

THE BARING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Company number 950696
Charity number 258583

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THE BARING FOUNDATION

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**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT**

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| Status | The organisation is a charitable company limited by guarantee, incorporated on 25 March 1969 and registered as a charity on 31 July 1969. | |
| Governing Document | The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed by its articles of association. | |
| Company Number | 950696 | |
| Charity Number | 258583 | |
| Registered Office and Operational Address | 8-10 Moorgate London EC2R 6DA | |
| Honorary officers | Lucy de Groot | Chair |
| | Shauneen Lambe | Vice Chair |
| | David Elliott | Treasurer (to 31 December 2021) |
| | Ashley Coombes | Treasurer (from 1 January 2022) |
| | David Cutler | Secretary |
| Principal Staff | David Cutler | Director |
| | David Sampson | Deputy Director |
| Bankers | Royal Bank of Scotland Bolton Customer Services P.O. Box 2027 Parklands De Havilland Way Bolton BL6 4YU | |
| Solicitors | Bates Wells 10 Queen Street Place London EC4R 1BE | |
| Auditors | Haysmacintyre LLP Chartered Accountants and Statutory Auditors 10 Queen Street Place London EC4R 1AG | |
| Investment Managers | Baillie Gifford & Co. Calton Square 1 Greenside Row Edinburgh EH1 3AN | Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD |

THE BARING FOUNDATION TRUSTEES' ANNUAL REPORT

The trustees present their report and the audited financial statements for the year ended 31 December 2021. The trustees who served during the year and up to the date of this report were as follows:

| | |
|---|---|
| Asif Afridi | Chair of the Strengthening Civil Society Committee |
| Victoria Amedume | Chair of the Arts Committee |
| Dr Rob Berkeley MBE | |
| Ashley Coombes (from June 2021) | |
| Lucy de Groot CBE | Chair of the Board and Chair of the Nominations Committee |
| David Elliott | |
| Andrew Hind CB | |
| James Jenkins | Chair of the Investment Committee |
| Poonam Joshi | Chair of the International Committee |
| Shauneen Lambe | |
| Francois Matarasso (until September 2021) | |
| Jillian Popkins | |
| Rhys Pullen | Chair of the Audit Committee |
| Sam Thorne | |
| Emebet Wuhib-Mutungu | |

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice, Accounting and Reporting by Charities (Second Edition, effective 1 January 2019), and the Companies Act 2006.

Purpose and values

The Baring Foundation was set up in 1969. It is a registered charity and company limited by guarantee governed by its memorandum and articles of association. It may use its capital and income to make grants "to such charities or for such charitable purposes" as trustees determine. The Foundation derives its income from a diversified investment portfolio.

The following purpose and values statement was adopted by trustees in December 2018:

We are an independent foundation which protects and advances human rights and promotes inclusion. We believe in the role of a strong, independent civil society nationally and internationally. We use our resources to enable civil society to work with people experiencing discrimination and disadvantage and to act strategically to tackle the root causes of injustice and inequality.

- We seek to build positive, purposeful partnerships with grant recipients, grantmakers and others in order to work together for socially just change.
- We use our funds to strengthen civil society, responding creatively, flexibly and pragmatically.
- We add value to our work by encouraging the development and communication of knowledge and evidence.
- We aim to be as accessible as possible within clear programme guidelines, treating grant-seekers and grant recipients with courtesy and respect.
- We help to create enduring change both in the lives of those served by the work we are funding and by building the capacity of organisations to become more sustainable and resilient. The UN Sustainable Development Goals (SDGs) provide a framework for our work.
- We believe in the importance of 'speaking truth to power' and use the independence and influence we have to amplify the views of civil society and the people it serves.

Structure, governance and management

The trustees of the charity are members of the Board of the Foundation and are directors under the Companies Act 2006. The current members appoint new trustees. Every three years trustees retire from office at the AGM but are eligible for re-election, currently subject to a maximum term of 12 years.

At the Board and AGM in June 2021 Ashley Coombes was elected as a Member of the Board; David Elliott and Sam Thorne retired by rotation and were re-elected as Members of the Board. In September 2021 Francois Matarasso resigned from the Board.

Trustees invite suitably qualified and experienced people to consider nomination as a trustee. A trustees' skills audit is undertaken from time to time to identify ways in which the Board could be strengthened. On appointment trustees are given an induction pack and are offered one or more briefing meetings with the Director and/or Chair.

Trustees are responsible for all decisions on the Foundation's policy and grants. In 2021 the Board had seven subcommittees; three for grant programmes, Investment, Audit, Remuneration and Nominations.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Trustees have carefully considered the Charity Governance Code, concluding that they satisfactorily comply with its advice overall though choosing to depart from it on two issues. Firstly, they retain a maximum board strength of 15 (rather than the recommended maximum of 12) as they believe the many different fields requiring expertise merit a larger board. Secondly, they retain an upper limit of 12 years tenure in renewable three year periods for trustees (rather than the recommended maximum of 9 years). This is due to the belief that the turnover on a large board is sufficient and the long time scale of our grant programmes and investment strategy benefits from this potential longevity.

