BRITISH & AMERICAN INVESTMENT TRUST PLC

FINANCIAL HIGHLIGHTS
For the six months ended 30 June 2022

	Unaudited 6 months to 30 June 2022	Unaudited 6 months to 30 June 2021	Audited Year ended 31 December 2021
	£'000	£'000	£'000
Revenue			
Return before tax	**(193)**	1,056	978
(Loss)/earnings per £1 ordinary shares – basic (note 5)	**(0.74)p**	3.58p	2.66p
(Loss)/earnings per £1 ordinary shares – diluted (note 5)	**(0.74)p**	3.06p	2.90p
Capital			
Total equity	**6,131**	7,169	6,727
Revenue reserve (note 9)	**(227)**	388	(43)
Capital reserve (note 9)	**(28,642)**	(28,219)	(28,230)
Net assets per ordinary share (note 6)			
- Basic	**£0.18**	£0.20	£0.19
- Diluted	**£0.18**	£0.20	£0.19
Diluted net assets per ordinary share at 27 September 2022	**£0.24**		
Dividends*			
Dividends per ordinary share (note 4)	**0.0p**	3.5p	3.5p
Dividends per preference share (note 4)	**0.0p**	3.5p	3.5p

Basic net assets and earnings per share are calculated using a value of fully diluted net asset value for the preference shares.

*Dividends *declared* for the period. Dividends shown in the accounts are, by contrast, dividends *paid or approved* in the period.

Copies of this report will be posted to shareholders and be available for download at the company's website: www.baitgroup.co.uk.

INVESTMENT PORTFOLIO
As at 30 June 2022

Company	**Nature of Business**	**Valuation £'000**	**Percentage of portfolio %**
Lineage Cell Therapeutics (USA)*	Biotechnology	1,902	15.46
Geron Corporation (USA)**	Biomedical	1,342	10.91
Dunedin Income Growth	Investment Trust	1,235	10.04
Aberdeen Diversified Income & Growth	Investment Trust	485	3.94
ADVFN	Other financial	63	0.51
Braemar Shipping Services	Transport	50	0.41
Relief Therapeutics (Switzerland)	Healthcare	49	0.40
AgeX (USA)	Biotechnology	48	0.39
NRX Pharmaceuticals (USA)	Healthcare	6	0.05
Proteome Sciences	Pharmaceuticals	4	0.03
10 Largest investments (excluding subsidiaries)		5,184	42.14
Investment in subsidiaries		7,109	57.78
Other investments (number of holdings: 6)		10	0.08
Total investments		**12,303**	**100.00**

* Total value of investment including held by subsidiary companies - £2,959,000
** Total value of investment including held by subsidiary companies - £4,591,000

Unaudited Interim Report
As at 30 June 2022

Registered number: 433137

Directors	**Registered office**
David G Seligman *(Chairman)*	Wessex House
Jonathan C Woolf *(Managing Director)*	1 Chesham Street
Julia Le Blan *(Non-executive and Chairman of the Audit Committee)*	London SW1X 8ND
Alex Tamlyn *(Non-executive)*	Telephone: 020 7201 3100
	Website: www.baitgroup.co.uk

CHAIRMAN'S STATEMENT

I report our results for the six months to 30 June 2022.

Revenue

The loss on the revenue account before tax amounted to £0.2 million (30 June 2021: profit £1.1 million), a decrease of 118.0 percent. This decrease was the result of a lower level of income receipts from our subsidiary companies compared to the same 6 month period in 2021.

Gross revenues totalled £0.08 million (30 June 2021: £1.29 million) during the period. In addition, film income of £47,000 (30 June 2021: £57,000) was received in our subsidiary companies. In accordance with IFRS10, film income is not included within the revenue figures noted above.

A loss of £0.5 million (30 June 2021: £0.3 million gain) was registered on the capital account before capitalised expenses and foreign exchange gains/losses, comprising a realised loss of £0.2 million (30 June 2021: £0.5 million loss) and an unrealised loss of £0.3 million (30 June 2021: £0.8 million gain).

Revenue loss per ordinary share was (0.74) pence on a fully diluted basis (30 June 2021: earnings 3.1 pence).

Net Assets and performance

Company net assets were £6.1 million (£6.7 million, at 31 December 2021), a decrease of 8.9 percent. Over the same six month period, the FTSE 100 index decreased by 2.9 percent and the All Share index decreased by 6.3 percent. As no dividends were paid during the period, the total return on net assets remains the same and the total return for the FTSE 100 and All Share indices was an increase of 0.6 percent and a decrease of 2.8 percent, respectively. The net asset value per £1 ordinary share was 17.5 pence on a fully diluted basis.

