

THE BARING FOUNDATION

England & Wales · Charity number 258583

Details

Status	Registered
Legal form	Charitable company
Company number	00950696
Registered	1969-07-31
Register	View on the Charity Commission register

Contact

Address	8 - 10 Moorgate London EC2R 6DA
Phone	02077671348
Email	baring.foundation@ing.com
Website	www.baringfoundation.org.uk

Activities

Objects: TO PAY OR APPLY OR CAUSE TO BE PAID OR APPLIED THE CAPITAL AND INCOME OF THE FOUNDATION TO SUCH CHARITIES OR FOR SUCH CHARITABLE PURPOSES AND IN SUCH PROPORTIONS IN SUCH MANNER AND SUBJECT TO SUCH TERMS AND CONDITIONS AS THE FOUNDATION MAY DETERMINE.

Activities: To improve the quality of life of people suffering disadvantage and discrimination. We aim to achieve this through making grants to strengthen voluntary sector organisations which serve them directly or indirectly and by the added value we bring to this.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,696,394	£9,396,336	£107,942,697	6
2023-12-31	£4,049,342	£5,447,015	£105,097,740	6
2022-12-31	£2,457,856	£4,529,885	£99,025,514	6
2021-12-31	£2,281,789	£5,177,631	£124,779,514	6
2020-12-31	£2,234,225	£5,441,686	£120,020,857	6

Trustees

Name	Role	Appointed
Aaliya Mahmood Seyal		2025-06-17
Ashley Claire Coombes		2021-06-22
Asif Mahmood Khan Afridi		2020-06-23
Dipuo Virginia Magwaza		2022-03-31
Emebet Wuhib-Mutungu		2019-06-25
Hilary Ruth Hodgson		2025-06-17
James Edward Thomas Moubray Jenkins		2017-12-11
Jillian Emma Popkins		2020-06-23
Judith Catherine Robertson		2022-06-21
Nick Capaldi		2025-06-17
Pontso Mafethe		2022-06-21
RHYS JOHN MICHAEL PULLEN		2019-06-25
Samuel David Zebedee Thorne		2018-09-17
Toby Nangle		2023-06-21
Victoria Amedume		2017-09-14

THE BARING FOUNDATION

England & Wales - Charity number 258583

Accounts

THE BARING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Company number 950696
Charity number 258583

THE BARING FOUNDATION

CONTENTS

	Page
Trustees' Report	1 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 22

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

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 CBE	Chair
	Dr Rob Berkeley MBE	Vice Chair
	Ashley Coombes	Treasurer
	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	HaysMac LLP 10 Queen Street Place London EC4R 1AG	
Investment Managers	Baillie Gifford & Co. Calton Square 1 Greenside Row Edinburgh EH1 3AN	
	Rathbones Asset Management 30 Gresham Street London EC2V 7QN	
	Legal & General (Unit Trust Managers) Limited One Coleman Street London EC2R 5AA	
	Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD	
	Blackrock Fund Managers Ltd Inc. PO Box 545 Darlington DL1 9TQ	

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The trustees present their report and the audited financial statements for the year ended 31 December 2024. The trustees who served during the year and up to the date of this report were as follows:

Asif Afridi	
Victoria Amedume MBE	Chair of the Arts Committee
Dr Rob Berkeley MBE	
Ashley Coombes	
Lucy de Groot CBE	Chair of the Board and Chair of the Nominations Committee
James Jenkins	Chair of the Investment Committee (to June 2024)
Shauneen Lambe	Chair of the Strengthening Civil Society Committee
Dipuo Virginia Magwaza	
Pontso Mafethe	Chair of the International Committee
Toby Nangle	Chair of the Investment Committee (from June 2024)
Jillian Popkins	
Rhys Pullen	Chair of the Audit Committee
Judith Robertson	
Sam Thorne	
Emebet Wuhib-Mutungi	

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 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 in June 2024 Ashley Coombes and Sam Thorne retired by rotation and were re-elected as Members of the Board.

In 2024, upcoming vacancies for trustee roles were advertised and suitable candidates were interviewed by a panel of trustees. Three new trustees were subsequently appointed through this process. 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 2024 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 6 to the accounts.

Structure, governance and management (con't)

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 102 new grants during the year to the value of £8,218,815 (see note 8). These were: 50 Arts programme grants totaling £2,119,579; 7 International Development grants totaling £1,258,078; 3 International Equal Safe and Free grants (jointly funded see note 17) totalling £1,762,500 14 Strengthening Civil Society programme grants totaling £1,287,250, 6 Strengthening Civil Society grants that contributed to pooled funds (see note 17) totaling £1,494,597; 4 Strengthening Civil Society Racial Justice grants totalling £205,000 and one grant of £5,000, which was outside the above-mentioned programme. In addition to this the Foundation made 15 grants to existing grantees, over all the grant programmes, as an extra payment to cover costs relating to increasing inflation, totaling £46,811 and 2 grants at the behest of the Baring Family totaling £40,000 from a discrete fund.

Of those 102 grants agreed during 2024, £2,953,605 had been paid by the end of the year; a further £2,202,292 was paid as a result of grant decisions made in previous years.

The Foundation is a member of 360 Giving and 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.

The main focus of our Arts programme continued to be creative opportunities for and by people living with mental health problems. The major area of our grant making this year was a new open programme to encourage the participation of men in creative health, following research. We received a record response of 192 applications, mainly of high quality and were able to fund an exciting cohort of 32 grantees across the UK. We want to closely accompany these partners with personal visits, zoom meetings for the entire group and a planned in person gathering in 2025. We have established funding partnerships with the Arts Council Wales and Creative Scotland and we were delighted to add a third partnership of matched funding with the Arts Council Northern Ireland. This will initially look into the training and support needs for artists working with people with mental health problems. Our Arts Council Wales partnership fund entered its second phase focussing work across eight health boards onto work with young people. Our joint funding to 42ND street with the Arts Council England resulted in a well attended national conference in Manchester on creativity and young people's mental health. We have also given a grant to the Southbank Centre in London to research a London Creative Mental Health Youth Hub. We have given a number of grants to advance the practice of museums in this field, most recently to the Imperial War Museum. So were thrilled to launch a matched funding partnership with Museums and Galleries Scotland which will make new grants in 2025. Alongside our grant making we published reports on good practice in work with men, in theatres and with people in recovery from addiction.

In addition to this main arts programme, we have continued some support for our legacy programme on creative ageing. Most notably this was a seventh successive year of funding with our partners the Rayne Foundation for a National Arts in Care Homes Day run by the National Activity Providers' Association. Our funding continues to support the Creative Ageing Development Agency for England and we gave a grant for Luminare in Scotland to refresh its successful bursary programme. In Northern Ireland we funded a new report celebrating the work we had jointly funded with ACNI.

Our international Programme since 2014 has focussed on the rights of Lesbian Gay Bisexual Transgender and Intersex (LGBTI) people, especially women in Sub-Saharan Africa.

A ground breaking centrepiece of our approach is the Equal Safe and Free Fund, inaugurated in 2023 and operational for the first time in 2024. The Fund is constituted of £20 million from the Foreign and Commonwealth Office combined with £5 million from the Foundation and other independent funders. It extends beyond our traditional geographical focus of Africa to include the Caribbean and Pacific. It retains our approach of funding activists on the ground through making multi-year grants to LGBTI led regional grant making organisations. This has meant significant grants to three African regional organisations, The Other Foundation, ISDAO and UHAJ. In addition to this we welcome an expanded team on LGBTI rights at the FCDO with ambitious plans to integrate this into the work of missions.

Objectives and activities (con't)

Beyond the ESF Fund, we have continued to seek ways to develop our programme. The largest investment this year was to the Black Feminist Fund of £1 million which we wish to see matched for grant making in Africa. The Home Fund with Dreilinden in Germany is experimenting with capital grants for self sustaining organisations, with an initial grant in Namibia. Conscious of the incomplete geography of regional Grantmakers in Africa, we have made a grant for research around the possibilities for a new Central African regional grantmaker. This work and much else was platformed at the ILGA World conference in Cape Town which we supported with funding. In the UK we have once again funded the secretariat for the All Party Parliamentary Group on Global LGBT rights.

As in previous years, our Strengthening Civil Society Programme has supported civil society organisations to use the law for positive change especially in tackling discrimination and disadvantage. We believe in peer support and learning and funded the Public Law Project to bring civil society organisations together in Birmingham, as Just Right Scotland will do next year in Glasgow. Our partnership funds with the Corra Foundation on human rights in Scotland and with the Community Foundation in Northern Ireland were in full swing. Our collaboration with the City Bridge Foundation which is delivered by the British Institute for Human Rights and Just Fair made four major grants in London totalling £1 million.

Racial justice in the criminal justice system remains a priority for this programme with a group of ongoing grants as well as several new grants this year.

Our experience has shown us that an effective approach in this area is to fund legal expert organisations to act as hubs for a larger group of voluntary organisations and we used this approach again with an open round that made five full grants and a further four development grants.

Independent evaluators have been appointed to look at the last five years of our grant making in this area which will report in 2025.

Full details of the Foundation's programmes and of the grants agreed during 2024 are published on the Foundation's website (www.baringfoundation.org.uk)

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

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.

The Baring Foundation's investment portfolio registered steady positive returns in calendar year 2024. The aggregate annual investment return of +5.9% lagged both the Foundation's long-term objective of CPI +4%, and the ARC Steady Growth peer group. It also underperformed the portfolio's strategic asset allocation (SAA) that trustees have set investment managers.

The MSCI All Country World continued its strong performance run in 2024, registering an investment return of 19.6% in sterling. Like 2023, global markets were again led by a 27.3% sterling gain from the S&P 500 index in the US. Moreover, the US market was led by a handful of mega-cap technology firms whose value soared in response to investors' evaluation as to where the commercial rewards from Artificial intelligence would likely pool. Bond yields drifted higher over the year despite falling inflation rates, as investors' tracked back on their expectations as to quite how quickly central banks would be able to cut rates. The re-election of President Trump is understood to complicate the macroeconomic environment. Views as to how he will conduct his second term vary wildly, and are consistent with meaningfully different outlooks for asset markets.

Financial review (con't)

The Foundation began the year with more than nine-tenths of its assets managed by Baillie Gifford. A number of steps were made to reduce this concentration. In March, management of the bond portfolio (c19% of Foundation assets) was transferred to Rathbone Ethical Bond Fund and an index-tracking gilt fund provided by BlackRock. In July Baillie Gifford's UK Equity Alpha mandate was terminated (c12% of assets), with the proceeds moved to L&G's Future World ESG Tilted and Optimised Developed Index Fund — an index fund that makes use of active ESG stewardship. And in November allocation to the L&G fund was increased to c19% of Foundation assets, funded by reductions in Baillie Gifford equity funds. At the end of the year Baillie Gifford managed around 55% of Foundation assets.

The Foundation's investment managers delivered investment returns that lagged their objectives in calendar 2024. The Baillie Gifford portfolios posted a combined gain of 7.5% in sterling terms, lagging their combined benchmark by 9.8%. The growth-tilted Positive Change and Paris-Aligned Global Alpha underperformed their benchmarks by 15.7% and 5.7% respectively. Moreover the Baillie Gifford Responsible Global Equity Income strategy recorded a positive return of only 5.4% against a benchmark return of 20.1%. The investment in L&G Future World was only a portion of the year, but ended 14.9% stronger from its inception in July.

The Charities Property Fund's investment return was 5.5% for the year, just ahead of its index, maintaining its good track record. It's early days for the Rathbone Ethical Fund, but the managers have made an encouraging start.

Net assets at the 2024 year-end were £107.9 million (2023: £105.1 million).

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

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 is to achieve a minimum average annual return on investments of 4% plus CPI net of management fees. 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 £107.9 million at 31 December 2024 meets this reserves policy.

Social investments

The Foundation holds a social investment in Charity Bank valued at £62,500 at 31 December 2024 (2023: £59,505).

Plans

In 2025 the Foundation will continue to fund work in three fields working with many partners and with an engaged approach to grant holders: LGBTI civil society in Africa and, in the UK the use of the law by civil society for social change and arts for and by people with mental health problems. We will receive the results of an independent evaluation of the first five years of our arts programme, continue with funding partnerships in Wales, Scotland and Northern Ireland and hope to launch a major partnership in England. Our funding for LGBTI rights will be even more needed given the current freeze in USAID and we will explore new opportunities for work in this area beyond our groundbreaking partnership fund, Equal, Safe and Free. We will also receive an independent five year review of our SCS programme, open up a new funding round on racial equity and scope new areas for our theme to extend into. At least four new publications will be launched and we will be funding at least ten good practice events for our own grantees and other partners across the UK. Thirty years after the acquisition of Baring Brothers Bank by ING we hope to continue to benefit from the generosity of ING in the shape of donated accommodation.

