

BRITISH & AMERICAN INVESTMENT TRUST PLC

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025

	Unaudited 6 months to 30 June 2025 £'000	Unaudited 6 months to 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Revenue			
(Loss)/profit before tax	(172)	412	438
Earnings per £1 ordinary shares – basic (note 5)*	(1.33)p	1.00p	0.49p
Earnings per £1 ordinary shares – diluted (note 5)*	(1.33)p	1.00p	0.49p
Capital			
Total equity	1,627	9,697	5,953
Revenue reserve (note 9)	(76)	646	82
Capital reserve (note 9)	(33,297)	(25,949)	(29,129)
Net assets per ordinary share (note 6)			
- Basic (deducting preference shares at fully diluted net asset value)**	£0.05	£0.28	£0.17
- Diluted	£0.05	£0.28	£0.17
Diluted net assets per ordinary share at 24 September 2025	£0.07		
Dividends***			
Dividends per ordinary share (note 4)	0.00p	1.75p	1.75p
Dividends per preference share (note 4)	0.00p	1.75p	1.75p

*Calculated in accordance with International Accounting Standard 33 'Earnings per Share'.

**Basic net assets 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 2025

Company	Nature of Business	Valuation	Percentage of portfolio
		£'000	%
Geron Corporation (USA)*	Biomedical	1,102	13.26
Lineage Cell Therapeutics (USA)**	Biotechnology	16	0.19
Relief Therapeutics (Switzerland)	Healthcare	8	0.10
Angle	Pharmaceuticals & Biotechnology	4	0.05
Proteome Science	Pharmaceuticals	3	0.04
Regent Pacific	Overseas	2	0.02
Northwest Biotherapeutics (USA)	Biotechnology	1	0.02
Sherborne Invs (Gurnsey) B (unlisted)	Financial Services	1	0.01
Sarossa Capital (unlisted)	Biotechnology	1	0.01
Investment portfolio (excluding subsidiaries)		1,138	13.70
Investment in subsidiaries		7,172	86.30
Total investments		8,310	100.00

* Total value of investment including held by subsidiary companies - £3,329,460

** Total value of investment including held by subsidiary companies - £1,131,937

**Unaudited Interim Report
As at 30 June 2025**

Registered number: 433137

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*)

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CHAIRMAN'S STATEMENT

I report our results for the six months to 30 June 2025.

Revenue

The loss on the revenue account before tax amounted to £0.1 million (30 June 2024: profit £0.4 million). This decrease was the result of a lower level of income receipts from our subsidiary companies compared to the same six month period in 2024.

Gross revenues totalled £0.05 million (30 June 2024: £0.7 million) during the period. In addition, film income of £30,000 (30 June 2024: £29,000) was received in our subsidiary companies. In accordance with IFRS10, film income is not included within the revenue figures noted above.

A loss of £3.8 million (30 June 2024: £4.9 million gain) was registered on the capital account before capitalised expenses and foreign exchange gains/losses, comprising a realised loss of £1.7 million (30 June 2024: £0.2 million gain) and an unrealised loss of £2.1 million (30 June 2024: £4.7 million gain).

Revenue losses per ordinary share were 1.33 pence on a fully diluted basis (30 June 2024: 1.00 pence earnings).

Net Assets and performance

Company net assets were £1.6 million (£6.0 million, at 31 December 2024), a decrease of 72.7 percent. Over the same period, the FTSE 100 index increased by 7.3 percent and the All Share index increased by 7.2 percent. With no dividend paid during the period, the total return on net assets remains unchanged and the total return for the FTSE 100 and All Share indices were increases of 9.5 percent and 9.1 percent, respectively. The net asset value per £1 ordinary share was 5.0 pence on a fully diluted basis.

