment (97% of the portfolio excluding investment in the subsidiary).

Historically, investments in other investment trusts have accounted for approximately 50 (currently nil%) 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 (97.6%) and healthcare (0.9%). The other investments have often been concentrated in a small number of companies, typically in the semiconductors, pharmaceuticals and biotechnology.

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 2025 the company's current liabilities included a bank credit facility of £658,000 (2024 – £942,000) and trade and other payables of £936,000 (2024 – £1,884,000), including £72,000 (2024 – £657,000) owed to subsidiary companies and £710,000 (2024 – £715,000) owed to related parties.

At 31 December 2025 the company's net gearing was 28.09% (2024 – 11.64%).

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 established industry measures:

- the movement in net asset value per ordinary share (after deducting preference shares at fully diluted net asset

Strategic Report (continued)

Business review (continued)

- 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 9, 10 and 13.

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 8. Information on movement in the NAV since the year end is included on page 9.

The financial highlights for the year under review are as follows: the net asset value per share assuming conversion of the preference shares decreased by 61.2% on a diluted basis during the year, compared to an increase in the benchmark (FTSE All Share) of 19.7%, no ordinary share dividends paid during the year and the premium of the share price over the net asset value per share assuming conversion of the preference shares moved from 41.1% to 107.1% 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 hostilities between the USA and Iran, tensions with China, the appointment of Donald Trump as President of the United States and the introduction of tariffs and unregulated artificial intelligence.

These risks are monitored as part of the investment management process and added to the main risk register if necessary.

Business review (continued)

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). 98% of the Company's portfolio is invested in a small number of US quoted Biotech stocks which are generally perceived to be volatile.

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. Market risk also includes such factors as interest rate risk, currency risk, investments concentration risk, risk of inflation and risk of impending recession. 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. 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 situation in the Middle East including the Iran conflict with its negative global implications 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 the company. The Managing Director regularly assesses the information technology systems and its exposure 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.

(v) Cyber risk – Risk of financial loss, disruption or damage to the reputation of company due to failure of its information technology systems.

The Managing Director regularly assesses the information technology systems and its exposure to cyber risks. The Board

Business review (continued)

monitors reports and updates on disaster recovery plans, information technology security and improvements to information technology systems with each of the service providers providing a regular report or letter through its internal audit function which covers information technology security and provides comfort to the board that appropriate safeguards are in place.

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 January 2024, 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 (outlined on pages 54 to 59). 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 there is an undrawn credit facility with Credit Suisse, until the true market potential of its US Biomedical/Biotech investments are realised. The Credit Suisse facility limit is based on the value of collateral lodged with the bank. 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.

In 2026, the company entered into a £2.0 million unsecured loan facility agreement with a related party Romulus Films Limited. The facility shall be available for a term of five years and will be repayable in full on the last day of term or earlier at the option of the borrower.

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 68.

The company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement. The company considers its supply chains, dealing with professional

Strategic Report (continued)

Business review (continued)

advisers and service providers in the financial services industry, to be low risk. The number of directors and employees during the year were 9 (2024 – 9).

	2025		2024	
	Male	Female	Male	Female
Directors (non-executive)	2	1	2	1
Directors (executive)	1	0	1	0
Employees	0	5	0	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 2025, 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 66.

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 20, was approved by the board and signed on its behalf by:

J C Woolf
Director
29 April 2026

Directors' report

For the year ended 31 December 2025

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 2025.

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 34 to 59 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 20. 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 8.

Financial statements

The financial statements will be presented for approval at the seventy eighth Annual General Meeting of the company to be held on Friday 26 June 2026 and a Notice of the meeting is found on page 74.

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 2025.

	Revenue	Capital	Total
	£000	£000	£000
Loss before tax	(265)	(3,405)	(3,670)
Tax	27	–	27
Loss after tax	<u>(238)</u>	<u>(3,405)</u>	<u>(3,643)</u>
Dividends	Pence per share		£000
Interim per £1 ordinary share	–		–
3.5% preference share paid	–		–
Final per £1 ordinary share	–		<u>–</u>

Directors' report (continued)

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 54.

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 2025 had interests in the shares of the company as follows:

	2025		2024	
	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%) (2024 – 6,902,812 (27.6%)) ordinary shares held by Romulus Films Limited, 7,868,750 (31.5%) (2024 – 7,868,750 (31.5%)) ordinary shares held by Remus Films Limited and 1,000,000 (4.0%) (2024 – 1,000,000 (4.0%)) ordinary shares held by PKL Pictures Limited. Romulus Films Limited also holds 10,000,000 cumulative convertible preference shares (2024 – 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 2026 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	%	Number of	%
	shares held		shares held	
	30 April 2026		31 December 2025	
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 (2024 – £35,000,000) being 25,000,000 ordinary shares of £1 (2024 – 25,000,000) and 10,000,000 non-voting convertible preference shares of £1 each (2024 – 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.

Directors' report (continued)

Dividends (continued)

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 74.

Conversion

The period from 1 January 2006 to 31 December 2025 (both inclusive) during which the holders of the Non-Voting Preference Shares had the right to convert all or any of the Non-Voting Preference Shares held by them into fully paid Ordinary Shares at the rate of one New Ordinary Share for each Non-Voting Preference Share has now ended.

In accordance with the company's Articles of Association, any unconverted Non-Voting Cumulative Preference Shares outstanding shall be re-designated as Cumulative Non-Voting Preference Shares only. Accordingly, with effect from 31 December 2025, such shares became non-convertible but otherwise remain in issue and are non-redeemable.

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 2025 and it is intended that this policy will continue for the year ended 31 December 2026 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 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' report (continued)

Directors' remuneration report

The Directors' remuneration report is set out on pages 69 to 73. 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 60 to 68 (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.