The Foundation employs six staff who adopt a hybrid working approach working from office accommodation in central London generously provided pro bono by ING bank and home locations.

Objectives and activities

The Foundation agreed a total of 74 new grants during the year to the value of £3,962,472 (see note 8). These were: eight Arts and Mental Health programme grants totaling £378,500; 26 Arts and Mental Health Racial Justice grants totaling £794,165; three International Development grants totaling £410,000, 20 Strengthening Civil Society programme grants totaling £1,725,246 and 13 Strengthening Civil Society Racial Justice grants totaling £609,655. Four grants, which were outside the above-mentioned programmes, were made totaling £44,906.

Of those 74 grants agreed during 2021, £1,577,981 had been paid by the end of the year; a further £1,457,970 was paid as a result of grant decisions made in previous years.

The Foundation is a member of 360 Giving and this year also agreed to join the Flexible Funders' initiative and to become a Living Wage Funder, as part of an ongoing review of our ways of working as a grantmaker.

Our approach to grant making is bespoke to each grant programme and the opportunities which we see as available in each field. These circumstances change over time and our approach will continue to evolve. This means that we do not have a default approach, such as always funding core costs or projects, short or long term, restricted or unrestricted, but carefully consider specific needs in liaison with civil society organisations. As regards the developing situation around the pandemic this meant different things in each programme, for instance continuing some specific grants on the effects of pandemic in our Strengthening Civil Society programme.

The Arts Programme focused on two groups of people who seemed to continue to be bearing the brunt of the terrible pandemic; people living with mental health problems (our programme starting in 2020) and older people, including those in care homes and those living with dementia (our legacy programme). Arts and mental health is a complex field with many actors and issues and we are early on in a journey to better understand how we can support the sector. In 2020 the trustees initiated a process to further emphasise our commitment to racial equity across all our work. In the arts in 2021 this resulted in a work stream called 'Creatively Minded and Ethnically Diverse' starting with a research report on how well arts and mental health serves people from ethnically diverse communities. This was followed by a highly oversubscribed grants programme with 25 grants made to a wide variety of organisations from small grassroots organisations to an orchestra. While most of our funding was spent in this way, a small number of other strategic grants were given including to new funding partnerships with the Arts Council of Wales and the Greater London Authority. Among other publications in this area we launched Creatively Minded and Heritage. We have a number of ongoing grants from our arts and older people programme that ran from 2010 to 2019. This work stretches across the UK and includes a grant to set up a new sector support body in England hosted by Manchester Museums, called the Creative Ageing Development Agency. We funded a third national Arts in Care Homes Day marked by the launch of our second Treasury of Arts Activities for Older People. We also jointly published a report on creative ageing in Finland called Love in A Cold Climate.

Our International Programme since 2014 has focused on the rights of Lesbian Gay Bisexual Transgender and Intersex (LGBTI) people, especially women, in Africa. These groups do important work on very little funds and have been almost invisible in the humanitarian response to the pandemic. We commissioned an independent review of the first five years of our funding as well as an additional review through the lens of anti-colonialism and anti-racism. Throughout the year we maintained and extended our funding to African civil society through our three regional partners in East, West and Southern Africa. This was also the second year of a multi-year partnership with the Astraea Lesbian Foundation for Justice. Alongside these significant partnerships, a small amount of funding supports UK and international organisations to encourage greater funding to LGBTI human rights defenders in Africa. In particular, in anticipation of the role of the UK Government in leading a delayed intergovernmental conference we have done further work to propose the creation of additional resources in the shape of a UK Government initiative. As the programme was reviewed during the year, grants awarded were fewer in number and smaller in value than previous years with the expectation that this will increase significantly in 2022.

As in previous years, our Strengthening Civil Society Programme funds voluntary organisations to use the law for positive change especially in tackling discrimination and disadvantage. This programme benefits from the support of the Legal Education Foundation and the Esmee Fairbairn Foundation. Time was spent researching areas that would lead on to two funding strands. Our conviction as to the importance of expert legal organisations or 'hubs' working with other voluntary organisations was given expression through awarding 10 grants to organisations to scale up this work over three years. Secondly we focused on racial inequity within the criminal justice system to make 13 grants to anti-racist organisations. In related work we published a new report 'The Pursuit of Racial Justice through Legal Action'. Among other work we have also been actively engaging with the Government's Independent Review of the Human Rights Act.

Full details of the Foundation's programmes and of the grants agreed during 2021 are published on the Foundation's website (www.baringfoundation.org.uk) and are provided in the Report on Activities which has been published separately and reports on what the charity has achieved and the outcomes of its work.

Achievements and performance in the delivery of public benefit

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Foundation has a broad social objective and employs a range of monitoring and evaluation techniques in an attempt to assess its impact. These range from a light touch self-assessment for a small grant to an independent expert assessment for large grants or programmes of grants. The results of all evaluations are reported to the trustees.

The trustees are satisfied from this information that the work funded by the Foundation remains highly in demand and serves important needs in strengthening voluntary organisations which support people experiencing discrimination and disadvantage.

In addition to the activities reported above, the Foundation seeks to be an engaged grantmaker by finding ways it can add value to the work of the organisations which it funds. The lessons derived through grantmaking are regarded as a major outcome in their own right. The Foundation frequently commissions or writes publications on areas relating to its grant programmes.

