

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-69448

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING April 1, 2019 AND ENDING March 31, 2020  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **BAILLIE GIFFORD FUNDS SERVICES LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

**CALTON SQUARE, 1 GREENSIDE ROW**

(No. and Street)

**EDINBURGH**

**UK**

**EH1 3AN**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Janice Parise

(212) 751-4422

(Area Code – Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**COHNREZNICK LLP**

(Name – if individual, state last, first, middle name)

**1301 AVENUE OF THE AMERICAS NEW YORK**

**NY**

**10019**

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

☐

Certified Public Accountant

☒

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, DAVID SALTER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BAILLIE GIFFORD FUNDS SERVICES LLC, as of MARCH 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

DocuSigned by:



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Signature

CHIEF EXECUTIVE OFFICER

Title

NOT NOTARIZED DUE TO COVID-19

Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

**BAILLIE GIFFORD FUNDS SERVICES LLC**

Statements of Financial Condition

March 31, 2020 and 2019

(With Report of Independent Registered Public Accounting Firm  
Thereon)

## BAILLIE GIFFORD FUNDS SERVICES LLC

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Report of Independent Registered Public Accounting Firm

To the Member of Baillie Gifford Funds Services LLC

*Opinion on the Financial Statements*

We have audited the accompanying statements of financial condition of Baillie Gifford Funds Services LLC (a wholly owned subsidiary of Baillie Gifford Overseas Limited and a Delaware limited liability company) (the “Company”) as of March 31, 2020 and 2019, and the related notes (collectively referred to as the “financial statements”). In our opinion, the statements of financial condition present fairly, in all material respects, the financial position of Baillie Gifford Funds Services LLC as of March 31, 2020 and 2019 in conformity with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

These financial statements are the responsibility of Baillie Gifford Funds Services LLC’s management. Our responsibility is to express an opinion on Baillie Gifford Funds Services LLC’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to Baillie Gifford Funds Services LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*CohnReznick LLP*

We have served as Baillie Gifford Funds Services LLC’s auditor since 2014.

New York, New York

May 20, 2020

## BAILLIE GIFFORD FUNDS SERVICES LLC

### Managers' and Company Information

**Managers:**

D W Salter (Chairman)  
S A McKechnie  
A Graham  
M G Saliba  
K Hamilton

**Officers:**

J D Parise (Financial & Operations Principal)

**Bankers:**

Lloyds Bank plc  
City Branch  
PO Box 72  
Bailey Drive  
Gillingham  
ME8 0LS

Citibank N.A.  
PO Box 769018  
San Antonio  
TX 78245

HSBC Bank USA N.A.  
452 5<sup>th</sup> Ave  
New York  
NY 10018

**Registered Office:**

Corporation Service Company  
251 Little Falls Drive  
Wilmington  
DE 19808  
USA

**Principal Office:**

Calton Square  
1 Greenside Row  
Edinburgh  
EH1 3AN

**UK Company Number:**

FC031788

**UK Establishment Registered Number:**

BR016858

**US (Delaware) Registered Number:**

5482323

# BAILLIE GIFFORD FUNDS SERVICES LLC

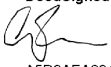
## Statements of Financial Condition

**March 31, 2020 and 2019**

	Note	2020	2019
<b>Assets</b>			
Cash		\$ 1,062,946	\$ 362,438
Due from Parent	3	375,956	477,084
Prepayments		116,370	87,673
Income taxes prepayment		-	26,957
<b>Total assets</b>		<b>\$ 1,555,272</b>	<b>\$ 954,152</b>
<b>Liabilities and member's equity</b>			
Accounts payable and accrued expenses		\$ 23,117	\$ 124,881
Due to affiliates		199,865	29,358
Income taxes payable		43,848	-
<b>Total current liabilities</b>		<b>266,830</b>	<b>154,239</b>
<b>Member's equity</b>			
Common units 100,000 shares, par value \$1		100,000	100,000
Retained earnings		1,188,442	699,913
Total member's equity		1,288,442	799,913
<b>Total liabilities and member's equity</b>		<b>\$ 1,555,272</b>	<b>\$ 954,152</b>

Accompanying notes on pages 6-9 are an integral part of these financial statements.

The financial statements were approved by the Board of Managers on May 20, 2020 and signed on its behalf by:

DocuSigned by:  
  
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**D W Saiter**

Manager

Company Number FC031788

**BAILLIE GIFFORD FUNDS SERVICES LLC****Notes to the Financial Statements****March 31, 2020 and 2019****1) Nature of Business**

Baillie Gifford Funds Services LLC (the “Company”) is a wholly owned subsidiary of Baillie Gifford Overseas Limited (“BGO” or the “Parent”), a wholly owned subsidiary of Baillie Gifford & Co. (“BGC”) and is economically dependent on its Parent to sustain its operations. The Company was formed on February 14, 2014 as a limited liability company in Delaware, USA to act as distributor of securities managed and advised by BGO. On March 2, 2015, the Financial Industry Regulatory Authority (“FINRA”) approved the registration of the Company. The Company is registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of FINRA.