Engagement with employees, suppliers, customers and others

Under Schedule 7, Paragraph 11B of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (which falls under the Companies Act 2006 framework) the company requires to include a statement in its directors' report regarding engagement with suppliers, customers, and others. The company's statement forms the part of s172 Statement of the Strategic Report.

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 2025 (2024 – 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
29 April 2026

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.

Independent auditor's report

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 27 to 28 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 2025.

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 2025 and of the Company's loss 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 company'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.
- Assessment of the Company's liquidity and financial forecasts, including consideration of underlying investments and cash flow projections for a period of at least 12 months from the date of approval of the financial statements.
- Review of loan agreements and facilities in place, including consideration of repayment terms, covenants and rights of recall.
- Evaluation of letters of support received from related parties confirming that loans and facilities will not be recalled and will remain available throughout the going concern assessment period, including an assessment of the financial capacity

Independent auditor's report (continued)

of those related parties to provide such support.

- Consideration of 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	2025	2024
Company	£46,000	£120,000 2% of net assets (2024: 2% 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

Financial Statement Elements	FY 25	FY24
Investment in subsidiaries	£8,185k	£7,359k

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 under IFRS 10. The fair value of these investments is significantly influenced by the valuation of film rights held within a subsidiary which were valued at £3.5m (2024: £1.75m).

The valuation of these film rights involves significant judgement and estimation uncertainty and therefore represents a key area of audit focus. There is a risk of material misstatement in the valuation arising from the use of subjective assumptions, including the potential for management bias in selecting and applying those assumptions.

During the year, the valuation methodology applied to the film rights has changed. In the prior year, the valuation was based on a blended approach incorporating internally

Independent auditor's report (continued)

developed financial models and management assumptions. In the current year, the valuation is primarily based on an assessment prepared by management's external valuation expert, with adjustments made by management to reflect uncertainty. The change in estimation methodology reflects the inclusion of enhanced value from further exploitation of the film rights arising from active commercial discussions, which had not been previously incorporated into the fair value assessment due to a lower probability of being crystallised. This change in methodology increases the degree of judgement involved and introduces additional complexity in assessing the appropriateness and consistency of the approach adopted.

The valuation is classified as a Level 3 fair value measurement under IFRS 13, as it incorporates significant unobservable inputs. The determination of fair value is inherently judgemental and highly sensitive to key assumptions, including expected future cash flows, level of potential income from remake rights, and the discount rate applied to reflect risk and timing of the cashflows. Changes in these assumptions could result in a material change in the valuation.

How the scope of our audit responded to the key audit matter

In order to address the risk of material misstatement in the valuation of film rights, we designed and performed procedures focused on evaluating the appropriateness of the valuation methodology, the reasonableness of key assumptions, and the potential for management bias in the estimate.

Our procedures included:

- Obtaining and evaluating the valuation prepared by management's external expert, including assessing the appropriateness of the methodology applied and its consistency with IFRS 13.
- Evaluating the competence, capabilities and objectivity of management's valuation expert and considering the scope of their work in the context of the audit.
- Assessing the appropriateness of the transition from the prior year blended valuation approach to the current year expert-led methodology, including understanding the rationale for the change.
- Critically assessing the key assumptions underpinning the valuation
- Assessing the assumptions relating to potential remake rights and assessing probability of remakes occurring in the future.
- With the assistance of an auditor's valuation expert, developing an independent point estimate and range for the valuation based on our assessment of key assumptions, and comparing this to management's valuation to assess whether it falls within an acceptable range.
- Testing the mathematical accuracy of the valuation and agreeing key inputs to supporting documentation.

Key observations

Based on the audit procedures performed, including evaluation of the valuation methodology and key assumptions (as described above), we did not identify any matters that would indicate that the valuation of the film rights is materially misstated or not appropriately reflected within the fair value of the Company's investment in subsidiaries.

Independent auditor's report (continued)

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

£46,000 (2024: £120,000)

- Basis of determining overall materiality

We determined materiality based on 2% of the Company's net assets (2024: 2% 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. The use of net asset value is also consistent with regulatory considerations 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

£27,600 (2024: £72,000)

- Basis of determining overall performance materiality

We set performance materiality based on 60% (2024: 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 £2,300 (2024: £6,000) to the Board of Directors, 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 Company, 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.

Independent auditor's report (continued)

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 directors' 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 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 63 to 64 and on pages 67 to 68;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 63 to 64 and on pages 67 to 68;
- Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 63 to 64 and on pages 67 to 68;
- Directors' statement on fair, balanced and understandable set out on page 25;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 17 to 19;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 62 and page 67; and
- Section describing the work of the audit committee set out on pages 62 to 65.

Independent auditor's report (continued)

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 from 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.

Independent auditor's report (continued)

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 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, and 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 balances as at 31 December 2025; and
 - challenging the assumptions and judgements made by management in its material 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;
 - review of minutes of Board and Audit Committee meetings to understand matters discussed by those charged with governance, including any concerns raised in relation to the Company's financial position, going concern assessment and significant accounting judgements.
- 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.

Independent auditor's report (continued)

Other requirements

We were appointed by the Directors for the year ended 31 December 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years initially under the legal entity Macintyre Hudson LLP and subsequently under MHA Audit Services LLP.

