

Baillie Gifford Overseas Limited

Annual Report and Consolidated Financial Statements

Registered number SC84807

31 March 2021



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Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2021.

About the Baillie Gifford Group

Baillie Gifford Overseas Limited (the Company) is one of four wholly owned subsidiaries of Baillie Gifford & Co. References to the Baillie Gifford Group (BG Group) refer to the group of companies headed up by Baillie Gifford & Co, the ultimate controlling party.

References to the Baillie Gifford Overseas Group (BGO Group) refer to the group of companies headed up by Baillie Gifford Overseas Limited.

Structure of the financial statements

These financial statements are the consolidated group financial statements of the Company; its direct and indirect subsidiary undertakings which include: Baillie Gifford International LLC (BGI), Baillie Gifford Funds Services LLC (BGFS), Baillie Gifford Asia (Hong Kong) Limited (BGA (HK)), Baillie Gifford Investment Management (Europe) Limited (BGE), Baillie Gifford Investment Management (Shanghai) Limited (BGIM(S)), Baillie Gifford Overseas Investment Fund Management (Shanghai) Limited (BGQS) and an associated company Mitsubishi UFJ Baillie Gifford Asset Management Limited (MUBG).

Principal activities

The Company was formed in 1983, and predominately provides investment management and advisory services to clients of the BG Group located outside the United Kingdom. The Company now also provides investment dealing to the BG Group. Additional information on the activities of the direct subsidiaries and one associate within the BGO Group can be found in Note 10.

Review of the business

This will be a year to remember for many reasons. Previously, working from home was a concept rather than a reality but the last twelve months have demonstrated how quickly a business and its people can adapt even when working from home includes the additional strain of caring for family – young and old. Unprecedented financial support from governments across the world has helped stabilise financial markets and enabled many businesses to look through this air pocket in demand. Indeed, some have thrived in areas where the pandemic has accelerated change. After a drop in the early part of 2020, equity markets have rebounded strongly over the recent twelve-month period with, in Sterling terms, a 39.6% increase in the MSCI World Index.

Strong long-term investment performance underpins BGO Group's success and last year saw a remarkable period in our history with many of our investment strategies exceeding their benchmarks by a significant margin. Most of our clients' portfolios entered this period with a bias toward companies that were disrupting traditional businesses and business models. Over the year, International Growth returned 84.6% in dollars compared with a benchmark return of 50.0% while our Emerging Market clients enjoyed results that exceeded benchmarks by over 16%. Building on many successful years, our Long Term Global Growth strategy has now compounded in Sterling 22.0% per annum over ten years compared with 11.4% per annum for the benchmark. These results are all net of fees.

We experienced high levels of client flows through this financial year – with gross flows in and out nearing £59 billion. While our pooled funds in North America and Europe experienced net positive flows with notable success from Latin American clients, many of our segregated accounts continued to withdraw funds.

Strategic Report *(continued)*

Review of the business *(continued)*

Some were taking profits after strong performance or have rebalanced toward 'value', and a few raised significant assets as a result of the pandemic and government stipulations. Despite unusual working conditions we enjoyed a high level of new business enquiries and were successful in winning new mandates in excess of £7.7 billion spread across all regions and a wide range of strategies. In sum, the BGO Group saw net outflows of £5.4 billion, however, the impact of this was dwarfed by market movements and investment out-performance such that assets under management increased 62% from £127.8 billion to £206.6 billion this year.

BGO Group turnover rose 57% on the previous year from £514 million to £809 million this year. The BGO Group net profit for the financial year increased 94% from £43.1 million to £83.8 million. These results have clearly exceeded our expectations of a year ago and helped maintain our drive to invest in the business to ensure we continue to meet the needs of existing and future clients.

The net promoter score for the BG Group rose from +85 to +93 this year. Of clients surveyed, 98% scored us either a 6 or 7 out of 7 for 'Overall Satisfaction with Baillie Gifford'. This is a welcome stamp of approval and there is a clear motivation to maintain these levels. The experience of the last year has further emphasised the importance of evolving our servicing model to meet the future needs of clients. Historically we have depended on throwing significant human resource at 'analogue' servicing. However, expectations and client types are changing. We need to provide an equally engaging digital service and be sure that all our client touchpoints work in concert. We have made good progress through 2020 and would expect clients to experience the results of this work over the next 18 months.

Excellent communication tools and cloud-based technology have helped us integrate our newer international offices at a time when travel bans have been in place. Indeed, we have continued to invest in our overseas presence - adding an office in the Netherlands and expanding our Shanghai office where we now have a research team of five and have successfully obtained both Private Fund Manager and Qualified Domestic Limited Partnership (QDLP) licences. This year we seeded our first domestic China A share fund, gained a segregated China A share mandate, and opened a feeder fund to our Long Term Global Growth strategy. In addition, BGA(HK) moved to larger offices in Hong Kong in April 2021.

A key objective is to deepen and broaden existing client relationships. In North America 37 of our clients invest in more than one strategy with us which compares with only 19 five years ago. We continue to consider new investment strategies which will not only attract new clients but will be complementary to those we offer to existing clients. This includes US smaller companies, strategies consistent with evolving client environmental, social and governance requirements and private companies. We have seen growing interest in Positive Change and Global Stewardship and have also started to develop a Climate Optimism strategy. We remain excited about the types of private companies that we can invest in, the access this gives us to innovative management teams and the multiple benefits that this has on our public equity research and portfolios. This year will see a significant effort to establish a limited partnership fund that can give a broader set of our clients access to private companies.

We continue to analyse investment capacity for all our strategies. Despite negative net flows, significant outperformance will have increased our market share in certain areas. We consider: the costs associated with average deal sizes and our clients' expectations of liquidity should they divest; the impact on our investable universe should assets grow further; and the overlap between strategies. Overall, we remain comfortable with the assets we have under management though to allow for growth in their pooled funds we have chosen to close both our International Growth and Global Discovery strategies to new segregated accounts.

Strategic Report *(continued)*

Review of the business *(continued)*

The Company has signed an agreement for lease for a new office in Edinburgh which will be shared by all Baillie Gifford's staff based in Scotland. Construction is underway with an expectation of occupying the building toward the end of 2023. We are fortunate to have the opportunity to shape the layout and design of a new workplace at a time when the utility of a traditional office is being questioned. While the last twelve months have demonstrated the viability of working from home, we continue to believe that for our business to innovate and evolve our people need to have a physical environment in which to interact.

There were two changes to the Board of Directors during the year. Nick Thomas joined the Board and Scott Nisbet stepped down leaving the total number of Directors at ten, with separate Directors holding the roles of Chair and Chief Executive Officer. With Nick representing the North American part of our business, Kathrin Hamilton now operates as a non-executive chair. Director self-assessment was undertaken, and a programme of training continues to ensure strong knowledge is maintained on a variety of operational, regulatory and investment strategy issues.

Finally, while the BGO Group has ended this year in a remarkably strong position, the Directors would like to acknowledge the strains and stresses everyone has borne to maintain the level of service our clients and business are accustomed to, and to thank our colleagues for their continued effort to build on the strong investment platform we have. We hope they take as much pride in what we have achieved as we do.

Key risks

The BGO Group exercises oversight of the risk management framework through the Board, which in turn delegates responsibility to the various risk committees of Baillie Gifford & Co. The individual company boards also maintain their own risk maps which are reviewed by the boards of Directors and Managers.

The BG Group committee structure and risk management reporting framework is designed to provide a mechanism to assure management that risks are managed effectively, and internal control processes are operating as required. The framework takes a bottom-up approach to risk assessments complemented by a top-down assessment of the risk profile and is organised using a three lines model. Management of each business area is responsible for continually identifying, documenting, assessing, and managing the risks within their area on a day-to-day basis. Key risks and controls are reviewed by departmental management as and when changes occur to the business profile, processes, risks, controls, and external environment.