As the above results clearly show, this has been a most disappointing and unexpectedly bad six month period for our portfolio, particularly coming after the significant outperformance recorded in 2024. This was due to the 50 percent fall in February in the share price of our largest long-term US investment, Geron Corporation, as reported in our final results in April, following flat sales in the Christmas quarter. This fall in price has so far not been reversed despite the company's return to on-track and strongly growing sales in the subsequent quarters. By contrast, however, the value of our other major US investment, Lineage Cell Therapeutics, recovered by over 50 percent from the low level reached at the beginning of the year and has subsequently risen further since mid-year.

The significant fall in Geron's price in the first half of 2025, and in fact by over 70 percent from the highs recorded in June 2024, comes despite its success in gaining FDA approval of its oncology drug in June 2024, the commencement of commercial sales the following month and gaining European approval in March of this year. It is therefore all the more unexpected and inexplicable in valuation terms, as was set out in some detail in the managing director's report in April and this is further addressed in the current report. It is greatly disappointing that the stock continues to trade at this significant and inexplicable undervaluation despite the strong recovery in sales over the subsequent period and a return to a valuation more closely in line with normal market metrics is therefore awaited.

A recovery in price was also hindered by the widespread disruption to markets following the US trade tariff policy announcements in April and the accompanying threats of financial penalties to the pharmaceutical and by extension biotech industries by the Trump administration. In the event, the implementation of these policies and threats has been pared back substantially, allowing the affected markets to recover much of their losses. In the light of this and given Geron's own particular circumstances, including the recent appointment of a new and highly experienced and successful CEO, it is fully expected that once the market properly recognises Geron's improved and strongly growing first year sales results, which have returned to their originally projected trajectory, the value of this investment will return at least to the levels reached last year before FDA approval of its drug and commercial sales commenced.

One seismic event overshadowed equity markets and indeed markets generally in the first half of 2025: the 'Liberation Day' announcement by the Trump administration on 2nd April imposing historically high trade tariffs on all countries trading with the USA (and some which weren't!). These ultra-high and indeed unrealistic tariffs were unsurprisingly perceived to have a very negative effect on future levels of global trade, production, inflation, interest rates and corporate profitability, and produced an immediate and severe fall in equity markets in the USA, the UK, Europe and around the world.

These markets had already declined by around 5 percent in the early months of 2025 in anticipation of unspecified tariff increases planned by the incoming Trump administration and once the formal announcement was made, equity markets in the USA and the UK fell by a further 12 percent. However, as it became clear that the tariffs would not be implemented at the demanded levels but were subject to negotiation and seemingly presidential flattery, the markets steadied and by the end of the half year had returned both to their pre-Liberation day and their year-opening levels.

Nevertheless, the many and fundamental uncertainties facing Western economies remain in place: stubbornly higher than expected inflation and consequently higher than anticipated interest rates, disruption to international trade and supply lines, increasing unemployment, high and unsustainable levels of government debt and deficits, fractured and divisive political set-ups, instability in international relations and an ongoing war in Europe - all of which have been noted in our recent reports. However, despite this highly unfavourable background, equity markets themselves have remained not just resilient but strong, sailing through the brief correction which occurred earlier this year as a result of the trade tariff debacle to return to one of the longest bull markets in history.

Why equity markets have not yet reacted to these multiple challenges is not entirely clear. There is a perception that corporate profitability will ride through these difficulties and much reliance is placed by markets on the new and important businesses centred on AI, advanced semiconductor production and quantum computing to the extent that these companies now represent well over 30 percent of total US market capitalisation.

Long-term government debt markets, however, have recently started to recognise the gravity of the situation and outlook, with yields rising to multi-decade highs as central banks grapple with the policy dilemma presented by the combination of stagnation and inflation. Added to this is the unsustainable growth of government debts and a steadily weakening of trust in the influence and creditworthiness of

the world's biggest economy together with its reserve currency status, as illustrated by the 10 percent fall in the US dollar index since the beginning of the year. Furthermore, there are early and worrying signs of a fundamental shift in the balance of world power away from the liberal western democracies and the post-WWII rules based system to a new alignment of populous and autocratic regimes whose actions depend more on the employment of raw power than an expression and exercise of democratic will.