This underperformance in net assets over the period was the result of a significant fall in the value of one of our large US dollar investments, Lineage Cell Therapeutics Inc, which declined by over 35 percent during the period, a fall which was not fully offset by the increase of 27 percent in value of our other large US dollar investment, Geron Corporation Inc.

Since the period end, the value of our investment in Geron has further increased substantially to register a gain of 48 percent from the beginning of the year, as discussed in more detail in the Managing Director's report below. This movement, when coupled with the strong 20 percent gain in the value of the US dollar over the year to date, has resulted in our portfolio achieving significant outperformance of 31 percent over the leading UK equity indices since the beginning of the year.

Over the first six months of the year, as the effects of the Covid pandemic diminished, equity markets in the USA and UK reacted primarily to two major influences, the invasion of Ukraine by Russia in late February and a growing expectation that inflation levels were likely to be significantly higher than previously expected, leading to higher levels of interest rates as a result.

After opening relatively flat at the beginning of the year, the indices fell by almost 10 percent after the invasion, only to recover quickly by the end of the first quarter. However, a further drop of around 10 percent occurred at the beginning of the second quarter as the inflationary and disruptive effects of the war, particularly in the context of the unprecedented financial, trade and energy-related sanctions placed on Russia began to take effect. A more pronounced and steady decline in the US equity indices was in fact seen in the second quarter with the US Federal Reserve being the first central bank to indicate and implement a programme of significantly steeper interest rate rises.

Dividends

With the recovery in value of one of our largest investments noted above, we intend to pay an interim dividend of 1.75 pence per ordinary share for the year to 31st December 2022 on 8th December 2022. A preference dividend of 1.75 pence per preference share will be paid on the same date.

This dividend payment represents a yield of approximately 7 percent on the ordinary share price averaged over the first six month period of the year.

Recent events

Since I last reported some five months ago, two major and unexpected events have occurred in the UK with the departure of a sitting Prime Minister and the election of his replacement and the sad death this month of Her Majesty Queen Elizabeth II.

These events, if nothing else, have shown the resilience, stability and substance of both the institutions and constitutional underpinnings of our nation and of the British people themselves.

The Board and I join with the rest of the British people, the Commonwealth and indeed many around the world in thanking Her Majesty for her steadfastness, wisdom and the great sense of duty which she brought to her reign of 70 years.

We send our sincere condolences to the new King Charles III and the royal family and wish him well as he embarks on his reign and a new chapter for the British people.

Outlook

The first major war of aggression on the continent of Europe since World War II has continued to rage since the beginning of the year and is expected to do so for some considerable time to come. This, together with the many reactions to it including the imposition of unprecedented sanctions on the aggressor, the cutting off of energy supplies to Europe, and the displacement of people and the re-calibration of trade flows around the World has inevitably resulted in substantial and long term economic and financial disruption globally.

This war has prevented the re-establishment of the patterns of growth and development which had persisted for many years prior to the intervention of the Covid pandemic in 2020 as the pandemic started to eased towards the end of last year. While businesses generally have been able to recover or adapt to the new realities of working and social interaction post-the pandemic, the outlook for business and economies remains very uncertain as significant levels of inflation and consequentially higher interest rates return after many years of exceptionally low levels. This is quite apart from the uncertainties presented by an ongoing war in which one of the combatants is a major nuclear power and the challenges represented by the ongoing re-alignment of global alliances into two separately operating and antagonistic blocks.

Against this background, the strong and continuing recovery in the value of our major US investment, Geron Corporation, which we believe reflects the increasing proximity of its important clinical trial results due to be published in January next year and the anticipated subsequent approval and commercialisation of its new oncology drug should serve us well to offset the investment uncertainties noted above. This and our other US biopharma investments which we believe hold significant investment promise as they progress steadily towards commercialisation of their ground-breaking and valuable technologies provide our portfolio with a path to growth independent of general market movements.

As at 27 September, company net assets were £8.4 million, an increase of 38.0 percent since the period end and equivalent to 24.1 pence per share on a fully diluted basis. Over the same period, the FTSE 100 index decreased by 2.6 percent, the All Share index decreased by 3.3 percent and the NASDAQ decreased by 1.8 percent.

David Seligman

30 September 2022

Managing Director's Report

The two factors driving movements in markets in the current year – inflation and the war in Ukraine – have been noted in the Chairman's statement above.

