Annual Report & Audited Financial Statements

Butterfield Bank PCC Limited

For the year ended 30 June 2021

Butterfield Bank PCC Limited

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Registered Office of the Company:	Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR
Directors of the Company:	Mr Paul Martin *(Non-executive Director)* - *resigned 31 August 2021* Mr Michel Davy *(Non-executive Director)* Mr Shaun Robert (*Non-executive Director*) Mr Alan Bain (*Non-executive Director*) - *appointed 31 August 2021*
Investment Manager:	Butterfield Bank (Guernsey) Limited *whose registered office is:* Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3AP
Custodian:	Butterfield Bank (Guernsey) Limited *whose registered office is:* Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3AP
Independent Auditor:	BDO Limited *whose address is:* PO Box 180, Place du Pré, Rue du Pré, St Peter Port, Guernsey, GY1 3LL
Administrator, Secretary, Registrar, & Listing Sponsor:	Praxis Fund Services Limited *whose registered office is:* Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR
Legal Advisers:	Carey Olsen (Guernsey) LLP *whose address is:* PO Box 98, Les Banques, St Peter Port, Guernsey, GY1 4BZ
Company Number:	51623 (Registered in Guernsey)

Butterfield Bank PCC Limited
Report of the Directors
For the year ended 30 June 2021

The Directors of Butterfield Bank PCC Limited (the "Company" or the "PCC") are pleased to present herewith their annual report and audited financial statements ("the Financial Statements") for the year ended 30 June 2021.

Incorporation and Stock Exchange Listing
The Company was incorporated in Guernsey on 17 March 2010 and has been authorised as a Class "B" collective investment scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 1987. Since commencement and as at 30 June 2021 the Company has had only one active cell: Butterfield Multi-Asset Fund – GBP Balanced (the "Cell" or "Fund"), which commenced trading on 4 May 2010. Its Class A Participating Redeemable Preference Shares and Class B Participating Redeemable Preference Shares are admitted to the Official List of The International Stock Exchange ("TISE"). On 31 August 2021 Class C Participating Redeemable Preference Shares were admitted to Official List of TISE.

Investment Objective
The investment objective of the Company is to seek to achieve long term capital appreciation. The Company will pursue this objective by investing in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products from around the world.

Results and Dividends
The Statement of Comprehensive Income for the year is set out on page 16. The total comprehensive income for the year amounted to £1,676,415 (30 June 2020 total comprehensive loss of: £184,668). In line with the Company's investment objective and prior years, the Directors are not proposing a dividend for the year under review (30 June 2020: nil).

The Company remains a reporting fund in accordance with the Offshore Funds (Tax) Regulations 2009 as at the effective date of distribution/retention of the reported income.

Total expense ratio

	Year end 30 June 2021		Year end 30 June 2020	
	% of Net Assets		% of Net Assets	
	Class A %	Class B %	Class A %	Class B %
Net operating expenses*	0.92	0.92	0.90	0.90
Management fees	0.73	0.23	0.73	0.23
Total expense ratio**	1.65	1.15	1.63	1.13

**Net operating expenses are the costs of the Company excluding investment gains and losses and withholding tax expenses.*
***The total expense ratio ("TER") represents total operating expenses of the Company, expressed as a percentage of the average net assets for the accounting period.*

Directors
The Directors of the Company who served during the period and to date are listed on page 1.

Directors' Interests
At the date of this report, no Director had a direct interest in the share capital of the Company. Paul Martin held 102,137 (30 June 2020: 102,137) Class B Participating Redeemable Preference Shares at 30 June 2021 in his capacity as trustee to three Guernsey RATS.

Going Concern
After a review of the Company's holdings in cash and cash equivalents, investments and a consideration of the income deriving from, and the viability of, those investments and the factors that may impact its performance, including the potential impact as a result of the COVID-19 pandemic, in the forthcoming year, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements, as the Company has adequate financial resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these Financial Statements.

The Board of Directors are aware that the economic disruption caused by COVID-19 has resulted in adverse economic impacts globally and on the locations in which the Company invests and operates.

The medium and long-term impacts of COVID-19 disruption on the fundamental performance of the Company's investments and on their valuation will depend on the future development of the virus, the effectiveness of vaccines and efficiency of vaccine roll outs, restrictions on, and changes in, consumer behaviour, and mitigating actions taken by governments.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19, its impact on the global economy, businesses locally and across the globe.

The Board of Directors rely on the Investment Managers to manage liquid investment portfolios that ensure the company remains a going concern. It is acknowledged that the portfolios managed by our advisors are made up of predominantly liquid assets and therefore provide a basis for effective cash management. See note 7 for more information on the level of risk and how it is managed. The Directors have concluded that the Company has adequate financial resources and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing these Financial Statements.