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 these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This 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

29 April 2026

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 2025

		2025			2024		
	Notes	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Investment income	2	106	–	106	939	–	939
Holding (losses)/gains on investments at fair value through profit or loss	9	–	(1,169)	(1,169)	–	2,270	2,270
Losses on disposal of investments at fair value through profit or loss	9	–	(1,033)	(1,033)	–	(198)	(198)
Losses on provision for liabilities and charges	9	–	(884)	(884)	–	(254)	(254)
Foreign exchange gains/(losses)		31	(164)	(133)	(7)	41	34
Expenses	3	(373)	(143)	(516)	(436)	(246)	(682)
(Loss)/profit before finance costs and tax		(236)	(3,393)	(3,629)	496	1,613	2,109
Finance costs		(29)	(12)	(41)	(58)	(33)	(91)
(Loss)/profit before tax		(265)	(3,405)	(3,670)	438	1,580	2,018
Tax	6	27	–	27	35	–	35
(Loss)/profit for the year		(238)	(3,405)	(3,643)	473	1,580	2,053
Earnings per share							
Basic - ordinary shares*	7	(2.35)p	(13.62)p	(15.97)p	0.49p	6.32p	6.81p
Diluted - ordinary shares*	7	(2.35)p	(13.62)p	(15.97)p	0.49p	4.51p	5.87p

The company does not have any income or expense that is not included in the profit/(loss) for the year. Accordingly, the '(Loss)/profit 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 38 to 59 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 and capital return.

Statement of changes in equity

For the year ended 31 December 2025

	Notes	Share capital £000	Capital reserve £000	Revenue reserve £000	Total £000
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
Changes in equity for 2025					
Loss for the period		–	(3,405)	(238)	(3,643)
Ordinary dividend paid	8	–	–	–	–
Preference dividend paid	8	–	–	–	–
Balance at 31 December 2025		35,000	(32,534)	(156)	2,310

The notes on pages 38 to 59 form part of these financial statements.

Balance sheet

31 December 2025

Registered number: 00433137

	Notes	2025 £000	2024 £000
Non - current assets			
Investments - at fair value through profit or loss	9	1,078	5,678
Investment in subsidiaries - at fair value through profit or loss	9	8,185	7,359
		<u>9,263</u>	<u>13,037</u>
Current assets			
Receivables	11	61	20
Derivatives - at fair value through profit or loss		1	11
Cash and cash equivalents		1	249
		<u>63</u>	<u>280</u>
Total assets		<u>9,326</u>	<u>13,317</u>
Current liabilities			
Trade and other payables	12	936	1,884
Bank credit facility	12	658	942
		<u>(1,594)</u>	<u>(2,826)</u>
Total assets less current liabilities		<u>7,732</u>	<u>10,491</u>
Non - current liabilities	13	<u>(5,422)</u>	<u>(4,538)</u>
Net assets		<u>2,310</u>	<u>5,953</u>
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	(32,534)	(29,129)
Retained revenue earnings	15	(156)	82
Total equity		<u>2,310</u>	<u>5,953</u>
Net assets per ordinary share (Note16)			
- deducting preference shares at fully diluted net assets value		7p	17p
- diluted		7p	17p

The notes on pages 38 to 59 form part of these financial statements.

The financial statements on pages 34 to 59 were approved and authorised for issue by the board of directors on 29 April 2026.

Jonathan Woolf

Managing Director

Cash flow statement

For the year ended 31 December 2025

	2025 £000	2024 £000
Cash flow from operating activities		
(Loss)/profit before tax	(3,670)	2,018
Adjustment for:		
Losses/(gains) on investments	3,086	(1,818)
Proceeds on disposal of investments at fair value through profit or loss	1,152	832
Purchases of investments at fair value through profit or loss	(99)	(236)
Interest received	(93)	(96)
Interest paid	41	91
Operating cash flows before movements in working capital	417	791
(Increase)/decrease in receivables	(58)	331
Decrease in payables	(68)	(172)
Net cash from operating activities before interest	291	950
Interest paid	(23)	(67)
Net cash flows from operating activities	268	883
Cash flows from financing activities		
Dividends paid on ordinary shares	(137)	(300)
Dividends paid on preference shares	(95)	(80)
Net cash used in financing activities	(232)	(380)
Net increase in cash and cash equivalents	36	503
Cash and cash equivalents at beginning of year	(693)	(1,196)
Cash and cash equivalents at end of year	(657)	(693)
Cash and cash equivalents at end of year		
Cash and cash equivalents	1	249
Bank credit facility	(658)	(942)
Cash and cash equivalents at end of year	(657)	(693)

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 38 to 59 form part of these financial statements.

Notes to the financial statements

31 December 2025

1 Accounting policies

Policies are 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 (IFRS) 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 to better 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.

Functional and presentational currency

The company's functional and presentation currency is Pounds Sterling (GBP). Amounts are rounded to the nearest £1,000.

Notes to the financial statements (continued)

31 December 2025

1 Accounting policies (continued)

New, revised and amended standards applicable during the year

The following new and revised Standard and Interpretation is applicable in the current year. Its application has not had any significant impact on the amounts reported in these financial statements:

Lack of Exchangeability (Amendments to IAS 21).

New, revised and amended standards applicable to future reporting periods

Amendments to the Classification and Measurement of Financial Instruments - IFRS 9 and IFRS 7 - effective 1 January 2026.

Presentation and Disclosure in Financial Statements - IFRS 18 - effective 1 January 2027.

Subsidiaries without Public Accountability: Disclosures - IFRS 19 - effective 1 January 2027.

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.

Non-consolidation under IFRS 10 and measurement of the subsidiaries at fair value through profit or loss, the valuation of the film rights, held by the subsidiary British & American Films Limited (£3.5m), and the allocation of expenses between revenue and capital (£319,000) 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 group consist mainly of securities that are readily realisable and there is an undrawn credit facility with Credit Suisse at 31 December 2025 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 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.

In 2026, the company entered into a £2.0 million unsecured loan facility agreement with a related party Romulus Films Limited. The facility shall be available for a term of five years and will be repayable in full on the last day of term or earlier at the option of the borrower.

Given 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

Notes to the financial statements (continued)

31 December 2025

1 Accounting policies (continued)

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.

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. The film rights are valued on a basis of a professional valuation taking into account historic earnings and comparable market values.

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.