This process is supplemented by a quarterly assessment by each business area, which is facilitated by the Business Risk Department and overseen by the Operational Risk Committee. The Business Risk and Compliance functions, assisted by other functions such as Legal, Finance and Human Resources, support the Risk and Compliance Committees. This second line provides policy direction and oversees and monitors the risk framework to determine whether all key risks are being identified, assessed, and controlled by management in a manner commensurate with the BG Group's risk appetite and regulatory needs. The third line, led by the Group Audit Committee and including internal audit, independently assesses the adequacy and effectiveness of the processes within lines one and two and provides periodic assurance on the control environment across the BG Group.

Strategic Report *(continued)*

Key Risks *(continued)*

The main risks and uncertainties facing the BGO Group are as follows:

- Strategic and business risks

These are principally the risks of failing to retain and grow the business overseas (including a decline due to falls in markets or sustained poor long-term investment performance), not maintaining high service levels, or the loss of support from Baillie Gifford & Co in the form of shared resources and services. These risks are managed by being willing to change or adapt in response to relevant long-term changes in our business environment and by controlling costs appropriately and effectively.

The risk of reliance on Baillie Gifford & Co is mitigated by a number of factors including close interaction between the Directors and Managers of the companies within the BGO Group and Baillie Gifford & Co, professional indemnity insurance cover, and Baillie Gifford & Co's own capital adequacy requirements.

- Operational risks

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, and systems or from external events. Specifically, this also includes business continuity, valuation, and information security.

The principal operational risks lie with investment management, trading and client servicing with certain operational activities delegated to other BG Group companies under inter-company arrangements.

We aim to operate controls to ensure that the residual risk is minimised in a way that is consistent with providing high levels of service. In addition, the BG Group holds professional indemnity insurance to mitigate the residual risk of loss from errors.

Key processes and controls are set out in the Baillie Gifford Report on Internal Controls which is prepared annually and independently reviewed.

- Regulatory compliance risk

This is the risk that the BGO Group fails to adhere to relevant compliance and regulatory regulations. The Board seek to manage this risk by maintaining a regulatory risk assessment and monitoring process which is designed to:

- Identify relevant regulatory compliance risks affecting the BGO Group;
- Assess the impact and likelihood of these risks based upon the established controls in place within the BG Group;
- Ensure compliance with risk limits specified by the regulations; and
- Monitor the operation of these controls

- Liquidity risks

Liquidity risk is the risk that the BGO Group will encounter difficulty in meeting its obligations to creditors.

The BGO Group has no bank debt or overdraft facilities and only holds cash in current and deposit accounts with large regulated banks approved by Baillie Gifford's Counterparty Committee.

The BGO Group's significant commitments, other than corporation tax, are inter-company fees which are planned for well in advance and contingent on the receipt of fees from clients.

The main liquidity risks for the BGO Group are therefore exposure to unexpected delays in receipt of fees or the risk of large first or third party losses subject to delays in recovery from our insurers. These risks are considered as part of our stress testing framework in the BG Group Internal Capital Adequacy Assessment Process (ICAAP).

Strategic Report (continued)

Key Risks (continued)

- **Political risks**

The UK's exit from the European Union (EU) was completed following the end of the transition period on 31 December 2020. The terms of the agreement reached between the UK and the EU on the future relationship contained limited detail in relation to the provision of financial services and therefore there remains considerable uncertainty about the level of access to and future relationship with the EU. The Company has taken appropriate steps to ensure continuity of its services following the end of the transition period. These included establishing a subsidiary in Ireland BGE to provide certainty and continuity of services to existing European clients, and to retain the ongoing ability to market services in Europe. The Company continues to closely monitor developments following the UK's exit from the EU to identify and address any other consequences that might arise for the Company's business. However, with the establishment of BGE and future plans to seek to extend its regulatory permissions (see Board Action 2 on page 11), the Company believes it is well positioned to address any of these consequences.

Coronavirus (Covid-19)

Our primary aims throughout the coronavirus pandemic have been firstly, to ensure the wellbeing of our staff and others, and secondly to service clients well and with minimal disruption.

The staff and activities relating to the BGO Group have been considered as an integral part of the wider BG Group response throughout the year. There have been no significant interruptions to client service or operations with processes and systems running smoothly throughout the period. The vast majority of staff which support the activities of the BGO Group are based in or around Edinburgh, Scotland, and throughout the year they have worked remotely from home supported by IT systems which have been resilient.

Staff wellbeing has been an area of close oversight, ensuring that home working needs are met, and support is provided. Client and fund investment portfolios continue to be managed, including research activities, making investment decisions and handling cash flows. Client service also continues uninterrupted via email, phone and video calls with visits generally not being possible due to travel restrictions.

Baillie Gifford's offices in other jurisdictions have continued to follow local government restrictions and guidance in determining their usage as the pandemic has impacted countries differently.

We continue to monitor the position closely and are confident that the BGO Group continues to have appropriate plans, operational resiliency, and financial resources in place to continue to operate as a going concern for a period of at least twelve months from the date of this report.

Risk and capital disclosures

The Company is authorised and regulated by the Financial Conduct Authority. The BG Group discloses information about its capital, risk management, governance and remuneration on its website at www.bailliegifford.com. Please refer to pages 46 and 47 for the disclosures required to be made by the Company, as a significant subsidiary of its parent institution, Baillie Gifford & Co, under FCA regulations.

Strategic Report (continued)

Statement regarding compliance with S172(1) of the Companies Act

In compliance with Section 414CZA of the UK Companies Act 2006 the Board of Directors of the Company makes the following Section 172 statement in relation to the year ended 31 March 2021.

Baillie Gifford takes a long-term perspective when it comes to remaining a successful, active investment manager and the BGO Group's philosophy mirrors this perspective. The Directors recognise that sustainability and success is linked to decision making which has, at its heart, the long-term interests of the BGO Group's stakeholders. The BGO Group considers its key stakeholders to be clients and investors, employees, regulators, and the community and environment at large.

Throughout the year the Directors and Managers have, both individually and collectively, made strategic, financial and operational decisions which they considered would most likely promote the long-term success of the business for the benefit of its joint venture shareholders and its other stakeholders.

The disclosures set out below summarise how the Directors fulfilled their Section 172 duties.

Long-term decisions and acting fairly between members of the BGO Group

To ensure the long-term consequences of decisions are aligned to the long-term strategy and stakeholder interest of the BGO Group, the BGO Board is comprised of partners and employees of Baillie Gifford & Co and the CEO sits on the Management Committee of Baillie Gifford & Co. The Board of the Company meets around ten times a year and reports formally into the Management Committee, the governing body of Baillie Gifford & Co, at least twice a year. As part of Director changes during the year a Board evaluation exercise was undertaken which concluded that there were no gaps in experience or skills and that the Board remained strong and able to fully discharge its duties.

One important focus this year has been expanding the international presence of Baillie Gifford through the BGO Group, as detailed in the review of the business on pages 3 to 5 with the opening of a new marketing office in the Netherlands, enhancements to the North America business and the continued development of the business in China. These are all significant developments and are driven by our long-term desire to continue to expand our international reach, provide us with better insights into China and to continue to provide positive investment returns for our clients over the long term.

Interests of employees

The Company has no direct staff and obtains services via a service agreement with Baillie Gifford & Co. The BGO Group has employees as shown in note 5 of the Financial Statements. Those providing services to the Company are included as part of the overall employee framework of Baillie Gifford.

In light of coronavirus, the BG Group engaged regularly with staff through the year, using a variety of methods to interact, consult, listen and seek feedback to help shape and inform our people practices. Pulse surveys have given insight into mood and engagement as we transitioned and remained in the virtual working environment, whilst virtual 'Shared Belief' sessions, where smaller groups of staff and partners from across the firm can share ideas and information, were an effective way of encouraging two-way communication. Baillie Gifford's Shared Beliefs can be found on our website at www.bailliegifford.com.

