British & American Investment Trust PLC

Annual Financial Report for the year ended 31 December 2024
Registered number: 00433137

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	No.00433137
	30 April 2025

This is the Annual Financial Report as required to be published under DTR 4 of the UKLA Listing Rules.

Financial Highlights

For the year ended 31 December 2024

	2024 Â			2023 Â		
	Revenue return Â£000	Capital return Â£000	Total Â£000	Revenue return Â£000	Capital return Â£000	Total Â£000
Profit/(loss) before tax â€“ realised	438	(690)	(252)	797	(585)	212
Profit/(loss) before tax â€“ unrealised	â€“	2,270	2,270	â€“	(2,196)	(2,196)
Profit/(loss) before tax â€“ total	438	1,580	2,018	797	(2,781)	(1,984)
Earnings per Â£1 ordinary share â€“ basic*	0.49p	6.32p	6.81p	1.86p	(11.12)p	(9.26)p
Earnings per Â£1 ordinary share â€“ diluted*	0.49p	4.51p	5.87p	1.86p	(11.12)p	(9.26)p
Net assets			5,953			4,512
Net assets per ordinary share â€“Â deducting preference shares Â Â Â at fully diluted net asset value**			17p			13p
â€“Â diluted			17p			13p
Diluted net asset value per ordinary share at 25 April 2025			3p			
Dividends declared or proposed for the period:						
per ordinary share						
â€“ interim paid			1.75p			1.75p
â€“ final proposed			0.0p			0.0p
per preference share			1.75p			1.75p

*Calculated in accordance with International Accounting Standard 33 â€˜Earnings per Shareâ€™. The cumulative convertible non-redeemable preference shares are anti-dilutive relating to the calculation of diluted EPS on the revenue return (Note 3).

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

Chairmanâ€™s Statement

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

Revenue

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

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

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

Net Assets and Performance

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

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

Equity markets in the UK and USA performed firmly in 2024, as inflationary pressures subsided in response to central bank interest rate policies which had kept rates higher for longer than had been anticipated, particularly in the USA.Â Inflation had proved to be more stubborn than expected in the USA and this was in part due to the effects of the Biden administrationâ€™s albeit very successful policy of stimulating growth and activity in infrastructure and environmental investment. These higher levels of corporate activity also resulted in the steady increase in the value of US equities over the year, with the indices rising by 20 percent and surpassing their all time highs throughout the year as they rose.Â In the UK, the equity market showed a similar performance in the first half, rising by 10 percent, as growth returned to the economy but remained flat thereafter. This followed the change in government in July and its policy of talking down the UKâ€™s economic prospects to prepare the ground for a hard-hitting budget in the autumn. This had the unfortunate effect of killing business and consumer confidence which by the fourth quarter had translated into monthly declines in GDP. In my interim statement, I described at length the likely damaging effects of the labour governmentâ€™s economic approach and policies and I will not repeat these here. However, the introduction a record-breaking tax and spend budget and other legislation since then which placed significant extra tax and operational burdens on the corporate sector has only added to my previous comments about the governmentâ€™s much vaunted but misdirected promises and policies to achieve economic growth. Unfortunately the inevitable outcome of these policies is already beginning to be seen in the reversal of growth and record levels of taxation, government spending and borrowing.Â A further blow to UK and indeed world-wide growth prospects has occurred in the first quarter of 2025 with the introduction of Trumpâ€™s international trade tariffs as more fully described in recent events below.

Dividend

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

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

Recent events and outlook

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

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

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

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

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

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

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

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

David Seligman

30 April 2025

Managing Director's report

<u>2024</u>

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

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

<u>2025</u>

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

Geron Corporation

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

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

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

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

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

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

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

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

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

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

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

It is believed that this repeated and unexplained pattern of adverse market movements is indicative of the various powerful and opposing market forces at work in relation to this stock.Â While it is only possible to speculate, it could be surmised that the high level of short selling seen for years in this stock (fed by the periodic but inevitable flow of dilutive secondary issues applicable to all biotech stocks), the high level of institutional holdings (with over 80 percent of the stock) willing to stock lend to generate ongoing income by satisfying short-seller cover as they await the ultimate realisation of capital profit on their holdings and, in the background, big pharma companies waiting to acquire the company but minimise an eventual acquisition cost, has conspired unhelpfully and damagingly to keep the stock price artificially low. The stock has effectively become the plaything of these groups until they are ready to commit and realise the gains or capitulate and suffer the losses on their positions.