In combination, these factors - economic, political, social and geopolitical - present a worrying picture for the future which will hopefully serve to invigorate governments and voters in the West to rise to and meet the many challenges they now present.

Dividends

As a result of the large and unexpected decline in the market value of our largest investment in the first half of the year, we will not pay an interim dividend based on the six month period now being reported upon. We intend to resume the payment of interim dividends upon the return of this investment to the price levels prevailing in 2024.

Outlook

Globally, the massive uncertainties caused by the recent trade tariff fiasco and the many anti-business and economically disruptive policies being introduced by the new administrations in both the USA and the UK do not bode well for ensuring the stable and predictive background in which businesses can thrive and be profitable.

In the USA, the policy inconsistencies and mis-steps by the Trump administration (such as moves to limit the Federal Reserve's independence, the undermining of national US economic reporting institutions, the defunding and hollowing-out of important national and international governmental agencies, the executive overreach into well-established congressional powers in the areas of justice and law and order, undermining long-established constitutional arrangements, the weakening of traditional global trade and security alliances and the general retreat of the USA from its previously reliable and steadying presence in world affairs), have already had a negatively disruptive effect on all the major indicators of economic well-being in the USA – economic growth, trade, employment, inflation, the US dollar and long-term debt yields.

In the UK, an inexperienced and ideology-driven government with an unassailable majority seems intent on destroying the productive and wealth-generating capacity of the country, accelerating its descent into a debt and taxation spiral which without reversal will ultimately lead to its impoverishment.

These disruptive policies have inserted significant difficulty and obscurity into the traditional investment function of evaluating economic and political developments and future trends to arrive at a reasonable forward view of prospects over the medium term. It is therefore impossible to make any worthwhile predictions of likely market developments going forward, except perhaps to say that given the high level of uncertainty and political mis-management currently prevailing, it is most surprising that markets continue to maintain their all time high levels.

As at 24 September, company net assets were £2.4 million, an increase of 46.8 percent since the period end, and equivalent to 7.0 pence per share on a fully diluted basis. Over the same period, the FTSE 100 index increased by 5.6 percent and the All Share index increased by 4.9 percent.

David Seligman

29 September 2025

Managing Director's Report

This has been a particularly disappointing and exasperating six month period in the management of this portfolio, caused by the failure of the market properly to value our largest US investment, Geron Corporation. This has been compounded by the large fall in the US dollar against sterling of 10 percent in the first six months of the year.

As noted in the Chairman's statement, despite having successfully completed all the many milestones involved in the clinical trials and approval process to reach its long-awaited goal of becoming a fully approved haematological oncology drug company in the USA and Europe generating growing first year commercial sales, the market is not ascribing to Geron anything like the value which normal market metrics would place on a company with these results and its position as a company with a novel and unique cancer platform drug, outperforming its big pharma competitors in the blood cancer market. So much so that its current valuation stands at only a quarter of value it was in June 2024, before it had received approval in the USA and Europe and before it had generated any sales. This anomalous valuation and the malign market-related reasons possibly behind it were explained in some detail in last April's report and are addressed again below, particularly given the fact that in the intervening period a further quarter of on-track sales growth has been reported by the company with no concomitant improvement in valuation.

By contrast, our second largest US investment, Lineage Cell Therapeutics, has performed more favourably this year, following weakness in the first quarter and the previous year, with the stock price now returning to its longer term levels of prior years. While obviously a welcome development, it also serves to illustrate the current anomalous valuation of Geron. Lineage is involved in the development of regenerative medicine through the use of human stem cells. It is an important and exciting part of medicine's future. However, at this point Lineage is still engaged in the multi-year process of clinical trials, being currently at the phase 2a stage in the two most advanced of its five programmes, relating to macular degeneration and spinal cord injury. Completion of phases 2 and 3 and subsequent approval is likely to be at least 2 to 3 years away, with all the attendant uncertainties, and of course no commercial sales can take place in that time. Geron, by contrast has already been generating sales for a year and is expected to break even by year end on the current sales trajectory. In June 2024, Geron had a market value of 10 times Lineage's value, while today it has a value of only 2 ½ times Lineage's value, despite having completed all three clinical trial stages, obtained approval and since commenced sales. While acknowledging the volatility inherent in the market for biotech stocks and that these are just two particular companies in which we happen to be invested, it is nevertheless abundantly clear when taking account of this evolution of events and normal market metrics (see below) that the market is wholly undervaluing the achievements, historic and prospective earnings and general prospects of Geron as an approved oncology platform drug company.

