

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

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2023
Estimated average burden hours per response.....	12.00

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 04/01/2020 AND ENDING 3/31/2021
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

DAVID SALTER

I, _____, 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 of MARCH 31, 2021, 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

DocuSigned by:

Janice Parise

2374F758728C433...

JANICE PARISE
Notary Public, State of New York
No. 41-4968956
Qualified in Queens County
Commission Expires July 9, 2022
Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (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, 2021 and 2020

(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 Board of Managers
of Baillie Gifford Funds Services LLC

Opinion on the Financial Statement

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, 2021 and 2020, 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 the Company as of March 31, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 the Company 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 the Company's auditor since 2014.

New York, New York
May 20, 2021

BAILLIE GIFFORD FUNDS SERVICES LLC

Managers' and Company Information

Managers:	D W Salter (Chairman) S A McKechnie A Graham M G Saliba K Hamilton S Quinn
Officers:	J D Parise (Financial & Operations Principal)
Bankers:	Lloyds Bank plc City Branch PO Box 72 Bailey Drive Gillingham ME8 0LS HSBC Bank USA N.A. 452 5 th Ave New York NY 10018 Citibank N.A. (closed from October 2020) PO Box 769018 San Antonio TX 78245
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, 2021 and 2020

	Note	2021	2020
Assets			
Cash		\$ 1,391,403	\$ 1,062,946
Due from Parent	3	342,913	375,956
Prepayments		107,842	116,370
Total assets		<u>\$ 1,842,158</u>	<u>\$ 1,555,272</u>
Liabilities and member's equity			
Accounts payable and accrued expenses		\$ 54,595	\$ 23,117
Due to affiliates		47,522	199,865
Income taxes payable		10,969	43,848
Total current liabilities		<u>113,086</u>	<u>266,830</u>
Member's equity			
Common units 100,000 shares, par value \$1		100,000	100,000
Retained earnings		1,629,072	1,188,442
Total member's equity		1,729,072	1,288,442
Total liabilities and member's equity		<u>\$ 1,842,158</u>	<u>\$ 1,555,272</u>

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, 2021 and signed on its behalf by:

DocuSigned by:

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D W Salter

Manager

Company Number FC031788

BAILLIE GIFFORD FUNDS SERVICES LLC

Notes to the Financial Statements

March 31, 2021 and 2020

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 and/or its affiliates 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, 2021 and 2020****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 two 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, \$383,544 (2020 - \$978,173) is due from BGO to the Company as of March 31, 2021; 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, 2021 and 2020

4) Amount due to Parent

In accordance with the Expense Sharing Agreement, there is \$40,631 (2020 - \$602,217) due to BGO from the Company as of March 31, 2021, 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. \$47,522 (2020 - \$199,865) is due to affiliates as of March 31, 2021.

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 2018 through 2020.

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.

BAILLIE GIFFORD FUNDS SERVICES LLC**Notes to the Financial Statements (continued)****March 31, 2021 and 2020****8) Other Risk Factors**

Despite the global outbreak of COVID-19 that began in early 2020 and negatively impacted many economies, the Company did not see a direct financial impact of the outbreak and continued its operations reasonably unaffected. The Company quickly transitioned to remote working with no significant interruptions to its operations with processes and systems running smoothly throughout the period.

Whilst the disruption is expected to ease as the vaccination programmes progress, there is still uncertainty around the duration of this matter. Therefore, the Company continues to monitor the position closely and is confident to have appropriate plans, operational resiliency, and financial resources in place to continue to operate.

9) 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.

10) 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 and 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, 2021, The Company had net capital of \$1,278,098, which was \$1,270,559 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 0.08848 to 1 at March 31, 2021.

11) Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through May 20, 2021, the date the financial statements were available to be issued.