Notes to the financial statements (continued)

31 December 2025

1 Accounting policies (continued)

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.

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% (2024 - 50%) to revenue and 50% (2024 - 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 the 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.

Notes to the financial statements (continued)

31 December 2025

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.

Notes to the financial statements (continued)

31 December 2025

2 Income

	2025	2024
	£000	£000
Income from investments		
UK dividends	12	263
Dividend from subsidiary	–	578
	<u>12</u>	<u>841</u>
Other income	94	98
Total income	<u>106</u>	<u>939</u>
Total income comprises:		
Dividends	12	841
Other interest	93	96
Other income - settlement of US class action suit	1	2
	<u>106</u>	<u>939</u>
Income from investments:		
Listed investments	5	263
Unlisted investments	7	578
	<u>12</u>	<u>841</u>

During the year the company received a dividend of £nil (2024 – £578,00) 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 last year, a corresponding reduction was recognised in the value of the investment in the subsidiary company.

During the year the company recognised £196,000 of a foreign exchange loss (2024 – £48,000 gain) on the loan of \$3,526,000 to a subsidiary. As a result of this loss, 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 £117,000 (2024 – £112,000) received by the subsidiary British & American Films Limited are shown separately in this paragraph.

3 Expenses

	2025	2024
	£000	£000
Staff costs – including executive director (Notes 4 and 5)	284	480
Non-executive directors' fees (Note 4)	68	57
Auditors' remuneration:		
audit of the company's financial statements	63	53
audit of the subsidiary's financial statements	2	2
Other	77	73
Irrecoverable VAT	22	17
	<u>516</u>	<u>682</u>

Notes to the financial statements (continued)

31 December 2025

4 Directors' remuneration

Directors' remuneration is disclosed in the Directors' remuneration report on page 69.

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

	2025	2024
	£000	£000
Wages and salaries	221	375
Social security costs	39	52
Pensions scheme contributions	24	53
	<hr/>	<hr/>
	284	480

The average number of persons (including the executive director) employed during the year was 6 (2024 – 6).

	2025	2024
	Number	Number
Investment	1	1
Administration	5	5
	<hr/>	<hr/>
	6	6

6 Tax

Analysis of tax charge in the year

The tax credit for the year is £27,000 (2024 – £35,000) 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% (2024 – 25%) 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% (2024 – 25%). 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.

Notes to the financial statements (continued)

31 December 2025

6 Tax (continued)

Factors affecting total tax charge for the year

The tax assessed for the year is different (2024: different) than the standard rate of UK corporation tax of 25.0% (2024: 25.0%) for the following reasons:

	2025			2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Total (loss)/profit before tax	(265)	(3,405)	(3,670)	438	1,580	2,018
Tax at the UK corporation tax rate of 25.0% (2024 – 25.0%)	66	852	918	(110)	(395)	(505)
Tax effect of non-taxable income	3	–	3	211	–	211
(Losses)/gains on investments that are not (deductible)/taxable	–	(772)	(772)	–	454	454
Adjustments arising on the difference between taxation and accounting treatment of expenses	80	(80)	–	59	(59)	–
Unrelieved tax losses	(122)	–	(122)	(125)	–	(125)
Tax credit	27	–	27	35	–	35

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 £1,082,219 (2024 – £952,155) which has not been recognised in the year or prior years. Deferred tax is calculated at 25% (2024 – 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:

	2025			2024		
	Revenue £000	Capital return £000	Total return £000	Revenue £000	Capital return £000	Total return £000
Earnings:						
(Loss)/profit after tax	(238)	(3,405)	(3,643)	473	1,580	2,053
Cumulative convertible non-redeemable preference shares dividend	(350)	–	(350)	(350)	–	(350)
Adjusted profit/(loss) after tax	(588)	(3,405)	(3,993)	123	1,580	1,703

Notes to the financial statements (continued)

31 December 2025

7 Earnings per ordinary share (continued)

	2025			2024		
	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 (2024 – 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 (2024 – 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

	2025	2024
	£000	£000
Amounts recognised as distributions to ordinary shareholders in the period		
Dividends on ordinary shares:		
Final dividend for the year ended 31 December 2024 of 0.00p (2023 – 0.00p) per share	–	–
Interim dividend for the year ended 31 December 2025 of 0.00p (2024 – 1.75p) per share	–	437
	<u>–</u>	<u>437</u>
Proposed final dividend for the year ended 31 December 2025 of 0.00p (2024 – 0.00p) per share	–	–
	<u>–</u>	<u>–</u>
	2025	2024
	£000	£000
Dividends on 3.5% cumulative convertible preference shares:		
Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023 – 0.00p) per share	–	–
Preference dividend for the 6 months ended 30 June 2025 of 0.00p (2024 – 1.75p) per share	–	175
Preference dividend for the 6 months ended 31 December 2025 of 0.00p (2024 – 0.00p) per share	–	–
	<u>–</u>	<u>175</u>

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.

Notes to the financial statements (continued)

31 December 2025

8 Dividends (continued)

Dividends proposed for the period:

	2025	2024
		£000
£000		
Dividends on ordinary shares:		
Interim dividend for the year ended 31 December 2025 of 0.00p (2024 – 1.75p) per share	–	437
Proposed final dividend for the year ended 31 December 2025 of 0.00p (2024 – 0.00p) per share	–	–
	<u>–</u>	<u>437</u>
Dividends on 3.5% cumulative convertible preference shares:		
Preference dividend for the 6 months ended 30 June 2025 of 0.00p (2024 – 1.75p) per share	–	175
Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023 – 0.00p) per share	–	–
	<u>–</u>	<u>175</u>

The non-payment in December 2019, December 2020, June 2022, December 2023, December 2024, June 2025 and December 2025 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, for the year ended 31 December 2024 and for the year ended 31 December 2025, has resulted in arrears of £1,225,000 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%.