As previously reported, we commenced a programme of reducing non-core equity investments this year in response to concerns about the economic outlook in the USA, UK and Europe given the uncertainties posed by politically-driven disruption in US economic and trade policy, higher than

expected rates of inflation and consequently interest rates and pressure on policy-making resulting from the unsustainable and increasing levels of government debt. As part of that process, we have also reduced our short-term bank borrowing by 60 percent and overall debt by 10 percent.

Given that this process is ongoing, our portfolio make-up continues to be in a state of transition which is unfortunately taking longer than expected. This is due to the large and unexpected fall in the value of our major US investment noted above which has prevented completion of this process. As a result our portfolio make-up as at the half year is not at all in its finally intended form.

Geron Corporation

We have been invested in Geron Corporation, a US biopharmaceutical company with a now approved and unique haematological oncology platform drug, for the over 20 years of its development from a pre-clinical biotech company to the US\$ 3 billion commercial biopharma company it became last year. Since when, we had reasonably expected its value to reflect the culmination of these successes and to grow further as would normally be the case with companies in the early and rapidly growing stages of their commercial operations, in line with the sales and earnings metrics, both actual and prospective, relevant to its industry sector.

As at the half year, the company had generated first 11 month net sales of US\$135 of million (despite unexpectedly flat first Christmas period sales) and prospective sales of up to \$300 million for the second year are projected (based on the company's own quarterly sales growth projections of 20 percent, which was exceeded in the last quarter at 28 percent). These projected sales levels call for a valuation of up to \$3 billion at a prospective early year/high growth sales multiple of 10 times. This figure attributes no value to future European sales where approval was gained in March this year and to its other major blood cancer indication, Myelofibrosis - MF - a larger target market and currently nearing the end of phase 3 trials. However, the company is currently valued at below US\$ 1 billion, a decline of 70 percent from the much more realistic valuation of \$3 billion in June 2024, despite being on track to deliver sales income sufficient to cover expenditure in the current year and having issued no equity finance over the period.

Shareholders will recall that in the last few years, we have had occasion to comment in this report on a number of management failings and market-related practices which have adversely impacted the share price and obscured the process of fair market price discovery in this company. This has included the failure of management to protect the interests of stockholders in the challenging biotech market which is prone to extreme volatility and trading-inspired misdirection. This has included inadequate dissemination of information, unfavourable financing terms producing value transfer from retail to institutional investors and a failure to call out or oppose malign trading practices in the market such as the weaponising of dubious class action lawsuits brought by 'ambulance chasing' lawyers, professional funding of negative broker and social media commentary and large scale short selling programmes, often co-ordinated with the company's expected financing time-table. These shortcomings, together with the unexpectedly flat Christmas quarter sales to which the market reacted extremely badly, might explain the sudden and immediate departure of the long-time CEO in February this year, to be replaced in July by a new CEO with a highly impressive resume in the blood cancer field and a track-record of corporate sales to large pharma companies. It is to be hoped, therefore, that this top level management change will tackle the value destroying effects of the market practices noted above and hasten the sale of the company at a price which properly reflects its achievements, financial position and future prospects, as we called for in our previous report.