These are of course connected. Today's inflationary forces had their origins in the Covid pandemic, deriving specifically from the unprecedented levels of government financial assistance given to citizens and companies, the prolongation of historically low levels of official interest rates - and even negative rates in some cases, the huge expansion of central bank balance sheets through the policies of quantitive easing, the ballooning of government deficits and debts and the disruption to global supply chains.

However, just at the time when the pandemic had started to ease following the hugely successful global vaccination programme in 2020/21, when economic and business growth had started to rebound and governments had started to withdraw the emergency assistance programmes, this recovery to normal operation was disrupted by the invasion of Ukraine at the beginning of 2022.

The effects of this war and developed economies' response to it have been global and substantial in nature. The anticipated return to normal levels of economic growth has been interrupted and recession is now expected over the coming months in the USA, the UK, Europe and other G20 countries. Supplies of energy from Russia have either been reduced or stopped completely, resulting in energy prices - particularly of gas - rising to many times their pre-invasion levels. This has required governments in the UK and Europe to put in place extensive and very expensive programmes of price stabilisation for citizens and companies over the forthcoming winter to offset the otherwise unaffordable costs.

All these developments – from the pandemic to the war – have directly led to an accelerated and substantial increase in inflation, with levels today in the West not seen for 40 years. In response, central banks have begun to implement programmes of progressive and larger than expected interest rate increases. The inevitable result of this over the period to come is further downward pressure on growth and the financial positions of individuals, companies and governments themselves. Ultimately, in the absence of compensatory growth which seems difficult under the current circumstances and outlook, governments will be faced with the choice between increases in tax or cuts to services to return national balances to more normal and sustainable levels. In fact, this very question became a major theme of the debate in the contest to elect a new Prime Minister in the UK over the summer.

In response to analysts' projections painting a gloomy and worsening outlook in terms of growth, financial stability and inflation, markets have reacted with substantially higher levels of volatility and lacklustre performance overall for most of this year. Some projections, however, such as those from a few leading banks which have forecast UK inflation to rise to over 20 percent in 2023, appear to be somewhat excessive, particularly in the light of a recent softening in energy prices from their highs of the summer. These commodities now constitute a much larger weighting by value in the inflation basket calculations due to their higher prices and since most of these increases occurred in the early part of the year when the war broke out, the effect of these higher prices should begin to drop out of the calculation entirely in the first half of 2023. In addition, further significant upward pressure on inflation is being dampened by the already changing patterns of behaviour of individuals and companies in their consumption and investment choices - particularly in the area of energy – which are resulting in increasing levels of demand destruction.

Given that most of the inflation being seen at this point derives principally from the external price shock of energy prices and the disruption to international trade rather than being domestically generated (as confirmed by movements in the UK M4 broad money supply which peaked sharply in 2020 at the start of the Covid pandemic but then quickly reverted to prior levels and has not risen significantly since), this more optimistic scenario of peaking and declining inflation remains a distinct possibility in the absence of further external shocks.

Consequently, provided that current inflation levels are not worsened or prolonged by excessive wage demands in the short term, which would risk causing an inflationary spiral to match that experienced in the UK in the 1970s, the prospects that inflation could by contrast contract to considerably lower levels in 2023 remain quite high. There is, however, already a great deal of pressure on Government and employers through strikes and high levels of job vacancies to agree inflation-linked wage demands now, but if these can be resisted, at least for the next few months when inflation rates could subside from current levels, there will be a better chance of avoiding a domestically generated wage/price spiral which would embed higher rates of inflation for the foreseeable future.

In the UK, the impact of the large financial and fiscal interventions announced by the new government over the past few days is likely to be mixed in terms of future levels of inflation by pulling in opposite directions and contradictory in terms of future growth. While the substantial energy cost stabilisation programmes for homes and businesses will have a significant dampening effect on prospective inflation rates in the shorter term, in anticipated amounts of up to 5 percent depending on the evolution of international energy prices, the large and unfunded tax cuts intended to boost demand will add greatly to government borrowing levels and therefore are likely to result in higher and longer lasting levels of interest rates over the medium term, with a negative effect on growth. Furthermore, the unprecedented fall in the value of sterling which greeted these fiscal adjustments will, if sustained, also increase levels of imported inflation with a further dampening effect on growth.

While performing poorly this year and trading within a relatively narrow range, UK markets have not sustained significant falls this year below the high levels reached in 2021 following their recovery from the Covid pandemic shock in 2020. If markets felt that above 20 percent inflation was a real prospect in the short term, together with the resultant considerably higher rates of interest going forward and for the longer term, a much more precipitous downward movement into bear market territory would have been likely to have been seen by now.

Geron Corporation.