Wellbeing was a key area of focus and the surveys provided the opportunity for all staff to let us know what matters most to them and to share their experience. This insight helped to shape the response to the coronavirus situation and ongoing wellbeing support. The '5 Ways of Wellbeing' was introduced to guide staff to small changes we can all make to support healthy habits day to day and Headspace membership was rolled out to all. Many of our Mental Health Supporters and managers completed Headtorch training and the Mental Health Group launched the 'Mental Health & Us' guide highlighting a range of resources available to staff, both peer and professional support.

Strategic Report *(continued)*

Statement regarding compliance with S172(1) of the Companies Act *(continued)*

Interests of employees *(continued)*

Demonstrating a commitment and progressive approach towards diversity and inclusion is important to us, our clients, and current and future employees. 2020 saw the launch of our first diversity & inclusion magazine which charts our progress and shares views from colleagues on how we are working towards and promoting a diverse and inclusive firm. Our employee-led networks play an invaluable role in the peer support they provide to colleagues, the consultative role they play to a variety of business groups and the idea generation that has led to increased awareness of the challenges being navigated by many, while also encouraging us to celebrate and value difference. We have also seen an emerging focus on diversity & inclusion data, which has an important role to play in helping us to better understand our candidates and staff, why minority groups may be under-represented in certain areas and what we can do to “level the playing field”.

Preparing for the post-coronavirus world of work remains a challenge for many firms and we have had several discussions with various management groups and held a number of focus groups to shape and discuss Future Ways of Working principles. We have established a set of principles to help guide working practices, and two webinars were held during March, giving staff the opportunity to ask questions or share feedback. We aim to learn and improve our working practices, informed by research and feedback, regularly reviewing our practices to ensure they meet the needs of our staff and contribute to success for our clients.

Fostering business relationships

The companies within the BGO Group contract directly with their clients and seek to build long-term relationships with existing clients and to gain new business in significant overseas markets. Baillie Gifford has organised many client events over the year and these events remain an important way of strengthening our client relationships. Within the BGO Group’s sphere of expertise, it looks to evolve with its clients to meet their changing needs. On a rolling four-year basis, clients are surveyed by a third party to gauge levels of satisfaction. Our client survey scores are noted on page 4 in the review of the business. While feedback always offers areas for improvement, we are pleased that Baillie Gifford scores highly in these surveys.

The key suppliers are entities within the BG Group which report directly to the Board and whose interests are well represented through the membership of the Boards of Directors and Managers. The Baillie Gifford Supplier Code of Conduct is available on the Baillie Gifford website.

We maintain contact with governments on topics of relevance to us, where we feel that our expertise may be helpful in policy areas. This contact is often indirect and in such cases is made via trade associations. Baillie Gifford is an active member of the Investment Association through participation in a number of committees, both in the role of chair or member. Baillie Gifford also contributes, where relevant, to the Investment Associations responses to regulatory consultations. These activities are undertaken with the view of ensuring the best interests of all the members and stakeholders of the investment management industry are preserved.

Strategic Report *(continued)*

Statement regarding compliance with S172(1) of the Companies Act *(continued)*

Impact of operations on the community and environment

The companies within the BGO Group seek to set a positive example through the BG Group as an investor, an employer and within our communities. As a result of the coronavirus and the challenges it has created, 2020 saw a steep increase in BG Group's sponsorship commitments and a pivotal change to the organisations supported. The Sponsorship Committee has worked hard to identify and support those most in need of help. Efforts focussed on increasing support for Social, Community and Health and Education projects, whilst continuing to back the Arts, Grassroot Sports, International, Land Air and Sea categories. The number of charitable organisations worked with this year rose to over 140 across the UK and around the world. For many of these charities an ongoing commitment of three years has been given. Notable donations in the year are to Edinburgh University's StopCovid research, the NHS (both money and equipment) and Edinburgh Zoo (to support their ongoing costs).

In addition, an increased number of Baillie Gifford Community Awards were made, giving over 120 charities one-off payments of £1,000 to £3,000 with further agreement to support 51 organisations in 2021.

BG Group staff have been actively involved in volunteering and unlimited volunteering days with no loss of annual leave continues to be offered to all staff. Active support has been given to Empty Kitchens Full Hearts, with many BG Group staff members volunteering their time.

There has been good engagement by BG Group staff over the BG Group's environmental policy issued in 2019 which can be found on the website. The BG Group already undertakes to double offsetting of its own carbon footprint but wishes to halve the level of carbon emitted per employee by 2025 and reduce paper usage by 30%. For more information refer to the Streamlined Energy and Carbon Reporting which can be found within the Directors' Report.

BG Group's approach to climate change is a topic of growing interest to clients, regulators, and other stakeholders. Whilst not mandatory for Baillie Gifford until next year, the BG Group has recently published its first report aligned with the recommendations of The Task Force on Climate-Related Financial Disclosures (TCFD) which can be found on the BG Group website.

The donations and initiatives noted above reflect the BG Group's Shared Belief that actions and behaviours should 'support society as a whole'.

Maintaining a reputation for high standards of business conduct

The companies within the BGO Group operate within a heavily regulated environment and have internal governance policies in place to outline arrangements in a clear and transparent way which should be helpful to clients, staff, joint venture partners, regulators, and others. There is engagement with regulators and other policy makers on an ongoing basis. During the coronavirus pandemic, regular contact has taken place with the FCA on matters ranging from pooled fund flows, liquidity, business continuity and both financial and operational resilience.

Highlighted below are a number of principal actions taken by the Board during the year which demonstrate how the Directors considered Section 172 matters and the long-term interests of its stakeholders in decision making.

Strategic Report *(continued)*

Statement regarding compliance with S172(1) of the Companies Act *(continued)*


Examples of Board Actions Taken

Board Action 1
Following an extensive review of the current and future needs of the business, the Directors agreed a significant commitment to a new head office property to house all Edinburgh-based staff. The chosen property is an exciting new development in the heart of the city and gives an opportunity to create an office environment designed for the future needs of the business. The Directors receive quarterly updates on progress to completion and reports on costs versus budget.
Stakeholder considerations
The commitment to a new head office building is significant against a backdrop of evolving ways of working. The unique Baillie Gifford culture has always been a market differentiator and having all Edinburgh and visiting global staff under one roof will help maintain this culture. The new office will offer a flexible, welcoming, and productive environment for all staff. The design of the building and plans for its future operation take into account the strength of the firm's commitment to environmental matters and building a sustainable business for the long term.
Impact of actions on long term success
The business has undertaken a significant amount of work during the year to develop its intentions in relation to future ways of working and maintaining its strong culture and business ethos. It is confident that these will fit well with its commitment to a new head office to which staff are physically connected. The Directors believe that this approach will be for the benefit of the business, its clients, investors, and staff over the long term, and will contribute to an environmentally sustainable future.

Board Action 2
During the year the Directors considered a detailed review of BGE's business in Europe and its ambitions in the medium to long term. They supported proposals for a programme of activities (European Roadmap) to further develop the European business and increase rigour in the Irish regulatory space. In particular, they supported seeking approval from the CBI in Ireland to extend BGE's regulatory permissions to allow it to become a Fund Management Company (ManCo). This would streamline resources, increase BGE's commercial opportunities, better position the business to service European clients and fulfil changing regulatory requirements for substance in Ireland.
The Directors also supported BGE's five-year business plan, including intentions to expand marketing capability across Europe, open a marketing office in Amsterdam (supplementing its established representative office in Zurich and branch in Frankfurt), recruit a Business Development Director to cover the Benelux countries and grow marketing resources in these locations.
Stakeholder considerations
In considering and supporting the ambitions for the future development of the European business and ensuring that infrastructure, governance and operational arrangements evolve to meet client and regulatory expectations and requirements, the Directors focussed on the long term interests of its European clients and investors, and of its regulators.
Impact of actions on long term success
The Directors believe that developing the European business, better servicing European clients, improving the range of investment vehicles through which investments can be made, and ensuring the infrastructure and operational arrangements meet regulatory and client expectations, will support a more sustainable business model for our European clients over the long term.

Strategic Report *(continued)*

On behalf of the Board

DocuSigned by:

CAEF5EF67D9048D...

