BRITISH & AMERICAN INVESTMENT TRUST PLC
FINANCIAL HIGHLIGHTS
For the six months ended 30 June 2023

	Unaudited 6 monthsto 30 June 2023 £'000	Unaudited 6 monthsto 30 June 2022 £'000	Audited Year ended 31 December2022 £'000
Revenue			
Return before tax	**740**	**(193)**	658
Earnings/(loss) per £1 ordinary shares – basic (note 5)	**2.29p**	**(0.74)p**	1.30p
Earnings/(loss) per £1 ordinary shares – diluted (note 5)	**2.14p**	**(0.74)p**	1.30p
Capital			
Total equity	**8,749**	**6,131**	7,091
Revenue reserve (note 9)	**766**	**(227)**	19
Capital reserve (note 9)	**(27,017)**	**(28,642)**	(27,928)
Net assets per ordinary share (note 6)			
- Basic	**£0.25**	**£0.18**	£0.20
- Diluted	**£0.25**	**£0.18**	£0.20
Diluted net assets per ordinary share at 27 September 2023	**£0.16**		
Dividends*			
Dividends per ordinary share (note 4)	**1.75p**	**0.0p**	1.75p
Dividends per preference share (note 4)	**1.75p**	**0.0p**	1.75p

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

Basic and diluted earnings per share calculated in accordance with International Accounting Standard 33 'Earnings per Share'.

*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 2023

Company	**Nature of Business**	**Valuation**	**Percentage of portfolio**
		£'000	**%**
Geron Corporation (USA)*	Biomedical	4,041	28.03
Dunedin Income Growth	Investment Trust	1,160	8.05
Lineage Cell Therapeutics (USA)**	Biotechnology	632	4.38
abrdn Diversified Income & Growth	Investment Trust	404	2.80
AgeX (USA)	Biotechnology	72	0.50
ADVFN	Other financial	26	0.18
Audioboom	Media	16	0.11
Vodafone	Telecommunications	15	0.10
IQE	Semiconductors	13	0.09
Relief Therapeutics	Healthcare	11	0.07
10 Largest investments (excluding subsidiaries)		6,390	44.31
Investment in subsidiaries		8,014	55.59
Other investments (number of holdings: 7)		13	0.10
Total investments		**14,417**	**100.00**

* Total value of investment including held by subsidiary companies - £8,567,000

** Total value of investment including held by subsidiary companies - £2,508,000

Unaudited Interim Report
As at 30 June 2023

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 2023.

Revenue

The profit on the revenue account before tax amounted to £0.7 million (30 June 2022: loss £0.2 million). This increase was the result of a higher level of income receipts from our subsidiary companies compared to the same six month period in 2022.

Gross revenues totalled £0.9 million (30 June 2022: £0.08 million) during the period. In addition, film income of £24,000 (30 June 2022: £47,000) was received in our subsidiary companies. In accordance with IFRS10, film income is not included within the revenue figures noted above.

A gain of £1.2 million (30 June 2022: £0.5 million loss) was registered on the capital account before capitalised expenses and foreign exchange gains/losses, comprising a realised gain of £0.4 million (30 June 2022: £0.2 million loss) and an unrealised gain of £0.8 million (30 June 2022: £0.3 million loss).

Revenue earnings per ordinary share were 2.14 pence on a fully diluted basis (30 June 2022: loss 0.74 pence).

Net Assets and performance

Company net assets were £8.7 million (£7.1 million, at 31 December 2022), an increase of 23.4 percent. Over the same six month period, the FTSE 100 index increased by 1.1 percent and the All Share index increased by 0.5 percent. As no dividends were paid during the period, the total return on net assets is the same and the total return for the FTSE 100 and All Share indices was an increase of 3.2 percent and an increase of 2.6 percent, respectively. The net asset value per £1 ordinary share was 25.0 pence on a fully diluted basis.

This out-performance in net assets over the period was the result of a significant increase in the value of both our major US investments, Geron Corporation Inc and Lineage Cell Therapeutics Inc, which increased by 32 and 20 percent respectively during the period and extends the outperformance of the previous 12 month period. Over the past two 18 month reporting periods, our portfolio has registered cumulative outperformance on a total return basis of over 30 percent.

