

LEGAL ENTITY IDENTIFIER: 213800B9YWXL3X1VMZ69

THE BANKERS INVESTMENT TRUST PLC

Annual Financial Report for the year ended 31 October 2018

This announcement contains regulated information

Performance Highlights	31 October 2018	31 October 2017
NAV per share at year end	865.8p	878.9p
Share price at year end ⁽¹⁾	835.0p	852.0p
Dividend for year ⁽²⁾	19.72p	18.60p
	31 October 2018	31 October 2017
Dividend yield ⁽³⁾	2.4%	2.2%
Dividend growth	6.0%	9.4%
Ongoing charge for year	0.50%	0.44%
Net gearing at year end ⁽⁴⁾	2.4%	2.3%
Discount at year end	3.6%	3.1%

⁽¹⁾ Share price is the midmarket closing price.

⁽²⁾ This represents the four ordinary dividends recommended or paid for the year.

⁽³⁾ Based on the share price at the year end.

⁽⁴⁾ Net gearing is calculated in accordance with the gearing definition in the glossary in the Annual Report

Sources: Morningstar for the AIC, Janus Henderson, Datastream.

CHAIRMAN'S STATEMENT

- Net asset value total return increase of 0.8%
- Dividend increase of 6% to 19.72p per share
- Forecast increase in 2019 dividend of 6%

Performance

The past year has been disappointing from a net asset value ('NAV') total return basis, with an increase of just 0.8% leading to a flat share price total return over this period. The caution that I expressed in the outlook paragraph of the Strategic Report last year was for the early part of the year misplaced. Yet by our year-end the effects of rising US interest rates, stretched valuations of growth stocks, trade wars and UK politics had all played their part in turning global market sentiment negative.

Volatility has been in evidence across global markets since early summer as the momentum behind the tightening US interest rate cycle has begun to influence market sentiment and, in particular, highly-rated growth stocks such as those in the technology sector. In addition, the growing number of macro concerns (trade wars, UK politics, emerging market debt levels) have risen to prominence as the year progressed. Against this backdrop, companies issuing profit warnings have been harshly treated by the markets thus compounding the rising nervousness amongst investors.

During the year the asset allocation structure of the portfolio has continued the trend of the past three years, namely a reduction in the UK equity element of the portfolio, a gradual increase in the US and a maintaining of our allocation to Japanese and Continental European equities. Towards our end of the period we allocated some more monies to our China exposure, following a near 20% decline in the market, thus maintaining an overall stable allocation to the Asian region.

With the exception of North America and Japan, all global markets experienced negative returns during the year. On a positive note our regional managers performed well with four (Europe, North America, Asia Pacific and China) significantly outperforming their local benchmarks whilst the UK, Japan and Emerging Market portfolios underperformed their local benchmarks. From a sectorial perspective, our overweight position in consumer stocks, in particular in the UK, has negatively impacted performance, whilst our technology exposure in the US has driven our outperformance in this market. Towards our year-end some profits were realised from these elements of the portfolio.

Revenue and Dividends

Bankers has delivered a further solid increase in the revenue account, reflecting positive currency movements, robust dividend growth and further special dividends. This performance has enabled the Board to recommend a final quarterly dividend of 5p per share. If approved by shareholders, this will result in a total dividend payment for the year of 19.72p, (2017: 18.60p), an increase of 6.0%. Delivering on my forecast for the year. Our revenue earnings per share over the same period rose to 20.78p (2017: 20.49p), an increase of 1.4%.

The outlook for the year ahead from a revenue account perspective remains positive. The recommended final 2018 dividend payment, if approved, will still accommodate a healthy transfer to our revenue reserve which, at the year-end, represented 1.2 times the cost of the 2018 annual dividend. This reserve gives the Board confidence in its discussions regarding likely future dividend growth. The main concern when forecasting growth for the current year remains the level of sterling. Sterling's weakness has helped our revenue account significantly during the past three years. A sudden increase in the value of sterling, albeit not our expectation, will lead to pressure on the revenue account. However such is our level of revenue reserves that I am pleased to be able to report, on behalf of the Board, a forecast of dividend growth of approximately 6% for 2019.