A R Tait
Chief Executive
Edinburgh
10 June 2021

Directors' Report

The Directors have pleasure in submitting their Annual Report and audited Consolidated Financial Statements for the year ended 31 March 2021.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

B S Coghill	
A H J Conn	
J M Davis	Appointed 21 April 2020
K Hamilton	(Chair)
D S Henderson	
D K Jackson	
G Laybourn	
T S Nisbet	Resigned 18 February 2021
G R G Scott	
A R Tait	(Chief Executive)
N Thomas	Appointed 2 November 2020

All the shares of the Company were held throughout the year by Baillie Gifford & Co, a partnership in which all Directors, except B S Coghill, A H J Conn, J M Davis, D K Jackson and G R G Scott, were partners throughout the year. G R G Scott became a partner of Baillie Gifford & Co on 1 May 2020.

Dividends

An interim dividend of £3.75 million in respect of the year ended 31 March 2021 was approved and paid in April 2021. The level of dividend is set each year with regard to the overall Regulatory Capital requirements of the BGO Group and the BG Group as well as future commitments.

An interim dividend of £26 million was paid during the year in respect of the previous year ended 31 March 2020.

The Directors do not recommend a final dividend.

Statement of engagement with suppliers, customers, and others

Engagement with suppliers, customers and others is considered of strategic importance. Full details on fostering business relationships are included within the Strategic Report.

Branches outside the UK

The BGO Group has branches in Argentina, Canada, Germany, Netherlands and the United States of America.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting

The following Streamlined Energy & Carbon Report (SECR) provides environmental impact information in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Application

This information presented is on behalf of the BG Group and is contained within the financial statements of the Company as it meets the criteria of a large company (per sections 465 & 466 of the Companies Act 2006). As there is no reasonable basis to allocate energy and carbon reporting usage to the Company due to the shared use of facilities and resources across Baillie Gifford within the UK, no Company specific information is presented.

The measurement period of the report is 1 July 2019 to 30 June 2020 as this aligns to a carbon footprint report Baillie Gifford & Co has had commissioned for a number of years. In future, the BG Group will consider aligning the measurement period of the SECR to the financial year.

Organisational boundary

The organisational boundary for reporting energy consumption and mandatory emission measures is determined to be the UK based activities of Baillie Gifford entities. This includes the joint venture Mitsubishi UFJ Baillie Gifford Asset Management Limited which occupies a small amount of space in an office building used by other Baillie Gifford entities and has been included in full in this report. Some additional emission measures may include activities of non-UK entities as indicated.

Methodology and scope

The measurement methodology has been informed by, and complies with, the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, the Corporate Value Chain (Scope 3) Reporting Standard and the UK Government GHG Conversion Factors for Company Reporting. Three scopes are considered: Scope 1 (direct greenhouse gas emissions), Scope 2 (electricity indirect greenhouse gas emissions) and Scope 3 (other indirect greenhouse gas emissions).

Where practicable, and for the majority of the calculation, primary data has been sourced (e.g. meter readings, supplier invoices, supplier reports/information) but in some cases where complete datasets are not available, estimated or aggregated data has been used. Primary data availability and the scope of activities and emissions reported has improved between the 2018/19 and 2019/20 calculation periods.

While a reasonable attempt has been made to provide as complete a footprint as possible some exclusions have been made on the basis of materiality such as certain de minimis office and staff related emissions. The following Scope 3 categories have not been calculated due to information constraints and/or expected de minimis contribution to the footprint: capital goods (category 2), upstream transportation and distribution (category 4), downstream transportation and distribution (category 9), and investments (category 15). The following Scope 3 categories are not applicable: upstream leased assets (category 8), processing of sold products (category 10), end of life treatment of sold products (category 12), downstream leased assets (category 13), and franchises (category 14).

Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued) GHG emissions and energy use data

Measure	2018/19	2019/20	% change
Energy consumption used to calculate emissions (kWh)	8,465,023	8,260,201	-2.42

Mandatory reportable emission measures (tCO ₂ e)	2018/19	2019/20	% change
Purchased electricity [Scope 2-location based]	1,343.8	1,148.5	-14.5
Combustion of gas [Scope 1]	582.2	556.5	-4.4
Combustion of fuel for transport purposes [Scope 1]	<i>De minimis</i>	<i>De minimis</i>	-
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel [Scope 3]	<i>De minimis</i>	<i>De minimis</i>	-
Total gross tCO₂e – mandatory	1,926.0	1,705.0	-11.5
Additional emission measures (tCO ₂ e)	2018/19	2019/20	% change
Business travel [Scope 3]*	8,460.9	4,958.6	-41.4
Employee commuting [Scope 3]	643.8	482.9	-25.0
Fuel and energy related activities not included in Scope 1 or 3 [Scope 3]	114.0	101.2	-11.2
Purchased goods and services [Scope 3]	91.2	71.1	-22.1
Waste generated in operations [Scope 3]	15.2	14.1	-7.6
Total gross tCO₂e – additional	9,325.1	5,627.9	-39.7
Total gross tCO₂e – mandatory & additional	11,251.2	7,332.9	-34.8

Intensity ratios	2018/19	2019/20	% change
tCO ₂ e (Scope 1 & 2 emissions) per FTE	1.8	1.5	-15.6
tCO ₂ e (Scope 1, 2 & 3 emissions) per FTE	10.4	6.5	-37.2
FTE**	1,077.3	1,123.4	4.3

* As well as domestic travel, includes all centrally booked international travel including related to non-UK Baillie Gifford entities

** Based on average number of UK-based full-time employees including permanent, temporary (fixed term), contract and other staff

In the second half of the reporting period the emergence of the coronavirus pandemic had a major influence on travel related emissions as travel bans were introduced for both domestic and international travel. This was the main cause of the 41% drop in emissions from business travel.

Emissions relating to the running of BG Group buildings did not see such a significant fall as a result of coronavirus. Although the vast majority of staff have been working from home since the start of the pandemic, main buildings have remained operational for essential staff over the period. In line with coronavirus mitigation recommendations the BG Group, along with their building management teams, implemented a number of measures with the aim of reducing the spread of airborne viruses within our properties. This included 100% discharge to atmosphere of all extracted air to increase air change rates internally. Time schedules on heating and cooling equipment were extended to cover longer periods per day and through the weekend to also increase the rate of air change. These measures and the age of the plant within the main office location have likely contributed towards less of a reduction in energy use than might have been expected over the period.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

In addition, over the measurement period a 45% reduction in internal print volumes has been seen driven by the ongoing digital transformation and three months of reduced output as a result of coronavirus restrictions.

Emissions reduction initiatives

In the period covered by the report, the BG Group continued to implement several emissions reduction initiatives led by their Environmental Sustainability Group (ESG). The ESG is made up of representatives from many different departments and levels within the organisation, and the ESG helped launch the firm's updated Environmental Policy in September 2019 which is available on the BG Group website. The policy details the BG Group's commitment to four environmental performance goals:

1. 30% reduction in internal paper consumption from baseline levels by the end of 2025;
2. 50% reduction in carbon emissions per full time employee equivalent from baseline levels by the end of 2025;
3. 100% elimination of avoidable single-use plastics from the Edinburgh headquarters by the end of 2020, to be followed by the regional offices; and,
4. 100% carbon offset of the 2018/19 footprint; 200% carbon offset from 2019/20 onwards

Some of the initiatives guided by this policy during the reporting period have included:

- **Carbon offsetting**

Carbon offsetting provides a recognised way for organisations to compensate for their carbon emissions by funding an equivalent carbon dioxide removal elsewhere in the world. We purchase emission reduction credits from specific, approved carbon reduction projects. The projects must be 'additional' to those that would have happened anyway, meaning that they achieve emission reductions above 'business as usual', and where private or state funding is not otherwise available.

In the 2019 Environmental Policy the BG Group committed to offset 100% of its carbon footprint. Following third party verification of the 2018/19 carbon footprint by Carbon Trust, and in continuity with the 2016/17 and 2017/18 footprints, this has been offset through the Gola Rainforest National Park in south-east Sierra Leone, and a further 100% split between two reforestation projects in Scotland.