The price of Geron stock has increased by a factor of 3 times (200 percent increase) during the course of this year, indicating a much needed re-rating of the stock from its previously very undervalued levels and allowing us to resume payment of dividends to shareholders.

This re-rating is likely to reflect the proximity of the very important announcement of Geron's Phase 3 clinical trial results in Myelodysplastic Syndrome ("MDS") which has been confirmed to be no more than a few months away in early January next year. If positive as expected, this will be followed by FDA approval not long after and the commencement of commercial sales of its novel and ground-breaking oncology drug, Imetelstat.

Geron's market capitalisation has now regained the US$1 billion plus level it stood at prior to the withdrawal of Johnson & Johnson from its collaboration with the company – exactly 4 years ago this week in 2018 - when Geron's share price collapsed by over 80 percent in a matter of weeks. It remained suppressed at these historically low levels over the subsequent years, during which time Geron successfully completed two Phase 2 trials in MDS and Myelofibrosis ("MF") and commenced two Phase 3 trials, one of which - in MDS - is due to complete in just over 3 months time. It has also commenced a number of other early stage haematological drug programmes and partnerships with leading pharma companies. Geron also now owns 100 percent of its drug technology rather than the previous only 20 percent under its former partnership with Johnson & Johnson and can therefore now expect 5 times greater returns from its technology once approved and commercialised.

Geron has been our major and strategic investment for well over 10 years and our portfolio has suffered greatly - and particularly since 2018 - from Geron's unjustifiably low share price which, as noted on many occasions, we felt did not reflect in any way the value of its ground-breaking and proprietary technology and its potential. With its current re-rating and assisted by the recent and substantial strength in the US dollar, Geron's value has now returned to its cost price in our portfolio and we look forward to considerable further growth as Geron moves swiftly from a clinical to a commercial biotechnology company in the months and years ahead.

Jonathan Woolf

30 September 2022

CONDENSED INCOME STATEMENT
Six months ended 30 June 2022

	Note	**Unaudited 6 months to 30 June 2022**			Unaudited 6 months to 30 June 2021			Audited Year ended 31 December 2021		
		Revenue Return £'000	**Capital Return £'000**	**Total £'000**	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Investment income	**3**	**79**	**-**	**79**	1,286	-	1,286	1,439	-	1,439
Holding (losses)/gains on investments at fair value through profit or loss		**-**	**(333)**	**(333)**	-	848	848	-	1,028	1,028
Losses on disposal of investments at fair value through profit or loss		**-**	**(206)**	**(206)**	-	(471)	(471)	-	(585)	(585)
Foreign exchange gains/(losses)		**(39)**	**253**	**214**	3	(27)	(24)	(4)	22	18
Expenses		**(217)**	**(124)**	**(341)**	(214)	(119)	(333)	(422)	(243)	(665)
(Loss)/profit before finance costs and tax		**(177)**	**(410)**	**(587)**	1,075	231	1,306	1,013	222	1,235
Finance costs		**(16)**	**(2)**	**(18)**	(19)	(2)	(21)	(35)	(4)	(39)
(Loss)/profit before tax		**(193)**	**(412)**	**(605)**	1,056	229	1,285	978	218	1,196
Taxation		**9**	**-**	**9**	14	-	14	36	-	36
(Loss)/profit for the period		**(184)**	**(412)**	**(596)**	1,070	229	1,299	1,014	218	1,232
(Loss)/earnings per ordinary share	**5**									
Basic		**(0.74)p**	**(1.65)p**	**(2.39)p**	3.58p	0.92p	4.50p	2.66p	0.87p	3.53p
Diluted*		**(0.74)p**	**(1.65)p**	**(2.39)p**	3.06p	0.65p	3.71p	2.90p	0.62p	3.52p

The company does not have any income or expense that is not included in profit for the period and all items derive from continuing operations. Accordingly, the '(Loss)/profit for the period' is also the 'Total Comprehensive Income for the period' as defined in IAS 1(revised) and no separate Statement of Comprehensive Income has been presented.

The total column of this statement is the company's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidelines published by the Association of Investment Companies.

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

*Calculated in accordance with International Accounting Standard 33 'Earnings per Share'. Upon conversion of the preference shares to ordinary shares the anti-diluted loss per share would be 0.53p (revenue return) and 1.18p (capital return).