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.

Risk assessment (cont')

The following areas of risk are considered most important :

1. Return from investments falls short of targeted levels.

Investments are diversified between asset classes in line with professional advice from Stanhope who monitor performance of overall portfolio and individual managers. The Investment Committee routinely reviews the performance of investments and asset mix.

2. Programme strategies or funding criteria unclear.

Programmes are explained in detail on website and open round funding guidelines are put in place for each new call. Staff publicise funding opportunities and respond to queries from applicants.

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.

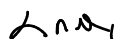
As far as the trustees are aware:

- 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 2024 was 15 (2023 –16). 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 17 June 2025 and signed on their behalf by



.....
Lucy de Groot CBE - Chair

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 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2024 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; and
- . 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 charity 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. 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 (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- . the strategic report and the directors' report included within the Trustees' Report have 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 the 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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to 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, the Charities Act 2011, SORP 2019 and other factors such as tax and payroll.

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.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 17 June 2025

THE BARING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

		Restricted Funds £	Unrestricted Fund £	Total 2024 £	Total 2023 £
	Notes				
INCOME FROM:					
Donations					
- Contributions to programmes	2	4,362,728	-	4,362,728	1,540,000
- Legacy		-	2,000	2,000	-
- Donated services	3	-	79,032	79,032	84,508
Investments	4	-	2,252,634	2,252,634	2,424,834
Total income		<u>4,362,728</u>	<u>2,333,666</u>	<u>6,696,394</u>	<u>4,049,342</u>
EXPENDITURE ON:					
Raising Funds					
- Investment Management		-	436,698	436,698	467,568
Charitable Activities					
- Strengthening Civil Society programme		1,284,841	1,982,526	3,267,367	1,949,942
- Arts programme		-	2,384,797	2,384,797	1,299,315
- International Development programme		1,762,500	1,347,268	3,109,768	1,225,840
- Special initiative		-	91,812	91,812	411,797
- Other charitable work		-	105,894	105,894	92,553
Total expenditure	5	<u>3,047,341</u>	<u>6,348,995</u>	<u>9,396,336</u>	<u>5,447,015</u>
Net income/(expenditure) before investment gains		1,315,387	(4,015,329)	(2,699,942)	(1,397,673)
Net gains on investments	10, 11	-	5,544,899	5,544,899	7,469,899
Net income and net movement in funds	17	<u>1,315,387</u>	<u>1,529,570</u>	<u>2,844,957</u>	<u>6,072,226</u>
Total funds brought forward		<u>1,275,341</u>	<u>103,822,399</u>	<u>105,097,740</u>	<u>99,025,514</u>
Total funds carried forward		<u><u>2,590,728</u></u>	<u><u>105,351,969</u></u>	<u><u>107,942,697</u></u>	<u><u>105,097,740</u></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.

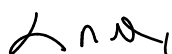
The statement of financial activities includes the income generated by the assets held in the investment portfolio and the net gains or losses on those investments.

All Income and expenditure in prior year was unrestricted.

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

	Note	2024	2023
		£	£
FIXED ASSETS			
Investments	10	108,069,797	104,570,385
Social investments	11	64,500	59,505
		<u>108,134,297</u>	<u>104,629,890</u>
CURRENT ASSETS			
Cash at bank and on deposit		1,611,796	2,268,055
Debtors	12	4,547,321	1,561,000
		<u>6,159,117</u>	<u>3,829,055</u>
LIABILITIES			
Creditors: amounts due within one year	13	(3,672,950)	(2,567,205)
		<u></u>	<u></u>
NET CURRENT ASSETS		2,486,167	1,261,850
TOTAL ASSETS LESS CURRENT LIABILITIES		110,620,464	105,891,740
Creditors: amounts due after more than one year	14	(2,677,767)	(794,000)
		<u></u>	<u></u>
NET ASSETS	16	<u>107,942,697</u>	<u>105,097,740</u>
FUNDS	17		
Restricted funds		2,590,728	1,275,341
Unrestricted funds			
- Revaluation fund		54,506,390	49,903,465
- General funds		50,845,579	53,918,934
		<u></u>	<u></u>
Total funds		<u>107,942,697</u>	<u>105,097,740</u>

Approved by the trustees and signed on 17 June 2025 on their behalf by:



.....
Lucy de Groot CBE
Chair



.....
Ashley Coombes
Treasurer

THE BARING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash used in operating activities	(4,949,385)	(4,865,609)
Cashflows from investing activities		
Dividends and interests	2,252,634	2,424,834
Purchase of investments	(41,271,420)	(12,023,406)
Proceeds from sale of investments	43,316,907	10,320,325
Net cash provided by investing activities	4,298,121	721,753
Change in cash and cash equivalents in the reporting period	(656,260)	(4,143,856)
Cash and cash equivalents at the beginning of the reporting period	2,268,055	6,411,911
Cash and cash equivalents at the end of the reporting period	<u>1,611,796</u>	<u>2,268,055</u>

NOTES TO THE CASH FLOW STATEMENT

	2024 £	2023 £
Reconciliation of net expenditure to net cash outflow from operating activities		
Net Income/(Expenditure) for the reporting period	2,844,957	6,072,226
(Increase) in debtors	(2,986,321)	(1,461,000)
Increase in creditors	2,989,512	417,898
Dividends and interest	(2,252,634)	(2,424,834)
(Gains) on investments	(5,544,899)	(7,469,899)
Net cash (used in) operating activities	<u>(4,949,385)</u>	<u>(4,865,609)</u>
Analysis of cash and cash equivalents		
Cash at bank and on deposit	1,611,796	2,268,055
	<u>1,611,796</u>	<u>2,268,055</u>

Changes in net debt	At 1 January	Cash Flows	At 31 December
	2024		2024
	£	£	£
Cash at bank and on deposit	2,268,055	(656,260)	1,611,796

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 & grants Received**

Income from investments is included in the financial statements when it becomes receivable. All income is included in the statement of financial activities when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable.

(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 2024, on this basis, the support costs were apportioned as follows:

	2024	2023
Governance	12%	12%
Investment management	5%	4%
Strengthening Civil Society programme	30%	29%
Arts programme	28%	25%
International Development programme	11%	16%
Other charitable work	14%	13%
Special Initiatives	-	1%

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates, along with their underlying assumptions, are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following critical judgement has been made in the process of applying the Charity's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy (e).

The following is the key area of estimation uncertainty identified by management:

Valuation of donated services as detailed within accounting policy (b).

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

(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 2024

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.

(r) **Grants received**

Grant income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

2. Contributions to programmes

Foundation for a Just Society

Restricted £787,576 (2023 : £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

Foundation for a Just Society International

Restricted £1,575,152 (2023 £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

The Oak Foundation

Restricted £2,000,000 (2023 £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

Equal, Safe and Free is a new multi-donor fund also supported by the UK Foreign, Commonwealth and Development Office. Equal, Safe and Free aims to build the capacity of and support grassroots LGBT+ human rights networks and organisations in sub-Saharan Africa, together with the Caribbean and the Pacific Islands, to increase their reach, effectiveness, and impact.

3. Donated Services

	2024 £	2023 £
Services donated by ING Bank NV:		
Premises and facilities	79,032	84,508
	<u>79,032</u>	<u>84,508</u>

4. Income from Investments

	2024 £	2023 £
Income from investments	2,181,119	2,382,203
Bank interest	71,515	42,631
	<u>2,252,634</u>	<u>2,424,834</u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Total Expenditure - 2024

	Investment Management	Strengthening Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2024
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	534,519	534,519
Grants payable (note 8)	-	2,977,347	2,119,579	3,020,578	91,811	-	-	-	8,209,315
Investment managers' fees	356,205	-	-	-	-	-	-	-	356,205
Auditors' remuneration (note 6)	-	-	-	-	-	-	17,976	-	17,976
Other support costs	-	51,453	53,430	5,988	-	-	-	124,776	235,647 *
Investment consultants' fees	42,673	-	-	-	-	-	-	-	42,673
	398,878	3,028,800	2,173,009	3,026,566	91,811	-	17,976	659,295	9,396,336
Allocated support costs	32,965	197,789	184,603	72,522	-	92,301	79,115	(659,295)	-
Allocated governance costs	4,855	40,778	27,186	10,680	-	13,593	(97,091)	-	-
Total expenditure	436,698	3,267,367	2,384,798	3,109,768	91,811	105,894 **	-	-	9,396,336

* Note £79,032 (2023: £84,508) of the £124,776 (2023: £129,905) "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 2024

5 a. Total Expenditure - 2023

	Investment Management	Strengthening Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2023
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	490,761	490,761
Grants payable (note 8)	-	1,668,108	1,074,348	1,090,432	404,677	-	-	-	4,237,565
Investment managers' fees	398,574	-	-	-	-	-	-	-	398,574
Auditors' remuneration (note 6)	-	-	-	-	-	-	16,800	-	16,800
Other support costs	-	64,416	46,981	21,497	-	-	-	129,905	262,799 *
Investment consultants' fees	40,516	-	-	-	-	-	-	-	40,516
	439,090	1,732,524	1,121,329	1,111,929	404,677	-	16,800	620,666	5,447,015
Allocated support costs	24,827	179,992	155,167	99,307	6,206	80,687	74,480	(620,666)	-
Allocated governance costs	3,651	37,426	22,819	14,604	914	11,866	(91,280)	-	-
Total expenditure	467,568	1,949,942	1,299,315	1,225,840	411,797	92,553 **	-	-	5,447,015

* Note £84,508 (2022: £101,702) of the £129,905 (2022: £145,653) "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 2024

6 Net Expenditure for the Year

	2024 £	2023 £
This is stated after charging:		
Trustees' reimbursed expenses	611	5,831
Auditors' remuneration		
- For audit of the financial statements	17,976	16,800
- Other services	19,860	18,900

2024 Audit Fee £17,976 (gross of VAT), £14,980 (net of VAT).

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs of £611 (2023: £5,831) relating to attendance at meetings (6 trustees). No trustees have been remunerated for their role.

7. Staff Costs and Numbers

	2024 £	2023 £
Staff costs were as follows:		
Salaries and wages	422,352	388,749
Social security costs	48,215	43,970
Pension contributions	63,952	58,042
	534,519	490,761

Key management and salary pension

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

£110,000 - £120,000 - David Cutler - Director salary £115,056 (2023: £109,166), employer's NI £14,623 (2023: £13,809) and pension £20,135 (2023: £19,104).

£80,000 - £89,999 - David Sampson - Deputy Director salary (4.5 days per week) £87,657 (2023: 82,873), employer's NI £11,618 (2023: £9,976) and pension £10,957 (2023: £10,359).

The average number of staff during the year was: 6 (2023: 6).

The number of staff earning over £60,000 in the year was 3 (2023: 3).

8. Grants Payable

	2024 £	2023 £
The grants payable figure in 2024 comprises:		
Grants made in the year	8,218,815	4,251,065
Grants cancelled/written back	(9,500)	(13,500)
	8,209,315	4,237,565

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).

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 2024**

10. Investments	2024	2023
	£	£
Market value of investments at 1 January	104,570,385	95,409,260
Disposals at market value	(43,316,907)	(10,320,325)
Additions at cost	41,271,420	12,023,406
Net gain on investments	5,544,899	7,458,043
	<u>108,069,797</u>	<u>104,570,385</u>
Market value of investments at 31 December	<u>108,069,797</u>	<u>104,570,385</u>
	<u>102,170,493</u>	<u>101,268,519</u>
Pooled Investments comprise	2024	2023
	£	£
UK	108,069,797	104,564,097
Non UK	-	6,288
	<u>108,069,797</u>	<u>104,570,385</u>
11. Social Investments	2024	2023
	£	£
Opening carrying value	59,505	47,650
Net gain on investments	4,995	11,855
	<u>64,500</u>	<u>59,505</u>
Closing carrying value	<u>64,500</u>	<u>59,505</u>
Held as:		
Investments	64,500	59,505
£64,500 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.		
12. Other Debtors and Accrued Income	2024	2023
	£	£
Accrued contributions to programmes and income in investment funds	4,449,172	1,425,000
Dividend Accrual	98,150	136,000
	<u>4,547,321</u>	<u>1,561,000</u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

13. **Creditors: Amounts due within one year**

	2024 £	2023 £
Grants authorised but not yet paid	3,539,860	2,414,707
Other creditors	133,090	152,498
	<u>3,672,950</u>	<u>2,567,205</u>

14. **Creditors: Amounts due after more than one year**

	2024 £	2023 £
1-2 years - grants authorised but not yet paid	2,677,767	794,000
	<u>2,677,767</u>	<u>794,000</u>

15. **Related party transactions**

As is usual in a grantmaking foundation, a number of the trustees, staff and advisers of the Baring Foundation are involved in other charities, either as staff or volunteers. The charity holds a record of all conflicts of interest and where trustees, staff and advisers have a conflict of interest they have no part in the decision-making process.