Financial review

The Trustees follow a total return strategy both for the management of the Foundation's investment portfolio and for determining the amount available each year to fund the grants programmes and meet expenses. This amount includes both income arising from the portfolio and an element of capital growth. The objective is to at least sustain the real value of grant distributions and the long-term real value of the investment fund. To that end we budget income each year on the basis of a distribution from the portfolio equal to a percentage of the rolling average value of the investment funds over the preceding 12 quarters. From 2020 to 2021 that percentage was 3.77% p.a. and from 2022 the budget distribution will increase to 4.2% p.a. From 2013 to 2021, to meet our cash requirements, our principal fund manager has distributed 3.5% of the current value of the portfolio each year in quarterly instalments; from 2022 this will increase to 4%.

The Baring Foundation investment portfolio saw a positive return during the calendar year of 2021, of 7.6% but this lagged its long term objective of 10.1%. Overall 2021 was another year of strength for equity markets, with the MSCI World rising 22.9% and nearly all major developed equity markets posted positive returns, led by the U.S., the U.K. and Europe, but Japan and Emerging Markets rose 2% and fell 2% respectively. During the last quarter of 2021, equity markets continued to see a shift in leadership with growth stocks (and particularly technology stocks) faltering in favour of value stocks that had been hardest hit by the COVID-19 pandemic. Over the year both gilts and corporate bonds posted negative low single digit returns. The Baillie Gifford portfolio found the conditions much more difficult, with the significant rotational shift towards cyclical companies and more value-oriented companies, as economies looked to re-open, leading to underperformance relative to a benchmark of 7.4%, led by some of their more growth oriented funds, particularly UK Alpha, Paris-Aligned Global Alpha and Positive Change. Their bond fund modestly outperformed and the Responsible Global Equity Fund also outperformed. This is the first full calendar year that the Baillie Gifford portfolio has underperformed since inception of the current structure in 2016. Longer-term, however, the portfolio remains comfortably ahead of the benchmark over three and five years. The overall portfolio recorded a gain of 14.9% from its property allocation, but chiefly owing to the manager's quality tilt and conservative attitude to deploying cash, this led to benchmark underperformance of -5%. Despite the more challenging conditions experienced in 2021, the combined Baring Foundation portfolio continues to achieve its long-term objective over all longer-term rolling periods and continues to perform strongly compared to the peer group average since inception.

During 2021 the asset allocation of the Baillie Gifford portfolio saw one strategic switch within the global equity exposure, with a new purchase of the Paris-Aligned Global Alpha Fund (lower carbon intensity) funded by a complete sale of the Global Alpha Fund. This is in keeping with our intention to be more ESG-focused in our fund selection. Baillie Gifford currently manage around 89% of the funds, including both equity and fixed interest securities, and the Charities Property Fund around 11%, with the balance representing private equity less than 1%. The broad asset mix is expected to at least meet our long-term real return objective but we are prepared to tolerate a reasonably high level of volatility, given the objective to manage the foundations portfolio into perpetuity.

Net assets at the year-end were £124.8 million (2020: £120.0 million). Although there is building confidence globally that the worst of the COVID-19 pandemic may now be behind us, the combination of central banks looking to raise interest rates to combat inflation and the rising geopolitical temperature (especially around Russia and Ukraine) has led to equity markets weakening at the start of 2022. There has also been a continuation of the style rotation from last year which has seen value outperforming growth stocks, and we are monitoring the persistence of this trend. As at 31 May 2022, the total portfolio value was £104.5 million, which is 16% lower than the value at the balance sheet date, 31 December 2021.

Responsible Investment Policy

In 2022 the trustees revised their statement on this, retaining established principles but further elaborating on these in the interests of transparency. These are published in full on our website but the core of our approach is as follows: The Foundation takes a responsible and long-term approach to investment, investing predominantly through external investment managers. The Board of Trustees has overall responsibility for the Foundation's investment policy. It has an Investment Committee chaired by a Trustee with relevant experience. The majority of the endowment is invested through investment managers who have signed up to, and adhere to, the FRC UK Stewardship Code. We expect them to invest responsibly and to be proactive in considering environmental, social and governance issues. We aim to invest in responsible companies which operate with fairness and integrity, and companies that offer positive solutions to global challenges such as climate change, resource constraints and loss of biodiversity. We try to avoid exposure to underlying companies which are associated with human rights violations or engage in activities that cause social harm. We work closely with our investment managers to understand the underlying investment frameworks they use to help us monitor how well aligned their approach is with our values. We believe this approach will enable the Foundation to continue to generate attractive long-term returns and provide well-aligned liquidity for continuity of grant-making in real terms.

Reserves Policy

The Foundation's reserves effectively correspond to its investment portfolio which is managed on a total return basis with the intention of providing an annual income that will enable the Foundation to at least maintain in perpetuity the real value of the annual grants it makes. To that end the aim to achieve a minimum average annual return on investments of 3.5% plus RPI net of management fees (this was revised in January 2022 to 4% plus CPI). In addition to holding the major part of its investments in readily marketable quoted securities the Foundation aims to keep cash balances sufficient to meet short-term grant commitments and ongoing expenses. The Trustees consider that the current level of unrestricted funds of £124.8 million at 31 December 2021 meets this reserves policy.