CONDENSED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022			
	Share capital* £'000	**Capital Reserve £'000**	**Retained Earnings £'000**	**Total £'000**
Balance at 31 December 2021	35,000	(28,230)	(43)	6,727
Loss for the period	-	(412)	(184)	(596)
Balance at 30 June 2022	35,000	(28,642)	(227)	6,131

	Unaudited Six months ended 30 June 2021			
	Share capital* £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2020	35,000	(28,448)	168	6,720
Profit for the period	-	229	1,070	1,299
Ordinary dividend paid	-	-	(675)	(675)
Preference dividend paid	-	-	(175)	(175)
Balance at 30 June 2021	35,000	(28,219)	388	7,169

	Audited Year ended 31 December 2021			
	Share capital* £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2020	35,000	(28,448)	168	6,720
Profit for the period	-	218	1,014	1,232
Ordinary dividend paid	-	-	(875)	(875)
Preference dividend paid	-	-	(350)	(350)
Balance at 31 December 2021	35,000	(28,230)	(43)	6,727

*The company's share capital comprises £35,000,000 (2021 - £35,000,000) being 25,000,000 ordinary shares of £1 (2021 - 25,000,000) and 10,000,000 non-voting convertible preference shares of £1 each (2021 - 10,000,000).

CONDENSED BALANCE SHEET
As at 30 June 2022

	Note	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
		£'000	£'000	£'000
Non-current assets				
Investments – fair value through profit or loss (note 1)		**5,194**	7,068	6,124
Subsidiaries – fair value through profit or loss		**7,109**	5,794	6,707
		12,303	12,862	12,831
Current assets				
Receivables		**487**	1,067	535
Cash and cash equivalents		**23**	320	83
		510	1,387	618
Total assets		**12,813**	14,249	13,449
Current liabilities				
Trade and other payables		**(2,018)**	(2,565)	(2,129)
Bank loan		**(814)**	(637)	(619)
		(2,832)	(3,202)	(2,748)
Total assets less current liabilities		**9,981**	11,047	10,701
Non – current liabilities		**(3,850)**	(3,878)	(3,974)
Net assets		**6,131**	7,169	6,727
Equity attributable to equity holders				
Ordinary share capital		**25,000**	25,000	25,000
Convertible preference share capital		**10,000**	10,000	10,000
Capital reserve		**(28,642)**	(28,219)	(28,230)
Retained revenue earnings		**(227)**	388	(43)
Total equity		**6,131**	7,169	6,727
Net assets per ordinary share – basic	**6**	**£0.18**	£0.20	£0.19
Net assets per ordinary share – diluted	**6**	**£0.18**	£0.20	£0.19

CONDENSED CASHFLOW STATEMENT
Six months ended 30 June 2022

	Unaudited 6 months to 30 June 2022	Unaudited 6 months to 30 June 2021	Audited Year ended 31 December 2021
	£'000	£'000	£'000
Cash flow from operating activities			
(Loss)/profit before tax	**(605)**	1,285	1,196
Adjustment for:			
Losses/(gains) on investments	**539**	(377)	(443)
Dividends in specie	-	(78)	(78)
Proceeds on disposal of investments at fair value through profit or loss	**313**	1,089	1,708
Purchases of investments at fair value through profit or loss	**(126)**	(1,270)	(1,610)
Interest	**18**	21	39
Operating cash flows before movements in working capital	**139**	670	812
(Increase)/decrease in receivables	**(264)**	64	551
Increase/(decrease) in payables	**49**	95	(549)
Net cash from operating activities before interest	**(76)**	829	814
Interest paid	**(4)**	(3)	(7)
Net cash flows from operating activities	**(80)**	826	807
Cash flows from financing activities			
Dividends paid on ordinary shares	-	(675)	(875)
Dividends paid on preference shares	**(175)**	(175)	(175)
Bank loan	**195**	(50)	(68)
Net cash used in financing activities	**20**	(900)	(1,118)
Net decrease in cash and cash equivalents	**(60)**	(74)	(311)
Cash and cash equivalents at beginning of period	**83**	394	394
Cash and cash equivalents at end of period	**23**	320	83

NOTES TO THE COMPANY'S CONDENSED FINANCIAL STATEMENT

1. Accounting policies

Basis of preparation and statement of compliance

This interim report is prepared in accordance with IAS 34 'Interim Financial Reporting' an International Financial Reporting Standard adopted by the United Kingdom and on the basis of the accounting policies set out in the company's Annual Report and financial statements at 31 December 2021.

The company's condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006.

In accordance with IFRS 10, the group does not consolidate its subsidiaries and therefore instead of preparing group accounts it prepares separate financial statements for the parent entity only.

The financial statements have been prepared on the historical cost basis except for the measurement at fair value of investments, derivative financial instruments, and subsidiaries. The same accounting policies as those published in the statutory accounts for 31 December 2021 have been applied.