The following trustees had conflicts of interest in 2024.

Trustee, Shauneen Lambe, is a Director of Youth Justice Legal Centre, a grantee in 2024. Trustee, Victoria Amedume, is the Creative Director of The Albany, a grantee in 2024.

The following staff and advisers had conflicts of interest in 2024.

Adviser, Daniel Regan has an involvement with London Arts & Health, a grantee in 2024.

Director, David Cutler, has an involvement with Koy Kaapelitalo, a grantee in 2024.

Deputy Director, David Sampson, has an involvement with Initiative Sankofa d'Afrique de l'Ouest, a grantee in 2024.

THE BARING FOUNDATION

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

16. Analysis of Net Assets Between Funds - 2024

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2024 £
Investments	-	54,506,390	53,627,907	108,134,297
Net current assets	2,590,728	-	(104,561)	2,486,167
Creditors: amounts due after more than one year	-	-	(2,677,767)	(2,677,767)
Net assets at the end of the year	2,590,728	54,506,390	50,845,579	107,942,697

Analysis of Net Assets Between Funds - 2023

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2023 £
Investments	-	49,903,465	54,726,425	104,629,890
Net current assets	1,275,341	-	(13,491)	1,261,850
Creditors: amounts due after more than one year	-	-	(794,000)	(794,000)
Net assets at the end of the year	1,275,341	49,903,465	53,918,934	105,097,740

17. Net Movement in Funds - 2024

	At the start of the year £	Income £	Expenditure/ gains on investments £	At the end of the year £
Restricted funds				
Strengthening Civil Society	1,275,341	9,500	(1,284,841)	-
International Programme	-	4,362,728	(1,762,500)	2,590,728
Total restricted funds	1,275,341	4,362,728	(3,047,341)	2,590,728
Unrestricted funds				
Revaluation reserve	49,903,465	-	4,602,924	54,506,390
General funds	53,918,934	2,333,665	(5,407,020)	50,885,627
Total unrestricted funds	103,822,399	2,333,665	(5,124,776)	105,351,971
Total funds	105,097,740	6,696,393	(3,851,436)	107,942,697

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

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

17. Net Movement in Funds - 2023 (con't)

Purposes of restricted funds

Foundation for a Just Society

Restricted £787,576 (2023 : £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

Foundation for a Just Society International

Restricted £1,575,152 (2023 £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

The Oak Foundation

Restricted £2,000,000 (2023 £Nil) joint funding, over four years, for the Equal Safe and Free Fund.

Equal, Safe and Free is a new multi-donor fund also supported by the UK Foreign, Commonwealth and Development Office. Equal, Safe and Free aims to build the capacity of and support grassroots LGBT+ human rights networks and organisations in sub-Saharan Africa, together with the Caribbean and the Pacific Islands, to increase their reach, effectiveness, and impact.

18 Net Movement in Funds - 2023

	At the start of the year	Income	Expenditure/ losses on investments	At the end of the year
	£	£	£	£
Restricted funds				
Strengthening Civil Society	-	1,500,000	(224,659)	1,275,341
Arts Council	-	40,000	(40,000)	-
Total restricted funds	-	1,540,000	(264,659)	1,275,341
Unrestricted funds				
Revaluation reserve	42,891,164	-	7,012,301	49,903,464
General funds	56,134,350	2,509,342	(4,724,758)	53,918,934
Total unrestricted funds	99,025,514	2,509,342	2,287,543	103,822,399
Total funds	99,025,514	4,049,342	2,022,884	105,097,740

THE BARING FOUNDATION

England & Wales - Charity number 258583

Accounts

THE BARING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Company number 950696
Charity number 258583

THE BARING FOUNDATION

CONTENTS

	Page
Trustees' Report	1 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 22

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 CBE	Chair
	Shauneen Lambe	Vice Chair (until June 2023)
	Dr Rob Berkeley MBE	Vice Chair (from June 2023)
	Ashley Coombes	Treasurer
	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 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
FOR THE YEAR ENDED 31 DECEMBER 2023**

The trustees present their report and the audited financial statements for the year ended 31 December 2023. 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 (until June 2023)
Victoria Amedume MBE	Chair of the Arts Committee
Dr Rob Berkeley MBE	
Ashley Coombes	
Lucy de Groot CBE	Chair of the Board and Chair of the Nominations Committee
David Elliott (until June 2023)	
James Jenkins	Chair of the Investment Committee
Shauneen Lambe	Chair of the Strengthening Civil Society Committee (from June 2023)
Dipuo Virginia Magwaza	
Pontso Mafethe	Chair of the International Committee
Toby Nangle (from June 2023)	
Jillian Popkins	
Rhys Pullen	Chair of the Audit Committee
Judith Robertson	
Sam Thorne	
Emebet Wuhib-Mutungi	

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 in June 2023 Toby Nangle was elected as a Member of the Board. In June 2023 David Elliott retired from the Board. At the AGM in September 2023 Asif Afridi, Victoria Amedume, Lucy de Groot, James Jenkins, Shauneen Lambe and Jillian Popkins retired by rotation and were re-elected as Members of 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 2023 the Board had seven subcommittees; three for grant programmes, Investment, Audit, Remuneration and Nominations.

Structure, governance and management (con't)

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 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 99 new grants during the year to the value of £4,251,063 (see note 8). These were: 22 Arts and Mental Health programme grants totaling £1,087,848; 11 International Development grants totaling £1,090,432; 10 Strengthening Civil Society programme grants totaling £1,228,149, 4 Strengthening Civil Society Human Rights grants (jointly funded with City Bridge Trust) totaling £224,659, 2 Shrinking Civic Space grant totaling £185,000 and one Strengthening Civil Society Racial Justice grant of £30,000. Two grants, which were outside the above-mentioned programmes, were made totaling £25,000. In addition to this the Foundation made 20 grants to existing grantees, over all the grant programmes, as an extra payment to cover costs relating to increasing inflation, totaling £64,881 and 27 grants at the behest of the Baring Family totaling £314,794.

Of those 99 grants agreed during 2023, £2,159,038 had been paid by the end of the year; a further £1,733,372 was paid as a result of grant decisions made in previous years.

The Foundation is a member of 360 Giving and 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. The main initiative we took this year was to make top up grants to current grantees now experiencing much higher rates of inflation than anticipated when we first funded their work. After the unwelcome interlude of Covid and lockdowns we welcomed being in more personal touch with grantees through visits including to Africa and events. We organised a three day residential for our Strengthening Civil Society grant partners and an all day gathering at the splendid new theatre, Brixton House for arts partners.

The main focus of our Arts programme continued to be people living with mental health problems (our programme starting in 2020). This is a complex field with many actors as well as differing systems and funding in the four nations. 38 grants that we made in 2021 and 2022 to address the under-representation of artists of Colour in this field continued their work along with a major new grant to Greater Manchester Integrated Care System for the same purpose. We added a third strategic funding partnership with the Arts Council Northern Ireland to our ongoing partnerships with Creative Scotland and the Arts Council Wales. We agreed to jointly fund a conference in Manchester in 2024 with the Arts Council England on creativity and young people's mental health. Much of our funding in 2023 was devoted to grants to build good practice in specific area. These included a major grant to Counterpoint Arts following their report to us on arts with refugees with mental health problems. Our interest in work in museums following our research report in 2022 led to grants on good practice guidance to Tyne and Wear Archives and Museums as well as ones to Manchester Arts Gallery on the Trauma Informed Museum and with Whitworth Gallery where people recovering from addictions will become curators leading to an exhibition. Other areas of good practice have been varied such as guidance for work in choirs and even how magic can be used with children in Pupil Referral Units. Another area that has been raised with us is support for artists working in this area and we have previously made grants around this. This led in 2023 to a grant to support artists by the Wales Arts Health and Wellbeing Network.

Alongside this main programme we have continued some support for our legacy programme on creative ageing. This saw a major conference with the Arts Council England in Newcastle with two new publications on our Celebrating Age funding programme with them and a report on the future of creative ageing. In England too we continued to support the National Arts in Care Homes Day run by the National Activity Providers Association (NAPA) as well as the Creative Ageing Development Agency which we core fund.

Our International Programme since 2014 has focused on the rights of Lesbian Gay Bisexual Transgender and Intersex (LGBTI) people, especially women, in Africa. 2023 was a landmark year for our programme which in November at a summit in London announced a new fund for LGBTI activists in Africa and beyond.

Objectives and activities (con't)

The fund is the culmination of several years of research and advocacy driven by the Foundation and with support from many partners. In an important and welcome step the Foreign and Commonwealth and Development Office has committed £20 million combined with a further £5 million from ourselves and other independent funders. This constitutes the Equal Safe and Free fund. In common with our own approach to grantmaking it will make grants directly to LGBTI led regional grant makers in Africa, the Caribbean and the Pacific. The Fund will start in 2024 and is a significant act of solidarity by the Government with LGBTI activists at a time of growing attacks across the world. The Fund has cross party support.

Beyond this we have maintained our approach of making major multi-year grants to the three African LGBTI grant makers. We have combined this with a small number of grants to LGBTI organisations in South Africa on the grounds that the type of funding they need is not available regionally. This direct support to activists in Africa is combined with a much smaller amount of funding for research and advocacy taking place in the UK to support activists in Africa

As in previous years, our Strengthening Civil Society Programme has supported civil society organisations to use the law for positive change especially in tackling discrimination and disadvantage. 2023 saw a particular focus on collaboration in Scotland and Northern Ireland, with the Foundation awarding grants to the Corra Foundation for a new Human Rights Fund for Scotland and to the Community Foundation Northern Ireland for the continuation of the Northern Ireland Human Rights Fund. We also awarded a new grant to the Public Law Project for its work to increase access to Judicial Review and other public law remedies by Welsh civil society.

In England, we started a new project in collaboration with the City Bridge Foundation to support civil society to use human rights based approaches in London and made a further grant to the Justice Together Initiative. The Foundation also developed a small cluster of grants focused on the planning system, as part of its strategy to enhance civil society's use of a full range of legal tools. Alongside this work, we continued to develop our focus on racial justice in the criminal justice system through convening and commissioned research. Further grants in this area will be made in 2024 and beyond.

Towards the end of 2022, a historic and discrete donation by three members of the Baring family was converted into a spend down donor advised fund of £442,191 of which £314,794 was spent in 2023.

Full details of the Foundation's programmes and of the grants agreed during 2023 are published on the Foundation's website (www.baringfoundation.org.uk)

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.

The Baring Foundation's investment portfolio registered a year of better progress in calendar year 2023. The aggregate annual investment return of +9.7% exceeded both the Foundation's long-term objective of CPI +4%, and the ARC Steady Growth peer group; however, relative performance compared to the strategic asset allocation (SAA) still lagged over the year, and also lagged over the past three years.

The MSCI All Country World posted a healthy rebound in 2023, rising 15.8% in sterling. This was led by a 19.7% sterling gain from the S&P 500 index in the US, which was driven in large part by a dramatic resurgence of interest in the largest global technology companies, and also by a sense that central bank policy was starting to get on top of inflationary trends.