Social investments

The Foundation holds a social investment in Charity Bank valued at £43,300 at 31 December 2021.

Plans

In 2022 the Foundation will fund work in three fields: LGBTI civil society in Africa, and, in the UK, the use of the law by civil society for social change and arts and mental health. In addition, the Foundation will spend at least a further £600,000 focusing on racial justice through our Arts and Strengthening Civil Society programmes. The Foundation will discuss whether it should focus additional support to issues around shrinking civic space. Overall the Foundation will seek to remain responsive to the needs of civil society and continue to develop our policies and approach in this regard.

Risk assessment

During the course of the year, the trustees considered the major risks to which the Foundation is exposed and the systems which it has to mitigate them.

The following areas of risk are considered most important:

- Failure to achieve programme goals;
- Failure to earn adequate returns from our investment portfolio.

The Foundation has policies, procedures and systems in place to address the identified risks.

Remuneration policy

The Foundation's policy is to provide remuneration that will attract and retain able and suitably qualified and experienced individuals who will effectively deliver the Foundation's objects and supplemented where appropriate by independent experts on a consultancy basis. As far as is practicable, salaries are set by reference to the median pay for comparable positions within the charitable sector. The pay of each member of staff is reviewed annually by a committee of Trustees having regard to the financial resources and commitments of the Foundation, the impact of inflation on the real value of pay, and any recommendations of the Director. We have as a Board taken note of NCVO's recommendations in their "Report of the Inquiry into Charity Senior Executive Pay and guidance for trustees in setting remuneration". Our commitment to transparency is shown in disclosing the remuneration of senior staff in full in this report.

Fundraising policy

The Foundation's income is from its investment portfolio and partnerships with other grant makers. No fundraising activity is carried out by the charity.

Statement of trustees' responsibilities

The trustees (who are also directors of The Baring Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 Foundation will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the trustees are aware:

- there is no relevant audit information of which the Foundation's auditors are unaware; and
- the trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 14 (2020 – 14). The trustees are the members of the charity. This entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Approved by the trustees on 21 June 2022 and signed on their behalf by

.....
Lucy de Groot CBE - Chair Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BARING FOUNDATION

Opinion

We have audited the financial statements of The Baring Foundation for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- . give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- . have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- . have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 charitable 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.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (incorporating the strategic report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- . the information given in the Trustees' Report (incorporating the Director's and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- . the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BARING FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- . adequate accounting records have not been kept by the charitable company; or
- . the charitable company financial statements are not in agreement with the accounting records and returns; or
- . certain disclosures of trustees' remuneration specified by law are not made; or
- . we have not received all the information and explanations we require for our audit; or
- . the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, data protection legislation and employment (including taxation), 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 preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- . Inspecting correspondence with regulators and tax authorities;
- . Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- . Evaluating management's controls designed to prevent and detect irregularities;
- . Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- . Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE BARING FOUNDATION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 1 July 2022

THE BARING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | Restricted Funds £ | Unrestricted Fund £ | Total 2021 £ | Total 2020 £ |
|---|--------|--------------------------|---------------------------|--------------------|--------------------|
| INCOME FROM: | | | | | |
| Donations | | | | | |
| - Contributions to programmes | 2 | 400,000 | - | 400,000 | 408,000 |
| - Donated services | 3 | - | 75,692 | 75,692 | 78,334 |
| Investments | 4 | - | 1,805,727 | 1,805,727 | 1,742,741 |
| Other | | - | 370 | 370 | 5,150 |
| Total income | | <u>400,000</u> | <u>1,881,789</u> | <u>2,281,789</u> | <u>2,234,225</u> |
| EXPENDITURE ON: | | | | | |
| Raising Funds | | | | | |
| - Investment Management | | - | 553,773 | 553,773 | 494,991 |
| Charitable Activities | | | | | |
| - Strengthening Civil Society programme | | 400,000 | 2,149,029 | 2,549,029 | 1,938,629 |
| - Arts programme | | - | 1,351,462 | 1,351,462 | 1,109,974 |
| - International Development programme | | - | 528,933 | 528,933 | 1,746,436 |
| - Special initiative | | - | 44,906 | 44,906 | - |
| - Other charitable work | | 8,000 | 141,528 | 149,528 | 151,656 |
| Total expenditure | 5 | <u>408,000</u> | <u>4,769,631</u> | <u>5,177,631</u> | <u>5,441,686</u> |
| Net (expenditure) before investment gains | | (8,000) | (2,887,842) | (2,895,842) | (3,207,461) |
| Net gains on investments | 10, 11 | - | 7,654,499 | 7,654,499 | 20,547,359 |
| Net (expenditure)/income and net movement in funds | 17 | <u>(8,000)</u> | <u>4,766,657</u> | <u>4,758,657</u> | <u>17,339,898</u> |
| Total funds brought forward | | 8,000 | 120,012,857 | 120,020,857 | 102,680,959 |
| Total funds carried forward | | <u>-</u> | <u>124,779,514</u> | <u>124,779,514</u> | <u>120,020,857</u> |

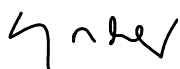
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

The statement of financial activities includes the income generated by the assets held in the investment portfolio and the net gains or losses on those investments.

BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Note | 2021 | | 2020 | |
|---|------|------------------|--------------------|------------------|--------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investments | 10 | | 124,827,319 | | 120,282,957 |
| Social investments | 11 | | 43,300 | | 42,050 |
| | | | <u>124,870,619</u> | | <u>120,325,007</u> |
| CURRENT ASSETS | | | | | |
| Cash at bank and on deposit | | 3,055,281 | | 1,895,023 | |
| Debtors | 12 | 100,000 | | 100,000 | |
| | | <u>3,155,281</u> | | <u>1,995,023</u> | |
| LIABILITIES | | | | | |
| Creditors: amounts due within one year | 13 | (2,662,050) | | (1,743,742) | |
| | | <u></u> | | <u></u> | |
| NET CURRENT ASSETS | | | 493,231 | | 251,281 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | 125,363,850 | | 120,576,288 |
| Creditors: amounts due after more than one year | 14 | | (584,336) | | (555,431) |
| | | | <u></u> | | <u></u> |
| NET ASSETS | 16 | | <u>124,779,514</u> | | <u>120,020,857</u> |
| FUNDS | | | | | |
| Restricted funds | 17 | | - | | 8,000 |
| Unrestricted funds | | | | | |
| - Revaluation fund | | | 65,202,745 | | 60,553,735 |
| - General funds | | | 59,576,769 | | 59,467,122 |
| | | | <u></u> | | <u></u> |
| Total funds | | | <u>124,779,514</u> | | <u>120,020,857</u> |

Approved by the trustees and signed on 21 June 2022 on their behalf by:



.....
Lucy de Groot CBE
Chair



.....
Ashley Coombes
Treasurer

THE BARING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

| | 2021 £ | 2020 £ |
|---|--------------|--------------|
| Cash used in operating activities | (3,754,356) | (4,394,060) |
| Cashflows from investing activities | | |
| Dividends and interests | 1,805,727 | 1,742,741 |
| Purchase of investments | (42,176,252) | (37,632,500) |
| Proceeds from sale of investments | 45,285,139 | 40,299,615 |
| Net cash provided by investing activities | 4,914,614 | 4,409,856 |
| Change in cash and cash equivalents in the reporting period | 1,160,258 | (73,584) |
| Cash and cash equivalents at the beginning of the reporting period | 1,895,023 | 1,968,607 |
| Cash and cash equivalents at the end of the reporting period | 3,055,281 | 1,895,023 |

NOTES TO THE CASH FLOW STATEMENT

| | 2021 £ | 2020 £ |
|--|-------------|--------------|
| Reconciliation of net expenditure to net cash outflow from operating activities | | |
| Net income for the reporting period | 4,758,657 | 17,339,898 |
| (Increase) in debtors | - | (85,000) |
| Increase in creditors | 947,213 | 641,142 |
| Dividends and interest | (1,805,727) | (1,742,741) |
| (Gains) on investments | (7,654,499) | (20,547,359) |
| Net cash (used in) operating activities | (3,754,356) | (4,394,060) |
| Analysis of cash and cash equivalents | | |
| Cash at bank and on deposit | 3,055,281 | 1,895,023 |
| | 3,055,281 | 1,895,023 |

| Changes in net debt | At 1 January | Cash Flows | At 31 December |
|-----------------------------|---------------------|-------------------|-----------------------|
| | 2021 | | 2021 |
| | £ | £ | £ |
| Cash at bank and on deposit | 1,895,023 | 1,160,258 | 3,055,281 |

1 **Principal Accounting Policies**

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (Second Edition, effective 1 January 2019), and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) **Donations and donated services**

Income from donations is included in full in the statement of financial activities when receivable. Donated services and facilities are recognised as income where the benefit to the Foundation is quantifiable and measurable, and are valued at the estimated cost the Foundation would pay for an equivalent service or facility in the open market. Donated premises and facilities are received from ING Bank N.V. London Branch.

(c) **Investment income**

Income from investments is included in the financial statements when it becomes receivable.

(d) **Grants payable**

The full costs of grants are included in the statement of financial activities in the year in which they are approved. If grants that are approved during the year are payable by instalments or have not been paid, in part or in full, by the end of the year, any unpaid amounts are included as creditors in the balance sheet if the conditions attached to the grant are accepted by the beneficiary before the accounts are signed.

This policy reflects the Foundation's experience that it is highly probable that any further instalments will be paid as it is unlikely that circumstances will arise in which conditions attached to such grants are not met. The trustees consider that the Foundation has a constructive obligation in respect of such unpaid grants and therefore believe it prudent to treat these commitments as liabilities.

(e) **Other expenditure**

Support and governance costs consist of those office and administration costs which are not directly attributed to a grant programme. The majority of these are the estimated costs of the premise and facilities donated by ING Bank N.V. London Branch. (See note 1b). The Governance percentage has doubled since 2020 because it was agreed that some types of work should moved from the "Other charitable expenditure" category to the "Governance" category.