9 Investments – fair value through profit or loss

	2025	2024
	£000	£000
Investments quoted on a recognised investment exchange	1,076	5,676
Unquoted investments		
– Subsidiary undertakings (Note 10)	8,185	7,359
– Other	2	2
	<u>9,263</u>	<u>13,037</u>

BritAm Investments 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 43). Film rights are valued at fair value £3,500,000 (2024 – £1,750,000).

Notes to the financial statements (continued)

31 December 2025

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

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

December 2025

	Quoted in UK £000	Quoted overseas £000	Unlisted* £000	Total £000
Opening cost	466	6,101	7,142	13,709
Investment holding (losses)/gains	147	(1,038)	219	(672)
Opening fair value at 1 January 2025	613	5,063	7,361	13,037
Purchases at cost	34	65	–	99
Transfer at market value at 31 December 2024	–	11	–	11
Sales – proceeds	(643)	(1,070)	–	(1,713)
– (losses)/gains on sales	17	(1,019)	–	(1,002)
(Increase)/decrease in investment holding (losses)/gains	(8)	(1,987)	826	(1,169)
Closing fair value	13	1,063	8,187	9,263
Closing cost	43	2,901	7,142	10,086
Investment holding (losses)/gains	(30)	(1,838)	1,045	(823)
Closing fair value at 31 December 2025	13	1,063	8,187	9,263

*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 £5,346 (2024 – £2,456) being £1,264 (2024 – £552) on purchases and £4,082 (2024 – £1,904) on sales.

Notes to the financial statements (continued)

31 December 2025

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

(Losses)/gains on investments

	2025	2024
	£000	£000
(Losses)/gains on disposal	(2,021)	20
Losses/(gains) on disposal recognised in prior years	1,019	(217)
	<u>(1,002)</u>	<u>(197)</u>
Losses on derivatives accounted for as current assets	(31)	(1)
Losses on disposal of investments at fair value through profit or loss	(1,033)	(198)
Losses in relation to provision for liabilities and charges in respect of net liabilities of subsidiary entity	(884)	(254)
	<u>(1,917)</u>	<u>(452)</u>
Investment holding (losses)/gains in the year	(1,169)	2,270
	<u>(3,086)</u>	<u>1,818</u>

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 and have their principal place of business in Great Britain.

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

- The company obtains funds from more than one investor for the purpose of providing those investors with investment management services;
- The company commits to its investors that its business purpose is to invest funds solely for return from capital appreciation and investment income; and
- 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

Notes to the financial statements (continued)

31 December 2025

Second BritAm Investments Limited are shown in note 13.

11 Receivables

	Note	2025 £000	2024 £000
Amount owed by subsidiary undertakings (repayable on demand)		3,169	3,136
Prepayments and accrued income		10	10
Other debtors		19	10
		<u>3,198</u>	<u>3,156</u>
Expected Credit Loss	17	(3,136)	(3,136)
		<u>62</u>	<u>20</u>

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

	2025 £000	2024 £000
Other taxes and social security	39	12
Other payables (repayable on demand)	46	448
Amounts due to related parties (repayable on demand)	710	715
Amounts owed to subsidiary undertakings (repayable on demand)	72	637
Accruals and deferred income	69	72
	<u>936</u>	<u>1,884</u>

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

	2025 £000	2024 £000
Credit Suisse facility	<u>658</u>	<u>942</u>

At 31 December 2025 the company has drawn down the sterling equivalent of £658,000 (2024 – £942,000) 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 2025 investments with a fair value of £3,137,399 (2024 – £3,446,158) have been deposited with Credit Suisse as collateral.

13 Non - current liabilities

Guarantee of subsidiary liability

	2025 £000	2024 £000
Opening financial liability	4,538	4,206
Increase in period	<u>884</u>	<u>332</u>
Closing financial liability	<u>5,422</u>	<u>4,538</u>

Notes to the financial statements (continued)

31 December 2025

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

	2025	2024
	£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	<u>10,000</u>	<u>10,000</u>
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	<u>10,000</u>	<u>10,000</u>
	<u>35,000</u>	<u>35,000</u>

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 22.

15 Retained earnings and capital reserves

	Capital reserve	Retained earnings
	£000	£000
1 January 2024	(30,709)	221
Allocation of profit for the year	1,580	473
Ordinary and preference dividends paid	–	(612)
31 December 2024	<u>(29,129)</u>	<u>82</u>
1 January 2025	(29,129)	82
Allocation of loss for the year	(3,405)	(238)
Ordinary and preference dividends paid	–	–
31 December 2025	<u>(32,534)</u>	<u>(156)</u>

The capital reserve includes £823,000 of investment holding losses (2024 – £672,000 losses) (see note 9 on page 48).

Notes to the financial statements (continued)

31 December 2025

16 Net asset values

	Net asset value per ordinary share	
	2025	2024
Ordinary shares	£	£
Diluted	0.07	0.17
Undiluted	0.07	0.17
	Net assets attributable	
	2025	2024
	£000	£000
Total net assets	2,310	5,953
Less convertible preference shares at fully diluted value	(660)	(1,701)
Net assets attributable to ordinary shareholders	1,650	4,252

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 22) 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 £17,299 (2024 – £22,287) in respect of those services.

The salaries and pensions of the company's employees, except for the three (2024 – 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 2025 were £263,242 (2024 – £421,474) in respect of salary costs and £24,276 (2024 – £47,301) in respect of pensions. During the year the company made a recharge of £5,000 (2024 – £5,000) of director's salary to BritAm Investments Limited and £5,000 (2024 – £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 £489,012 (2024 – £426,664) was due to Remus Films Limited and the amount of £221,803 (2024 – £288,022) was due to Romulus Films Limited. At the year end Other payables included amounts of £nil (2024 – £94,705) and £nil (2024 – £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 £nil (2024 – £578,000) to the parent company, British & American Investment Trust PLC.