- **Bike to work scheme**

The Low Carbon Travel Group manages a Bike to Work Scheme which saw 43 new bikes issued to staff over the footprint period.

- **Travel emission reduction initiatives**

In the period prior to the coronavirus pandemic efforts continued to address the most material source of operational emissions: business travel. This included providing rail instead of air options for domestic travel in the UK. It is hoped that the gradual expansion of staff numbers in overseas offices (e.g. New York and Shanghai) will also help reduce the need for travel to some extent. It is expected that use of video and web conferencing technology will continue to grow, especially as a result of new working patterns established in response to the coronavirus pandemic.

Directors' Report (*continued*)

Going concern assessment

The Board's assessment of going concern took into account recent market developments and the uncertainty caused by coronavirus. After making enquiries and assessing the financial forecasts for twelve months from the date of this report, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and meet its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Future developments

Details of future developments are provided in the Strategic Report on pages 3 to 5 and also within the Board Actions on page 11.

Key risks

Details of the key risks that the BGO Group faces are provided in the Strategic Report on pages 5 to 7.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

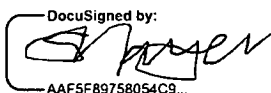
Qualifying third-party indemnity provisions

The BG Group, which includes the Company and subsidiaries within the BGO Group, maintains liability insurance for Directors and Officers.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

By order of the Board

DocuSigned by:

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Sally Mayer
Secretary
Edinburgh
10 June 2021

Directors' Report (*continued*)

Statement of Directors' Responsibilities in respect of the Annual Report and Consolidated Financial Statements

The Directors are responsible for preparing the Strategic Report, Directors' Report, the Company financial statements and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the BGO Group and parent Company and of their profit or loss for that period. In preparing each of the BGO Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the BGO Group and parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the BGO Group and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the Members of Baillie Gifford Overseas Limited

Report on the audit of the financial statements

Opinion

In our opinion, Baillie Gifford Overseas Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and Company balance sheets as at 31 March 2021; the consolidated profit and loss account and other comprehensive income, the consolidated cash flow statement, and the consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent Auditors' Report to the Members of Baillie Gifford Overseas Limited *(continued)*

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual Report and Consolidated Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent Auditors' Report to the Members of Baillie Gifford Overseas Limited *(continued)*

Auditors' responsibilities for the audit of the financial statements *(continued)*

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes including those of the Board and the Audit Committee;
- Designing audit procedures that incorporated unpredictability around the nature, timing or extent of our testing to material and immaterial financial statement line items;
- Identifying and testing journal entries, focusing on those determined by us as displaying higher fraud risk characteristics, such as, but not limited to, unusual account combinations; and
- Reading key correspondence with, reports to, and making enquiries of meetings with the Financial Conduct Authority in relation to compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

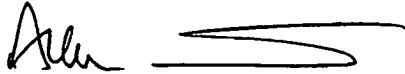
Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Baillie Gifford Overseas Limited
(continued)

A handwritten signature in black ink, appearing to read 'Allan', followed by a long, horizontal, wavy line that extends to the right.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
10 June 2021

Consolidated Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	2	809,207	514,137
Administrative expenses	4	(719,939)	(460,057)
Operating profit		89,268	54,080
Share of profit in associate		4	10
Profit before interest and taxation		89,272	54,090
Interest receivable and similar income	3	16,079	(149)
Interest payable and similar charges		(5)	-
Profit before taxation		105,346	53,941
Tax on profit	7	(21,500)	(10,880)
Profit for the financial year		83,846	43,061
Other comprehensive (expense)/income			
Exchange differences on retranslation of subsidiary undertakings		(1,990)	141
Total comprehensive income for the year		81,856	43,202

All amounts are in respect of continuing activities.

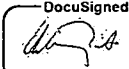
The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheet

As at 31 March 2021	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	9	1,455	1,317
Investments	10	49,681	33,567
		<u>51,136</u>	<u>34,884</u>
Current assets			
Debtors (including £8,994,000 (2020: £2,895,000) due after more than one year)	11	316,592	126,864
Cash at bank and in hand	13	163,818	148,482
		<u>480,410</u>	<u>275,346</u>
Creditors: amounts falling due within one year	14	296,878	131,481
Provision for other liabilities	15	72	-
		<u>183,460</u>	<u>143,865</u>
Net current assets		<u>183,460</u>	<u>143,865</u>
Total assets less current liabilities		<u>234,596</u>	<u>178,749</u>
Creditors: amounts falling due after more than one year			
Provision for other liabilities	15	160	169
		<u>160</u>	<u>169</u>
Net assets		<u>234,436</u>	<u>178,580</u>
Capital and reserves			
Called up share capital	16	50	50
Foreign exchange translation reserve	17	(1,802)	188
Profit and loss account	17	236,188	178,342
		<u>234,436</u>	<u>178,580</u>
Total shareholders' funds		<u>234,436</u>	<u>178,580</u>

The accompanying notes are an integral part of the financial statements.

The financial statements on pages 23 to 45 were approved by the Board of Directors on 10 June 2021 and were signed on its behalf by:

DocuSigned by:

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A R Tait
Chief Executive

Company registered number: SC84807

Company Balance Sheet

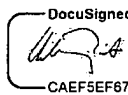
As at 31 March 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Investments	10	56,302	36,548
Current assets			
Debtors (including £14,740,000 (2020: £10,417,000) due after more than one year)	11	312,082	130,290
Cash at bank and in hand	13	141,981	127,123
		454,063	257,413
Creditors: amounts falling due within one year	14	292,252	125,131
Net current assets		161,811	132,282
Total assets less current liabilities		218,113	168,830
Net assets		218,113	168,830
Capital and reserves			
Called up share capital	16	50	50
Profit and loss account	17	218,063	168,780
Total shareholders' funds		218,113	168,830

The accompanying notes are an integral part of the financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent Company profit and loss account. The parent Company's profit for the financial year was £75,283,000 (2020: £38,967,000).

The financial statements on pages 23 to 45 were approved by the Board of Directors on 10 June 2021 and were signed on its behalf by:

DocuSigned by:

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A R Tait
Chief Executive

Company registered number: SC84807

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

	Called up share capital	Foreign exchange translation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2019	50	47	153,531	153,628
Profit for the year	-	-	43,061	43,061
Other comprehensive income	-	141	-	141
Dividends	-	-	(18,250)	(18,250)
Balance at 31 March 2020	50	188	178,342	178,580
Profit for the year	-	-	83,846	83,846
Other comprehensive expense	-	(1,990)	-	(1,990)
Dividends	-	-	(26,000)	(26,000)
Balance at 31 March 2021	50	(1,802)	236,188	234,436

Company Statement of Changes in Equity
for the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance at 1 April 2019	50	148,063	148,113
Profit and total comprehensive income for the year	-	38,967	38,967
Dividends	-	(18,250)	(18,250)
Balance at 31 March 2020	50	168,780	168,830
Profit and total comprehensive income for the year	-	75,283	75,283
Dividends	-	(26,000)	(26,000)
Balance at 31 March 2021	50	218,063	218,113

Consolidated Cash Flow Statement
for year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Profit for the year		83,846	43,061
<i>Adjustments for:</i>			
Depreciation of tangible assets	9	401	283
Loss on disposal of tangible assets		13	37
Share of operating profit in associate		(4)	(10)
Foreign exchange losses		37	1
Interest receivable and similar income	3	(16,079)	149
Interest payable and similar charges		5	-
Taxation	7	21,500	10,880
Increase in trade and other debtors		(191,365)	(21,798)
Increase in trade and other creditors		163,458	29,592
		<hr/> 61,812	<hr/> 62,195
Dividends paid	8	(26,000)	(18,250)
Tax paid		(17,860)	(13,443)
		<hr/>	<hr/>
Net cash generated from operating activities		17,952	30,502
Cash flows from investing activities			
Purchase of investments	10	(5,258)	(3,302)
Proceeds from disposals of investments	10	3,039	-
Proceeds from disposals of fixed assets	9	37	-
Interest receivable	3	115	587
Interest payable		(5)	-
Dividend received from investments	3	42	449
Purchase of tangible fixed assets	9	(445)	(1,408)
		<hr/>	<hr/>
Net cash used in investing activities		(2,475)	(3,674)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		15,477	26,828
Cash and cash equivalents at the beginning of the year		148,482	121,515
Effect of exchange rate fluctuations		(141)	139
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13	163,818	148,482

Notes

(forming part of the financial statements)

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Company information

Baillie Gifford Overseas Limited is a private company limited by shares and incorporated and registered in Scotland, United Kingdom. The Company's registered office and trading address is Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.