While the value of Lineage Cell Therapeutics has remained steady since the period end, the value of our investment in Geron has inexplicably declined by 30 percent against general market movements and despite its announcement over the summer of the excellent and long-awaited news of acceptance by the US Federal Drugs Agency (FDA) of Geron's final submission requesting marketing authorisation (NDA) for its ground-breaking hematologic oncology drug, Imetelstat. Further comment on this surprising price movement is made in the managing director's report below.

Leading equity markets in the UK and USA remained broadly stable over the first half of 2023 with aggregate movements confined to no more than 6 to 8 percent over the period. Some brief instances of turbulence within this range were seen as unexpected solvency vulnerabilities of certain large banks, particularly in the USA, were revealed arising out of interest rate pressures. This required prompt action from regulators to avoid systemic risk by supporting or restructuring those large banks previously considered to be well capitalised.

By contrast, the Nasdaq index of technology stocks registered a gain of 30 percent following its significant decline in the previous year as the large capitalisation internet technology stocks (FAANGs) found favour again. The weighting preponderance of these stocks in this index masked poorer performance in the smaller capitalisation technology stocks, including biotech stocks whose index declined 5 percent over the period. This highlights the company specific outperformance of our two particular biotechnology investments as noted above which has significantly benefited our NAV, despite the headwind of the 5 percent fall in the US dollar versus the pound sterling over the period.

This general stability in equity markets over the period has been achieved despite the background of continuing high interest rates and forecasts of further increases as central banks have grappled with stubbornly high and persistent levels of inflation over the last 18 months. The always difficult and delicate balancing act of reducing inflation without causing a painful recession has dictated to some extent movements in equity markets and the realisation since early this year that the US economy might be able to achieve the desired 'soft landing' has supported equity prices over recent months. Similarly in the UK, fears of recession which had predominated during the course of last year were assuaged as the economy proved able to avoid the expected downturn in the second half of 2022 and has managed to achieve positive albeit very small growth since, thereby avoiding the declaration of a technical recession. The same has not, however, been the case in Europe where the larger countries and particularly Germany have seen repeated quarters of albeit minimally negative growth this year.

Russia's invasion and war in Ukraine has continued further into its second year with as yet no end in sight. The human, social and economic impacts of the war continue to be felt locally and throughout the world. Russia's latest tactic, in the face of strong resistance and now counter-offensive by Ukrainian forces, has been to seek to destroy Ukraine's economic productive capacity, particularly in the area of agricultural production and exports which represent over 10 percent of the country's output. In doing so, further economic and humanitarian damage is caused by Russia not only to Ukraine but to poorer countries around the world relying on Ukraine's grain exports, spreading further misery and cost pressures to those least able to bear them.

Dividends

We intend to pay an interim dividend of 1.75 pence per ordinary share for the year to 31st December 2023 on

7 December 2023. This is the same level of dividend as was paid in calendar 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 10 percent on the ordinary share price averaged over the first six month period of the year.

Audit

We have been notified by our auditor, Hazlewoods, that they are unable to continue to act as our auditor because as a firm they are withdrawing from the audit of listed companies. We have therefore been engaged on a formal tender process to identify and appoint a new auditor and I am pleased to announce that following this process we have appointed MHA Bakertilly to act as our auditor. This appointment is being separately announced today and MHA Bakertilly will therefore carry out the audit for the year to December 2023. Hazelwoods has confirmed that there are no matters connected with its ceasing to hold office that need to be brought to the attention of shareholders or creditors for the purposes of section 519 of the Companies Act 2006 and the board would like to thank Hazlewoods for its professional and diligent service as auditor since 2017. In accordance with FCA Rule DTR 4.2.9, it is confirmed that there will be no auditor review of this interim statement.