Board Changes

As has previously been announced, I shall be retiring from the Board at the forthcoming Annual General Meeting ('AGM'). Sue Inglis will succeed as Chairman from the conclusion of the AGM. Sue joined the Board in November 2012 and became Senior Independent director in February 2015. Sue is highly experienced and knowledgeable within the Investment Trust sector and has for many years advised other companies in her role as a lawyer and subsequently a corporate financier. Sue has a number of other non-executive roles in the sector having stepped down as Managing Director - Corporate Finance at Cantor Fitzgerald Europe last summer. I know that Sue will continue the ethos that has served shareholders in Bankers so well over the longer term. Julian Chillingworth will succeed Sue as Senior Independent Director at the same time.

I am also pleased to report that Richard Huntingford joined the Board on 26 September 2018, subject to shareholder approval at the AGM. Richard has been involved in the media and marketing sectors for more than 30 years and has held a number of executive and non-executive roles in listed and private businesses. Further details of his experience can be found in the Annual Report. I look forward to introducing Richard to shareholders at the AGM.

Annual General Meeting ('AGM')

This year's AGM will again be held at Trinity House, London, EC3N 4DH on 27 February 2019 at 12 noon. Full details of the business to be conducted at the meeting are set out in the Notice of Meeting which has been sent to shareholders with the Annual Report. Directions and a map showing the location of the AGM can also be found in the Notice of Meeting. At the AGM, Alex Crooke and his investment team will present their investment views and how these are reflected in the portfolio. Following the formal business of the meeting light refreshments will be served. The Board looks forward to seeing many of you at the AGM.

Outlook

In my view it is too early to become contrarian in regard to market sentiment but it is very tempting to begin to look at markets more positively. The global economy, led by North America, remains solid, and inflationary pressures, whilst higher than a year ago, are stabilising. The recent oil price decline has yet to feed through into inflation numbers and, whilst wage inflation remains a concern, overall inflation could fall in 2019. If such a scenario were to be in evidence then the current momentum in interest rate rises in the US could ease giving markets a welcome boost. Valuations in certain sectors will continue to be a limiting factor, equally investors will need a resolution of the current trade tariff dispute to commit substantial new money to the market. The recent low levels of volatility in markets are a phenomenon that are now likely to be confined to history and a product of quantitative easing used to stabilise markets through the financial crises. Therefore, going forward investors will need to readjust to more historically normal high levels of volatility.

The uncertainty in the UK will remain and will be dominated by Brexit issues well beyond the end of March 2019. Consumer and business sentiment remain as critical indicators in the year ahead for the country and for confidence to return to the UK from international investors in particular. The UK market therefore will likely have another dull year. Yet the valuation argument is becoming more compelling especially for some companies in more traditional defensive sectors with strong balance sheets and well covered dividends. Currency markets may surprise in 2019 and, as highlighted earlier, a stronger sterling would impact our revenue account and also have a negative translational impact on the NAV from the international holdings.

Thus I fear caution remains the key watch word for global equity markets, at least for the first half of 2019. The direction of US interest rates, the outcome of Brexit with its range of economic implications and the wider inflationary picture should all be clearer by this time. If corporate earnings growth remains positive then valuations may become compelling, despite the late stage in the cycle in which we find ourselves.

R W Killingbeck
Chairman
15 January 2019

FUND MANAGER'S REVIEW

This past year has been one of the most challenging in my career, as factors beyond the financial world have collided and created a very difficult environment for investors and companies alike. I have to look back to the 1960s to find a period when politics dominated financial markets as much as they have in 2018. The fear of the unknown swamped equity markets in 2018 and created an environment where share prices outside the US fell sharply towards the end of our financial year under review.