1.2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

There have been no significant estimations or judgements about the uncertainty of future events or outcomes that would affect the carrying amounts of assets and liabilities within the current or next financial year.

1.3 Basis of consolidation

The BGO Group financial statements include the financial statements of the Company and its wholly owned subsidiaries as stated in the structure of the financial statements on page 3, together with the BGO Group's share of the results of the Company's associate which is consolidated using the equity accounting method.

BGI, BGFS, BGA (HK) and BGE have the same year end as the Company; however, MUBG, BGIM(S) and BGQS have non-coterminous year ends of 31 December 2020. The management accounts to March have been used for MUBG, BGIM(S) and BGQS for the purpose of the BGO Group consolidation.

All inter-company transactions, balances, income and expenses within the BGO Group are eliminated on consolidation.

1.4 Going concern

After reviewing the Company's forecasts and projections, and taking into account recent market developments and uncertainty caused by coronavirus, the Directors have a reasonable expectation that the Company has adequate resources to continue for a period of at least twelve months from the date of this report. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes (continued)

1. Accounting policies (continued)

1.5 Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives as follows:

Computer equipment	10% - 25% straight line
Fixtures, fittings and furniture	25% reducing balance
Fit-out	over the life of the lease

1.6 Basic financial instruments

The BGO Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Short term trade creditors are measured at the transaction price.

Investments in subsidiaries and associate

Investments in subsidiaries and the associate are accounted for at cost less impairment in the individual financial statements.

Other fixed asset investments

Investments in equity instruments are measured at fair value with changes in fair value recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

1.7 Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes (continued)

1. Accounting Policies (Continued)

1.8 Leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

1.9 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

1.10 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes management fees receivable. The BGO Group has entitlement to earn performance fees from a number of clients where the actual fund performance of the clients' assets exceeds the benchmark by an agreed level of out-performance in a set time period. Performance fees are recognised at the end of each performance period once they have crystallised and entitlement has been established with reasonable certainty.

Turnover also includes marketing and distribution fees, administrative services, investment dealing and foreign exchange gains and losses on fees received or receivable as detailed in note 2.

1.11 Interest receivable and similar income

Interest receivable and similar income includes bank interest, dividend income and fair value adjustments in relation to investments in pooled vehicles for which the Company acted as Investment Manager.

Notes (continued)

1. Accounting Policies (Continued)

1.12 Employee benefits

The BG Group has bonus schemes available for eligible employees which a number of BGO Group employees participate in. These are accounted for as a long-term benefit plan under FRS102 Section 28 Employee Benefits as the awards are deferred for 18, 30 and 42 months. The scheme that the subsidiaries within the BGO Group participate in is a group plan that shares risks between entities under common control. The BGO Group recognises an asset equal to the contributions payable for the period netted against the benefit liability at the reporting date. The costs of the deferred bonus awards are recognised as an expense, based on the grant date cost, on a straight line basis from the start of the bonus award period to the settlement date.

1.13 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The trading results of overseas undertakings in the BGO Group are translated into sterling at the dates of the transactions. The assets and liabilities of overseas undertakings in the BGO Group are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the retranslation of the profits are recognised in 'other comprehensive income'.

2. Turnover

The BGO Group's turnover is analysed as follows for each major service category:

	2021 £'000	2020 £'000
Investment management	772,842	484,297
Investment advisory	27,734	19,883
Administrative services	780	1,163
Investment research	7,789	3,648
Investment dealing	2,305	1,954
Marketing and distribution	4,505	1,413
(Loss)/gain on foreign exchange	(6,748)	1,779
Total turnover	809,207	514,137

Notes (continued)

3. Interest receivable and similar income

	2021	2020
	£'000	£'000
Fair value adjustment on investments	14,448	(1,185)
Realised gain on investments	1,474	-
Dividend income	42	449
Interest receivable	115	587
	16,079	(149)

4. Profit before taxation

The profit before taxation is stated after:

	2021	2020
	£'000	£'000
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the consolidated annual financial statements	60	51
Fees payable to the Company's auditors and its associates for other services:		
Audit of financial statements of subsidiaries of the Company	68	67
Audit related assurance services	18	11
Other operating lease rentals	2,131	1,894
Depreciation	401	283

5. Staff costs

The Company has no employees. The average monthly number of employees of the BGO Group is 39 (2020: 37). Baillie Gifford & Co provide staffing and administration services to the Company and charges fees for these services which are included in note 19.

Staff costs of the BGO Group during the year were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	15,566	11,183
Long-term employee benefits	1,461	1,372
Social security costs	344	209
Other pension costs	504	375
	17,875	13,139

All pension costs are in respect of defined contribution schemes.

Notes (continued)

6. Directors' remuneration

	2021	2020
	£'000	£'000
Director's remuneration	2,489	1,573
Contributions to money purchase pension schemes	2	10
	<u>2</u>	<u>10</u>

The Directors' remuneration reflects that element of total remuneration charged to the Company by Baillie Gifford & Co in respect of the Directors' services to the Company.

Directors are considered to be key management personnel. An additional amount of £114,117 (2020: £101,296) was charged in respect of other key management personnel who are not Directors.

	2021	2020
	£'000	£'000
In respect of the highest paid Director		
Aggregate remuneration	677	426
	<u>677</u>	<u>426</u>

This highest paid Director in the prior year was a deferred member of a defined benefit pension scheme.

	Number of Directors 2021	2020
Retirement benefits are accruing to the following number of Directors:		
Defined benefit pension scheme	4	4
Money purchase scheme	2	1
	<u>2</u>	<u>1</u>

7. Tax on profit

(a) Tax on profit - Group

The tax charge is made up as follows:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	16,324	9,550
Overseas tax	2,130	1,834
Overseas tax under provided in previous years	154	104
Current tax	18,608	11,488
Share of associate current tax	1	2
Total current tax	<u>18,609</u>	<u>11,490</u>

Notes (continued)

7. Tax on profit (continued)

Deferred tax:

Origination and reversal of timing differences	2,891	(610)
Deferred tax	2,891	(610)
Tax on profit (note 7 (b))	21,500	10,880

(b) Factors affecting the total tax charge

The tax assessed on the profit for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained as follows:

	2021 £'000	2020 £'000
Profit before taxation	105,346	53,941
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	20,016	10,249
Expenses not deductible for tax purposes	206	789
Deferred tax	3,040	(599)
Tax exempt revenue	(2,716)	(87)
Higher taxes on overseas earnings	217	237
Losses arising in the year not relieviable	593	208
Tax under provided in previous years	144	83
Total tax expense	21,500	10,880

(c) Factors that may affect future tax charges

The BGO Group's overseas tax rates are higher than those in the UK primarily because the profits earned in BGI are taxed at the rate of 26% (2020: 26%) and BGFS are taxed at the rate of 27% (2020: 27%). However this has been partly offset by BGE's lower tax rate in Ireland at 13% (2020: 13%).

The main rate of UK corporation tax remains at 19%. However, in the 2021 Budget it was announced that the UK corporation tax rate will increase from 19% to 25% on 1 April 2023. This will impact the future cash tax payments to be made by the UK taxpayers of the BGO Group. The future change to the corporation tax rate is not expected to materially impact the deferred tax liability.