Significant accounting policies

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

As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities 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 group is provided internally on this basis to the entity's key management personnel.

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 as 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 and 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 Stock Exchange quoted market closing prices or last traded prices, depending upon the convention of the exchange on which the investment is quoted at the close of business on the balance sheet date. Investments in units of unit trusts or shares in OEICs are valued at the closing price released by the relevant investment manager.

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using an appropriate valuation technique.

Investments of the company in subsidiary companies are held at the fair value of their underlying assets and liabilities.

This includes the valuation of film rights in British & American Films Limited and thus the fair value of its immediate parent BritAm Investments Limited. In determining the fair value of the film rights, estimates are made. These include future film revenues which are estimated by the management. Estimations made have taken into account historical results, current trends and other relevant factors.

Where a subsidiary has negative net assets it is included in investments at £nil value and a provision for liabilities is made on the balance sheet equal to the value of the net liabilities of the subsidiary company where the ultimate parent company has entered into a guarantee to pay the liabilities as they fall due.

Dividend income from investments is recognised as income 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 income in nature. Amounts recognised as income will form part of the company's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

All expenses are accounted for on an accruals basis. Expenses are charged as revenue items in the income statement except as follows:

– transaction costs which are incurred on the purchase or sale of an investment designated as fair value through profit or loss are expensed and included in the capital column of the income statement;

– 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% (2021 – 50%) to revenue and 50% (2021 – 50%) to capital, in order to reflect the directors' long-term view of the nature of the expected investment returns of the company.

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.

2. Segmental reporting

The directors are of the opinion that the company is engaged in a single segment of business, that is investment business, and therefore no segmental information is provided.

3. Income

	Unaudited 6 months to 30 June 2022 £'000	Unaudited 6 months to 30 June 2021 £'000	Audited Year ended 31 December 2021 £'000
Income from investments	**47**	1,248	1,298
Other income	**32**	38	141
	79	1,286	1,439

Of the £47,000 (30 June 2021 – £1,248,000, 31 December 2021 – £1,298,000) dividends received, £nil (30 June 2021 – £204,000, 31 December 2021 – £204,000) related to special and other dividends received from investee companies that were bought after the dividend announcement. There was a corresponding capital loss of £nil (30 June 2021 – £249,000, 31 December 2021 – £249,000) on these investments.

Under IFRS 10 the income analysis above includes the parent company only rather than that of the group. In addition to the income above film revenues of £47,000 (30 June 2021 – £57,000, 31 December 2021 – £171,000) received by the subsidiary British & American Films Limited and property unit trust income of £nil (30 June 2021 – £nil, 31 December 2021 – £2,000) was received by the subsidiary BritAm Investments Limited and forms part of the net profit of those companies available for distribution to the parent company.

4. Dividends

	Unaudited 6 months to 30 June 2022 Interim		Unaudited 6 months to 30 June 2021 Interim		Audited Year ended 31 December 2021 Final	
	Pence per share	**£'000**	Pence per share	£'000	Pence per share	£'000
Ordinary shares - paid	-	-	2.7	675	3.5	875
Ordinary shares - proposed	-	-	0.8	200	-	-
Preference shares – paid	-	-	1.75	175	3.5	350
Preference shares – proposed	-	-	1.75	175	-	-
		-		1,225		1,225

The dividends on ordinary shares are based on 25,000,000 ordinary £1 shares. Dividends on preference shares are based on 10,000,000 non-voting 3.5% convertible preference shares of £1.

The non-payment in December 2019, in December 2020 and in June 2022 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 and for the period ended 30 June 2022, has resulted in arrears of £525,000 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%.

Amounts recognised as distributions in respect of dividends paid in each period:

	Unaudited 6 months to 30 June 2022		Unaudited 6 months to 30 June 2021		Audited Year ended 31 December 2021	
	Pence per share	**£'000**	Pence per share	£'000	Pence per share	£'000
Ordinary shares – Final	**-**	**-**	-	-	-	-
Ordinary shares – Interim	**-**	**-**	2.7	675	3.5	875
Preference shares – Fixed	**-**	**-**	1.75	175	3.5	350
		-		850		1,225