Total support costs are allocated to the main grant programmes based on the estimated percentage of time spent by the staff on each activity. In 2021, on this basis, the support costs were apportioned as follows:

| | |
|---------------------------------------|-----|
| Governance | 12% |
| Investment management | 4% |
| Strengthening Civil Society programme | 33% |
| Arts programme | 24% |
| International Development programme | 15% |
| Other charitable work | 12% |

(f) **Restricted funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

1. **Principal Accounting Policies (continued)**

- (g) **Unrestricted funds**
Unrestricted funds are income receivable or generated for the objects of the charity.
- (h) **Going concern**
The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern'
- (i) **Critical accounting judgements and estimates**
In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- (j) **Debtors**
Short-term debtors are measured at transaction price, less any impairment.
- (k) **Creditors**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.
- (l) **Financial instruments**
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.
- (m) **Redundancy and termination costs**
The charity recognises employee redundancy and termination costs in full on the date the redundancy or termination is confirmed.
- (n) **Fixed asset investments**
Fixed asset investments are continuously revalued at bid price value and the value at the balance sheet date is the bid price value, as determined by the investment managers. The net gains or losses for the period are taken to the statement of financial activities.
- (o) **Social investments**
Social investments are recognised at fair value. Any gains or losses are taken to the statement of financial activities
- (p) **Foreign currencies**
Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the relevant rates of exchange ruling at the balance sheet date, or where appropriate, the rates of exchange fixed under the terms of the relevant transaction.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Principal Accounting Policies (continued)

(q) **Pension costs**

Staff from the Baring Foundation receive a pension from the ING UK Pension Fund. For historic reasons one of the staff was an admitted member of a defined benefit scheme. The liability of the scheme is with ING Bank N.V. and not the Baring Foundation.

The pension cost represents contributions payable under the scheme by the Foundation to the fund. The Foundation has no liability under the scheme other than for the payment of those contributions.

2. Contributions to programmes

The Legal Education Foundation and the Esmee Fairbairn Foundation jointly funded the Strengthening Civil Society programme in 2021, each providing £200,000.

3. Donated Services

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | £ | £ |
| Services donated by ING Bank NV: | | |
| Premises and facilities | 75,692 | 78,334 |
| | <u>75,692</u> | <u>78,334</u> |
| | <u><u>75,692</u></u> | <u><u>78,334</u></u> |

4. Income from Investments

| | 2021 | 2020 |
|-------------------------|-------------------------|-------------------------|
| | £ | £ |
| Income from investments | 1,805,513 | 1,740,149 |
| Bank interest | 214 | 2,592 |
| | <u>1,805,727</u> | <u>1,742,741</u> |
| | <u><u>1,805,727</u></u> | <u><u>1,742,741</u></u> |

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Total Expenditure - 2021

| | Investment Management | Strengthening Arts Civil Society programme | Arts Programme | International Programme | Special Initiative | Other charitable work | Governance | Support Costs | Total 2021 |
|---------------------------------|-----------------------|--|-------------------------|-------------------------|----------------------|--------------------------|-----------------|-----------------|-------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs (note 7) | - | - | - | - | - | - | - | 421,138 | 421,138 |
| Grants payable (note 8) | - | 2,334,901 | 1,172,665 | 410,000 | 44,906 | - | - | - | 3,962,472 |
| Investment managers' fees | 490,224 | - | - | - | - | - | - | - | 490,224 |
| Auditors' remuneration (note 6) | - | - | - | - | - | - | 12,600 | - | 12,600 |
| Other support costs | - | 38,086 | 53,479 | 49,029 | - | - | - | 115,954 | 256,548 * |
| Investment consultants' fees | 34,649 | - | - | - | - | - | - | - | 34,649 |
| | <u>524,873</u> | <u>2,372,987</u> | <u>1,226,144</u> | <u>459,029</u> | <u>44,906</u> | | <u>12,600</u> | <u>537,092</u> | <u>5,177,631</u> |
| Allocated support costs | 26,855 | 166,499 | 118,160 | 64,451 | - | 139,644 | 21,484 | 537,092 | - |
| Allocated governance costs | 2,045 | 9,543 | 7,158 | 5,453 | - | 9,884 | (34,084) | - | - |
| Total expenditure | <u><u>553,773</u></u> | <u><u>2,549,029</u></u> | <u><u>1,351,462</u></u> | <u><u>528,933</u></u> | <u><u>44,906</u></u> | <u><u>149,528 **</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>5,177,631</u></u> |

* Note £75,692 (2020: £78,334) of the £115,954 (2020: £148,647) "Other support costs" represents services donated by ING, as set out in note 2.