The year started in bright form, as against my own scepticism, tax reform in the US was enacted, leading to investors' exuberance about the future. Markets rallied to set new highs in January, with one of the strongest rises in share prices of growth stocks on record. There were plenty of signs that the optimism would fade and we did reduce the gearing into the rally selling some of the best performing stocks in the portfolio. The US Federal Reserve clearly indicated at the start of 2018 that it would raise interest rates throughout the year and the European Central Bank ('ECB') announced that its quantitative easing bond purchases would reduce monthly and cease by the end of the year. These actions would progressively drain liquidity in markets and reduce money supply. In previous tightening cycles, we have seen market volatility increase and equity prices decline. I had expected a difficult summer but the sell-off didn't start until October.

Our line up of fund managers has not changed this year but sadly Tim Stevenson, our European fund manager, has decided to retire in early 2019 after a long career with Janus Henderson and nearly 20 years helping Bankers. His replacement will be James Ross, who joined Janus Henderson in 2007 and has worked closely with Tim in recent years.

Asset Allocation

In hindsight asset allocation was a simple decision of owning American equities and the US dollar to the exclusion of all other global markets. Every other region declined with only Japan holding flat; Chinese equities fell over 20%, in a bear market. US investors clearly repatriated assets, with investment flows moving from international markets back into US dollars. Despite the expensive valuations we increased the investment in the US, resisting the temptation to lock in gains. The portfolio's underperformance relative to the FTSE World Index is partly explained by the smaller exposure to the US relative to the benchmark, 31.6% as compared to 60.6%. I believe that purchasing expensively valued companies will ultimately hurt returns over time. The US is now a highly valued market that has outperformed other global markets for seven years during the last decade and therefore an element of caution is warranted in terms of increasing exposure. Our stock selection has offset the underweight, with the North American team producing a very impressive performance by focusing on long-term secular trends such as paperless payment, disruption and health care. The European and Pacific portfolios also delivered strong relative returns, with a focus on quality companies with dominant market positions in their industries. It was not a year to bet against market trends reversing, momentum remained strong for market leaders and value and income stocks underperformed.

The UK remained mired in Brexit uncertainty which has made the UK stock market almost un-investable in many international investors' eyes. Sterling steadily declined against the US dollar, although it has held its own against the Euro. The UK economy has seen little impact from Brexit, benefitting from the lower exchange rate. However the strains have latterly become apparent with reduced inward investment flows and tighter labour markets as immigration falls. The portfolio's exposure to the UK was reduced further this year, ending at 25.2%. The majority of the underperformance against the benchmark can be explained by the UK exposure and the underperformance of the UK stocks we held. A narrow number of the largest stocks performed well in the UK but the mid-cap stocks, which are more domestically exposed, did not perform for us.

Outlook

As I look forward I suspect that the future will not turn out as bad as many predict. The world does not appear on the verge of a sharp recession but clearly growth is slowing and share prices have begun to price this in. There is an incentive on all sides to get trade discussions concluded and I expect a better picture to emerge as the year develops. By the summer many of the uncertainties will have resolved themselves in one form or another and we should have a clearer outlook. Valuations have fallen significantly in recent months and we have an opportunity to invest cash at very favourable dividend yields. An element of caution still seems sensible and we are looking to purchase only quality companies with strong balance sheets, rather than recovery situations that require a higher level of economic growth. It looks like a year of two halves lies ahead of us.