As disclosed in note 13 on page 50, British & American Investment Trust PLC has guaranteed the liabilities of £5,588,810 (2024 – £5,726,153) of Second BritAm Investments Limited to its fellow subsidiaries if they should fall due. Additionally a provision has been made of £3,136,253 (2024 – £3,136,072) to write down the carrying value of amounts due from Second BritAm Investments Limited to British & American Investment Trust PLC.

At 31 December 2025 £4,977,779 (2024 – £5,032,428) was owed by British & American Films Limited to Romulus Films Limited and £56,253 (2024 – £52,092) to Remus Films Limited. Interest was paid to Romulus Films Limited of £166,247 (2024 – £135,484) at the rate of 3.0% per annum per first quarter of the year and then at 3.5% per annum rising by 0.5 percent each year for three years. The loan is repayable at not less than one year's notice.

Notes to the financial statements (continued)

31 December 2025

17 Related party transactions (continued)

During the year the company paid interest of £12,971 (2024 – £22,452) on the loan due to BritAm Investments Limited and £4,488 (2024 – £2,472) on the loan due to British & American Films Limited and which are included in the balances at 31 December 2025.

During the year the company received interest of £93,054 (2024 – £96,132) from Second BritAm Investments Limited.

During the year the company entered into an investment transaction with BritAm Investments Limited to sell stock for £560,859 (2024 – £nil).

During the year the company surrendered group tax relief of £2,231 (2024 – £7,941) to British & American Films Limited and £24,945 (2024 – £27,215) to BritAm Investments Limited. These amounts are included as part of amounts owed by subsidiary undertakings in note 11 on page 50.

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

	2025	2024
	£000	£000
Name of the subsidiary		
Receivables:		
British & American Films Limited	33	20
Second BritAm Investments Limited	3,136*	3,136*
Total	<u>3,169</u>	<u>3,156</u>
Payables:		
BritAm Investments Limited	<u>72</u>	<u>657</u>
Total	<u>72</u>	<u>657</u>

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

*The amount owed by Second BritAm Investments Limited of £3,136,253 (2024 – £3,136,072) has been provided for as an expected credit loss explained in note 11.

18 Deferred taxation

A deferred tax asset of £1,082,219 (2024 – £952,155) 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 March 2026, the company entered into a £2.0 million unsecured loan facility agreement with a related party Romulus Films Limited in repayment of all amounts outstanding to Credit Suisse. The facility shall be available for a term of five years and will be repayable in full on the last day of term or earlier at the option of the borrower.

The period from 1 January 2006 to 31 December 2025 (both inclusive) during which the holders of the Non-Voting Preference Shares had the right to convert all or any of the Non-Voting Preference Shares held by them into fully paid Ordinary Shares at the rate of one New Ordinary Share for each Non-Voting Preference Share has now ended.

In accordance with the company's Articles of Association, any unconverted Non-Voting Cumulative Preference Shares outstanding shall be re-designated as Cumulative Non-Voting Preference Shares only. Accordingly, with effect from

Notes to the financial statements (continued)

31 December 2025

19 Post balance sheet event (continued)

31 December 2025, such shares became non-convertible but otherwise remain in issue and are non-redeemable.

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 investments, 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 £364 (2024 – £12,517).

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:

	2025	2024
	£000	£000
Investments held at fair value through profit or loss	9,263	13,037
deduct Investment in subsidiary companies	(8,185)	(7,359)
Derivatives held at fair value	1	11
	<u>1,079</u>	<u>5,689</u>

Details of the company investment portfolio at the year end are shown on page 12.

Other price risk sensitivity

A 10% increase in company portfolio valuations at 31 December 2025 would result in an increase of £108,000 (2024 – £568,000) in net asset value and profit for the year. A decrease of 10% would have had an equal but opposite effect.

Notes to the financial statements (continued)

31 December 2025

20 Risk management and other financial instruments (continued)

Financial assets and liabilities - interest rate risk

The majority of the company's financial assets are equity shares 99.9% (2024 – 98.1%) 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 0.1% (2024 – 1.9%) of the company's financial assets, of which 0.0% are at fixed rate and 0.1% are at floating rate.

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 2025 is shown below.

	2025		2024	
	Fair Value	Maturity	Fair Value	Maturity
	£000		£000	
<i>Assets</i>				
Floating rate				
Cash	–		249	
Total assets	–		249	
Weighted average interest rate	0.0%		0.0%	
(on fair value)				
<i>Liabilities</i>				
Bank credit facility	658	repayable on demand	942	repayable on demand
Total liabilities	658		942	
Weighted average interest rate	4.9%		5.5%	

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

Interest rate sensitivity

An increase of 0.5% in interest rates at 31 December 2025 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 £30,000 (2024 – £41,000). 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 £4.7 million at year end (2024 – £5.6 million) plus the uplift in the revaluation of film rights of £3.5 million (2024 – £1.75 million) in British & American Films Limited, a subsidiary of BritAm Investments Limited.

Notes to the financial statements (continued)

31 December 2025

20 Risk management and other financial instruments (continued)

The sensitivity of the fair value measurement of the subsidiaries to changes in unobservable inputs is not likely to be significant except for changes in the films rights valuation where these assumptions could result in a material change in the valuation with any change in the film rights changing the valuation of the subsidiaries on a £ for £ basis. Other than the film rights the majority of the assets comprise loans due from the parent company or fellow subsidiaries with the balance split between UK quoted investments and overseas quoted investments.

In 2025, our film company subsidiary amended the valuation methodology of its feature film rights to reflect more accurately the market value of these assets, in line with third-party professional valuation. Previously, these films and their long-term world-wide copyrights had been valued using a financial proxy methodology based on historical revenues, including discounted cash flow, comparable price earnings and market yield calculations.