Directors' Responsibilities Statement
The Companies (Guernsey) Law, 2008 requires Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and which enables them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008 and The Authorised Collective Investment Schemes (Class B) Rules 2013 made under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the principal documents. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Directors' Statement
The Directors make the following statement:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that all steps have been taken by the Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate Governance
Following the publication by the Guernsey Financial Services Commission (the "GFSC") of the Finance Sector Code of Corporate Governance in September 2011 (re-issued in 2016, effective from 1 April 2016 year ends onwards) (the "Code"), the Directors have considered the effectiveness of their corporate governance practices with regard to the principles set out in the Code. The Directors are satisfied with their degree of compliance with the principles set out in the Code in the context of the nature, scale and complexity of the Company's business.

Anti-Bribery and Corruption
The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. In consideration of the UK Bribery Act 2010, the Board abhors bribery and corruption of any form and expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach.
On discovery of any activity or transaction that breaches the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 or the UK Bribery Act 2010, such discovery will be reported to the relevant authorities in accordance with prescribed procedures. The Company is committed to regularly reviewing its policies and procedures to uphold good business practice.

Criminal Finances Act
The Directors of the Company have a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with them from engaging in criminal facilitation of tax evasion.

Foreign Account Tax Compliance Act
The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of US assets in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury, in order to facilitate the requirements under FATCA. The Company registered with the Internal Revenue Service ("IRS") during 2014 as a Foreign Financial Institution ("FFI") and received a Global Intermediary Identification Number.

Common Reporting Standard
The Common Reporting Standard ("CRS"), formerly the Standard for Automatic Exchange of Financial Account Information, became effective on 1 January 2016. CRS is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development ("OECD"). CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK – Guernsey Inter-Governmental Agreement for the Automatic Exchange of Information and the European Union Savings Directive, and has superseded the UK – Guernsey Inter-Governmental Agreement for the Automatic Exchange of Information with effect from 1 January 2016. Reporting under CRS in Guernsey is completed on an annual basis. Early adopters who signed the Multilateral Agreement (including Guernsey) have made the necessary information exchanges since September 2017.

Alternative Investment Fund Managers Directive
The Alternative Investment Fund Managers Directive (''AIFMD'') is European Union ("EU") legislation aimed at increasing investor protection and reducing systematic risk by creating a harmonised EU framework for managers of alternative investment funds in the EU. The Company is a non-EU Fund with a non-EU Investment Manager and it is listed on a non-EU exchange. As the Company has not sought to raise new capital in the EU, it is not considered to be marketed in the EU, and therefore is not captured by AIFMD.

The Investment Manager
The Company has, pursuant to its powers under the Investment Management Agreement Amended and Restated 23 June 2016 (the "Investment Management Agreement"), appointed the Investment Manager to be responsible for managing the assets of the Company. Under the Investment Management Agreement made between the Company, the Administrator and the Investment Manager, the Investment Manager is responsible for, inter alia, making decisions in relation to the acquisition, holding and disposal of investments for the Company and reviewing the portfolio of the Company periodically.

The Investment Manager's appointment may be terminated at any time by the Company if there is a material breach of the Investment Management Agreement, upon the insolvency, liquidation (save for the purpose of a previously approved winding up) or receivership of the Investment Manager or if the Investment Manager ceases to be qualified to act as such. The Company is also entitled to remove the Investment Manager on 90 days' prior notice to expire at the end of a calendar quarter.

Under the terms of the Investment Management Agreement the Investment Manager is not liable for any acts or omissions in the performance of its services under the Investment Management Agreement in the absence of wilful misconduct, gross negligence, bad faith or fraud and subject thereto the Investment Manager is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.

Administrator
The Company has appointed Praxis Fund Services Limited (the "Administrator") to act as administrator to the Company pursuant to an Administration Agreement dated 23 March 2010 (the "Administration Agreement").

The Administration Agreement may be terminated by either party on not less than six months' notice, or earlier upon certain breaches of the Administration Agreement or the insolvency or receivership of either party or if the Administrator ceases to be qualified to act as such.

Under the terms of the Administration Agreement the Administrator is not liable for any acts or omissions in the performance of its services under the Administration Agreement other than those that are caused by the Administrator's negligence, breach of the Administration Agreement, dishonesty, fraud, wilful neglect, wilful misconduct or bad faith. In the absence of fraud, negligence or willful misconduct on the part of the Administrator or any agent which is an associate of the Administrator, the Administrator is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.