Alex Crooke
Fund Manager
15 January 2019

LARGEST INVESTMENTS at 31 October 2018

Ranking 2018	Ranking 2017	Company	Country	Valuation 2017 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2018 £'000
1	#	Microsoft	US	-	16,301	-	5,121	21,422
2	(2)	Apple	US	18,258	-	(3,386)	6,413	21,285
3	(4)	American Express	US	16,404	1,718	-	2,052	20,174
4	(16)	Union Pacific	US	12,349	3,399	-	4,028	19,776
5	(1)	BP	UK	19,898	-	(3,097)	2,015	18,816
6	(13)	Berkshire Hathaway	US	12,624	3,462	-	2,003	18,089
7	(21)	Estée Lauder	US	10,748	3,177	-	3,005	16,930
8	(60)	Alphabet	US	14,455	-	-	1,431	15,886
9	(18)	Visa	US	11,471	-	-	3,467	14,938
10	(9)	Royal Dutch Shell	UK	14,091	-	-	835	14,926
11	(5)	American Tower	US	15,860	-	(3,135)	1,687	14,412
12	(12)	Comcast	US	12,972	-	-	1,300	14,272
13	(11)	FedEx	US	13,688	-	-	188	13,876
14	(25)	MasterCard	US	9,949	-	-	3,793	13,742
15	(20)	ICON	US	10,952	-	-	2,264	13,216
16	(14)	Aptiv	US	12,603	3,311	(2,173)	(840)	12,901
17	#	GlaxoSmithKline	UK	8,694	2,739	-	1,277	12,710
18	(24)	Diageo	UK	9,972	1,417	-	598	11,987
19	(3)		UK					
		British American Tobacco		17,057	-	-	(5,174)	11,883
20	(15)	Taiwan Semiconductor Manufacturing	Taiwan	12,524	-	-	(809)	11,715
21			US					
	#	Intercontinental Exchange		-	11,151	-	38	11,189
22	(10)	Xylem	US	13,809	-	(3,129)	487	11,167
23	(19)	Cognizant Technology Solutions	US	11,466	-	-	(597)	10,869
24	#		US					
		The Cooper Companies		9,679	-	-	1,135	10,814
25	#	Booking	US	10,506	-	-	203	10,709
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				300,029	46,675	(14,920)	35,920	367,704
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All securities are equity investments

Not in the top 25 last year

Convertibles and all classes of equity in any one company being treated as one investment

CHANGES IN INVESTMENTS at 31 October

	Valuation 2017 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2018 £'000
United Kingdom	291,399	51,806	(47,851)	(21,821)	273,533
Europe (ex UK)	163,534	62,917	(57,390)	(6,980)	162,081
North America	305,266	64,264	(70,309)	43,835	343,056
Japan	128,314	62,549	(58,416)	(4,872)	127,575
Pacific (ex Japan, China)	118,822	25,405	(44,304)	(4,802)	95,121
China	67,645	64,030	(57,624)	(15,629)	58,422
Emerging Markets	26,836	4,483	(1,864)	(2,210)	27,245
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	1,101,816	335,454	(337,758)	(12,479)	1,087,033
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PRINCIPAL RISKS AND UNCERTAINTIES

The Board, with the assistance of Janus Henderson, has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. In carrying out this assessment, the Board has considered the market uncertainty arising from the UK's negotiations to leave the European Union. The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objectives and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified, and the steps taken by the Board to mitigate these as far as practicable, and whether the Board considers the impact of such risks has changed over the past year, are as follows:

Risk	Controls and Mitigation
Investment Activity and Performance Risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's various indices and the companies in its peer group.	The Board monitors investment performance at each Board meeting and regularly reviews the extent of the Company's borrowings.
Portfolio and Market Risks Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. Macro matters (such as trade wars, the conclusion of the UK's negotiations to leave the European Union and the global economic outlook) are expected to lead to continued volatility in the markets. This is likely to impact share prices of investments in the portfolio, to the extent not already factored into current prices. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds.	The Fund Manager seeks to maintain a diversified portfolio to mitigate against this risk. The Board regularly reviews the portfolio, investment activity and performance.
Tax, Legal and Regulatory Risks A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UK Listing Authority's Rules could result in suspension of the Company's shares, while a breach of the Companies Act could lead to criminal proceedings. All breaches could result in financial or reputational damage. The Company must also ensure compliance with the Listing Rules of the New Zealand Stock Exchange.	Janus Henderson has been contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal control reports produced by Janus Henderson on a quarterly basis, which confirm tax, legal and regulatory compliance both in the UK and New Zealand.
Financial Risks By its nature as an investment trust, the Company's business activities are exposed to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk.	The Company has a diversified portfolio which comprises mainly investments in large and medium-sized companies and mitigates the Company's exposure to liquidity risk. The Company minimises the risk of a counterparty failing to deliver securities or cash by dealing through organisations that have undergone rigorous due diligence by Janus Henderson. Further information on the mitigation of financial risks is included in the Annual Report.