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

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

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

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

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

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

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

US trade tariffs and other new policy initiatives

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

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

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

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

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

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

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

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

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

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

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

In sum, Trumpâ€™s hope that his trade and re-industrialisation policies would represent a â€˜back to the futureâ€™ moment for the USA could very well have the result that the US economy finds itself stuck destructively in the past.

Jonathan Woolf

30 April 2025

Income statement

For the year ended 31 December 2024

	2024 Â			2023 Â		
	Revenue return Â£ 000	Capital return Â£ 000	Total Â£ 000	Revenue return Â£ 000	Capital return Â£ 000	Total Â£ 000
Investment income (note 2)	939	-	939	1,264	-	1,264
Holding gains/(losses) on investments at fair value through profit or loss	-	2,270	2,270	-	(2,196)	(2,196)
(Losses)/gains on disposal of investments at fair value through profit or loss	-	(198)	(198)	-	45	45
Losses on provision for liabilities and charges	-	(254)	(254)	-	(220)	(220)
Foreign exchange gains/(losses)	(7)	41	34	36	(119)	(83)
Expenses	(436)	(246)	(682)	(453)	(255)	(708)
Profit/(loss) before finance costs and tax	496	1,613	2,109	847	(2,745)	(1,898)
Finance costs	(58)	(33)	(91)	(50)	(36)	(86)
Profit/(loss) before tax	438	1,580	2,018	797	(2,781)	(1,984)
Tax	35	-	35	17	-	17

Profit/(loss) for the year	473	1,580	2,053	814	(2,781)	(1,967)
Earnings per share						
Basic - ordinary shares*	0.49p	6.32p	6.81p	1.86p	(11.12)p	(9.26)p
Diluted - ordinary shares*	0.49p	4.51p	5.87p	1.86p	(11.12)p	(9.26)p

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

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

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

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

Statement of changes in equity

For the year ended 31 December 2024

	Share capital	Capital reserve Â	Retained earnings	Total Â
	Â£ 000	Â£ 000	Â£ 000	Â£ 000
Balance at 31 December 2022	35,000	(27,928)	19	7,091
Changes in equity for 2023				
(Loss)/profit for the period	-	(2,781)	814	(1,967)
Ordinary dividend paid (note 4)	-	-	(437)	(437)
Preference dividend paid (note 4)	-	-	(175)	(175)
Balance at 31 December 2023	35,000	(30,709)	221	4,512
Changes in equity for 2024				
Profit for the period	-	1,580	473	2,053
Ordinary dividend paid (note 4)	-	-	(437)	(437)
Preference dividend paid (note 4)	-	-	(175)	(175)
Balance at 31 December 2024	35,000	(29,129)	82	5,953

Registered number: 00433137

Balance Sheet

At 31 December 2024

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

Approved: 30 April 2025

Cash flow statement

For the year ended 31 December 2024

	Year ended 2024 Â£ 000	Year ended 2023 Â£ 000
Cash flows from operating activities		
Profit/(loss) before tax	2,018	(1,984)
Adjustments for:		
(Gains)/losses on investments	(1,818)	2,371
Proceeds on disposal of investments at fair value through profit and loss	832	136
Purchases of investments at fair value through profit and loss	(236)	(536)
Interest (received)/expensed	(5)	22
Operating cash flows before movements in working capital	791	60
Decrease in receivables	331	161
Decrease in payables	(172)	(140)
Net cash from operating activities before interest	950	30
Interest paid	(67)	(73)
Net cash from operating activities	883	(43)
Cash flows from financing activities		
Dividends paid on ordinary shares	(300)	(180)
Dividends paid on preference shares	(80)	-
Net cash used in financing activities	(380)	(180)
Net increase/(decrease) in cash and cash equivalents	503	(223)
Cash and cash equivalents at beginning of year	(1,196)	(973)
Cash and cash equivalents at end of year	(693)	(1,196)
Cash and cash equivalents	249	39
Bank credit facility	(942)	(1,235)
	Â Â Â Â Â Â	**Â Â Â Â Â Â**
Cash and cash equivalents at end of year	(693)	(1,196)

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

1 Basis of preparation and going concern

The financial information set out above contains the financial information of the company for the year ended 31 December 2024. The company has prepared its financial statements in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have also been prepared as far as applicable and relevant to the company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP), reissued in July 2022 by the Association of Investment Companies (AIC).

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

The information for the year ended 31 December 2024 is an extract from the statutory accounts to that date. Statutory company accounts for 2023, which were prepared in accordance with UK-adopted international accounting standards, have been delivered to the registrar of companies and company statutory accounts for 2024, prepared under IFRS as adopted by the UK, will be delivered in due course.