Custodian
Butterfield Bank (Guernsey) Limited (the "Custodian") has been appointed to act as Custodian of the Company by an agreement dated 23 March 2010 (the "Custodian Agreement").

The Custodian Agreement may be terminated by either the Company or the Custodian giving not less than 90 days' notice, or earlier upon certain breaches of the Custodian Agreement or the insolvency or receivership of any party.

The Company has agreed that they shall not hold the Custodian liable for any acts or omissions in the performance of its services under the Custodian Agreement in the absence of wilful misconduct, negligence or fraud and subject thereto to indemnify the Custodian, to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services under the Custodian Agreement.

Status of Taxation
The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption entails payment by the Company of an annual fee of £1,200 for 2021 (30 June 2020: £1,200). It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

The Company has suffered £nil (30 June 2020: £nil) of irrecoverable withholding tax in the year under review.

Scheme Particular Amendments
Pursuant to the requirements of The Authorised Collective Investment Schemes (Class B) Rules 2013, a review of the Company's scheme particulars ("SP") is completed on an annual basis. The last review of the Company's Scheme Particulars was completed on 31 August 2021.

During this August 2021 SP review, the salient updates to the SP included:

- the appointment of Alan Bain
- the agreement that investment manager shall bear, other than fees/expenses of the Investment Manager, the ongoing expenses of the Company and each Cell.
- The launch of the new Class C shares

Independent Auditor
BDO Limited has been appointed as auditor to the Company and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

Shaun Robert
Director

Date: 23 September 2021

The Butterfield Multi-Asset Fund Balanced GBP Class A posted a gain of 13.05% for the twelve months ended 30 June 2021. The Class B units recorded a gain of 13.61% for the same period.

During the third quarter of 2020, markets were relatively benign, gradually ticking upwards over the summer, continuing to claw back losses made in the spring. During the fourth quarter of 2020, there were many drivers to strong performance, the most significant being the announcement of the first COVID-19 vaccine with an efficacy rate of over 90%. Following this announcement, markets made substantial gains. Alongside the vaccine announcement, the results of the US election became clear in November 2020 and on Christmas Eve a Brexit deal was finally announced which gave the markets a final end-of-year surge.

In the first quarter of 2021, markets were volatile and the news flow abundant. The year began with a storming of the Capitol by Trump supporters which, surprisingly, the markets shrugged off. This was followed by the uneventful swearing in of Joe Biden as US President, and the Democrats winning control over the Senate with a razor-thin majority. The COVID-19 vaccine programme got underway in the US and UK. However, concerns over vaccine distribution and efficacy to variants held back markets. Inflation concerns started to build with rising Government bond yields and a 3.5 times oversubscribed inflation-linked gilt auction.

During the second quarter of 2021, we saw stronger performance as successful vaccine programmes continued in the US and UK and started to gather pace in Europe. The Federal Reserve confirmed their commitment to running the economy 'hot' to support a return to full employment and economic growth. The 'Delta' variant of the virus spread, slowing down the reopening of economies, predominantly in the UK but also in Europe.

We entered the Company's financial year in July 2020 with our equity allocation close to neutral, whilst remaining underweight fixed income and overweight alternative investments. Within our "alternatives" exposure we have a meaningful gold allocation, and a position in the Ninety-One Multi-Asset Income fund, both of which are held as diversifiers. Our asset allocation has been broadly stable over the financial year with cash rising in June 2021 as a result of new inflows received. In September 2020 we reduced the exposure to the BGF Europe fund and added the Carmignac Grande Europe fund and switched out of the Amundi Index MSCI Japan fund and into the Vanguard FTSE Japan fund. During the second quarter of 2021 we added the Polar Capital Healthcare Opportunities Fund to increase the overall international exposure of the Company and gain exposure to our preferred theme of Healthcare. We funded this by completing the sale of the GVQ UK Focus fund.

Over the financial year under review the MSCI UK Index rose by 17.43%. During the second half of 2020, the MSCI UK index rose by 5.46%. Cyclical and value sectors, such as energy and financials - lagged during 2020 but led the rally in the first half of 2021 as the oil price rebounded and banks performed well on expectations of higher interest rates as concerns around inflation started to build towards the end of the first quarter. Our best performing UK equity funds were the JO Hambro UK Growth, up 47.47% over the year, and the GVQ UK Focus, up +30.05%. All of the UK equity funds have recovered well during the period with the weakest performer the FTSE 100 tracker, up 17.98%. During the second quarter of 2021, we completed our sale of the GVQ UK Focus Fund following a period of strong performance. We continue to increase the international exposure of the fund and reduce the overall weighting to UK equities

European equities posted solid gains during the year under review, with the MSCI Europe ex-UK index returning 21.79% in Sterling terms. The vaccine programme started slowly in Europe, lagging behind the UK and US, as concerns over the safety of the AstraZeneca vaccine and distribution problems hampered the roll-out, however, the programme accelerated in the second quarter of 2021. Our BGF Continental Europe fund delivered a stellar performance of 39.88% over the year. To further diversify our European equity exposure we added the Carmignac Grande Europe fund in September 2020. The Fund has increased in value by 14.9% since we added it.