5. (Loss)/earnings per ordinary share

	Unaudited 6 months to 30 June 2022 £'000	Unaudited 6 months to 30 June 2021 £'000	Audited Year ended 31 December 2021 £'000
Basic (loss)/earnings per share			
Calculated on the basis of:			
Net revenue (loss)/profit after preference dividends	**(184)**	895	664
Net capital (loss)/gain	**(412)**	229	218
Net total (loss)/earnings after preference dividends	**(596)**	1,124	882
	Number'000	Number'000	Number'000
Ordinary shares in issue	**25,000**	25,000	25,000
Diluted (loss)/earnings per share*			
Calculated on the basis of:	**£'000**	£'000	£'000
Net revenue (loss)/profit	**(184)**	1,070	1,014
Net capital (loss)/gain	**(412)**	229	218
(Loss)/profit after taxation	**(596)**	1,299	1,232
	Number'000	Number'000	Number'000
Ordinary and preference shares in issue	**35,000**	35,000	35,000

Diluted earnings per share is calculated taking into account the preference shares which are convertible to ordinary shares on a one for one basis, under certain conditions, at any time during the period 1 January 2006 to 31 December 2025 (both dates inclusive).

*Calculated in accordance with International Accounting Standard 33 'Earnings per Share'. Upon conversion of the preference shares to ordinary shares the anti-diluted loss per share would be 0.53p (revenue return) and 1.18p (capital return).

6. Net asset value attributable to each share

Basic net asset value attributable to each share has been calculated by reference to 25,000,000 ordinary shares, and company net assets attributable to shareholders as follows:

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
Total net assets	**6,131**	7,169	6,727
Less convertible preference shares at fully diluted value	**(1,752)**	(2,048)	(1,922)
Net assets attributable to ordinary shareholders	**4,379**	5,121	4,805

Diluted net asset value is calculated on the total net assets in the table above and on 35,000,000 shares, taking into account the preference shares which are convertible to ordinary shares on a one for one basis, under certain conditions, at any time during the period 1 January 2006 to 31 December 2025 (both dates inclusive).

Basic net assets per share is calculated using a value of fully diluted net asset value for the preference shares.

7. Non – current liabilities

Guarantee of subsidiary liability	**Unaudited 30 June 2022 £'000**	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
Opening provision	**3,974**	3,744	3,744
(Decrease)/increase in period	**(124)**	134	230
Closing provision	**3,850**	3,878	3,974

The provision relates to a guarantee made by the company in respect of amounts owed by Second BritAm Investments Limited to BritAm Investments Limited and British & American Films Limited. There is no current intention for these liabilities to be called for immediate payment by the subsidiary companies.

During the year ended 31 December 2019 as part of a transaction to hedge the company against exchange effects of the foreign currency loan, 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 and the provision brought forward against this has been transferred to become an allowance against doubtful debt. During the period to 30 June 2022, an allowance against doubtful debt has increased by £322,000 (30 June 2021 - decreased by £1,000 and 31 December 2021 - increased by £85,000).

8. Related party transactions

Romulus Films Limited and Remus Films Limited have significant shareholdings in the company: 6,902,812 (27.6%) ordinary shares held by Romulus Films Limited and 7,868,750 (31.5%) ordinary shares held by Remus Films Limited). Romulus Films Limited also holds 10,000,000 cumulative convertible preference shares.

The company rents its offices from Romulus Films Limited, and is also charged for its office overheads. During the period the company paid £14,000 (30 June 2021 – £15,000 and 31 December 2021 – £30,000) in respect of those services.

The salaries and pensions of the company's employees, except for the three non-executive directors and one employee, are paid by Remus Films Limited and Romulus Films Limited and are recharged to the company. Amounts charged by these companies in the period to 30 June 2022 were £197,000 (30 June 2021 – £188,000 and 31 December 2021 – £391,000) in respect of salary costs and £22,000 (30 June 2021 – £21,000 and 31 December 2021 – £41,000) in respect of pensions.

At the period end an amount of £nil (30 June 2021 – £482,000 and 31 December 2021 – £nil) was due to Romulus Films Limited and the amount of £26,000 was due from Romulus Films Limited (30 June 2021 – £nil and 31 December 2021 – £103,000) and £436,000 (30 June 2021 – £543,000 and 31 December 2021 – £397,000) was due to Remus Films Limited.

During the period subsidiary BritAm Investments Limited paid dividends of £nil (30 June 2021 – £907,000 and 31 December 2021 – £907,000) to the parent company, British & American Investment Trust PLC.

British & American Investment Trust PLC has guaranteed the liabilities of £4,417,000 (30 June 2021 – £4,330,000 and 31 December 2021 – £4,374,000) due from Second BritAm Investments Limited to its fellow subsidiaries if they should fall due.

During the period the company paid interest of £15,000 (30 June 2021 – £17,000 and 31 December 2021 – £32,000) on the loan due to BritAm Investments Limited.