Financial review (con't)

The strong performance of the so-called Magnificent Seven (Microsoft, Apple, Alphabet, Nvidia, Amazon.com, Meta Platforms and Tesla) was partly a reaction to having been oversold in the technology recession of 2022, partly due to the fact all companies launched cost reduction programmes, but mostly due to red-hot thematic interest around the growth and potential of artificial intelligence (AI). European and Japanese equities also performed strongly, posting sterling returns of 15.3% and 13.1% respectively, whilst again it was a relatively poor year for UK equities and Emerging market equities, which posted weaker gains of 7.9% and 4.1% respectively. However, equity markets generally performed very well into the end of the year as investors began to anticipate interest rate cuts given the continued improvement in inflation and comments from central banks suggested that further interest rate rises were unlikely as inflation was coming back under control. The weakest asset class through the year was UK property, which registered a 1.4% decline, but the Foundation's exposure was lowered at the end of 2022, as this weakness was anticipated in light of the higher rate environment.

After a torrid proceeding year, the Foundation's investment managers saw an improving trajectory of performance in calendar 2023. The Baillie Gifford portfolios posted a gain of 10.7% in sterling terms, but this double-digit gain still lagged their combined benchmark by 2.5%. The growth-tilted Positive Change and Paris-Aligned Global Alpha underperformed their benchmarks by 5.9% and 3.4% respectively, but this was partially mitigated by outperformance from Responsible Global Equity Income and Sterling Aggregate Bond of 0.5% and 1.1% respectively. The UK Alpha Fund was in-line to benchmark. The Charities Property Fund's performance was flat over the year, outperforming its index by 1.4%, and continuing its good track record, with it now ahead of its benchmark by a ~1% p.a. over three and five years too.

Net assets at the 2023 year-end were £105.1 million (2022: £99 million).

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 is to achieve a minimum average annual return on investments of 4% plus CPI net of management fees. 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 £104.6 million at 31 December 2023 meets this reserves policy.

Social investments

The Foundation holds a social investment in Charity Bank valued at £59,505 at 31 December 2023 (2022: £47,650)

Plans

In 2024 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. The SCS and Arts programmes will run open funding round. The Equal Safe and Free Fund with the FCDO will start operation. Trustees will also begin a scheduled review of the SCS programme. After almost five years of funding towards the end of 2024, an independent review of the Arts programme will be commissioned.

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.

Risk assessment (cont')

The following areas of risk are considered most important :

1. Return from investments falls short of targeted levels.

Investments are diversified between asset classes in line with professional advice from Stanhope who monitor performance of overall portfolio and individual managers. The Investment Committee routinely reviews the performance of investments and asset mix.

2. Programme strategies or funding criteria unclear.

Programmes are explained in detail on website and open round funding guidelines are put in place for each new call. Staff publicise funding opportunities and respond to queries from applicants.

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.

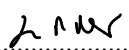
As far as the trustees are aware:

- 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 2023 was 16 (2022 – 15). 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 20 June 2024 and signed on their behalf by

.....

Lucy de Groot CBE - Chair Date 2nd July 2024

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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2023 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; and
- . 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 charity 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. 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 (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- . the strategic report and the directors' report included within the Trustees' Report have 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 the 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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to 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, the Charities Act 2011, SORP 2019 and other factors such as tax and payroll.

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.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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: 3 July 2024

THE BARING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

		Restricted Funds £	Unrestricted Fund £	Total 2023 £	Total 2022 £
	Notes				
INCOME FROM:					
Donations					
- Contributions to programmes	2	1,540,000	-	1,540,000	400,000
- Donated services	3	-	84,508	84,508	101,702
Investments	4	-	2,424,834	2,424,834	1,956,154
Total income		<u>1,540,000</u>	<u>2,509,342</u>	<u>4,049,342</u>	<u>2,457,856</u>
EXPENDITURE ON:					
Raising Funds					
- Investment Management		-	467,568	467,568	457,088
Charitable Activities					
- Strengthening Civil Society programme		224,659	1,725,283	1,949,942	1,365,128
- Arts programme		40,000	1,259,315	1,299,315	1,279,736
- International Development programme		-	1,225,840	1,225,840	1,257,903
- Special initiative		-	411,797	411,797	86,570
- Other charitable work		-	92,553	92,553	83,460
Total expenditure	5	<u>264,659</u>	<u>5,182,356</u>	<u>5,447,015</u>	<u>4,529,885</u>
Net income/(expenditure) before investment gains		1,275,341	(2,673,014)	(1,397,673)	(2,072,029)
Net gains/(losses) on investments	10, 11	-	7,469,899	7,469,899	(23,681,971)
Net income/(expenditure) and net movement in funds	17	<u>1,275,341</u>	<u>4,796,885</u>	<u>6,072,226</u>	<u>(25,754,000)</u>
Total funds brought forward		-	99,025,514	99,025,514	124,779,514
Total funds carried forward		<u>1,275,341</u>	<u>103,822,399</u>	<u>105,097,740</u>	<u>99,025,514</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.

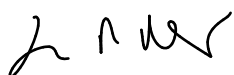
The statement of financial activities includes the income generated by the assets held in the investment portfolio and the net gains or losses on those investments.

All Income and expenditure in prior year was unrestricted.

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	£	2023 £	£	2022 £	£
FIXED ASSETS						
Investments	10			104,570,385		95,409,261
Social investments	11			59,505		47,650
				<u>104,629,890</u>		<u>95,456,911</u>
CURRENT ASSETS						
Cash at bank and on deposit		2,268,055			6,411,911	
Debtors	12	1,561,000			100,000	
		<u>3,829,055</u>			<u>6,511,911</u>	
LIABILITIES						
Creditors: amounts due within one year	13	(2,567,205)			(1,909,539)	
		<u></u>			<u></u>	
NET CURRENT ASSETS				1,261,850		4,602,372
TOTAL ASSETS LESS CURRENT LIABILITIES				105,891,740		100,059,283
Creditors: amounts due after more than one year	14			(794,000)		(1,033,769)
				<u></u>		<u></u>
NET ASSETS	16			105,097,740		99,025,514
				<u></u>		<u></u>
FUNDS	17					
Restricted funds				1,275,341		-
Unrestricted funds						
- Revaluation fund				49,903,465		42,891,164
- General funds				53,918,934		56,134,350
				<u></u>		<u></u>
Total funds				105,097,740		99,025,514
				<u></u>		<u></u>

Approved by the trustees and signed on 20 June 2024 on their behalf by:



Lucy de Groot CBE
Chair



Ashley Coombes
Treasurer

THE BARING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash used in operating activities	(4,865,609)	(4,331,258)
Cashflows from investing activities		
Dividends and interests	2,424,834	1,956,154
Purchase of investments	(12,023,406)	(5,883,495)
Proceeds from sale of investments	10,320,325	11,615,229
Net cash provided by investing activities	721,753	7,687,888
Change in cash and cash equivalents in the reporting period	(4,143,856)	3,356,630
Cash and cash equivalents at the beginning of the reporting period	6,411,911	3,055,281
Cash and cash equivalents at the end of the reporting period	<u>2,268,055</u>	<u>6,411,911</u>

NOTES TO THE CASH FLOW STATEMENT

	2023 £	2022 £
Reconciliation of net expenditure to net cash outflow from operating activities		
Net Income/(Expenditure) for the reporting period	6,072,226	(25,754,000)
(Increase) in debtors	(1,461,000)	-
Increase/(decrease) in creditors	417,898	(303,075)
Dividends and interest	(2,424,834)	(1,956,154)
(Gains)/Losses on investments	(7,469,899)	23,681,971
Net cash (used in) operating activities	<u>(4,865,609)</u>	<u>(4,331,258)</u>
Analysis of cash and cash equivalents		
Cash at bank and on deposit	2,268,055	6,411,911
	<u>2,268,055</u>	<u>6,411,911</u>

Changes in net debt	At 1 January	Cash Flows	At 31 December
	2023		2023
	£	£	£
Cash at bank and on deposit	6,411,911	(4,143,856)	2,268,055

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 & grants Received**

Income from investments is included in the financial statements when it becomes receivable. All income is included in the statement of financial activities when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable.

(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 2023, on this basis, the support costs were apportioned as follows:

	2023	2022
Governance	12%	14%
Investment management	4%	4%
Strengthening Civil Society programme	29%	34%
Arts programme	25%	24%
International Development programme	16%	13%
Other charitable work	13%	11%
Special Initiatives	1%	-

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates, along with their underlying assumptions, are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following critical judgement has been made in the process of applying the Charity's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy (e).

The following is the key area of estimation uncertainty identified by management:

Valuation of donated services as detailed within accounting policy (b).

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

(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 2023

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.

(r) Grants received

Grant income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

2. Contributions to programmes

City Bridge Foundation - Restricted

£1,500,000 (2022 : Nil), joint funding, over five years, to develop and deliver a programme supporting London-based civil society organisations to use human rights-based approaches to address discrimination and disadvantage.

Arts Council England - Restricted

£40,000 (2022 : Nil), joint funding towards a national symposium on the power of creativity in the lives of young people with mental health problems.

3. Donated Services

	2023 £	2022 £
Services donated by ING Bank NV:		
Premises and facilities	84,508	101,702
	<u>84,508</u>	<u>101,702</u>

4. Income from Investments

	2023 £	2022 £
Income from investments	2,382,203	1,943,053
Bank interest	42,631	13,101
	<u>2,424,834</u>	<u>1,956,154</u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Total Expenditure - 2023

	Investment Management	Strengthening Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2023
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	490,761	490,761
Grants payable (note 8)	-	1,668,108	1,074,348	1,090,432	404,677	-	-	-	4,237,565
Investment managers' fees	398,574	-	-	-	-	-	-	-	398,574
Auditors' remuneration (note 6)	-	-	-	-	-	-	16,800	-	16,800
Other support costs	-	64,416	46,981	21,497	-	-	-	129,905	262,799 *
Investment consultants' fees	40,516	-	-	-	-	-	-	-	40,516
	439,090	1,732,524	1,121,329	1,111,929	404,677	-	16,800	620,666	5,447,015
Allocated support costs	24,827	179,992	155,167	99,307	6,206	80,687	74,480	(620,666)	-
Allocated governance costs	3,651	37,426	22,819	14,604	914	11,866	(91,280)	-	-
Total expenditure	467,568	1,949,942	1,299,315	1,225,840	411,797	92,553 **	-	-	5,447,015

* Note £84,508 (2022: £101,702) of the £129,905 (2022: £145,653) "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 2023

5 a. Total Expenditure - 2022

	Investment Management	Strengthening Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2022
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	451,398	451,398
Grants payable (note 8)	-	1,021,389	1,076,599	1,149,682	86,570	-	-	-	3,334,240
Investment managers' fees	392,163	-	-	-	-	-	-	-	392,163
Auditors' remuneration (note 6)	-	-	-	-	-	-	14,880	-	14,880
Other support costs	-	100,430	36,213	17,804	-	-	-	145,652	300,099 *
Investment consultants' fees	37,105	-	-	-	-	-	-	-	37,105
	429,268	1,121,819	1,112,812	1,167,486	86,570	-	14,880	597,050	4,529,885
Allocated support costs	23,882	197,027	143,292	77,617	-	71,646	83,586	(597,050)	-
Allocated governance costs	3,938	46,282	23,632	12,800	-	11,814	(98,466)	-	-
Total expenditure	457,088	1,365,128	1,279,736	1,257,903	86,570	83,460 **	-	-	4,529,885

* Note £101,702 (2021: £75,692) of the £145,653 (2021: £115,954) "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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6 Net Expenditure for the Year

	2023 £	2022 £
This is stated after charging:		
Trustees' reimbursed expenses	5,831	2,511
Auditors' remuneration		
- For audit of the financial statements	16,800	14,880
- Other services	18,900	18,000

2023 Audit Fee £16,800 (gross of VAT), £14,000 (net of VAT).

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs of £5,831 (2022: £2,511) relating to attendance at meetings (6 trustees). No trustees have been remunerated for their role.

7. Staff Costs and Numbers

	2023 £	2022 £
Staff costs were as follows:		
Salaries and wages	388,749	356,171
Social security costs	43,970	42,119
Pension contributions	58,042	53,108
	490,761	451,398

Key management and salary pension

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

£100,000 - £110,000 - David Cutler - Director salary £109,166 (2022: £100,250), employer's NI £13,809 (2022: £13,507) and pension £19,104 (2022: £17,544).

£80,000 - £89,999 - David Sampson - Deputy Director salary (4.5 days per week) £82,873 (2022: 76,104), employer's NI £9,976 (2022: £9,780) and pension £10,359 (2022: £9,513).

The average number of staff during the year was: 6 (2022: 6).

The number of staff earning over £60,000 in the year was 3 (2022: 2).