Outlook

With the many political, social, economic and indeed climatic uncertainties facing the world today, both in the immediate future and in the longer-term, it is difficult to be very positive about the investment climate going forward. Inflationary pressures, while reduced, remain unconquered. Counter-inflationary interest rate measures may not have peaked and, if shortly to do so, might last longer than originally expected. The war in Ukraine, together with its effect on world energy and food prices, is likely to enter a third year and this year has brought numerous examples of disruptive and destructive weather patterns world-wide which can only be expected to worsen over the coming years. While the attempts to control the generationally high levels of inflation have so far resulted in a generally softer landing than originally feared, much of the higher than expected economic activity, particularly in the retail, hospitality and travel sectors could be the result of pent up demand following the Covid period and the drawdown of savings built up during this latter period which may soon come to an end.

Against the background of these uncertainties, and as the long period of clinical drug development by our major US investment, Geron Corporation, reaches its conclusion with the company's anticipated transformation into a commercially operating biopharma business in hematologic oncology, we will continue to maintain the current profile of our portfolio and aim to capture the market independent gains which such investment should provide.

As at 27 September, company net assets were £5.7 million, a decrease of 34.5 percent since the period end, and equivalent to 16.3 pence per share on a fully diluted basis. Over the same period, the FTSE 100 index increased by 0.8 percent, the All Share index increased by 0.5 percent.

David Seligman

28 September 2023

Managing Director's Report

In the first six months of 2023, our portfolio out-performed the benchmark indices on a total return basis by over 20 percent, as noted in the chairman's statement above.

It is additionally worth noting that in the five years since 2018, the portfolio has also out-performed the benchmarks on a total return basis by a significant margin, outperforming the FTSE 100 index by 10 percent and the FTSE All Share index by 12 percent over the period. Thus, while the portfolio NAV might have declined in value over that time, when dividends paid are taken into account, shareholders have received value considerably in excess of returns offered by leading UK listed companies.

Given that the above results have been achieved prior to the soon to be expected graduation of our major investment, Geron Corporation, from clinical development to commercial sales, as noted above, a further period of out-performance can be envisaged once Geron's value is properly captured by the market.

When considered against the very uncertain global outlook for investment noted above by the chairman, the prospect of continued portfolio out-performance which is not necessarily dependent upon general market trends and conditions is to be welcomed.

Geron Corporation

Since we last reported, Geron announced in June the filing of and in August the acceptance by the US Federal Drugs Agency (FDA) of Geron's final submission requesting marketing authorisation (NDA) for its ground-breaking hematologic oncology drug, Imetelstat This penultimate stage in the drug development process prior to commercialisation and marketing provides a strong degree of affirmation for a new drug after many years of successful clinical development and is normally the trigger for a significant increase in the developer's market value.

The fact that the reverse has happened in this case and strongly against the trend in the NASDAQ and US Biotech indices over the period which have remained stable, together with the fact that the FDA also granted Geron permission to supply Imetelstat to patients prior to marketing authorisation in cases of compassionate need, defies reasonable explanation in our view and underlines the concerns we have expressed for many years in this report surrounding the constant failure of this stock to demonstrate a normal and transparent level of price discovery in the market.

The reasons for this, as more specifically described in the previous edition of this report, have been generally ascribed over many years to poor investor communications by management and their implementation of suboptimal financing strategies; the inherent imbalance within the market between professional equity finance providers and the long lead times of the biotechnology drug development process which requires multiple periodic fundraising, giving such providers the ability to pressure management and scope to operate to their own financial advantage through short selling and options operations; the significant salaries, bonuses and options entitlements which senior (and in some cases only part-time) management award themselves while shareholder value notably fails to match the annual increases in such management compensation.

We are encouraged that the long-standing CFO responsible for financing strategy has recently been replaced and it is to be strenuously hoped that one day, once the conclusion of Geron's clinical development stage has occurred with its transition to product commercialisation, these value detractive practices can be made a thing of the past with a new big pharma owner or the replacement of the current senior management with a younger and more dynamic management team.