The resulting valuations using this method were considerably lower than the valuation range determined by the professional valuation which captured not only the income-based value noted above but also the open-market sale values of both the films themselves and the ancillary value associated with the long copyright world-wide rights to these titles, including for example valuable feature film and TV series remake rights and licensing. Work is currently ongoing to exploit these ancillary rights in relation to two titles hence supporting their inclusion in this year's valuation.

As a result, an upward revaluation of these assets of £1.75 million has been included in this year's results to a level which itself has been conservatively capped at a discount to the professional valuation to take account of uncertainty and the long time-frame involved in film making.

Gearing

At 31 December 2025 the company has drawn down £658,000 (sterling equivalent) (2024 – £942,000) (sterling equivalent) of its credit limit with Credit Suisse, Zurich. At 31 December 2025 investments of fair value of £3,137,399 sterling equivalent (2024 – £3,446,158) 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 investment 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 (2024 – £1,883) (based on latest prior market value), BritAm Investments Limited and Second BritAm Investments Limited (unquoted subsidiaries) (measured at fair value through profit or loss) with a year end fair value respectively of £8,185,394 (2024 – £7,359,165) and £nil (2024 – £nil) which are categorised as Level 3, all other investments £1,076,448 (2024 – £5,675,784) and derivative assets £1,000 (2024 – £11,187) are categorised as Level 1.

Notes to the financial statements (continued)

31 December 2025

20 Risk management and other financial instruments (continued)

At 31 December 2025

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
<i>Financial assets</i>				
Equity investments	1,076	–	2	1,078
Derivatives	1	–	–	1
Unquoted subsidiaries	–	–	8,185	8,185
Total investments	1,077	–	8,187	9,264

At 31 December 2024

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
<i>Financial assets</i>				
Equity investments	5,676	–	2	5,678
Derivatives	11	–	–	11
Unquoted subsidiaries	–	–	7,359	7,359
Total investments	5,687	–	7,361	13,048

The values for investments categorised by type are identified on page 11. The movement in Level 3 investments is shown in the Unlisted column in note 9 on page 48.

Currency risk

64% (2024 – 49%) of the company's total assets are in sterling and 44% (2024 – 27%) of the group's total assets are in sterling. The foreign currency exposure is almost exclusively in five (2024 – five) 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.

Notes to the financial statements (continued)

31 December 2025

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.

	2025	2024	2025	2024
	Group	Group	Company	Company
	£000	£000	£000	£000
<i>US dollar/Swiss franc</i>				
Investments	5,287	10,567	1,061	5,062
Amounts owed by subsidiary undertakings	–	–	2,622	2,817
Bank credit facility	(339)	(942)	(339)	(942)
Derivatives - at fair value through profit or loss	1	11	1	11
Net exposure	4,949	9,636	3,345	6,948
Total assets	8,884	13,255	9,326	13,682

Currency risk sensitivity

At 31 December 2025, 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 £159,000 (2024 – £330,000). Similarly, a 5% weakening of sterling against the US dollar, with constant other variables, would have increased total net assets by £176,000 (2024 – £365,000). Total net assets of the group would have decreased by £236,000 (2024 – £458,000). Similarly, a 5% weakening of sterling against the US dollar, with constant other variables, would have increased total net assets by £260,000 (2024 – £506,000).

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 group'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 15 to 16). 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:

	2025	Maturity	2024	Maturity
	£000		£000	
Bank credit facility drawn down	658	on demand	942	on demand
Guarantee	5,422	undated	4,538	undated
Amounts due to related parties	710	on demand	715	on demand
Amounts owed to subsidiary undertakings	72	on demand	637	on demand
	6,862		6,832	

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.

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

Notes to the financial statements (continued)

31 December 2025

20 Risk management and other financial instruments (continued)

- 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 2025 the carrying value of assets is considered to approximate the maximum exposure to credit risk as set out below:

	2025		2024	
	Balance sheet £000	Maximum exposure £000	Balance sheet £000	Maximum exposure £000
Current assets				
Receivables	61	61	20	20
Derivatives - at fair value through profit or loss	1	1	11	11
Cash and cash equivalent	1	1	249	249
	<u>63</u>	<u>63</u>	<u>280</u>	<u>280</u>

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 £3,137,399 (2024 – £3,446,158) lodged as collateral for a bank credit facility (see note 12(b) on page 50).

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 2025 was £2,310,000 (2024 – £5,953,000).

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 2025

The Statement of Corporate Governance, which forms part of the Directors' report (page 24) is set out below. The following paragraphs describe the framework of internal controls in place to ensure that the company complies with the 2024 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 August 2024. 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.

Statement of Corporate Governance (continued)

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.

Statement of Corporate Governance (continued)

Report of the Audit Committee

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 17 and 18. 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 54 to 59 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.

Statement of Corporate Governance (continued)

Report of the Audit Committee (continued)

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.

Statement of Corporate Governance (continued)

Report of the Audit Committee (continued)

Internal control and risks

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 19. 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.

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 17 and 18. 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 2023. The fees for audit purposes for the financial year ending 31 December 2025, including audit of a subsidiary's financial statements, were £65,000 (2024 –

Statement of Corporate Governance (continued)
Report of the Audit Committee (continued)

£65,000).

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 2025 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
29 April 2026

Statement of Corporate Governance (continued)

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 22), 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 22.

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.

Statement of Corporate Governance (continued)

Accountability, Internal Controls and Audit

The directors' statement of responsibilities in respect of the financial statements is set out on page 25.

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.

Statement of Corporate Governance (continued)

The assets of the group 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.

Directors' remuneration report

For the year ended 31 December 2025

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 2025. 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 72.