8. Grants Payable

	2023 £	2022 £
The grants payable figure in 2023 comprises:		
Grants made in the year	4,251,065	3,334,240
Grants cancelled/written back	(13,500)	-
	4,237,565	3,334,240

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).

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 2023**

10. Investments	2023	2022
	£	£
Market value of investments at 1 January	95,409,261	124,827,316
Disposals at market value	(10,320,325)	(11,615,229)
Additions at cost	12,023,406	5,883,495
Net gain/(Losses) on investments	7,458,043	(23,686,321)
	<u>104,570,385</u>	<u>95,409,261</u>
Market value of investments at 31 December	<u>104,570,385</u>	<u>95,409,261</u>
Historical cost of investments at 31 December	<u>101,268,519</u>	<u>100,810,922</u>
Pooled Investments comprise	2023	2022
	£	£
UK	104,564,097	95,394,053
Non UK	6,288	15,208
	<u>104,570,385</u>	<u>95,409,261</u>
11. Social Investments	2023	2022
	£	£
Opening carrying value	47,650	43,300
Net gain on investments	11,855	4,350
	<u>59,505</u>	<u>47,650</u>
Closing carrying value	<u>59,505</u>	<u>47,650</u>
Held as:		
Investments	59,505	47,650
£59,505 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.		
12. Other Debtors and Accrued Income	2023	2022
	£	£
Accrued contributions to programmes and income in investment funds	1,425,000	100,000
Dividend Accrual	136,000	-
	<u>1,561,000</u>	<u>100,000</u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. Creditors: Amounts due within one year

	2023 £	2022 £
Grants authorised but not yet paid	2,414,707	1,766,287
Other creditors	152,498	143,252
	<u>2,567,205</u>	<u>1,909,539</u>

14. Creditors: Amounts due after more than one year

	2023 £	2022 £
1-2 years - grants authorised but not yet paid	794,000	1,033,769
	<u>794,000</u>	<u>1,033,769</u>

15. Related party transactions

As is usual in a grantmaking foundation, a number of the trustees, staff and advisers of the Baring Foundation are involved in other charities, either as staff or volunteers. The charity holds a record of all conflicts of interest and where trustees, staff and advisers have a conflict of interest they have no part in the decision-making process. The following trustees had conflicts of interest in 2023.

Fiona Bawdon, business partner of Trustee, Shauneen Lambe, was commissioned by the Baring Foundation to run a communications workshop for all grantees.

Trustee, Shauneen Lambe, is a Director of Youth Justice Legal Centre. Existing grantee, Youth Justice Legal Centre are scoping work related to policing in schools, an area which the Committee agreed to focus on in the coming two years.

Trustee, Judith Robertson, was involved in research work related to the establishment of the Independent Human Rights Fund for Scotland, but has not been involved with it since, nor going forward. A grant of £300,000 was made to the Corra Foundation for the establishment of the Independent Human Rights Fund for Scotland.

THE BARING FOUNDATION

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

16. Analysis of Net Assets Between Funds - 2023

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2023 £
Investments	-	49,903,465	54,726,425	104,629,890
Net current assets	1,275,341	-	(13,491)	1,261,850
Creditors: amounts due after more than one year	-	-	(794,000)	(794,000)
Net assets at the end of the year	1,275,341	49,903,465	53,918,934	105,097,740

Analysis of Net Assets Between Funds - 2022

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2022 £
Investments	-	42,891,164	52,565,747	95,456,911
Net current assets	-	-	4,602,372	4,602,372
Creditors: amounts due after more than one year	-	-	(1,033,769)	(1,033,769)
Net assets at the end of the year	-	42,891,164	56,134,350	99,025,514

17. Net Movement in Funds - 2023

	At the start of the year £	Income £	Expenditure/ gains on investments £	At the end of the year £
Restricted funds				
Strengthening Civil Society	-	1,500,000	(224,659)	1,275,341
Arts Council	-	40,000	(40,000)	-
Total restricted funds	-	1,540,000	(264,659)	1,275,341
Unrestricted funds				
Revaluation reserve	42,891,164	-	7,012,301	49,903,465
General funds	56,134,350	2,509,342	(4,724,758)	53,918,934
Total unrestricted funds	99,025,514	2,509,342	2,287,543	103,822,399
Total funds	99,025,514	4,049,342	2,022,884	105,097,740

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

17. Net Movement in Funds - 2023 (con't)

Purposes of restricted funds

City Bridge Foundation

Joint funding, over five years, to develop and deliver a programme supporting London-based civil society organisations to use human rights-based approaches to address discrimination and disadvantage.

Arts Council England

Joint funding towards a national symposium on the power of creativity in the lives of young people with mental health problems.

18 Net Movement in Funds - 2022

	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)	-	-
Total restricted funds	-	400,000	(400,000)	-	
Unrestricted funds					
Revaluation reserve	65,202,745	-	(22,311,581)	42,891,164	
General funds	59,576,769	2,057,856	(5,500,275)	56,134,350	
Total unrestricted funds	124,779,514	2,057,856	(27,811,856)	99,025,514	
Total funds	124,779,514	2,457,856	(28,211,856)	99,025,514	

THE BARING FOUNDATION

England & Wales - Charity number 258583

Accounts

THE BARING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Company number 950696
Charity number 258583

THE BARING FOUNDATION

CONTENTS

	Page
Trustees' Report	1 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 22

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT**

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 CBE	Chair
	Shauneen Lambe	Vice Chair (until June 2023)
	Dr Rob Berkeley MBE	Vice Chair (from June 2023)
	Ashley Coombes	Treasurer
	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 2022. 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 (until June 2023)
Victoria Amedume MBE	Chair of the Arts Committee
Dr Rob Berkeley MBE	
Ashley Coombes	
Lucy de Groot CBE	Chair of the Board and Chair of the Nominations Committee
David Elliott (until June 2023)	
Andrew Hind CB (until June 2022)	
James Jenkins	Chair of the Investment Committee
Poonam Joshi (until May 2022)	Chair of the international Committee (Until May 2022)
Shauneen Lambe	Chair of the Strengthening Civil Society Committee (from June 2023)
Dipuo Virginia Magwaza (from March 2022)	
Pontso Mafethe (from June 2022)	Chair of the International Committee (from June 2022)
Toby Nangle (from June 2023)	
Jillian Popkins	
Rhys Pullen	Chair of the Audit Committee
Judith Robertson (from June 2022)	
Sam Thorne	
Emebet Wuhib-Mutungi	

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 2022 Pontso Mafethe and Judith Robertson were elected as Members of the Board. The appointment, in March 2022, of Dipuo Virginia Magwaza as a Member of the Board was noted. Rob Berkeley, Rhys Pullen and Emebet Wuhib-Mutungi retired by rotation and were re-elected as Members of the Board. In June 2022 Andrew Hind retired from the Board and Poonam Joshi 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 2022 the Board had seven subcommittees; three for grant programmes, Investment, Audit, Remuneration and Nominations.

Structure, governance and management (con't)

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 93 new grants during the year to the value of £3,334,240 (see note 8). These were: 10 Arts and Mental Health programme grants totaling £376,261; 14 Arts and Mental Health Racial Justice grants totaling £700,338; 6 International Development grants totaling £1,149,682, 11 Strengthening Civil Society programme grants totaling £884,389 and four Strengthening Civil Society Racial Justice grants totaling £137,000. Two grants, which were outside the above-mentioned programmes, were made totaling £20,000. In addition to this the Foundation made 46 grants to existing grantees, over all the grant programmes, as an extra payment to cover costs relating to increasing inflation, totalling £66,570.

Of those 93 grants agreed during 2022, £1,495,437 had been paid by the end of the year; a further £2,111,671 was paid as a result of grant decisions made in previous years.

The Foundation is a member of 360 Giving and 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. The main initiative we took this year was to make top up grants to current grantees now experiencing much higher rates of inflation than anticipated when we first funded their work. After the unwelcome interlude of Covid and lockdowns we welcomed being in more personal touch with grantees through visits including to Africa and events. We organised a three day residential for our Strengthening Civil Society grant partners and an all day gathering at the splendid new theatre, Brixton House for arts partners.

The main focus of our Arts programme continued to be people living with mental health problems (our programme starting in 2020) as well as very occasional funding for 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 year through an open grant round we made 13 grants to Global Majority Led arts organisations to diversify the creative health workforce, building on the 25 grants we made last year to anti-racist organisations. While most of our funding was spent in this way, a small number of other strategic grants were given. We match funded Creative Scotland, alongside ongoing partnership funds from previous years to the Greater London Authority and the Arts Council Wales. Among other publications in this area we launched Creatively Minded and at the Museum, updated our Directory and commissioned research into creativity with people with severe and enduring mental health problems as well a report on the field called "From Surviving to Thriving". As regards our smaller legacy programme, 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 national Arts in Care Homes Day and published a report on the need for a systems approach to arts in care homes called "Every Care Home A Creative Home". Through the generous help of the Finnish Institute we were involved in a four nations tour of the UK and Ireland showcasing creative ageing in Finland.

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 while suffering greatly including through scapegoating and attacks. We published 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. These underpinned our refreshed strategy. Throughout the year we maintained our funding to African civil society through our three regional partners in East, West and Southern Africa, including by awarding over £1 million to The Other Foundation (Southern Africa) and ISDAO (West Africa). This was also the third 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. We were disappointed by the cancellation by the Government of a major international conference to be held in London on LGBTI rights which we hoped would mark a new level of commitment to funding in this area. However we have continued to advocate the need for the Government to make a more proportionate contribution to this field as set out in our report The Safe To Be Me Fund.

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 Esmée Fairbairn Foundation. Our conviction as to the centrality of expert legal organisations or 'hubs' working with other voluntary organisations was given expression through awarding four continuation grants to current hub grant partners. Secondly we focused on racial inequity within the criminal justice system to make four new grants to anti-racist organisations to add to 13 last year. We have given a major grant to the Law Centres Network to develop a project to support law centres to adopt the hub model of social change in Liverpool, Ipswich and Chesterfield. In Scotland we have given a significant grant to the Human Rights Consortium to develop a strong collective civil society voice for a human rights framework, while in England we remained concerned regarding potential threats to our current human rights legislation.

Full details of the Foundation's programmes and of the grants agreed during 2022 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 increased 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 increased to 4%.

Calendar year 2022 was an unusual year for many reasons and one that led the investment portfolio to suffer very disappointing performance. Even though equity markets did start to stabilise, and to recover lost ground in the final quarter of the year, in aggregate, it was an extremely difficult year for nearly all investment asset classes.

The MSCI World registered a decline of 8.4%, the S&P 500 also fell 8.4%, MSCI Europe fell 8.2%, Topix Japan fell 4.0%, MSCI Emerging Markets fell 10.2%, and, amongst the major global indices, only the FTSE All Share managed to post a positive return, but even that was fairly miserable, rising only 0.3% (all in Sterling terms). From a sector perspective only the energy sector managed to post positive returns as the turmoil in global energy markets drove investors to hedge themselves against losses across most other sectors. And if the risk-off mood of equity markets was understandable, particularly in light of the Russian invasion of Ukraine, it was the even worse performance of supposedly lower risk fixed income assets like gilts and corporate bonds, falling by 23.8% and 19.9% respectively, in reaction to a significant increase in interest rate expectations around the world, which provided so little solace to asset allocators in 2022. To round out the picture UK property fell by 10% during the calendar year. So truly a bleak picture for those attempting to generate absolute returns, let alone absolute returns well in excess of CPI.

Against this pernicious investment backdrop, the Baring Foundation's investment managers performance relative to their relative benchmarks was also generally poor. The greatest pain point was seen across the Baillie Gifford equity portfolios, especially those that have a committed style tilt towards growth, and this was the style factor that came under the greatest selling pressure due to the inflationary backdrop and rising interest rates. In aggregate the Baillie Gifford portfolios underperformed their combined benchmark by 11%, compounding the weak absolute returns. The UK Alpha Fund was especially weak, lagging its FTSE All Share benchmark by 25%, the two growth-tilted global funds of Paris-Aligned Global Alpha and Positive Change each underperformed by ~14%, whilst the more recent addition of the Responsible Global Equity Income Fund saw ~1% relative outperformance. The Sterling Aggregate Bond Fund underperformed by ~1%. However, the Charities Properties Fund was the standout positive relative contributor, outperforming its benchmark by ~5% over the twelve months to end of calendar 2022.