More generally on this subject, we have in the past also commented on the general unsuitability of biotech stocks as public market investments given their nature as multi-year development companies generating no income and with the binary risk of governmental approval at the end of a long and uncertain process which makes them easy targets for manipulation by professional market participants

seeking to capture short-term gains out of what is a long term investment situation. While these are of course factors which investors in such stocks need to take carefully into consideration, there is a limit to the amount of mispricing which such practices should be allowed to create.

To which end, we noted in our April report how this stock seems to have become the unfortunate plaything of the competing forces of long and short institutional funds seeking returns on their market operations and of potential pharma company acquirers positioning themselves ahead of the type of corporate action which is normally seen around newly successful biotechs which have transitioned into income generating entities presenting a challenge to established medicines and their owners. In combination, these large and competing market players can act to obscure the fair value of the company through their self-serving and manipulative market operations, as noted above. In the case of Geron, this phenomenon seems to have come to a head in this latest 6 month period, as possibly indicated by the rise of 50 percent in the amount of stock shorted (representing 12 percent of total stock in issuance), while the size of institutional holdings has risen to the high level of 85 percent. When taken together, this shows how much of the company's stock market activity is in the hands of professional market operators rather than retail investors, whose normal stock market investment priorities would be to capture the long term value uplift expected in companies of this nature, a funding function which companies particularly in the biotech sector should be able to rely on in their difficult journey towards success and profitability.

As a final comment, and possibly linked to the above, there has been the noticeable increase in the daily volume and size of trading in our own stock over the last 18 months. Historically, ours has been a lightly traded stock given the company's small size, unusual nature and ownership structure. While any additional trading is to be welcomed, such unusual and possibly US-related trading could suggest that our portfolio might be being seen as a useful and income generating proxy for a direct investment in Geron itself, particularly given the growing concentration of that stock in our portfolio in recent years, and recently in particular. If this is the case, such investors should take heed that if their direct operations in Geron have contributed to the precipitous fall in Geron's price over the last six months, they will have impacted our ability to pay dividends generated out of the profitable sale of our investments, as noted above, denying them the additional income return they perhaps might have expected through such proxy investment.

Jonathan Woolf

29 September 2025

CONDENSED INCOME STATEMENT
Six months ended 30 June 2025

		Unaudited 6 months to 30 June 2025			Unaudited 6 months to 30 June 2024			Audited Year ended 31 December 2024		
	Note	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	54	-	54	665	-	665	939	-	939
Holding (losses)/gains on investments at fair value through profit or loss		-	(2,118)	(2,118)	-	4,695	4,695	-	2,270	2,270
(Losses)/gains on disposal of investments at fair value through profit or loss		-	(1,037)	(1,037)	-	2	2	-	(198)	(198)
(Losses)/gains on provision for liabilities and charges		-	(670)	(670)	-	191	191	-	(254)	(254)
Foreign exchange (losses)/gains		35	(215)	(180)	(4)	15	11	(7)	41	34
Expenses		(242)	(120)	(362)	(219)	(125)	(344)	(436)	(246)	(682)
(Loss)/profit before finance costs and tax		(153)	(4,160)	(4,313)	442	4,778	5,220	496	1,613	2,109
Finance costs		(19)	(8)	(27)	(30)	(18)	(48)	(58)	(33)	(91)
(Loss)/profit before tax		(172)	(4,168)	(4,340)	412	4,760	5,172	438	1,580	2,018
Taxation		14	-	14	13	-	13	35	-	35
(Loss)/profit for the period		(158)	(4,168)	(4,326)	425	4,760	5,185	473	1,580	2,053
(Loss)/earnings per ordinary share	5									
Basic		(1.33)p	(16.67)p	(18.00)p	1.00p	19.04p	20.04p	0.49p	6.32p	6.81p
Diluted*		(1.33)p	(16.67)p	(18.00)p	1.00p	19.04p	20.04p	0.49p	4.51p	5.87p

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'. The cumulative convertible non-redeemable preference shares are anti-dilutive relating to the calculation of dilutes EPS on the revenue and capital return. (Note 5).