** This category includes a range of charitable activity outside of the administration of our main grant programmes, including aspects of financial administration.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 a. Total Expenditure - 2020

| | Investment Management | Strengthening Arts Civil Society programme | Arts Programme | International Programme | Special Initiative | Other charitable work | Governance | Support Costs | Total 2020 |
|---------------------------------|-----------------------|--|-------------------------|-------------------------|--------------------|--------------------------|-----------------|-----------------|-------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs (note 7) | - | - | - | - | - | - | - | 396,926 | 396,926 |
| Grants payable (note 8) | - | 1,691,510 | 942,000 | 1,659,215 | - | - | - | - | 4,292,725 |
| Investment managers' fees | 431,855 | - | - | - | - | - | - | - | 431,855 |
| Auditors' remuneration (note 6) | - | - | - | - | - | - | 12,000 | - | 12,000 |
| Other support costs | - | 68,521 | 40,844 | 16,340 | - | - | - | 148,647 | 274,352 * |
| Investment consultants' fees | 33,828 | - | - | - | - | - | - | - | 33,828 |
| | <u>465,683</u> | <u>1,760,031</u> | <u>982,844</u> | <u>1,675,555</u> | <u>-</u> | <u>-</u> | <u>12,000</u> | <u>545,573</u> | <u>5,441,686</u> |
| Allocated support costs | 27,279 | 169,128 | 120,026 | 65,469 | - | 141,848 | 21,823 | (545,573) | - |
| Allocated governance costs | 2,029 | 9,470 | 7,103 | 5,412 | - | 9,809 | (33,823) | - | - |
| Total expenditure | <u><u>494,991</u></u> | <u><u>1,938,629</u></u> | <u><u>1,109,973</u></u> | <u><u>1,746,435</u></u> | <u><u>-</u></u> | <u><u>151,658 **</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>5,441,686</u></u> |

* Note £78,334 (2019: £81,184) of the £148,647 (2019: £174,923) "Other support costs" represents services donated by ING, as set out in note 2.

** This category includes a range of charitable activity outside of the administration of our main grant programmes, including aspects of financial administration.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Net Expenditure for the Year

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| This is stated after charging: | | |
| Trustees' reimbursed expenses | - | 180 |
| | <u> </u> | <u> </u> |
| Auditors' remuneration | | |
| - For audit of the financial statements | 12,600 | 12,000 |
| - Other services | 16,500 | 15,900 |
| | <u> </u> | <u> </u> |

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs of £0 (2020: £180) relating to attendance at meetings. No trustees have been remunerated for their role.

7. Staff Costs and Numbers

| | 2021 £ | 2020 £ |
|-------------------------------------|-------------------|-------------------|
| Staff costs were as follows: | | |
| Salaries and wages | 333,970 | 315,865 |
| Social security costs | 37,282 | 34,962 |
| Pension contributions | 49,886 | 46,099 |
| | <u> </u> | <u> </u> |
| | <u>421,138</u> | <u>396,926</u> |

Key management and salary pension

The following staff comprise key management and their remuneration is as follows:

£90,000 - £99,000 - David Cutler - Director salary £96,681 (2020: £95,256), employer's NI £12,089 (2020: £11,939) and pension £16,832 (2020: £16,670).

£70,000 - £79,999 - David Sampson - Deputy Director salary (4.5 days per week) £70,980 (2020: £65,203), employer's NI £8,542 (2020: £7,738) and pension £8,904 (2020: £8,150).

The average number of staff during the year was: 6 (2020: 6).

The number of staff earning over £60,000 in the year was 2 (2020: 2).

8. Grants Payable

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| The grants payable figure in 2021 comprises: | | |
| Grants made in the year | 3,962,472 | 4,352,725 |
| Grants cancelled/written back | - | (60,000) |
| | <u> </u> | <u> </u> |
| | <u>3,962,472</u> | <u>4,292,725</u> |

All grants were made to institutions.

There is a full list of the grants made during the year on the Baring Foundation's website (www.baringfoundation.org.uk) and this will be listed in the Report on Activities.

9. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| 10. Investments | 2021 £ | 2020 £ |
|---|--------------------|--------------------|
| Market value of investments at 1 January 2021 | 120,282,957 | 102,312,633 |
| Disposals at market value | (45,285,139) | (40,299,615) |
| Additions at cost | 42,176,252 | 37,721,880 |
| Net gain on investments | 7,653,249 | 20,548,059 |
| | <u>124,827,319</u> | <u>120,282,957</u> |
| Market value of investments at 31 December 2021 | <u>124,827,319</u> | <u>120,282,957</u> |
| Historical cost of investments at 31 December 2021 | <u>102,181,315</u> | <u>76,525,282</u> |
| Pooled Investments comprise | 2021 £ | 2020 £ |
| UK | 124,809,706 | 120,259,907 |
| Non UK | 17,613 | 23,050 |
| | <u>124,827,319</u> | <u>120,282,957</u> |
| | <u>124,827,319</u> | <u>120,282,957</u> |
| 11. Social Investments | 2021 £ | 2020 £ |
| Opening carrying value | 42,050 | 42,750 |
| Net gain on investments | 1,250 | (700) |
| | <u>43,300</u> | <u>42,050</u> |
| Closing carrying value | <u>43,300</u> | <u>42,050</u> |
| Held as: | | |
| Investments | 43,300 | 42,050 |
| <p>£43,300 is invested with Charity Bank. Charity Bank provides loans to charities, social enterprises and community organisations to facilitate social change whilst earning a financial return.</p> | | |
| 12. Other Debtors and Accrued Income | 2021 £ | 2020 £ |
| Accrued contributions to programmes and income in investment funds | <u>100,000</u> | <u>100,000</u> |