The auditors have reported on the 31 December 2024 year end accounts and their report was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The directors, having made enquiries, consider that the company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the company's accounts.

2 Income

	2024 Â£ 000	2023 Â£ 000
Income from investments		
UK dividends	263Â	94Â
Dividend from subsidiary	578Â	867Â
	841	961
Other income	98	303
Total income	939	1,264
Total income comprises:		
Dividends	841	961
Other interest	96	64
Other income - settlement of US class action suit	2	239
	939	1,264
Dividends from investments		
Listed investments	263Â	94Â
Unlisted investments	578Â	867Â
	841Â	961Â

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

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

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

3 Earnings per ordinary share

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

	2024			2023		
	Revenue return Â	Capital return	Total	Revenue return Â	Capital return	Total
	Â£ 000	Â£ 000	Â£ 000	Â£ 000	Â£ 000	Â£ 000
Earnings:						
Profit after tax	473	1,580	2,053	814	(2,781)	(1,967)
Cumulative convertible non-redeemablepreference shares dividend	(350)	-	(350)	(350)	-	(350)
Adjusted profit after tax	123	1,580	1,703	464	(2,781)	(2,317)
	Weighted average number of ordinary shares			Weighted average number of ordinary shares		
	â€˜000	â€˜000	â€˜000	â€˜000	â€˜000	â€˜000
Basic	25,000	25,000	25,000	25,000	25,000	25,000
Diluted	35,000	35,000	35,000	35,000	35,000	35,000

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

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

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

4 Dividends

	2024 Â£ 000	2023 Â£ 000
Amounts recognised as distributions to equity holders in the period		
Dividends on ordinary shares:		
Final dividend for the year ended 31 December 2023 of 0.0p (2022: 0.0p) per share	-	-
Interim dividend for the year ended 31 December 2024 of 1.75p (2023: 1.75p) per share	437	437
	437	437
Proposed final dividend for the year ended 31 December 2024 of 0.0p (2023: 0.0p) per share	-Â	-Â
Dividends on 3.5% cumulative convertible preference shares:		
Preference dividend for the 6 months ended 31 December 2023 of 0.00p (2022: 0.00p) per share	-	-
Preference dividend for the 6 months ended 30 June 2024 of 1.75p (2023: 1.75p) per share	175	175
Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023: 0.00p) per share	-	-
	175	175

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

Dividends proposed for the period

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

Preference dividend for the 6 months ended 31 December 2024 of 0.00p (2023: 0.00p) per share	-	-
	175	175

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

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

5 Net asset values

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

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

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

Principal risks and uncertainties

The principal risks facing the company relate to its investment activities and include market risk (other price risk, interest rate risk and currency risk), liquidity risk and credit risk. The other principal risks to the company are loss of investment trust status and operational risk. These will be explained in more detail in the notes to the 2024 Annual Report and Accounts, but remain unchanged from those published in the 2023 Annual Report and Accounts.

Post balance sheet event

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

Related party transactions

The company rents its offices from Romulus Films Limited, and is also charged for its office overheads.

The salaries and pensions of the companyâ€™s employees, except for the non-executive directors and one employee are paid by Remus Films Limited and Romulus Films Limited and are recharged to the company.

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

At 31 December 2024 Â£4,983,221 (2023 â€“ Â£4,370,163) was owed by British & American Films Limited to Romulus Films Limited under an existing loan agreement (general purpose facility agreement).

There have been no other related party transactions during the period, which have materially affected the financial position or performance of the company.

Capital Structure

The company's capital comprises Â£35,000,000 (2023 â€“ Â£35,000,000) being 25,000,000 ordinary shares of Â£1 (2023 â€“ 25,000,000) and 10,000,000 non-voting convertible preference shares of Â£1 each (2023 â€“ 10,000,000). The rights attaching to the shares will be explained in more detail in the notes to the 2024 Annual Report and Accounts, but remain unchanged from those published in the 2023 Annual Report and Accounts.

Directorsâ€™ responsibility statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors confirm that to the best of their knowledge the financial statements prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and the profit/(loss) of the company and that the Chairmanâ€™s Statement, Managing Director's Report and the Directorsâ€™ report include a fair review of the information required by rules 4.1.8R to 4.2.11R of the FCAâ€™s Disclosure and Transparency Rules, together with a description of the principal risks and uncertainties that the company faces.

Annual General Meeting

This yearâ€™s Annual General Meeting has been convened for Thursday 26 June 2025 at 12.15pm at Wessex House, 1 Chesham Street, London SW1X 8ND.