<p>Operational and Cyber Risks</p> <p>Disruption to, or failure of, Janus Henderson's accounting, dealing or payment systems or the Depositary's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational and cyber risks that one or more of its service providers may not provide the required level of service.</p>	<p>The Board monitors the services provided by Janus Henderson, the Depositary and its other suppliers and receives reports on the key elements in place to provide effective internal control.</p>
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The Board considers these risks to have remained unchanged throughout the year under review.

VIABILITY STATEMENT

The Directors have assessed the viability of the Company over a three year period, taking account of the Company's current position and the potential impact of the principal risks and uncertainties documented in the Annual Report. The Directors conducted the assessment based on a period of three years because they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust.

The assessment considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular Investment Activity and Performance, Portfolio and Market and Financial risks, materialising in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors also took into account the liquidity of the portfolio, the gearing and the income stream from the portfolio in considering the viability of the Company over the next three years and its ability to meet liabilities as they fall due. This included consideration of the duration of the Company's long-term borrowings, how a breach of the gearing covenants could impact on the Company's net asset value and share price and how the forecast income stream, expenditure and levels of reserves could impact on the Company's ability to pay dividends to shareholders over that period in line with its current dividend policy. Whilst detailed forecasts are only made over a shorter time frame, the nature of the Company's business as an investment trust means that such forecasts are equally valid to be considered over the longer three year period as a means of assessing whether the Company can continue in operation.

Based on their assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three year period.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties in the year were with its Directors and Janus Henderson. There were no material transactions between the Company and its Directors during the year other than the amounts paid to them in respect of Directors' remuneration for which there were no outstanding amounts payable at the year end. In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there were no transactions with the Manager affecting the financial position of the Company during the year under review. More details on transactions with the Manager, including amounts outstanding at the year end as shown in the Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER DISCLOSURE GUIDANCE AND TRANSPARENCY RULE 4.1.12

Each of the Directors confirms that, to the best of his or her knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report in the Annual Report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Richard Killingbeck
Chairman
15 January 2019

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 October 2018			Year ended 31 October 2017		
		Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total/ return £'000
Notes							
(Losses)/Gains on investments held at fair value through profit or loss		-	(12,611)	(12,611)	-	152,388	152,388
Investment income	2	30,321	-	30,321	29,445	-	29,445
Other operating income	3	226	-	226	189	-	189
		-----	-----	-----	-----	-----	-----
Total income		30,547	(12,611)	17,936	29,634	152,388	182,022
		-----	-----	-----	-----	-----	-----
Expenses							
Management fees	4	(1,344)	(3,136)	(4,480)	(1,012)	(2,362)	(3,374)
Other expenses		(990)	-	(990)	(963)	-	(963)
		-----	-----	-----	-----	-----	-----
Profit/(loss) before finance costs and taxation		28,213	(15,747)	12,466	27,659	150,026	177,685
		-----	-----	-----	-----	-----	-----
Finance costs		(917)	(2,141)	(3,058)	(916)	(2,137)	(3,053)
		-----	-----	-----	-----	-----	-----
Profit/(loss) before taxation		27,296	(17,888)	9,408	26,743	147,889	174,632
Taxation	5	(1,823)	-	(1,823)	(1,624)	-	(1,624)
		-----	-----	-----	-----	-----	-----
Profit/(loss) for the year and total comprehensive income		25,473	(17,888)	7,585	25,119	147,889	173,008
		=====	=====	=====	=====	=====	=====
Earnings per ordinary share – basic and diluted	6	20.78p	(14.59p)	6.19p	20.49p	120.62p	141.11p

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with IFRSs as adopted by the European Union. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 October 2018	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 November 2017	30,986	78,541	12,489	915,206	40,341	1,077,563
Total comprehensive income:						
(Loss)/profit for the year	-	-	-	(17,888)	25,473	7,585
Ordinary dividends paid	-	-	-	-	(23,565)	(23,565)
Total equity at 31 October 2018	30,986	78,541	12,489	897,318	42,249	1,061,583