Jonathan Woolf

28 September 2023

CONDENSED INCOME STATEMENT
Six months ended
30 June 2023

		Unaudited 6 months to 30 June 2023			Unaudited 6 months to 30 June 2022			Audited Year ended 31 December 2022		
	Note	**Revenue return£'000**	**CapitalReturn£'000**	**Total£'000**	RevenueReturn£'000	CapitalReturn£'000	Total£'000	RevenueReturn£'000	CapitalReturn£'000	Total£'000
Investment income	**3**	**944**	**-**	**944**	79	-	79	1,156	-	1,156
Holding gains/(losses) on investments at fair value through profit or loss		**-**	**747**	**747**	-	(333)	(333)	-	579	579
Gains/(losses) on disposal of investments at fair value through profit or loss		**-**	**412**	**412**	-	(206)	(206)	-	(294)	(294)
Foreign exchange gains/(losses)		**34**	**(113)**	**(79)**	(39)	253	214	(40)	277	237
Expenses		**(219)**	**(124)**	**(343)**	(217)	(124)	(341)	(424)	(250)	(674)

Profit/(loss) before finance costs and tax		**759**	**922**	**1,681**	(177)	(410)	(587)	692	312	1,004
Finance costs		**(19)**	**(11)**	**(30)**	(16)	(2)	(18)	(34)	(10)	(44)
Profit/(loss) before tax		**740**	**911**	**1,651**	(193)	(412)	(605)	658	302	960
Taxation		**7**	**-**	**7**	9	-	9	16	**-**	16
Profit/(loss) for the period		**747**	**911**	**1,658**	(184)	(412)	(596)	674	302	976
Earnings/(loss) per ordinary share	5									
Basic		**2.29p**	**3.64p**	**5.93p**	(0.74)p	(1.65)p	(2.39)p	1.30p	1.21p	2.51p
Diluted*		**2.14p**	**2.60p**	**4.74p**	(0.74)p	(1.65)p	(2.39)p	1.30p	1.21p	2.51p

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 'Profit/(loss) for the period' is ıprehensive Income for the period' as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

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 prepa published by the Association of Investment Companies.

nd total comprehensive income is attributable to the equity holders of the company.

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

CONDENSED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 June 2023

	Unaudited Six months ended 30 June 2023			
	Sharecapital*£'000	**CapitalReserve£'000**	**RetainedEarnings£'000**	**Total£'000**
Balance at 31 December 2022	35,000	(27,928)	19	7,091
Profit for the period	-	911	747	1,658
Balance at 30 June 2023	**35,000**	**(27,017)**	**766**	**8,749**

	Unaudited Six months ended 30 June 2022			
	Sharecapital*£'000	CapitalReserve£'000	RetainedEarnings£'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

	Audited Year ended 31 December 2022			
	Sharecapital*£'000	CapitalReserve£'000	RetainedEarnings£'000	Total£'000
Balance at 31 December 2021	35,000	(28,230)	(43)	6,727
Profit for the period	-	302	674	976
Ordinary dividend paid	-	-	(437)	(437)
Preference dividend paid	-	-	(175)	(175)
Balance at 31 December 2022	35,000	(27,928)	19	7,091

*The company's share capital comprises £35,000,000 (2022 - £35,000,000) being 25,000,000 ordinary shares of £1 (2022 - 25,000,000) and 10,000,000 non-voting convertible shares of £1 each (2022 - 10,000,000).

CONDENSED BALANCE SHEET
As at 30 June 2023

	Note	**Unaudited30 June2023 £'000**	Unaudited30 June2022 £'000	Audited31 December2022 £'000
Non-current assets				
Investments – fair value through profit or loss (note 1)		**6,403**	5,194	5,600
Subsidiaries – fair value through profit or loss		**8,014**	7,109	7,712
		14,417	12,303	13,312
Current assets				

Receivables		**374**	487	442
Cash and cash equivalents		**34**	23	45
		408	510	487
Total assets		**14,825**	12,813	13,799
Current liabilities				
Trade and other payables		**(1,092)**	(2,018)	(1,794)
Bank credit facility		**(1,341)**	(814)	(1,018)
		(2,433)	(2,832)	(2,812)
Total assets less current liabilities		**12,392**	9,981	10,987
Non – current liabilities		**(3,643)**	(3,850)	(3,896)
Net assets		**8,749**	6,131	7,091
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		**(27,017)**	(28,642)	(27,928)
Retained revenue earnings		**766**	(227)	19
Total equity		**8,749**	6,131	7,091
Net assets per ordinary share – basic	**6**	**£0.25**	£0.18	£0.20
Net assets per ordinary share – diluted	**6**	**£0.25**	£0.18	£0.20