CONDENSED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 June 2025

Unaudited
Six months ended 30 June 2025

	Share capital* £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2024	35,000	(29,129)	82	5,953
Loss for the period	-	(4,168)	(158)	(4,326)
	<u>35,000</u>	<u>(33,297)</u>	<u>(76)</u>	<u>1,627</u>
Balance at 30 June 2025	<u>35,000</u>	<u>(33,297)</u>	<u>(76)</u>	<u>1,627</u>

Unaudited
Six months ended 30 June 2024

	Share capital* £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2023	35,000	(30,709)	221	4,512
Profit for the period	-	4,760	425	5,185
	<u>35,000</u>	<u>(25,949)</u>	<u>646</u>	<u>9,697</u>
Balance at 30 June 2024	<u>35,000</u>	<u>(25,949)</u>	<u>646</u>	<u>9,697</u>

Audited
Year ended 31 December 2024

	Share capital* £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2023	35,000	(30,709)	221	4,512
Profit for the period	-	1,580	473	2,053
Ordinary dividend paid	-	-	(437)	(437)
Preference dividend paid	-	-	(175)	(175)
	<u>35,000</u>	<u>(29,129)</u>	<u>82</u>	<u>5,953</u>
Balance at 31 December 2024	<u>35,000</u>	<u>(29,129)</u>	<u>82</u>	<u>5,953</u>

*The company's share 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).

CONDENSED BALANCE SHEET
As at 30 June 2025

	Note	Unaudited 30 June 2025	Unaudited 30 June 2024	Audited 31 December 2024
		£'000	£'000	£'000
Non-current assets				
Investments – at fair value through profit or loss (note 1)		1,138	7,508	5,678
Investment in subsidiaries – at fair value through profit or loss		7,172	8,660	7,359
		8,310	16,168	13,037
Current assets				
Receivables		397	364	20
Derivatives		4	-	11
Cash and cash equivalents		60	12	249
		461	376	280
Total assets		8,771	16,544	13,317
Current liabilities				
Trade and other payables		(1,375)	(1,665)	(1,884)
Bank credit facility		(416)	(1,235)	(942)
		(1,791)	(2,900)	(2,826)
Total assets less current liabilities		6,980	13,644	10,491
Non – current liabilities		(5,353)	(3,947)	(4,538)
Net assets		1,627	9,697	5,953
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		(33,297)	(25,949)	(29,129)
Retained revenue earnings		(76)	646	82
Total equity		1,627	9,697	5,953
Net assets per ordinary share – basic	6	£0.05	£0.28	£0.17
Net assets per ordinary share – diluted	6	£0.05	£0.28	£0.17

CONDENSED CASHFLOW STATEMENT
Six months ended 30 June 2025

	Unaudited 6 months to 30 June 2025	Unaudited 6 months to 30 June 2024	Audited Year ended 31 December 2024
	£'000	£'000	£'000
Cash flow from operating activities			
(Loss)/profit before tax	(4,340)	5,172	2,018
Adjustment for:			
Losses/(gains) on investments	3,825	(4,888)	(1,818)
Proceeds on disposal of investments at fair value through profit or loss	1,134	89	832
Purchases of investments at fair value through profit or loss	(75)	-	(236)
Interest	(21)	36	(5)
Operating cash flows before movements in working capital	523	409	791
(Increase)/decrease in receivables	(41)	(56)	331
Increase/(decrease) in payables	102	88	(172)
Net cash from operating activities before interest	584	441	950
Interest paid	(15)	(36)	(67)
Net cash flows from operating activities	569	405	883
Cash flows from financing activities			
Dividends paid on ordinary shares	(137)	(257)	(300)
Dividends paid on preference shares	(95)	(175)	(80)
Net cash used in financing activities	(232)	(432)	(380)
Net increase/(decrease) in cash and cash equivalents	337	(27)	503
Cash and cash equivalents at beginning of period	(693)	(1,196)	(1,196)
Cash and cash equivalents at end of period	(356)	(1,223)	(693)
Cash and cash equivalents	60	12	249
Bank credit facility	(416)	(1,235)	(942)
Cash and cash equivalents at end of period	(356)	(1,223)	(693)

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 2024.