Year ended 31 October 2017	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 November 2016	30,986	78,541	12,489	767,317	37,405	926,738
Total comprehensive income:						
Profit for the year	-	-	-	147,889	25,119	173,008
Ordinary dividends paid	-	-	-	-	(22,183)	(22,183)
Total equity at 31 October 2017	30,986	78,541	12,489	915,206	40,341	1,077,563

STATEMENT OF FINANCIAL POSITION

	At 31 October 2018 £'000	At 31 October 2017 £'000
Non-current assets		
Investments held at fair value through profit or loss	1,087,033	1,101,816
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Current assets		
Investments held at fair value through profit or loss	18,005	23,252
Other receivables	4,667	2,660
Cash and cash equivalents	20,075	24,102
	-----	-----
	42,747	50,014
	-----	-----
Total assets	1,129,780	1,151,830
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Current liabilities		
Other payables	(3,370)	(9,451)
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	(3,370)	(9,451)
	-----	-----
Total assets less current liabilities	1,126,410	1,142,379
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Non-current liabilities		
Debenture stock	(15,000)	(15,000)
Unsecured loan notes	(49,827)	(49,816)
	-----	-----
	(64,827)	(64,816)
	-----	-----
Net assets	1,061,583	1,077,563
	=====	=====
Equity attributable to equity shareholders		
Share capital	30,986	30,986
Share premium account	78,541	78,541
Capital redemption reserve	12,489	12,489
Retained earnings:		
Other capital reserves	897,318	915,206
Revenue reserve	42,249	40,341
	-----	-----
Total equity	1,061,583	1,077,563
	=====	=====
Net asset value per ordinary share	865.8p	878.9p
	=====	=====

CASH FLOW STATEMENT

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Reconciliation of profit before taxation to net cash flow from operating activities		
Operating activities		
Profit before taxation	9,408	174,632
Add back interest payable ('finance costs')	3,047	3,043
Amortisation of loan notes issue costs	11	10
Add: losses/(gains) on investments held at fair value through profit or loss	12,611	(152,388)
Decrease in accrued income	113	79
(Increase)/decrease in other receivables	(12)	42
Increase/(decrease) in other payables	82	(66)
Purchases of investments	(335,454)	(305,170)
Sales of investments	337,755	306,581
Purchases of current asset investments	(46,003)	(52,453)
Sales of current asset investments	51,250	50,555
(Increase)/decrease in securities sold for future settlement	(1,834)	5,235
Decrease in securities purchased for future settlement	(6,163)	(2,601)
	-----	-----
Net cash inflow from operating activities before interest and taxation¹	24,811	27,499
Interest paid	(3,058)	(3,042)
Taxation on investment income	(2,083)	(1,832)
	-----	-----
Net cash inflow from operating activities	19,670	22,625
Financing activities		
Equity dividends paid (net of refund of unclaimed distributions)	(23,565)	(22,183)
Drawdown of bank loan	2,005	-
Repayment of bank loan	(2,005)	-
Cash received from the liquidation of Henderson Global Trust plc	-	9
	-----	-----
Net cash outflow from financing activities	(23,565)	(22,174)
	-----	-----
(Decrease)/ increase in cash	(3,895)	451
Cash and cash equivalents at start of the year	24,102	23,271
Exchange movements	(132)	380
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Cash and cash equivalents at end of the year	20,075	24,102
	=====	=====

¹ In accordance with IAS 7.31 cash inflow from dividends was £30,398,000 (2017: £29,372,000) and cash inflow from interest was £62,000 (2017: £191,000).