CONDENSED CASHFLOW STATEMENT
Six months ended 30 June 2023

	Unaudited6 months to30 June 2023 £'000	Unaudited6 months to30 June2022 £'000	AuditedYear ended31 December2022 £'000
Cash flow from operating activities			
Profit/(loss) before tax	**1,651**	(605)	960
Adjustment for:			
(Gains)/losses on investments	**(1,159)**	539	(285)
Proceeds on disposal of investments at fair value through profit or loss	**136**	313	548
Purchases of investments at fair value through profit or loss	**(450)**	(126)	(441)
Interest	**(3)**	18	44
Operating cash flows before movements in working capital	**175**	139	826
Decrease/(increase) in receivables	**108**	(264)	109
(Decrease)/increase in payables	**(594)**	49	(1,351)
Net cash from operating activities before interest	**(311)**	(76)	(416)
Interest paid	**(23)**	(4)	(21)
Net cash flows from operating activities	**(334)**	(80)	(437)
Cash flows from financing activities			
Dividends paid on ordinary shares	-	-	-
Dividends paid on preference shares	-	(175)	-
Net cash used in financing activities	**-**	(175)	-
Net decrease in cash and cash equivalents	**(334)**	(255)	(437)
Cash and cash equivalents at beginning of period	**(973)**	(536)	(536)
Cash and cash equivalents at end of period	**(1,307)**	(791)	(973)

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 2022.

The company's condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022 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 2023 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 2022.

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 2022 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% (2022 – 50%) to revenue and 50% (2022 – 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 2023 £'000	Unaudited 6 months to 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Income from investments	**912**	47	1,090
Other income	**32**	32	66
	944	79	1,156

During the period the company received a dividend of £867,000 (30 June 2022 – £nil, 31 December 2022 – £1,101,000) from a subsidiary which was generated from gains made on the realisation of investments held by that company. As a result of the receipt of this dividend, a corresponding reduction was recognised on the value of the investment in the subsidiary company.

During the period the company recognised a foreign exchange loss of £147,000 (30 June 2022 – £291,000 gain, 31 December 2022 – £317,000 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 £24,000 (30 June 2022 – £47,000, 31 December 2022 – £107,000) received by the subsidiary British & American Films Limited and property unit trust income of £nil (30 June 2022 – £nil, 31 December 2022 – £1,000) 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

Unaudited6 months to 30	Unaudited6 months to 30	AuditedYear ended 31

	June 2023 Interim		June 2022 Interim		December 2022 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**	-	**-**	-	-
		612		**-**		612

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 preferenc 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 peric 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 th 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:

	Unaudited6 months to30 June 2023		Unaudited6 months to30 June 2022		AuditedYear ended31 December 2022	
	Pence per share	**£'000**	Pence per share	£'000	Pence per share	£'000
Ordinary shares –Final	-	-	-	-	-	-
Ordinary shares –Interim	-	-	**-**	**-**	1.75	437
Preference shares –Fixed	-	-	-	-	1.75	175
		-		-		612

5. EARNINGS/(LOSS) PER ORDINARY SHARE

	Unaudited 6 months to 30 June 2023 £'000	Unaudited 6 months to 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Basic earnings/(loss) per share			
Calculated on the basis of:			
Net revenue profit/(loss) after preference dividends	**572**	(184)	324
Net capital gain/(loss)	**911**	(412)	302
Net total earnings/(loss) after preference dividends	**1,483**	(596)	626
	Number'000	Number'000	Number'000
Ordinary shares in issue	**25,000**	25,000	25,000
Diluted earnings/(loss) per share			
Calculated on the basis of:	**£'000**	£'000	£'000
Net revenue profit/(loss)	**747**	(184)	324
Net capital gain/(loss)	**911**	(412)	302
Profit/(loss) after taxation	**1,658**	(596)	626
	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, a any time during the period 1 January 2006 to 31 December 2025 (both dates inclusive).