The company's condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024 which are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006.

The financial statements have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 June 2025 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 December 2024.

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 2024 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% (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.

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.

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 after the date of approval of these financial statements. The directors are satisfied that a given the assets of the company consist mainly of securities that are readily realisable and has available a credit facility with Credit Suisse, it will have sufficient resources to enable it to continue as a going concern.

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 2025 £'000	Unaudited 6 months to 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Income from investments	6	617	841
Other income	48	48	98
	54	665	939

During the period the company did not receive any dividends from a subsidiary (30 June 2024 – £578,000, 31 December 2024 – £578,000).

During the period the company recognised a foreign exchange loss of £250,000 (30 June 2024 – £19,000 loss, 31 December 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 above includes the parent company only rather than that of the group. In addition to the income above film revenues of £30,000 (30 June 2024 – £29,000, 31 December 2024 – £112,000) received by the subsidiary British & American Films Limited forms part of the net profit of those companies available for distribution to the parent company.

4. Dividends

	Unaudited 6 months to 30 June 2025 Interim		Unaudited 6 months to 30 June 2024 Interim		Audited Year ended 31 December 2024 Final	
	Pence per share	£'000	Pence per share	£'000	Pence per share	£'000
Ordinary shares - paid	-	-	-	-	1.75	437
Ordinary shares - proposed	-	-	1.75	437	-	-
Preference shares - paid	-	-	-	-	1.75	175
Preference shares - proposed	-	-	1.75	175	-	-
		<u>-</u>		<u>612</u>		<u>612</u>
		<u>-</u>		<u>612</u>		<u>612</u>

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, December 2020, June 2022, December 2023 and June 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 and for the period ended 30 June 2025, has resulted in arrears of £875,000 on the 3.5% cumulative convertible preference shares. These arrears will become payable in the event that the ordinary shares receive, in any financial year, a dividend on par value in excess of 3.5%.

5. (Loss)/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:

	Unaudited 6 months to 30 June 2025 Revenue return £'000	Unaudited 6 months to 30 June 2025 Capital return £'000	Unaudited 6 months to 30 June 2025 Total £'000
Earnings:			
Loss after tax	(158)	(4,168)	(4,326)
Cumulative convertible non-redeemable preference shares dividend	(175)	-	(175)
Adjusted loss after tax	(333)	(4,168)	(4,501)
	Unaudited 6 months to 30 June 2024 Revenue return £'000	Unaudited 6 months to 30 June 2024 Capital return £'000	Unaudited 6 months to 30 June 2024 Total £'000
Earnings:			
Profit after tax	425	4,760	5,185
Cumulative convertible non-redeemable preference shares dividend	(175)	-	(175)
Adjusted profit after tax	250	4,760	5,010
	Audited Year ended 31 December 2024 Revenue return £'000	Audited Year ended 31 December 2024 Capital return £'000	Audited Year ended 31 December 2024 Total £'000
Earnings:			
Profit after tax	473	1,580	2,053
Cumulative convertible non-redeemable preference shares dividend	(350)	-	(350)
Adjusted profit after tax	123	1,580	1,703
	Weighted average number of ordinary shares '000	Weighted average number of ordinary shares '000	Weighted average number of ordinary shares '000
Basic	25,000	25,000	25,000
Diluted	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 (30 June 2024 – 25 million, 31 December 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 (30 June 2024 – 35 million, 31 December 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.

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 2025 £'000	Unaudited 30 June 2024 £'000	Audited 31 December 2024 £'000
Total net assets	1,627	9,697	5,953
Less convertible preference shares at fully diluted value	(465)	(2,771)	(1,701)
Net assets attributable to ordinary shareholders	1,162	6,926	4,252

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

	Unaudited 30 June 2025 £'000	Unaudited 30 June 2024 £'000	Audited 31 December 2024 £'000
Guarantee of subsidiary liability			
Opening provision	4,538	4,206	4,206
Increase/(decrease) in period	815	(259)	332
Closing provision	5,353	3,947	4,538

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 (note12(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.