Notes (continued)

7. Tax on profit (continued)

(d) Deferred tax – Group

The deferred tax included in the balance sheet is as follows:

	2021 £'000	2020 £'000
Decelerated capital allowances	26	20
Revaluation (gains)/losses on investments	(3,188)	477
Deferred employee benefits	978	162
	<hr/> (2,184)	<hr/> 659
	<hr/>	<hr/>
	2021 £'000	2020 £'000
At 1 April	659	99
Deferred tax (credit)/charge in group profit and loss account	(2,891)	610
Exchange adjustment	48	(50)
At 31 March	<hr/> (2,184)	<hr/> 659

(e) Deferred tax – Company

The deferred tax included in the balance sheet is as follows:

	2021 £'000	2020 £'000
Revaluation (loss)/gain on investments	(1,058)	55
Other timing differences	11	-
	<hr/> (1,047)	<hr/> 55
	<hr/>	<hr/>
	2021 £'000	2020 £'000
At 1 April	55	8
Deferred tax (credit)/charge in Company profit and loss account	(1,102)	47
At 31 March	<hr/> (1,047)	<hr/> 55

8. Dividends

	2021 £'000	2020 £'000
Paid during the year	26,000	18,250
	<hr/>	<hr/>
Declared post year end	3,750	26,000
	<hr/>	<hr/>

Notes (continued)

9. Tangible assets

	Computer Equipment £'000	Fixtures & Fittings £'000	Fit-out £'000	Total £'000
Cost				
At 1 April 2020	540	132	1,537	2,209
Additions	24	92	473	589
Disposals	(31)	(40)	(15)	(86)
At 31 March 2021	533	184	1,995	2,712
Accumulated Depreciation				
At 1 April 2020	198	99	595	892
Provided in the year	75	20	306	401
Disposals	-	(36)	-	(36)
At 31 March 2021	273	83	901	1,257
Net book value				
At 31 March 2021	260	101	1,094	1,455
At 1 April 2020	342	33	942	1,317

The table above shows the BGO Group tangible assets. The Company does not hold any tangible assets.

10. Investments

Investments - Group

Total fixed asset investments comprise:

	2021 £'000	2020 £'000
Interests in associate	492	488
Other fixed asset investments	49,189	33,079
	49,681	33,567

Notes (continued)

10. Investments

Interests in associate - Group

The Group has an interest in the following associate:

Associate	Aggregate of capital and reserves £'000	Profit for the year £'000	Address of registered office	Nature of business	Types of shares held	Proportion held (%) 2021	Proportion held (%) 2020
Mitsubishi UFJ Baillie Gifford Asset Management Limited	1,005	8	Calton Square 1 Greenside Row Edinburgh EH1 3AN UK	Investment Advisory Service	Ordinary	49%	49%
						Share of net assets 2021 £'000	Share of net assets 2020 £'000
At 1 April						488	480
Share of profit for the year after taxation						4	8
At 31 March						492	488

Other fixed asset investments – Group

The BGO Group has investments in pooled vehicles for which the Group acted as Investment Manager.

	2021 £'000	2020 £'000
At 1 April	33,079	30,962
Additions	5,258	3,302
Disposals	(3,039)	-
Foreign exchange translation adjustment	(2,031)	-
Fair value adjustment	15,922	(1,185)
At 31 March	49,189	33,079

Notes (continued)

10. Investments (Continued)

Investments – Company

Total fixed asset investments comprise:

	2021 £'000	2020 £'000
Interest in subsidiaries	28,146	18,499
Interest in associate	245	245
Other fixed asset investments	27,911	17,804
	56,302	36,548

Interests in subsidiaries - Company

The Company has interests in the following subsidiaries:

Subsidiaries	Types of shares held	Proportion held (%)	Nature	Address of the registered office
Baillie Gifford International LLC	Ordinary	100%	Marketing and client liaison services	251 Little Falls Drive Wilmington DE 19808 USA
Baillie Gifford Funds Services LLC	Ordinary	100%	Distribution services	251 Little Falls Drive Wilmington DE 19808 USA
Baillie Gifford Asia (Hong Kong) Limited	Ordinary	100%	Marketing and distribution services and investment trading services	27 th Floor Two International Finance Centre 8 Finance Street Central Hong Kong
Baillie Gifford Investment Management (Europe) Limited	Ordinary	100%	Investment management and advisory services	10 Earlsfort Terrace Dublin 2 D02 T380 Ireland
Baillie Gifford Investment Management (Shanghai) Limited	Ordinary	100%	Investment research and investment management services	Floor 42/F 669 Xinzha Road, Jing'an District, Shanghai, China

Notes (continued)

10. Investments (continued)

Cost

	2021 £'000	2020 £'000
At 1 April	18,499	9,276
Additions	9,647	9,223
At 31 March	<u>28,146</u>	<u>18,499</u>

Interests in associates

The Company has an interest in the following associate:

Associate	Types of shares held	Proportion held (%)	Nature	Address of the registered office
Mitsubishi UFJ Baillie Gifford Asset Management Limited	Ordinary	49%	Investment advisory services	Calton Square 1 Greenside Row Edinburgh EH1 3AN UK

Cost

	2021 £'000	2020 £'000
At 31 March	<u>245</u>	<u>245</u>

Other fixed assets investments – Company

The Company has investments in pooled vehicles for which the Company acted as Investment Manager.

	2021 £'000	2020 £'000
At 1 April	17,804	16,470
Additions	4,995	1,584
Disposals	(1,405)	-
Fair value adjustment	6,517	(250)
At 31 March	<u>27,911</u>	<u>17,804</u>

Notes (continued)

11. Debtors

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	35,826	9,472	29,766	9,169
Amounts owed by group undertakings	18,355	6,341	43,214	24,507
Amounts owed by group undertakings in which the entity has a participating interest	2,588	1,699	2,588	1,699
Other debtors	3,454	2,571	125	151
Deferred tax assets (see note 7 (d)/7(e))	-	659	-	55
Prepayments and accrued income	256,269	105,045	236,389	93,489
Corporation Taxation	100	1,077	-	1,220
	316,592	126,864	312,082	130,290

Amounts falling due after more than one year included above are:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Included in other debtors:				
Long term deposits	471	485	118	130
Net employee benefits (see note 12)	2,288	1,751	-	-
Amounts owed by group undertaking	-	-	8,387	10,232
Prepayments and accrued income	6,235	-	6,235	-
Deferred tax assets (see note 7 (d)/7(e))	-	659	-	55
	8,994	2,895	14,740	10,417

Amounts owed by group undertaking is a loan with a subsidiary company. The Company has a subordinated loan with BGI repayable on 31 October 2023 (or such other date as agreed between the parties) with an interest rate in accordance with the mid-term 130% Annual Applicable Federal Rate. As at 31 March 2020 this was an unsecured loan which became subordinated on 14 July 2020.

Notes (continued)

12. Long-term employee benefits

	2021 £'000	2020 £'000
Benefit contributions payable	5,889	4,556
Benefits vested during the year	(840)	(889)
Benefits accrued to employees	(2,528)	(1,861)
Net employee benefits	<u>2,521</u>	<u>1,806</u>
Net employee benefits due after more than one year	2,288	1,751
Net employee benefits due within one year	<u>233</u>	<u>55</u>
	<u>2,521</u>	<u>1,806</u>

As described in note 1.12 a number of bonus schemes are available for eligible employees which are accounted for as employee benefits. Under the rules of the bonus schemes all eligible employees are required to defer a percentage of the bonus. One third of the deferred awards are released 18, 30, 42 months after the initial award. Any employees leaving prior to the vesting date will forfeit the right to any remaining deferred bonus.