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 a follows:

	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Total net assets	**8,749**	6,131	7,091
Less convertible preference shares at fully diluted value	**(2,500)**	(1,752)	(2,026)
Net assets attributable to ordinary shareholders	**6,249**	4,379	5,065

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 t 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 2023 £'000**	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Opening provision	**3,896**	3,974	3,974
(Decrease)/increase in period	**(367)**	198	303
Transfer to allowance for doubtful debt	**114**	(322)	(381)
Closing provision	**3,643**	3,850	3,896

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 decreased by £114,000 (30 June 2022 - increased by £322,000 and 31 December 2022 - increased by £381,000).

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 2022 – £14,000 and 31 December 2022 – £28,000) 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 2023 were £194,000 (30 June 2022 – £197,000 and 31 December 2022 – £397,000) in respect of salary costs and £24,000 (30 June 2022 – £22,000 and 31 December 2022 – £42,000) in respect of pensions.

At the period end an amount of £179,000 (30 June 2022 – £nil and 31 December 2022 – £nil) was due to Romulus Films Limited and the amount of £nil was due from Romulus Films Limited (30 June 2023 – £26,000 and 31 December 2022 – £69,000) and £276,000 (30 June 2022 – £436,000 and 31 December 2022 – £313,000) was due to Remus Films Limited. At the period end Other payables included amounts of £nil (30 June 2022 – £nil and 31 December 2022 – £294,705) due to Romulus Films Limited and £nil (30 June 2022 – £nil and 31 December 2022 – £137,703) due to Remus Films Limited.

During the period subsidiary BritAm Investments Limited paid dividends of £867,000 (30 June 2022 – £nil and 31 December 2022 – £1,001,000) to the parent company, British & American Investment Trust PLC.

British & American Investment Trust PLC has guaranteed the liabilities of £5,670,000 (30 June 2022 – £4,417,000 and 31 December 2022 – £5,519,000) due from Second BritAm Investments Limited to its fellow subsidiaries if they should fall due.

During the period the company paid interest of £7,000 (30 June 2022 – £15,000 and 31 December 2022 – £23,000) on the loan due to BritAm Investments Limited.

During the period the company received interest of £nil (30 June 2022 – £1,000 and 31 December 2022 – £2,000) from British & American Films Limited and £32,000 (30 June 2022 – £31,000 and 31 December 2022 – £64,000) from Second BritAm Investments Limited.

During the period the company entered into an investment transaction to sell stock for £890,000 to British & American Films Limited (30 June 2022 – £nil and 31 December 2022 – £nil).

During the period the company entered into investment transaction to purchase stock for £890,000 from British & American Films Limited (30 June 2022 – £nil and 31 December 2022 – £nil).

At 30 June 2023 £4,170,000 (30 June 2022 – £4,132,000 and 31 December 2022 – £4,132,000) was owed by British & American Films Limited to Romulus Films Limited and £44,000 (30 June 2022 – £40,000 and 31 December 2022 – £42,000) to Remus Films Limited. Interest was paid to Romulus Films Limited of £80,000 (30 June 2022 – £45,000 and 31 December 2022 – £121,000) at the rate of 2.5% per annum starting on 1 April 2023 (30 June 2022 – 1.5% over the UK Bank Rate per annum and 31 December 2022 – 1.5% over the UK Bank Rate 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 2023	(27,928)	19
Allocation of profit for the period	911	747
At 30 June 2023	**(27,017)**	**766**

The capital reserve includes £218,000 of investment holding gains (30 June 2022 – £2,999,000 loss, 31 December 2022 – £1,854,000 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 2023	**Level 1£'000**	**Level 2£'000**	**Level 3£'000**	**Total£'000**
Investments:				
Investments held at fair value through profit or loss	6,402	-	1	6,403
Subsidiary held at fair value through profit or loss	-	-	8,014	8,014
Total financial assets and liabilities carried at fair value	**6,402**	-	**8,015**	**14,417**

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 2023	7,713
Investment holding gains	302
Closing fair value at 30 June 2023	8,015

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 2023 and 30 June 2022 have not been audited by the Company's Auditor pursuant to the Auditing Practices Board guidance. The information for the year to 31 December 2022 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 2022.

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 28 September 2023 and the above responsibility statement was signed on its behalf by:

Jonathan C Woolf

Managing Director