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Creditors: Amounts due within one year

| | 2021 | 2020 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Grants authorised but not yet paid | 2,488,586 | 1,590,970 |
| Other creditors | 173,464 | 152,772 |
| | <u>2,662,050</u> | <u>1,743,742</u> |

14. Creditors: Amounts due after more than one year

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| 1-2 years - grants authorised but not yet paid | 584,336 | 555,431 |
| | <u>584,336</u> | <u>555,431</u> |

15. Related party transactions

As is usual in a grantmaking foundation, a number of the trustees and senior staff of the Baring Foundation are involved in other charities, either as staff or volunteers. The charity holds a record of all conflicts of interest. Also at the beginning of each trustee meeting any relevant declarations are declared based on the agenda of the meeting. Where trustees have a conflict of interest in a grant decision they are not involved in the decision and leave the meeting for the discussion.

The following trustees had conflicts of interest relating to grantees in 2021. The trustees declared their interests and left the meetings prior to the decision to award the grants:

Poonam Joshi is connected with the charity Give Out who received a grant of £60,000.

Shauneen Lambe is connected with the charity Civil Liberties Trust. who received a grant of £150,000

Two arts advisers had conflicts of interest relating to grantees in 2021. The advisers declared their interests and were not involved with the grant recommendations:

Daniel Regan is connected with the charities Freespace Project, Bethlem Gallery and Marlborough Productions who received grants of £39,000, £26,625 and £40,000 respectively.

Sabra Khan is connected with the charity Sampad who received a grant of £39,800.

Member of staff, Jannat Hossain, declared an interest in the charity Racial Justice Network and did not participate in the assessment process for the grant of £50,000 awarded.

In 2018 the Foundation and New Philanthropy Capital agreed a contract for New Philanthropy Capital to act as its Learning Partner. The original contract was for £30,000 per annum until 2020, subsequently extended to 2021. There was a decision at the March 2021 SCS Committee meeting to renew the contract until 2024 at £35,000 p.a. Lucy de Groot is a Trustee of New Philanthropy Capital and did not participate in this decision.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Analysis of Net Assets Between Funds - 2021

| | Restricted Fund £ | Revaluation Fund £ | General Fund £ | Total 2021 £ |
|---|-------------------------|--------------------------|----------------------|--------------------|
| Investments | - | 65,202,745 | 59,667,874 | 124,870,619 |
| Net current assets | - | - | 493,231 | 493,231 |
| Creditors: amounts due after more than one year | - | - | (584,336) | (584,336) |
| Net assets at the end of the year | - | 65,202,745 | 59,576,769 | 124,779,514 |

Analysis of Net Assets Between Funds - 2020

| | Restricted Fund £ | Revaluation Fund £ | General Fund £ | Total 2020 £ |
|---|-------------------------|--------------------------|----------------------|--------------------|
| Investments | - | 60,553,735 | 59,771,272 | 120,325,007 |
| Net current assets | 8,000 | - | 243,281 | 251,281 |
| Creditors: amounts due after more than one year | - | - | (555,431) | (555,431) |
| Net assets at the end of the year | 8,000 | 60,553,735 | 59,459,122 | 120,020,857 |

17. Net Movement in Funds - 2021

| | At the start of the year £ | Income £ | Expenditure/ gains on investments £ | At the end of the year £ |
|---------------------------------|----------------------------------|------------------|--|--------------------------------|
| Restricted funds | | | | |
| Strengthening Civil Society | 8,000 | 400,000 | (408,000) | - |
| Total restricted funds | 8,000 | 400,000 | (408,000) | |
| Unrestricted funds | | | | |
| Revaluation reserve | 60,553,735 | - | 4,649,010 | 65,202,745 |
| General funds | 59,459,122 | 1,881,788 | (1,764,141) | 59,576,769 |
| Total unrestricted funds | 120,012,857 | 1,881,788 | 2,884,869 | 124,779,514 |
| Total funds | 120,020,857 | 2,281,788 | 2,490,368 | 124,779,514 |

The revaluation reserve represents the difference between the historical cost of investments and their current market value.

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18 Net Movement in Funds - 2020

| | At the start of the year | Income | Expenditure/ losses on investments | At the end of the year |
|--|-----------------------------|-----------|--|---------------------------|
| | £ | £ | £ | £ |
| Restricted funds | | | | |
| Strengthening Civil Society | - | 400,000 | (400,000) | - |
| Treasury of arts activities for older people | | | | |
| 2nd addition (Rayne Foundation) | - | 8,000 | - | 8,000 |
| Total restricted funds | - | 408,000 | (400,000) | 8,000 |
| Unrestricted funds | | | | |
| Revaluation reserve | 42,091,885 | - | 18,461,850 | 60,553,735 |
| General funds | 60,589,074 | 1,834,225 | (2,964,177) | 59,467,122 |
| Total unrestricted funds | 102,680,959 | 1,834,225 | 15,497,673 | 120,012,857 |
| Total funds | 102,680,959 | 2,242,225 | 15,097,673 | 120,020,857 |