During the period the company received interest of £1,000 (30 June 2021 – £10,000 and 31 December 2021 – £14,000) from British & American Films Limited, £31,000 (30 June 2021 – £28,000 and 31 December 2021 – £57,000) from Second BritAm Investments Limited.

During the prior periods the company entered into investment transactions to sell stock to BritAm Investments Limited (30 June 2021 – £532,000 and 31 December 2021 – £532,000) and British & American Films Limited (30 June 2021 – £772,000 and 31 December 2021 – £772,000).

During the prior periods the company entered into investment transaction to purchase stock from British & American Films Limited (30 June 2021 – £1,243,000 and 31 December 2021 – £1,243,000).

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

9. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items.

	Capital reserve £'000	Retained earnings £'000
1 January 2022	(28,230)	(43)
Allocation of loss for the period	(412)	(184)
At 30 June 2022	(28,642)	(227)

The capital reserve includes £2,999,000 of investment holding losses (30 June 2021 – £3,137,000 loss, 31 December 2021 – £2,727,000 loss).

10. Financial instruments

Financial instruments carried at fair value

All investments are carried at fair value. Other financial assets and liabilities of the company 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.

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities.

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

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

(1) Prices of recent transactions for identical instruments.
(2) Valuation techniques using observable market data.

Level 3: Unobservable inputs for the asset or liability.

Financial assets and financial liabilities at fair value through profit or loss at 30 June 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Investments:				
Investments held at fair value through profit or loss	5,193	-	1	5,194
Subsidiary held at fair value through profit or loss	-	-	7,109	7,109
Total financial assets and liabilities carried at fair value	**5,193**	-	**7,110**	**12,303**

With the exception of the Sarossa Capital, BritAm Investments Limited (unquoted subsidiary) and Second BritAm Investments Limited (unquoted subsidiary), which are categorised as Level 3, all other investments are categorised as Level 1.

Fair Value Assets in Level 3

The following table shows the reconciliation from the opening balances to the closing balances for fair value measurement in Level 3 of the fair value hierarchy.

	Level 3
	£'000
Opening fair value at 1 January 2022	6,708
Investment holding gains	402
Closing fair value at 30 June 2022	7,110

Subsidiaries

The fair value of the subsidiaries is determined to be equal to the net asset values of the subsidiaries at period end plus the uplift in the revaluation of film rights in British & American Films Limited, a subsidiary of BritAm Investments Limited.

The directors of British & American Films Limited have determined a conservative valuation of £2 million for the five feature films in the library. This valuation has been arrived at from a combination of discounting expected cash flows over the full period of copyright at current long term interest rates and a recently received independent third party professional valuation.

There have been no transfers between levels of the fair value hierarchy during the period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

11. Financial information

The financial information contained in this report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the period ended 30 June 2022 and 30 June 2021 have not been audited by the Company's Auditor pursuant to the Auditing Practices Board guidance. The information for the year to 31 December 2021 has been extracted from the latest published Annual Report and Financial Statements, which have been lodged with the Registrar of Companies, contained an unqualified auditors' report and did not contain a statement required under Section 498(2) or (3) of the Companies Act 2006.

DIRECTORS' STATEMENT

Principal risks and uncertainties

The principal risks and uncertainties faced by the company continue to be as described in the previous annual accounts. Further information on each of these areas, together with the risks associated with the company's financial instruments are shown in the Directors' Report and notes to the financial statements within the Annual Report and Accounts for the year ended 31 December 2021.

The Chairman's Statement and Managing Director's report include commentary on the main factors affecting the investment portfolio during the period and the outlook for the remainder of the year.

Directors' Responsibilities Statement

The Directors are responsible for preparing the half-yearly report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge the interim financial statements, within the half-yearly report, have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The Directors further confirm that the Chairman's Statement and Managing Director's Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

The Directors of the company are listed in the section preceding the Chairman's Statement.

The half-yearly report was approved by the Board on 30 September 2022 and the above responsibility statement was signed on its behalf by:

Jonathan C Woolf

Managing Director

Independent review report to the members of British & American Investment Trust PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report of British & American Investment Trust PLC for the six months ended 30 June 2022 which comprises the Condensed Income Statement, the Condensed Statement of Changes in Equity, the Condensed Balance Sheet, the Condensed Cashflow Statement and related Notes to the Company results. We have read the other information contained in the half-yearly financial report being the Financial Highlights, the Chairman's Statement, the Managing Director's Report, the Investment Portfolio and the Directors' Statement, and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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 for our review work, for this report, or for the conclusion we have formed.

HAZLEWOODS LLP
AUDITOR

Cheltenham
30 September 2022