Net assets at the 2022 year-end were £99 million (2021: £124.8 million)

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 is to achieve a minimum average annual return on investments of 4% plus CPI net of management fees. 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 £99 million at 31 December 2022 meets this reserves policy.

Social investments

The Foundation holds a social investment in Charity Bank valued at £47,650 at 31 December 2022 (2021 : £43,300).

Plans

In 2024 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 :

1. Return from investments falls short of targeted levels.

Investments are diversified between asset classes in line with professional advice from Stanhope who monitor performance of overall portfolio and individual managers. The Investment Committee routinely reviews the performance of investments and asset mix.

2. Programme strategies or funding criteria unclear.

Programmes are explained in detail on website and open round funding guidelines are put in place for each new call. Staff publicise funding opportunities and respond to queries from applicants.

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.

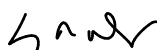
As far as the trustees are aware:

- 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 2022 was 15 (2021 – 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 12 September 2023 and signed on their behalf by



.....
Lucy de Groot CBE - Chair

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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2022 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; and
- . 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 charity 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. 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 (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- . the strategic report and the directors' report included within the Trustees' Report have 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 the 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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to 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.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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: 22 September 2023

THE BARING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

		Restricted Funds £	Unrestricted Fund £	Total 2022 £	Total 2021 £
	Notes				
INCOME FROM:					
Donations					
- Contributions to programmes	2	400,000	-	400,000	400,000
- Donated services	3	-	101,702	101,702	75,692
Investments	4	-	1,956,154	1,956,154	1,805,727
Other		-	-	-	370
Total income		<u>400,000</u>	<u>2,057,856</u>	<u>2,457,856</u>	<u>2,281,789</u>
EXPENDITURE ON:					
Raising Funds					
- Investment Management		-	457,088	457,088	553,773
Charitable Activities					
- Strengthening Civil Society programme		400,000	965,128	1,365,128	2,549,029
- Arts programme		-	1,279,736	1,279,736	1,351,462
- International Development programme		-	1,257,903	1,257,903	528,933
- Special initiative		-	86,570	86,570	44,906
- Other charitable work		-	83,460	83,460	149,528
Total expenditure	5	<u>400,000</u>	<u>4,129,885</u>	<u>4,529,885</u>	<u>5,177,631</u>
Net (expenditure) before investment gains		-	(2,072,029)	(2,072,029)	(2,895,842)
Net (Losses)/gains on investments	10, 11	-	(23,681,971)	(23,681,971)	7,654,499
Net (expenditure)/income and net movement in funds	17	-	(25,754,000)	(25,754,000)	4,758,657
Total funds brought forward		-	124,779,514	124,779,514	120,020,857
Total funds carried forward		<u>-</u>	<u>99,025,514</u>	<u>99,025,514</u>	<u>124,779,514</u>

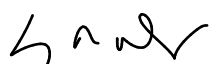
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

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 2022

	Note	2022	2021
		£	£
FIXED ASSETS			
Investments	10	95,409,261	124,827,319
Social investments	11	47,650	43,300
		<u>95,456,911</u>	<u>124,870,619</u>
CURRENT ASSETS			
Cash at bank and on deposit		6,411,911	3,055,281
Debtors	12	100,000	100,000
		<u>6,511,911</u>	<u>3,155,281</u>
LIABILITIES			
Creditors: amounts due within one year	13	(1,909,539)	(2,662,050)
		<u></u>	<u></u>
NET CURRENT ASSETS		4,602,372	493,231
TOTAL ASSETS LESS CURRENT LIABILITIES		100,059,283	125,363,850
Creditors: amounts due after more than one year	14	(1,033,769)	(584,336)
		<u></u>	<u></u>
NET ASSETS	16	<u>99,025,514</u>	<u>124,779,514</u>
FUNDS	17		
Restricted funds		-	-
Unrestricted funds			
- Revaluation fund		42,891,164	65,202,745
- General funds		56,134,350	59,576,769
		<u></u>	<u></u>
Total funds		<u>99,025,514</u>	<u>124,779,514</u>

Approved by the trustees and signed on 12 September 2023 on their behalf by:



.....
Lucy de Groot CBE
Chair



.....
Ashley Coombes
Treasurer

THE BARING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash used in operating activities	(4,331,261)	(3,754,356)
Cashflows from investing activities		
Dividends and interests	1,956,154	1,805,727
Purchase of investments	(5,883,495)	(42,176,252)
Proceeds from sale of investments	11,615,229	45,285,139
Net cash provided by investing activities	7,687,888	4,914,614
Change in cash and cash equivalents in the reporting period	3,356,630	1,160,258
Cash and cash equivalents at the beginning of the reporting period	3,055,281	1,895,023
Cash and cash equivalents at the end of the reporting period	6,411,911	3,055,281

NOTES TO THE CASH FLOW STATEMENT

	2022 £	2021 £
Reconciliation of net expenditure to net cash outflow from operating activities		
Net (Expenditure)/income for the reporting period	(25,754,000)	4,758,656
(Increase) in debtors	-	
(decrease)/Increase in creditors	(303,078)	947,213
Dividends and interest	(1,956,154)	(1,805,727)
Losses/(Gains) on investments	23,681,971	(7,654,499)
Net cash (used in) operating activities	(4,331,261)	(3,754,356)
Analysis of cash and cash equivalents		
Cash at bank and on deposit	6,411,911	3,055,281
	6,411,911	3,055,281

Changes in net debt	At 1 January	Cash Flows	At 31 December
	2022		2022
	£	£	£
Cash at bank and on deposit	3,055,281	3,356,630	6,411,911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, on this basis, the support costs were apportioned as follows:

Governance	14%
Investment management	4%
Strengthening Civil Society programme	34%
Arts programme	24%
International Development programme	13%
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates, along with their underlying assumptions, are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following critical judgement has been made in the process of applying the Charity's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy (e).

The following is the key area of estimation uncertainty identified by management:

Valuation of donated services as detailed within accounting policy (b).

(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 2022

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 Esmée Fairbairn Foundation jointly funded the Strengthening Civil Society programme in 2022, each providing £200,000.

3. Donated Services

	2022 £	2021 £
Services donated by ING Bank NV:		
Premises and facilities	101,702	75,692
	<u>101,702</u>	<u>75,692</u>

4. Income from Investments

	2022 £	2021 £
Income from investments	1,943,053	1,805,513
Bank interest	13,101	214
	<u>1,956,154</u>	<u>1,805,727</u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Total Expenditure - 2022

	Investment Management	Strengthening Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2022
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	451,398	451,398
Grants payable (note 8)	-	1,021,389	1,076,599	1,149,682	86,570	-	-	-	3,334,240
Investment managers' fees	392,163	-	-	-	-	-	-	-	392,163
Auditors' remuneration (note 6)	-	-	-	-	-	-	14,880	-	14,880
Other support costs	-	100,430	36,213	17,804	-	-	-	145,653	300,100 *
Investment consultants' fees	37,105	-	-	-	-	-	-	-	37,105
	429,268	1,121,819	1,112,812	1,167,486	86,570		14,880	597,051	4,529,886
Allocated support costs	23,882	197,027	143,292	77,617	-	71,646	83,586	597,051	-
Allocated governance costs	3,938	32,494	23,632	12,800	-	11,814	(98,466)	-	-
Total expenditure	457,088	1,351,340	1,279,736	1,257,903	86,570	83,460 **		-	4,529,886

* Note £101,702 (2021: £75,692) of the £145,653 (2021: £115,954) "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 2022

5 a. Total Expenditure - 2021

	Investment Management	Strengthening 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 2022

6 Net Expenditure for the Year

	2022 £	2021 £
This is stated after charging:		
Trustees' reimbursed expenses	2,511	-
Auditors' remuneration		
- For audit of the financial statements	14,700	12,600
- Other services	18,000	16,500

2022 Audit Fee £14,700 (gross of VAT), £12,250 (net of VAT).

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs of £2,511 (2021: £Nil) relating to attendance at meetings. No trustees have been remunerated for their role.

7. Staff Costs and Numbers

	2022 £	2021 £
Staff costs were as follows:		
Salaries and wages	356,171	333,970
Social security costs	42,119	37,282
Pension contributions	53,108	49,886
	451,398	421,138

Key management and salary pension

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

£100,000 - £110,000 - David Cutler - Director salary £100,250 (2021: £96,681), employer's NI £13,507 (2021: £12,089) and pension £17,544 (2021: £16,732).

£70,000 - £79,999 - David Sampson - Deputy Director salary (4.5 days per week) £76,104 (2021: 70,980), employer's NI £9,780 (2021: £8,542) and pension £9,513 (2021: £8,904).

The average number of staff during the year was: 6 (2021: 6).

The number of staff earning over £60,000 in the year was 2 (2021: 2).

8. Grants Payable

	2022 £	2021 £
The grants payable figure in 2022 comprises:		
Grants made in the year	3,334,240	3,962,472
	3,334,240	3,962,472

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 2022**

10. Investments	2022	2021
	£	£
Market value of investments at 1 January 2022	124,827,316	120,282,957
Disposals at market value	(11,615,229)	(45,285,139)
Additions at cost	5,883,495	42,176,252
Net (Losses)/gain on investments	(23,686,321)	7,653,249
Market value of investments at 31 December 2022	95,409,261	124,827,319
Historical cost of investments at 31 December 2022	100,810,922	102,181,315
Pooled Investments comprise	2022	2021
	£	£
UK	95,394,053	124,809,706
Non UK	15,208	17,613
	95,409,261	124,827,319
11. Social Investments	2022	2021
	£	£
Opening carrying value	43,300	42,050
Net gain on investments	4,350	1,250
Closing carrying value	47,650	43,300
Held as:		
Investments	47,650	43,300
£47,650 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.		
12. Other Debtors and Accrued Income	2022	2021
	£	£
Accrued contributions to programmes and income in investment funds	100,000	100,000

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Creditors: Amounts due within one year

	2022 £	2021 £
Grants authorised but not yet paid	1,766,287	2,488,586
Other creditors	143,252	173,464
	<u>1,909,539</u>	<u>2,662,050</u>

14. Creditors: Amounts due after more than one year

	2022 £	2021 £
1-2 years - grants authorised but not yet paid	1,033,769	584,336
	<u>1,033,769</u>	<u>584,336</u>

15. Related party transactions

As is usual in a grantmaking foundation, a number of the trustees, staff and advisors of the Baring Foundation are involved in other charities, either as staff or volunteers. The charity holds a record of all conflicts of interest and where trustees, staff and advisors have a conflict of interest they have no part in the decision making process. The following trustees/staff had conflicts of interest in 2022.

Lucy de Groot is a board member of New Philanthropy Capital, one of the Foundation's learning partners. (The Foundation has a contract with New Philanthropy Capital until the end of 2024 to pay £34,000 p.a).

Shauneen Lambe is a co-founder and consultant at Just for Kids Law (a grant of £30,000 was agreed in 2022).

Vicki Amedume declared a conflict of interest in The Albany (a grant of £59,000 was agreed in 2022).

Daniel Regan, an adviser to the Arts programme, declared a conflict of interest in Tamasha Theatre Company (a grant of £45,732 was agreed in 2022).

David Sampson, Deputy Director, is Co-Chair of the Global Philanthropy Project (a grant of £30,000 was agreed in 2022). He also declared a conflict of interest in relation to Initiative Sankofa d'Afrique de l'Ouest as a friend of the organisation's Director of Programmes (a grant of £525,000 was agreed in 2022).

Jannat Hossain, Programmes Officer, is a co-opted member of the City Bridge Trust Committee. (There were discussions regarding joint funding).