NOTES:

1. Accounting policies

The Bankers Investment Trust PLC is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The financial statements of the Company for the year ended 31 October 2018 have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. These comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the IFRS Interpretations Committee ('IFRS IC') that remain in effect, to the extent that IFRSs have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial instruments held at fair value through profit or loss. The principal accounting policies adopted are set out in the Annual Report. These policies have been applied consistently throughout the year. Where presentational guidance set out in the Statement of Recommended Practice (the 'SORP') for investment companies issued by the Association of Investment Companies (the 'AIC') in November 2014 and updated in February 2018 with consequential amendments is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

The assets of the Company consist mainly of securities that are listed and readily realisable and, accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors, the principal risks and other matters discussed in connection with the Viability Statement, the Directors have decided that it is appropriate for the financial statements to be prepared on a going concern basis.

	2018 £'000	2017 £'000
2. Investment income		
UK dividend income - listed	10,718	10,847
UK dividend income - special dividends	329	580
Overseas dividend income - listed	18,930	17,195
Overseas dividend income - special dividends	205	502
Property income distributions	139	321
	-----	-----
	30,321	29,445
	=====	=====

Analysis of investment income by geographical region:

UK	11,641	12,743
Europe (ex UK)	5,215	5,220
North America	3,077	2,639
Japan	2,825	2,183
China	1,413	1,454
Pacific (ex Japan, China)	5,183	4,343
Emerging Markets	967	863
	-----	-----
	30,321	29,445
	=====	=====

	2018 £'000	2017 £'000
3. Other operating income		
Bank interest	64	23
Underwriting income	24	54
Stock lending revenue	135	108
Other income	3	4
	-----	-----
	226	189
	===	===

At 31 October 2018 the total value of securities on loan by the Company for stock lending purposes was £42,093,000 (2017: £28,166,000). The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2018 was £159,687,000 (2017: £64,544,000). The Company's agent held collateral at 31 October 2018 with a value of £44,402,000 (2017: £31,366,000) in respect of securities on loan. The value which is reviewed on a daily basis comprises Corporate and Government Bonds with a minimum market value of 105% (2017: 105%) of the market value of any securities on loan.

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
4. Management fees						
Investment management	1,344	3,136	4,480	1,012	2,362	3,374
	-----	-----	-----	-----	-----	-----
	1,344	3,136	4,480	1,012	2,362	3,374
	=====	=====	=====	=====	=====	=====

A summary of the terms of the management agreement is given in the Annual Report.

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
5. Taxation						
a) Analysis of the charge for the year						
Overseas tax suffered	2,121	-	2,121	1,986	-	1,986
Overseas tax reclaimable	(295)	-	(295)	(362)	-	(362)
Income tax recovered	(3)	-	(3)	-	-	-
	-----	-----	-----	-----	-----	-----
Total tax charge for the year	1,823	-	1,823	1,624	-	1,624
	=====	=====	=====	=====	=====	=====

b) Factors affecting the tax charge for the year

The differences are explained below:

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Profit/(loss) before taxation	27,296	(17,888)	9,408	26,743	147,889	174,362
Corporation tax for the year at 19.00% (2017: 19.42%)	5,186	(3,400)	1,786	5,193	28,720	33,913
Non taxable UK dividends	(2,112)	-	(2,112)	(2,229)	-	(2,229)
Overseas income and non taxable scrip dividends	(3,493)	-	(3,493)	(3,239)	-	(3,239)
Overseas withholding tax suffered	1,826	-	1,826	1,624	-	1,624
Income tax recovered	(3)	-	(3)	-	-	-
Realised gains on non-reporting offshore funds	-	-	-	-	555	555
Excess management expenses and loan relationships	371	897	1,268	275	319	594
Interest capping restriction	48	106	154	-	-	-
Capital losses/(gains) not subject to tax	-	2,397	2,397	-	(29,594)	(29,594)
	-----	-----	-----	-----	-----	-----
	1,823	-	1,823	1,624	-	1,624
	=====	=====	=====	=====	=====	=====

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or in the prior year.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust, which it intends to maintain for the foreseeable future.

d) Factors that may affect future tax charges

The Company has not recognised a deferred tax asset totalling £8,263,000 (2017: £7,201,000) based on a prospective corporation tax rate of 17.0% (2017: 17.0%). The deferred tax asset arises as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits. These expenses will only be utilised, to any material extent, if the Company has profits chargeable to corporation tax in the future because changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

6. Earnings per ordinary share

The total earnings per ordinary share is based on the net profit attributable to the ordinary shares of £7,585,000 (2017: £173,008,000) and on 122,606,783 ordinary shares (2017: 122,606,783), being the weighted average number of shares in issue during the year.