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 £8,000 (30 June 2024 – £13,000 and 31 December 2024 – £22,000) in respect of those services.

The salaries and pensions of the company's employees, except for the 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 period to 30 June 2025 were £214,000 (30 June 2024 – £202,000 and 31 December 2024 – £421,000) in respect of salary costs and £26,000 (30 June 2024 – £25,000 and 31 December 2024 – £47,000) in respect of pensions.

At the period end an amount of £279,000 (30 June 2024 – £393,000 and 31 December 2024 – £288,000) was due to Romulus Films Limited and £475,000 (30 June 2024 – £367,000 and 31 December 2024 – £427,000) was due to Remus Films Limited. At the period end Other payables included amounts of £nil (30 June 2024 – £nil and 31 December 2024 – £94,705) due to Romulus Films Limited and £nil (30 June 2024 – £nil and 31 December 2024 – £137,703) due to Remus Films Limited.

During the period subsidiary BritAm Investments Limited paid dividends of £nil (30 June 2024 – £578,000 and 31 December 2024 – £578,000) to the parent company, British & American Investment Trust PLC.

British & American Investment Trust PLC has guaranteed the liabilities of £5,756,000 (30 June 2024 – £5,642,000 and 31 December 2024 – £5,726,000) due from Second BritAm Investments Limited to its fellow subsidiaries if they should fall due.

During the period the company paid interest of £9,000 (30 June 2024 – £11,000 and 31 December 2024 – £22,000) on the loan due to BritAm Investments Limited and £2,000 (30 June 2024 – £858 and 31 December 2024 – £2,000) on the loan due to British & American Films Limited.

During the period the company received interest of £47,000 (30 June 2024 – £48,000 and 31 December 2024 – £96,000) from Second BritAm Investments Limited.

During the period the company entered into an investment transaction with BritAm Investments Limited to sell stock for £561,000 (30 June 2024 – £nil and 31 December 2024 – £nil).

At 30 June 2025 £5,038,000 (30 June 2024 – £4,853,000 and 31 December 2024 – £5,032,000) was owed by British & American Films Limited to Romulus Films Limited and £55,000 (30 June 2024 – £49,000 and 31 December 2024 – £52,000) to Remus Films Limited. Interest was paid to Romulus Films Limited of £80,000 (30 June 2024 – £63,000 and 31 December 2024 – £135,000) at the rate of 3.0% per annum per first quarter of the year and then at 3.5% per annum (30 June 2024 – 2.5% per annum per first quarter of the year and then at 3.0% per annum and 31 December 2024 – 2.5% per annum per first quarter of the year and then at 3.0% per annum). The loan is repayable at not less than one year's notice.

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 2025	(29,129)	82
Allocation of loss for the period	(4,168)	(158)
At 30 June 2025	<u>(33,297)</u>	<u>(76)</u>

The capital reserve includes £1,825,000 of investment holding losses (30 June 2024 – £1,936,000 gain, 31 December 2024 – £672,000 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 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<i>Financial assets</i>				
Equity investments	1,136	-	2	1,138
Unquoted subsidiaries	-	-	7,172	7,172
Total investments	1,136	-	7,174	8,310

With the exception of the Sarossa Capital, Sherborne Investors (Guernsey), 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 2025	7,361
Investment holding losses	(187)
Closing fair value at 30 June 2025	7,174

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 valuation of £3.5 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 2025 and 30 June 2024 have not been audited by the Company's Auditor pursuant to the Auditing Practices Board guidance. The information for the year to 31 December 2024 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 2024.

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 29 September 2025 and the above responsibility statement was signed on its behalf by:

Jonathan C Woolf

Managing Director