The primary business of the Company is to act as general distributor of Baillie Gifford US Mutual Public Offer Funds (the “Funds”), which are Open Ended Investment Companies registered under the Investment Company Act of 1940 and registered under the Securities Act of 1933. The Company does not hold funds or securities for, or owe money or securities to, customers or perform custodial services and, accordingly, claims exemption from Rule 15c3-3 of the Securities Exchange Act of 1934. The Funds were registered under the Securities Act of 1933 with the SEC. Registration was granted on April 2, 2015.

The Company also acts as distributor of private investment funds (the “BG Private Funds”) sponsored and advised by BGO that are not registered under the Securities Act of 1933. The Company is also registered, in the UK, under the Companies Act 2006 as having a UK Establishment, given at Companies House on February 14, 2014.



**BAILLIE GIFFORD FUNDS SERVICES LLC****Notes to the Financial Statements (continued)****March 31, 2020 and 2019****2) Summary of Significant Accounting Policies*****a) Basis of Presentation***

The Company's financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("US GAAP"), which require management to make estimates and assumptions and that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Functional and presentational currency is deemed to be US dollars ("USD").

***b) Related Party Transactions***

On February 27, 2015, the Company and BGO entered into an Expense Sharing Agreement. In accordance with the Expense Sharing Agreement, the Company will reimburse BGO on a monthly basis for a proportional share of costs borne by BGO in relation to activities performed by staff working for the Company.

In addition, the Expense Sharing Agreement incorporates the services the Company provides to BGO. A placement services fee equivalent to all of the Company's expenses, excluding financing costs, is charged to BGO on a monthly basis including a mark-up of 10%.

***c) Concentration of Credit Risk***

The Company maintains its cash accounts in three commercial banks. The Company does not consider itself to be at risk with respect to its cash balances which at times may exceed Federally insured levels.

**3) Amount due from Parent**

In accordance with the Expense Sharing Agreement, reimbursements from BGO included costs with a mark-up of 10% and were \$7,128,173 (2019 - \$6,010,899). \$978,173 (2019 - \$540,542) is due from BGO to the Company as of March 31, 2020; this amount is included net in Due from Parent on the Statements of Financial Condition.

**BAILLIE GIFFORD FUNDS SERVICES LLC****Notes to the Financial Statements (continued)****March 31, 2020 and 2019****4) Amount due to Parent**

In accordance with the Expense Sharing Agreement, there is \$602,217 (2019 - \$63,458) due to BGO from the Company as of March 31, 2020, which is included net in Due from Parent on the Statements of Financial Condition.

**5) Affiliated Parties**

The Company derives substantially all of its revenue by acting as the general distributor of the Funds and providing sales and marketing services to BGO. \$199,865 (2019 - \$29,358) is due to affiliates as of March 31, 2020.

**6) Income Taxes**

The Company was organized as a single-member limited liability company but elected to be treated as a corporation for federal and state tax purposes. The Company files its federal and state income tax returns, where applicable, on a corporate basis. The tax years that remain subject to examination by the tax authorities are 2017 through 2019.

**7) Off-Balance Sheet Risk and Credit Risk**

The Company acts as general distributor of the Funds and BG Private Funds. Receipts and payments for mutual fund shares sold or redeemed are made directly to, or by, the issuers or their agents. There is no off-balance sheet risk associated with these transactions as customers will deal directly with the funds and the Company does not hold or transfer customer funds.

**8) Commitments and Contingencies**

In the ordinary course of business, various claims and lawsuits may be brought by or against the Company. As of the end of the year, there were no such claims or lawsuits brought by or against the Company.

## BAILLIE GIFFORD FUNDS SERVICES LLC

**Notes to the Financial Statements (continued)****March 31, 2020 and 2019****9) Net Capital Requirement**

As a FINRA registered broker-dealer, the Company is subject to the SEC Uniform Net Capital Rule ("Rule 15c3-1") of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital. Under Rule 15c3-1, the Company is required to maintain minimum net capital equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness. The ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1, and that equity capital may not be withdrawn, or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At March 31, 2020, The Company had net capital of \$795,883, which was \$778,094 above its required net capital of the greater of \$5,000 or 6 2/3% of aggregated indebtedness. The ratio of aggregate indebtedness to net capital was 0.33526 to 1 at March 31, 2020.

**10) Subsequent Events**

In December 2019 and early 2020, the coronavirus that causes COVID-19 was reported to have surfaced in China. The spread of this virus globally including in early 2020 has caused business disruption domestically in the United States, the area in which the Company primarily operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this uncertainty. Therefore, while the Company does not expect this matter to negatively impact the Company's financial condition, results of operations, or cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time. The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through May 20, 2020, the date the financial statements were available to be issued.