THE BARING FOUNDATION

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

16. Analysis of Net Assets Between Funds - 2022

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2022 £
Investments	-	42,891,165	52,565,746	95,456,911
Net current assets	-	-	4,602,372	4,602,372
Creditors: amounts due after more than one year	-	-	(1,033,769)	(1,033,769)
Net assets at the end of the year	-	42,891,165	56,134,349	99,025,514

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

17. Net Movement in Funds - 2022

	At the start of the year £	Income £	Expenditure/ gains on investments £	At the end of the year £
Restricted funds				
Strengthening Civil Society	-	400,000	(400,000)	-
Total restricted funds	-	400,000	(400,000)	
Unrestricted funds				
Revaluation reserve	65,202,745	-	(22,311,581)	42,891,164
General funds	59,568,769	2,057,856	(5,492,275)	56,134,350
Total unrestricted funds	124,771,514	2,057,856	(27,803,856)	99,025,514
Total funds	124,771,514	2,457,856	(28,203,856)	99,025,514

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 - 2021

	At the start of the year	Income	Expenditure/ losses 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	120,020,857	1,881,788	2,860,869	124,779,514	
Total funds	120,028,857	2,281,788	2,452,869	124,779,514	

THE BARING FOUNDATION

England & Wales - Charity number 258583

Accounts

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

Company number 950696
Charity number 258583

-

THE BARING FOUNDATION

CONTENTS

	Page
Trustees' Report	1 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 22

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT**

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 Shauneen Lambe David Elliott Ashley Coombes David Cutler	Chair Vice Chair Treasurer (to 31 December 2021) Treasurer (from 1 January 2022) Secretary
Principal Staff	David Cutler David Sampson	Director 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-Mutungi	

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 Esmée 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.

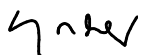
As far as the trustees are aware:

- 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

		Restricted Funds £	Unrestricted Fund £	Total 2021 £	Total 2020 £
	Notes				
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>

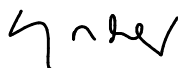
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

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	17		
Restricted funds		-	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

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

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 Esmée 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
	75,692	78,334

4. Income from Investments

	2021 £	2020 £
Income from investments	1,805,513	1,740,149
Bank interest	214	2,592
	1,805,727	1,742,741

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
	524,873	2,372,987	1,226,144	459,029	44,906	-	12,600	537,092	5,177,631
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	553,773	2,549,029	1,351,462	528,933	44,906	149,528 **	-	-	5,177,631

* 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
	465,683	1,760,031	982,844	1,675,555	-	-	12,000	545,573	5,441,686
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	494,991	1,938,629	1,109,973	1,746,435	-	151,658 **	-	-	5,441,686

* 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
Auditors' remuneration		
- For audit of the financial statements	12,600	12,000
- Other services	16,500	15,900

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
	421,138	396,926

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)
	3,962,472	4,292,725

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>
	<u>102,181,315</u>	<u>76,525,282</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
£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.		
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	

THE BARING FOUNDATION

England & Wales - Charity number 258583

Accounts

**THE BARING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Company number 950696
Charity number 258583**

THE BARING FOUNDATION

CONTENTS

	Page
Trustees' Report	1 - 7
Independent Auditor's Report	8 - 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 23

**THE BARING FOUNDATION
TRUSTEES' ANNUAL REPORT**

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 Shauneen Lambe David Elliott David Cutler	Chair Vice Chair Treasurer Secretary
Principal Staff	David Cutler David Sampson	Director Deputy Director
Bankers	Royal Bank of Scotland Bolton Customer Services P.O. Box 2027 Parklands De Havilland Way Bolton BL6 4YU	
Solicitors	Bates Wells & Braithwaite 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 2020. The trustees who served during the year and up to the date of this report were as follows:

Asif Afridi (from June 2020)
Victoria Amedume
Dr Rob Berkeley MBE
Lucy de Groot CBE
David Elliott
Andrew Hind CB
James Jenkins
Poonam Joshi

Shauneen Lambe
Francois Matarasso
Janet Morrison OBE (until June 2020)
Jillian Popkins (from June 2020)
Rhys Pullen
Marie Staunton CBE (until June 2020)
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 2020 Asif Afridi and Jillian Popkins were elected as Members of the Board, Victoria Amedume, Lucy de Groot, Andrew Hind, James Jenkins, Poonam Joshi, Shauneen Lambe and Francois Matarasso retired by rotation and were re-elected as Members of the Board, Janet Morrison retired and Marie Staunton 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 2020 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 normally work from office accommodation in central London generously provided pro bono by ING Bank. However due to the pandemic all staff have been working remotely from home since mid-March 2020 using digital services provided by ING. This has allowed continuity of operations.

Objectives and activities

Overall the Foundation gave a greater sum of money in 2020 than at any time in the last two decades. In all a total of 161 new grants were agreed during the year to the value of £4,352,725 (see note 8). These included: 91 Arts and Mental Health programme grants totalling £942,000; 16 International Development grants totalling £1,719,215 and 54 Strengthening Civil Society programme grants totalling £1,691,510. Of the grants agreed during 2020, £2,948,846 had been paid by the end of the year; a further £741,270 was paid as a result of grant decisions made in previous years.

Our approach to grant making is bespoke to each grant programme and the opportunities which we see as available in each field. They change over time and will continue to evolve. This was especially true in 2020. In response to the pandemic the trustees quickly took three decisions. Firstly, all grantees were contacted and reassured that we would continue our pledged support and make this as flexible as possible. Secondly it was decided to continue to work within our established grant making themes. Lastly each theme was examined to make our funding as relevant as possible to the needs exposed by the pandemic.

The Arts programme focused on two groups of people who seemed to be bearing the brunt of the terrible pandemic; people living with mental health problems (our new programme starting in 2020) and older people, including those in care homes and those living with dementia (our legacy programme). Given the stresses placed on arts organisations in particular in this period, it was decided to try to make our grant making as simple and flexible as possible, reducing unsuccessful applications. We did this by making unrestricted grants of £8,000 or £12,000 to arts organisations specializing in offering creative opportunities to people living with mental health problems. This resulted in 87 grants mainly to small organisations and widely spread across the UK using a variety of art forms. Alongside this we made a small number of more strategic grants by invitation and published two reports, exploring a field which is new to us. The first, Creatively Minded attempted to map the field and the second, Creatively Minded and Young looked at provision for children and young people, which seems sparser than for adults.

We have a number of ongoing grants from our ten year focus on arts and older people up until the end of 2019. The portfolio of grants for this work stretches across the UK and in 2020 included a grant to set up a new sector support body in England hosted by Manchester Museums and called the Creative Ageing Development Agency. The response of the arts sector to the privations and threats that many older people were living under in the pandemic was humbling and we published a new report seeking to document this called Key Workers: Creative Ageing in Lockdown and After

Our International Programme since 2014 has focused on the rights of Lesbian Gay Bisexual Transgender and Intersex (LGBTI) people, especially women, in Africa. As usual the majority of our funding went directly to African civil society through our three regional partners in East, West and Southern Africa. Our partners have been working out at a local level how their funding can best respond to the context of the pandemic in each country where LGBTI people are in some instances further stigmatised or scapegoated. In anticipation of the role of the UK Government in leading an intergovernmental conference on LGBTI rights we commissioned a report Leading the Way: The Role of Global Britain in Safeguarding the Rights of Global LGBTI Communities. This argued that the UK should take a lead internationally by committing resources to these communities and we were delighted by the Government's enthusiastic response to this case.

Immediately before the March lockdown, trustees considered an independent evaluation of the first five years of the Strengthening Civil Society programme focusing on the use by civil society of the law as a tool for social change. This programme is supported by the Esmée Fairbairn Foundation and the Legal Education Foundation. It was decided to continue the programme framed as developing the legal literacy of the voluntary sector with a concentration on access to public law, geography and leadership.

However, in the short term our grantmaking needed to respond to the impact of the pandemic. It did this in two main ways. Current grantees were given modest grants to either respond to increased need for advice or direct organizational impacts such as needing new digital equipment. Beyond this 17 grants were made through open access funding to use the law to challenge government legislation concerning the public health crisis which might exacerbate discrimination. In addition to this funding the Foundation made other grants including in support of a multi-donor project for improved immigration advice called the Justice Together Initiative and grants to support additional work by voluntary organisations resultant from successful strategic litigation.

There were a number of discussions held by trustees in response to the Black Lives Matters protests in the summer. The Foundation took the view that these were an important call to action for society to take a more effective approach to longstanding and systemic racial injustice. After considering a number of options the Foundation agreed to prioritise its work on racial justice by ring fencing at least an additional £3 million from 2021 – 2025 for work within its current programme areas as well as an ongoing exploration as to how we can improve our grantmaking in this regard. This is over and beyond commitments we have already made in tackling racial discrimination.

Full details of the Foundation's programmes and of the grants agreed during 2020 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. Since 2020 that percentage has been 3.77%. To meet our cash requirements our principal fund manager normally distributes 3.5% of the current value of the portfolio each year, in quarterly instalments, although, in recent years, including 2020, when markets have been exceptionally strong, we have occasionally waived an element of that distribution.

That was why income last year was marginally below the previous year despite the growth in the value of our investments. Expenditure, however, increased by 44% to some £5.4 million (2019 £3.586 million) reflecting, in particular, significantly increased grants awarded under the International and Strengthening Civil Society programmes. Grants disbursed during the year of £4.2 million were 80% higher than in 2019.

The increased expenditure was outweighed by the exceptional gains in the value of the investment portfolio which grew by more than £20 million over the calendar year, a return of 22.0%, well in excess of our long-term objective of 3.5% plus inflation. This represented a second consecutive year of substantial outperformance. 2020 was another remarkable period with a significant drawdown in global equity markets in the first quarter, followed up by a rapid and sustained recovery in most asset classes through the next three quarters. Equities led the way throughout the year with the MSCI World rising 12.6% and nearly all major equity markets posted positive returns, led by the U.S. and Emerging Markets. However, the main laggard was the FTSE All Share, which fell by nearly 10%, as it struggled to deal with pandemic-related shutdowns and Brexit-related concerns. During the last quarter of the year, with the announcement of effective vaccines against COVID-19 equity markets saw a shift in leadership with growth stocks faltering in favour of value stocks that had been hardest hit by the COVID-19 pandemic, which led to some recovery for the U.K. equity market. Over the year both gilts and corporate bonds posted high single digit returns as markets responded to unprecedented global stimulus measures by global central banks. In particular, strong stock selection within Global and U.K. equities again drove the overall portfolio's outperformance, with both allocations beating their benchmarks by 24.4% and 5.3% respectively. The outperformance within Global Equities was spearheaded by an outstanding period of outperformance by the Baillie Gifford Positive Change Fund. The portfolio also recorded outperformance from both the bond (since inception at end of first quarter) and property allocations as well. In light of this strong performance in 2020, the combined Baring Foundation portfolio continues to achieve its long-term objective over all longer-term rolling periods and has also performed strongly compared to the peer group average since inception.

During 2020 the asset allocation of the Baillie Gifford portfolio saw some rebalancing within the global equity exposure, with an increased exposure to more ESG-focused strategies, and the U.K. equity exposure was reduced in the last quarter of the year to increase our allocation to property. The bond exposure was also switched into the Sterling Aggregate Bond Fund at the end of the first quarter. Baillie Gifford currently manage around 89% of the funds, including both equity and fixed interest securities, and the Charities Property Fund around 10%, 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 long-term horizon of the portfolio and of the Foundation.

Net assets at the year-end were £120.0 million (2019: £102.7 million). Despite ongoing problems in controlling the COVID-19 virus in Europe and the U.S., markets have marked a positive start to 2021, as confidence builds that vaccination programmes will enable a path out of the crisis. In addition, there is optimism that a change of leadership in the White House will enable both a more globally co-ordinated recovery and accelerate positive climate-focused initiatives. The Foundation's portfolio continues to make good progress with continued outperformance from our managers. As at 31 May 2021, the total portfolio value was £120.9 million, which is 0.78% higher than the value at the balance sheet date, 31 December 2020.

Responsible Investment Policy

In March 2019 trustees updated their policy on responsible investment as follows:

We recognise that both our investment decisions and grant making have an impact on society and the environment. Consequently, we expect our investment managers to encourage the businesses in which they invest on our behalf, to make a positive contribution to environmental, social and governance (ESG) issues. We believe this approach will enable the Foundation to continue to generate attractive long term returns and provide liquidity for continuity of grant making in real terms. We will ask our investment managers to brief us regularly about the specific engagement initiatives they have undertaken with businesses in which they invest, aiming to ensure that ESG issues are handled in a way which aligns both with the purpose and values of the Foundation and our grant recipients. We will seek to use the UN Sustainable Development Goals (SDGs) as a framework for observing the impact of our investments.

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 is to achieve a minimum average annual return on investments of 3.5% plus RPI net of management fees. 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 £120.0 million at 31 December 2020 meets this reserves policy.

Social investments

The Foundation holds a social investment in Charity Bank valued at £42,050 at 31 December 2020.