The total earnings can be further analysed as follows:

	2018	2017
	£'000	£'000
Revenue profit	25,473	25,119
Capital (loss)/profit	(17,888)	147,889
	-----	-----
Profit for the year	7,585	173,008
	-----	-----
Weighted average number of ordinary shares	122,606,783	122,606,783
	-----	-----
Revenue earnings per ordinary share	20.78p	20.49p
Capital earnings per ordinary share	(14.59p)	120.62p
	-----	-----
Earnings per ordinary share	6.19p	141.11p
	=====	=====

The Company does not have any dilutive securities, therefore basic and diluted earnings are the same.

7. Called up share capital	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Ordinary shares of 25p each			
At 1 November 2017	122,606,783	123,945,292	30,986
	-----	-----	-----
At 31 October 2018	122,606,783	123,945,292	30,986
	-----	-----	-----
	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Ordinary shares of 25p each			
At 1 November 2016	122,606,783	123,945,292	30,986
	-----	-----	-----
At 31 October 2017	122,606,783	123,945,292	30,986
	-----	-----	-----

During the year, no ordinary shares were issued or purchased. In the year ended 31 October 2017, no ordinary shares were issued or purchased.

Since the year end, the Company has not issued any ordinary shares or purchased shares for cancellation or to be held in treasury.

8. **Net asset value per ordinary share**

The net asset value per ordinary share is based on net assets attributable to ordinary shares of £1,061,583,000 (2017: £1,077,563,000) and on 122,606,783 ordinary shares in issue at 31 October 2018 (2017: 122,606,783). The Company has no securities in issue that could dilute the net asset value per ordinary share.

The movements during the year in net assets attributable to the ordinary shares were as follows:

	2018 £'000	2017 £'000
Net assets attributable to ordinary shares at start of year	1,077,563	926,738
Total net profit on ordinary activities after taxation	7,585	173,008
Dividends paid	(23,565)	(22,183)
	-----	-----
Net assets attributable to ordinary shares at end of year	1,061,583	1,077,563
	=====	=====

9. **Dividend**

A final dividend of 5.00p per share, if approved by shareholders at the Annual General Meeting, will be paid on 28 February 2019 to shareholders on the register on 25 January 2019. The shares go ex-dividend on 24 January 2018. This final dividend, together with the three interim dividends already paid brings the total dividend for the year to 19.72p.

10. **2018 Financial Information**

The figures and financial information for the year ended 31 October 2018 are extracted from the Company's annual financial statements for that period and do not constitute statutory accounts. The Company's annual financial statements for the year to 31 October 2018 have been audited but have not yet been delivered to the Registrar of Companies. The Auditor's report on the 2018 annual financial statements was unqualified, did not include a reference to any matter to which the Auditor drew attention without qualifying the report, and did not contain any statements under Section 498 of the Companies Act 2006.

11. **2017 Financial Information**

The figures and financial information for the year ended 31 October 2017 are compiled from an extract of the published accounts for that year and do not constitute statutory accounts. Those accounts have been delivered to the Registrar of Companies and included the report of the Auditor which was unqualified and did not contain a statement under Sections 498(2) or 498(3) of the Companies Act 2006.

12. **Annual Report**

Copies of the Annual Report will be posted to shareholders by the end of January 2019 and will be available on the Company's website (www.bankersinvestmenttrust.com) or in hard copy format from the Registered Office, 201 Bishopsgate, London EC2M 3AE.

13. **Annual General Meeting**

The Annual General Meeting will be held on Wednesday 27 February 2019 at 12 noon at Trinity House, London, EC3N 4DH.

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Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.