13. Cash at bank and in hand

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	163,818	148,482	141,981	127,123
Cash and cash equivalents	163,818	148,482	141,981	127,123

14. Creditors: amounts falling due within one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	92	288	76	7
Amounts owed to group undertakings	287,963	124,755	288,424	122,309
VAT	1,320	1,013	1,310	1,033
Taxation and social security	694	340	-	-
Corporation taxation	926	1,108	95	154
Accruals and deferred income	3,041	2,983	1,300	1,024
Deferred tax liability (see note 7 (d)/7(e))	2,184	-	1,047	-
Other creditors	658	994	-	604
	<u>296,878</u>	<u>131,481</u>	<u>292,252</u>	<u>125,131</u>

Notes (continued)

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Provision for office reinstatement				
At 1 April	169	71	-	-
Additions	63	98	-	-
At 31 March	232	169	-	-
<hr/>				
Provision due after more than one year	160	169	-	-
Provision due within one year	72	-	-	-
At 31 March	232	169	-	-
<hr/>				

The provisions are the costs expected to settle contractual obligations pursuant to lease agreements under which subsidiaries of the Company, as tenants, are required to remove all the alterations and additions and reinstate the office premises to the landlord's satisfaction at the end of the lease term on 30 April 2021 and 29 February 2024 for BGA and on 31 August 2022 for BGIM(S).

16. Called up share capital

Share capital

	Ordinary shares	
	2021 £'000	2020 £'000
Allotted, called up and fully paid		
50,000 (2020: 50,000) ordinary shares of £1 each	50	50
<hr/>		

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

17. Reserves

Called up share capital represents the nominal value of shares that have been issued.

Foreign exchange translation reserve comprises translation differences arising from the translation of financial statements of the BGO Group's foreign subsidiaries.

Profit and loss account includes all current and prior year retained profits and losses.

Notes (continued)

18. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Less than one year	2,124	1,986	-	-
Between one and five years	4,616	3,934	-	-
Over five years	2,712	3,781	-	-
	9,452	9,701	-	-

19. Related parties

Group

	Turnover		Administrative Expenses		Recharged Expenses	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Entities with control or significant influence	12,011	7,844	679,949	425,141	12,096	12,089
Entities over which Group has control or significant influence	20,798	14,822	-	-	-	-
Other related parties	19,314	12,222	3,272	3,592	-	-
	52,123	34,888	683,221	428,733	12,096	12,089

	Debtors outstanding		Creditors outstanding	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Entities with control or significant influence	11,387	2,971	287,962	123,985
Entities over which Group has control or significant influence	2,588	1,699	-	-
Other related parties	6,994	3,370	26	770
	20,969	8,040	287,988	124,755

Notes (continued)

19. Related parties (continued)

The Directors who are partners in Baillie Gifford & Co are shown on page 13. Contracts exist between Baillie Gifford & Co and the Company whereby the former provided investment research, secretarial and administrative services to the Company throughout the year. Baillie Gifford & Co and Baillie Gifford Services Limited recharged costs for the provision of staff and partners undertaking activities on behalf of companies in the BGO Group. In addition, Baillie Gifford & Co paid certain administration costs of companies in the BGO Group which were subsequently recharged. Investment management fees are payable by Baillie Gifford & Co within the BGO Group for assets under Baillie Gifford & Co's management, invested in nil fee share classes of the Dublin UCITS, which in turn is managed by the BGO Group. The Company is the dealing entity for the wider BG Group. Investment dealing services fees are payable by Baillie Gifford & Co to the Company for the provision of dealing services in relation to assets under Baillie Gifford & Co's management. Investment research fees are payable by Baillie Gifford & Co to companies in the BGO Group.

A contract exists between the Company and Baillie Gifford & Co Ltd whereby a marketing and investor liaison fee was payable to the Company by Baillie Gifford & Co Ltd in respect of the introduction and on-going client servicing to overseas clients who wish to invest in the OEICs which are managed by Baillie Gifford & Co Ltd. A contract also exists between the Company and Baillie Gifford & Co Ltd whereby a fund management and performance fee was payable to the Company by Baillie Gifford & Co Ltd in connection with investment management services provided to pooled funds for which Baillie Gifford & Co Ltd acted as the investment manager and Alternative Investment Fund Manager (AIFM).

Contracts exist between the Company and its associate MUBG, whereby the Company provided investment advice to MUBG, and received investment advisory fees for these services.

BGE is the investment manager for European clients and investment manager, dealer, marketer and distributor in relation to Baillie Gifford Worldwide Funds PLC. The investment management, investment research and dealing activities are delegated from BGE to the Company for which there is an investment management fee payable. The Company has guaranteed the obligations of BGE under the investment management agreements with its European clients which were transferred from the Company when BGE was formed. In addition the Company has guaranteed BGE's investment management obligations in relation to Baillie Gifford Worldwide Funds PLC.

Company

	Turnover		Administrative Expenses		Recharged Expenses	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Entities with control or significant influence	5,730	2,239	676,979	419,801	6,891	5,947
Entities over which Company has control or significant influence	20,798	14,822	-	-	-	-
Other related parties	18,282	11,692	290	348	-	-
	44,810	28,753	677,269	420,149	6,891	5,947

Notes (continued)

19. Related parties (continued)

	Debtors outstanding		Creditors outstanding	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Entities with control or significant influence	7,735	285	286,715	120,236
Entities over which Company has control or significant influence	2,588	1,699	-	-
Other related parties	5,646	3,011	-	326
	15,969	4,995	286,715	120,562

20. Post balance sheet events

There are no material post balance sheet events other than the payment of a dividend post year end as detailed in note 8.

21. Ultimate parent entity

The Company is a subsidiary undertaking of Baillie Gifford & Co, who is the ultimate controlling party.

Capital Resources and Requirement Disclosures (Not Audited)

The Company is deemed to be a significant subsidiary by its parent institution Baillie Gifford & Co; therefore, the following information is disclosed in compliance with the FCA's regulations.

The table below summarises the composition of capital resources for the Company as at 31 March 2021 including the audited profit for the year to 31 March 2021:

	Company 2021 £'000
Core Tier 1 capital	
Called up share capital	50
Retained earnings	212,486
Dividend paid post year end	(3,750)
Total Tier 1 capital before deductions	208,786
Total Tier 2 & 3 capital	5,577
Deductions from Tier 1 & Tier 2 capital	
Material holdings	(43,252)
Total capital resources net of deductions	171,111

The Company maintains sufficient capital to meet the UK regulatory requirements. In line with these requirements, Pillar 1 is based on the higher of the market and credit risk and the fixed overhead requirement. The following table shows the Company's Pillar 1 minimum capital requirement:

	£'000
Credit risk	25,908
Market risk	24,453
The sum of credit risk and market risk	50,361
Fixed Overhead Requirement (FOR)	33,972
Pillar 1 capital requirement	50,361

Capital Resources and Requirement Disclosures (Not Audited) (continued)

Credit risk by exposure class:

	Company
	2021
	£'000
Simplified Standardised Approach	
Institutions	2,865
Corporates	23,043
Total credit risk capital requirement	25,908

Market risk

	Company
	2021
	£'000
Foreign currency position risk requirement	24,453
Total market risk capital requirement	24,453

Disclosures will only be externally audited if they are deemed to be equivalent to those made under accounting or listing requirements. The Pillar 3 disclosures have been prepared purely to explain the basis on which the Company has prepared and disclosed certain capital requirements and information about the management of certain risks and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement on the Company.

In April 2021, the Financial Services Bill became law enabling the FCA to introduce the Investment Firms Prudential Regime (IFPR) with an intended implementation date of 1st January 2022. The new regime is broadly similar to the Investment Firm Regulation adopted by the European Parliament and Council but with consideration to the specifics of the UK market. The FCA are in the consultation phase of the IFPR and have published proposed rules on key areas of the regime. Baillie Gifford are actively monitoring, evaluating and engaging with the regulator on the impact of the proposed rules to ensure on-going compliance. The most significant changes in relation to Capital Adequacy are, firstly the expected introduction of K-factors as a replacement for the calculation of Credit and Market Risk. K-factors aim to capture the risk to clients, markets and the firm itself through business activities such as Assets Under Management and Customers Orders Handled. Secondly the Company is expected to be required to undertake its own internal assessment of capital requirements and hold capital against this assessment. Presently the internal assessment of capital is performed at a group level.