Plans

In 2021 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. Within these themes the Foundation will respond flexibly to the effects of the Covid 19 pandemic. This will be through carefully listening to civil society working in these areas and assessing the complex and profound impacts of the virus on society, particularly on the most disadvantaged. In addition, the Foundation will spend at least a further £600,000 focusing on racial justice through our Arts and Strengthening Civil Society programmes.

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 BARING FOUNDATION
TRUSTEES' ANNUAL REPORT**

- 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 2020 was 14 (2019 – 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 22 June 2021 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 2020 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 2020 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:

THE BARING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

		Restricted Funds £	Unrestricted Fund £	Total 2020 £	Total 2019 £
	Notes				
INCOME FROM:					
Donations					
- Contributions to programmes	2	408,000	-	408,000	415,000
- Donated services	3	-	78,334	78,334	81,184
Investments	4	-	1,742,741	1,742,741	1,834,195
Other		-	5,150	5,150	-
Total income		408,000	1,826,225	2,234,225	2,330,379
EXPENDITURE ON:					
Raising Funds					
Investment Management		-	494,991	494,991	482,788
Charitable Activities					
Strengthening Civil Society programme		400,000	1,538,629	1,938,629	1,343,113
Arts programme		-	1,109,974	1,109,974	984,555
International Development programme		-	1,746,436	1,746,436	607,478
Special initiative		-	-	-	15,337
Other charitable work		-	151,656	151,656	152,823
Total expenditure	5	400,000	5,041,686	5,441,686	3,586,094
Net income/(expenditure) before investment gains		8,000	(3,215,461)	(3,207,461)	(1,255,715)
Net gains on investments	10, 11	-	20,547,359	20,547,359	17,649,714
Net income and net movement in funds	17	8,000	17,331,898	17,339,898	16,393,999
Total funds brought forward		-	102,680,959	102,680,959	86,286,960
Total funds carried forward		8,000	120,012,857	120,020,857	102,680,959

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 2020**

	Note	2020	2019
		£	£
FIXED ASSETS			
Investments	10	120,282,957	102,312,633
Social investments	11	42,050	42,750
		<u>120,325,007</u>	<u>102,355,383</u>
CURRENT ASSETS			
Cash at bank and on deposit		1,895,023	1,968,607
Debtors	12	100,000	15,000
		<u>1,995,023</u>	<u>1,983,607</u>
LIABILITIES			
Creditors: amounts due within one year	13	(1,743,742)	(1,005,629)
		<u></u>	<u></u>
NET CURRENT ASSETS		251,281	977,978
TOTAL ASSETS LESS CURRENT LIABILITIES		120,576,288	103,333,361
Creditors: amounts due after more than one year	14	(555,431)	(652,402)
		<u></u>	<u></u>
NET ASSETS	16	<u>120,020,857</u>	<u>102,680,959</u>
FUNDS	17		
Restricted funds		8,000	-
Unrestricted funds			
- Revaluation fund		60,553,735	42,091,885
- General funds		59,459,122	60,589,074
		<u></u>	<u></u>
Total funds		<u>120,020,857</u>	<u>102,680,959</u>

Approved by the trustees and signed on 22 June 2021 on their behalf by:

.....
Lucy de Groot CBE
Chair

.....
David Elliott
Treasurer

THE BARING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Cash used in operating activities	(4,394,060)	(2,672,003)
Cashflows from investing activities		
Dividends and interests	1,742,741	1,834,195
Purchase of investments	(37,632,500)	(20,937,199)
Proceeds from sale of investments	40,299,615	21,445,502
Net cash provided by investing activities	4,320,476	2,342,498
Change in cash and cash equivalents in the reporting period	(73,584)	(329,505)
Cash and cash equivalents at the beginning of the reporting period	1,968,607	2,298,112
Cash and cash equivalents at the end of the reporting period	1,895,023	1,968,607

NOTES TO THE CASH FLOW STATEMENT

	2020	2019
	£	£
Reconciliation of net expenditure to net cash outflow from operating activities		
Net income for the reporting period	17,339,898	16,393,999
(Increase) in debtors	(85,000)	(15,000)
Increase in creditors	641,142	432,907
Dividends and interest	(1,742,741)	(1,834,195)
(Gains) on investments	(20,547,359)	(17,649,714)
Net cash (used in) operating activities	(4,394,060)	(2,672,003)
Analysis of cash and cash equivalents		
Cash at bank and on deposit	1,895,023	1,968,607
	1,895,023	1,968,607

Changes in net debt	At 1 January	Cash Flows	At 31 December
	2020		2020
	£	£	£
Cash at bank and on deposit	1,968,607	(73,584)	1,895,023

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 premises and facilities donated by ING Bank N.V. London Branch. (See note 1b)

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 2020, on this basis, the support costs were apportioned as follows:

Governance	4%
Investment management	5%
Strengthening Civil Society programme	31%
Arts programme	22%
International Development programme	12%
Other charitable work	26%

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(g) **Unrestricted funds**

Unrestricted funds are income receivable or generated for the objects of the charity.

(h) **Going concern**

Having considered the implications of Covid-19, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020, each providing £200,000. Rayne Foundation £8,000 joint funding for reprinting of The Treasury of Arts Activities for Older People, due to be paid out in 2021.

3. Donated Services

	2020	2019
	£	£
Services donated by ING Bank NV:		
Premises and facilities	78,334	81,184
	<u>78,334</u>	<u>81,184</u>
	<u><u>78,334</u></u>	<u><u>81,184</u></u>

4. Income from Investments

	2020	2019
	£	£
Income from investments	1,740,149	1,828,993
Bank interest	2,592	5,202
	<u>1,742,741</u>	<u>1,834,195</u>
	<u><u>1,742,741</u></u>	<u><u>1,834,195</u></u>

THE BARING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. 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>494,991</u>	<u>1,938,629</u>	<u>1,109,973</u>	<u>1,746,435</u>	<u>-</u>	<u>151,658 **</u>	<u>-</u>	<u>-</u>	<u>5,441,686</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 2020

5 a. Total Expenditure - 2019

	Investment Management	Strengthening Arts Civil Society programme	Arts Programme	International Programme	Special Initiative	Other charitable work	Governance	Support Costs	Total 2019
	£	£	£	£	£	£	£	£	£
Staff costs (note 7)	-	-	-	-	-	-	-	376,565	376,565
Grants payable (note 8)	-	1,090,485	756,484	520,000	15,000	-	-	-	2,381,969
Investment managers' fees	431,855	-	-	-	-	-	-	-	420,359
Auditors' remuneration (note 6)	-	-	-	-	-	-	11,640	-	11,640
Other support costs	-	72,231	99,667	15,907	-	-	-	174,923	291,367 *
Investment consultants' fees	32,831	-	-	-	-	-	-	-	32,831
	453,189	1,162,716	856,151	535,907	15,000		11,640	551,488	3,586,094
Allocated support costs	27,574	170,961	121,327	66,179	-	143,387	22,060	(551,488)	-
Allocated governance costs	2,022	9,436	7,077	5,392	337	9,436	(33,700)	-	-
Total expenditure	482,786	1,343,113	984,555	607,478	15,337	152,823	-	-	3,586,094

* Note £81,184 (2018: £76,039) of the £174,923 (2018: £196,899) "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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Net Expenditure for the Year

	2020	2019
	£	£
This is stated after charging:		
Trustees' reimbursed expenses	180	559
	<u> </u>	<u> </u>
Auditors' remuneration		
- for audit of the financial statements	12,000	11,640
- Other services	15,900	15,000
	<u> </u>	<u> </u>

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs of £180 (2019: £559) relating to attendance at meetings. No trustees have been remunerated for their role.

7. Staff Costs and Numbers

	2020	2019
	£	£
Staff costs were as follows:		
Salaries and wages	315,865	299,491
Social security costs	34,962	32,978
Pension contributions	46,099	44,096
	<u> </u>	<u> </u>
	396,926	376,565
	<u> </u>	<u> </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 £95,256 (2019: £93,437), employer's NI £11,939 (2019: £11,711) and pension £16,670 (2019: £16,352).

£60,000 - £69,999 - David Sampson - Deputy Director salary (4.5 days per week) £65,203 (2019: £63,958), employer's NI £7,738 (2019: £7,437) and pension £8,150 (2019: £7,995).

The average number of staff during the year was: 6 (2019: 6).

The number of staff earning over £60,000 in the year was 2 (2019: 2).

8. Grants Payable

	2020	2019
	£	£
The grants payable figure in 2020 comprises:		
Grants made in the year	4,352,725	2,399,189
Grants cancelled/written back	(60,000)	(17,220)
	<u> </u>	<u> </u>
	4,292,725	2,381,969
	<u> </u>	<u> </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 2020

10. Investments	2020	2019
	£	£
Market value of investments at 1 January 2020	102,312,633	85,173,072
Disposals at market value	(40,299,615)	(21,445,502)
Additions at cost	37,721,880	20,937,199
Net gain on investments	20,548,059	17,647,864
	<u>120,282,957</u>	<u>102,312,633</u>
Market value of investments at 31 December 2020	<u>120,282,957</u>	<u>102,312,633</u>
	<u>76,525,282</u>	<u>68,616,701</u>
Historical cost of investments at 31 December 2020	<u>76,525,282</u>	<u>68,616,701</u>
Investments comprise	Pooled Funds	2020
	£	£
UK	120,259,907	120,259,907
Non UK	23,050	23,050
	<u>120,282,957</u>	<u>120,282,957</u>
	<u>120,282,957</u>	<u>120,282,957</u>
	Pooled Funds	2019
	£	£
UK	102,234,576	102,234,576
Non UK	78,057	78,057
	<u>102,312,633</u>	<u>102,312,633</u>
	<u>102,312,633</u>	<u>102,312,633</u>
11. Social Investments	2020	2019
	£	£
Opening carrying value	42,750	40,900
Net gain on investments	(700)	1,850
	<u>42,050</u>	<u>42,750</u>
Closing carrying value	<u>42,050</u>	<u>42,750</u>
Held as:		
Investments	42,050	42,750
£42,050 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.		
12. Other Debtors and Accrued Income	2020	2019
	£	£
Accrued contributions to programmes and income in investment funds	<u>100,000</u>	<u>15,000</u>

THE BARING FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Creditors: Amounts due within one year

	2020	2019
	£	£
Grants authorised but not yet paid	1,590,970	871,390
Other creditors	152,772	134,239
	<u>1,743,742</u>	<u>1,005,629</u>

14. Creditors: Amounts due after more than one year

	2020	2019
	£	£
1-2 years - grants authorised but not yet paid	555,431	652,402
	<u>555,431</u>	<u>652,402</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, which are also declared at the beginning of each trustee 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. A grant of £25,656 was awarded to the charity Just For Kids Law in the year, which the Baring Foundation trustee Shauneen Lambe is also connected to. The trustee declared their interest and left the meeting prior to the decision to award the grant.

In 2018 the Foundation and New Philanthropy Capital agreed a contract for New Philanthropy Capital to act as its Learning Partner. The contract was for £30,000 per annum renewable on an annual basis until 2020. Lucy de Groot is a Trustee of New Philanthropy Capital and did not participate in this decision.

16. 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

Analysis of Net Assets Between Funds - 2019

	Restricted Fund £	Revaluation Fund £	General Fund £	Total 2019 £
Investments	-	42,091,885	60,263,498	102,355,383
Net current assets	-	-	977,977	977,978
Creditors: amounts due after more than one year	-	-	(652,402)	(652,402)
Net assets at the end of the year	-	42,091,885	60,589,074	102,680,959

17. Net Movement in Funds - 2020

	At the start of the year £	Income £	Expenditure/ gains 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)	59,459,122
Total unrestricted funds	102,680,959	1,834,225	15,497,673	120,012,857
Total funds	102,680,959	2,242,225	15,190,477	120,020,857

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

18 Net Movement in Funds - 2019

	At the start of the year	Income	Expenditure/ losses on investments	At the end of the year
	£	£	£	£
Restricted funds				
The Independent Inquiry into the Future of Civil Society	-	400,000	(400,000)	-
Arts Programme	-	15,000	(15,000)	-
Total restricted funds	-	415,000	(415,000)	-
Unrestricted funds				
Revaluation reserve	26,639,082	-	15,452,803	42,091,885
General funds	59,647,879	1,915,379	(932,749)	60,589,074
Total unrestricted funds	86,286,960	1,915,379	14,478,620	102,680,959
Total funds	86,286,960	2,330,379	14,063,620	102,680,959