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 22), 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

29 April 2026

Annual report on remuneration

Directors' remuneration as a single figure (audited)

	Salary and fees 2025 £000	Salary and fees 2024 £000
JC Woolf - salary	93	88
DG Seligman (Chairman) - fees	26	22
J Le Blan (Chair of Audit Committee) - fees	22	19
A Tamlyn - fees	20	16
Total	<u>161</u>	<u>145</u>

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.

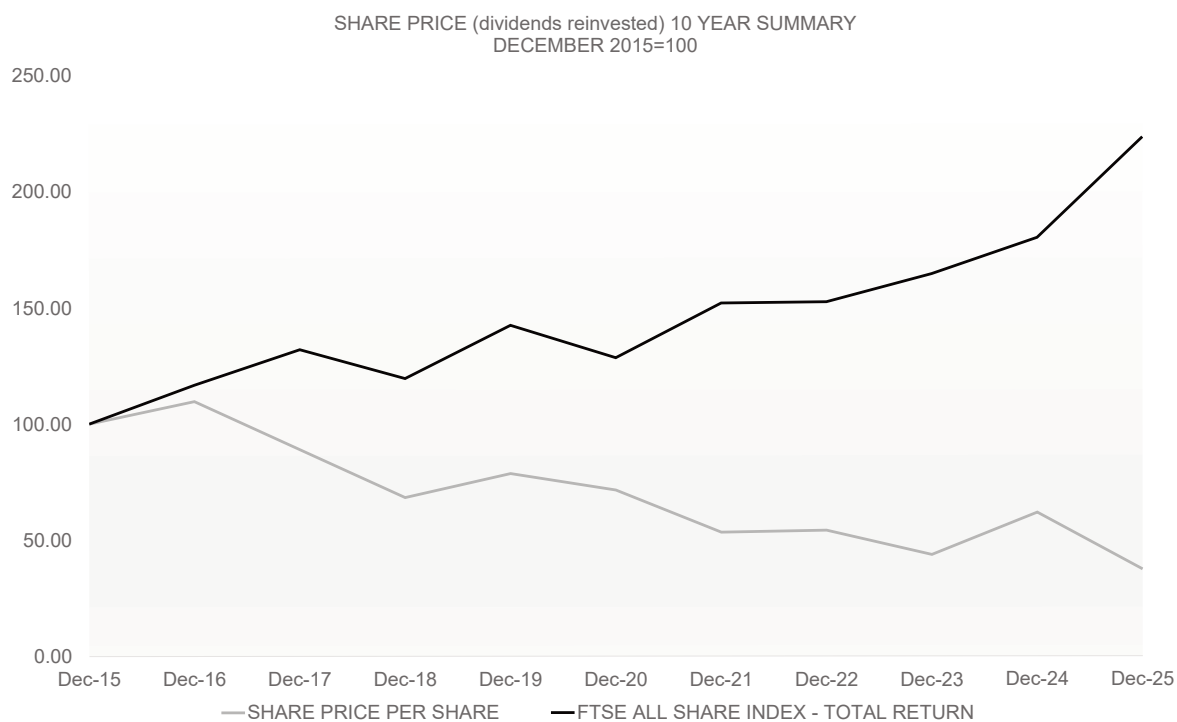
The non-executive directors' fees, unchanged from 1 January 2016, were increased by 20%, in line with inflation, with effect from 1 January 2025.

Directors' remuneration report (continued)

	£
DG Seligman (Chairman) - fees	26,400
J Le Blan (Chair of Audit Committee) - fees	22,440
A Tamlyn - fees	19,800

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 2015. The FTSE All Share equity market index is used as the company's benchmark.



Managing Director's remuneration table

	Total remuneration
	£000
2016	60
2017	63
2018	67
2019	71
2020	74
2021	72
2022	79
2023	83
2024	88
2025	93
Total	750

Directors' remuneration report (continued)

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 2024 and 2025.

	Change in salary Percent	Change in annual bonus Percent
Managing Director	5.17%*	no bonus paid
Employees (exc. non-executive directors)	3.62%	3.31%

*adjusted to 4.6% before recharge to subsidiaries

Significance of spend on pay

	Remuneration (inc. non-executive directors) £	Shareholder distribution £
2024	315,000**	612,000
2025	352,000	–
Difference	37,000	(612,000)
Percentage change	11.75%	(100%)

**adjusted by £205,000 decrease of recharge in 2025

Directors' interests

The directors during the year ended 31 December 2025 had interests in the shares of the company as follows (audited):

	2025		2024	
	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 2026.

Voting at Annual General Meeting

At the Annual General Meeting held on 26 June 2025, 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 2024	17,285,966	99.96	6,916	0.04	17,292,882	31,260

Directors' remuneration report (continued)

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 22 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.

Directors' remuneration report (continued)

Illustration of Application of Remuneration Policy

Managing Director

	Minimum	In line with expectations	Maximum
Salary	£93,000	£93,000	£93,000

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 2025 was approved by the Board and signed on its behalf by:

DG Seligman
Chairman
29 April 2026

Notice of meeting

NOTICE IS HEREBY GIVEN THAT the seventy eighth Annual General Meeting of the company will be held at Wessex House, 1 Chesham Street, London SW1X 8ND on Friday 26 June 2026 at 12.15pm for the following purposes:

1. To receive and consider the directors' report and company accounts for the year ended 31 December 2025 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

29 April 2026

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 77 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 2026 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 2026, 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.

Notice of meeting (continued)

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 2026 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.

Notice of meeting (continued)

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 2026 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 Friday 26 June 2026 and at any adjournment thereof.

Signed

Dated 2026.

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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr DG Seligman.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr A Tamlyn.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr JC Woolf.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mrs J Le Blan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve the directors' remuneration report (excluding policy).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To appoint MHA as the company's auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the audit committee to determine the remuneration of the auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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. Please 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