The S&P 500 index rose by +40.77% in USD-terms over the financial year. During the second half of 2020 US markets rallied as the results from the election became clear in November, and the first vaccine was announced. Over the first half of 2021, the markets continued to make new highs as the US vaccine programme was successfully rolled-out and Joe Biden's $1.9 trillion stimulus package was passed with the majority of US consumers receiving stimulus cheques. The S&P 500 index rose by +15.2% in USD-terms over the first six months of 2021. Strong gains also came during the second quarter after Biden proposed a further two stimulus packages; the 'American Jobs Plan' and the 'American Families Plan'. These plans focused on investing in the country's infrastructure and targeting inequality. In May 2021, we switched out of the Robeco US Premium Equities fund and into the JP Morgan US Value fund as part of our model rationalisation. Both funds performed well during the first half as 'value' outperformed 'growth'. All of our US equity funds delivered excellent returns for the period under review. During 2020 the Loomis fund was the stand-out performer, benefiting from its exposure to the large US technology companies. However, during 2021 the superior performance has come from the value funds.

A weakening US Dollar has helped emerging markets climb higher during 2021, however, emerging markets have lagged developed markets due to the slow pace of their vaccine programmes. The MSCI Emerging Markets index posted a return of +26.0% in Sterling terms over the financial year starting 1 July 2020, with our Fidelity Emerging Markets fund returning +37.32%. Whilst China started its recovery earlier in 2020 than Western markets, it has been the laggard in 2021, following a strong performance in 2020, as the Chinese regulatory bodies have clamped down on large technology companies and data points to a slowdown in economic growth.

In commodities, our exposure to Gold has detracted from performance over the year, with the iShares Physical Gold ETF we hold down -11.25%. Having had a strong run in the first half of 2020, the Gold price fell during the second half of 2020 as markets began to recover The Gold price continued to fall during the first quarter of 2021, reaching its trough at the beginning of March, and recovering some of the losses during the second quarter. The oil price rose from USD 39 per barrel at the start of the financial year to USD 73 per barrel by the end of June 2021 as economies continued to re-open and mobility indices edged higher. This rise in oil prices has been one of the drivers of inflation this year.

For fixed income, we saw a rally in corporate bond markets in the final quarter of 2020 with the strongest performance coming from high yield bonds. During the first quarter of 2021, the focus has been on the return of inflation, and whether it will be transitory as anticipated by the central banks, or more sustained. We witnessed a sell-off in US 10yr Treasuries in February, with yields rising to a peak of +1.75% in March, before taking a pause and easing back over the second quarter. Inflation continued to remain top of investor's minds in June as the Core Consumer Price Index (CPI) notched its highest increase since 1992. During the second quarter of 2021 we switched out of Pimco Global Real Return and purchased the low duration version of this fund to reduce our overall duration position. Our holding in the Nomura Dynamic Bond Fund has been our best performing bond fund, up +1.1% over the period, whilst our other bond funds have been broadly flat this year.

Butterfield Bank (Guernsey) Limited

Date: 23 September 2021

Butterfield Bank PCC Limited

Custodian's Report
For the year ended 30 June 2021

Dear Shareholders

This report is given in accordance with Rule 6.04 of the Authorised Collective Investment Schemes (Class B) Rules 2013 (the "Class B Rules"). All defined terms in this report have the same meaning as defined under the Class B Rules.

In our capacity as Custodian to the Company we confirm that, in our opinion, during the year ended 30 June 2021, the Manager has managed Butterfield Bank PCC Limited in accordance with the provisions of the Principal Documents of the Company and the Class B Rules and to the best of our knowledge no material breaches have occurred.

Butterfield Bank (Guernsey) Limited
as Custodian of
Butterfield Bank PCC Limited

Date: 23 September 2021

Independent Auditor's Report to the Members of Butterfield Bank PCC Limited

Opinion on the financial statements
In our opinion, the financial statements of Butterfield Bank PCC Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;

- have been properly prepared in accordance with International Financial Reporting Standards("IFRS") as adopted by the European Union ; and

- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Company for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Changes in Participating Redeemable Preference Shares, the Statement of Financial Position, 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 International Financial Reporting Standards, as adopted by the European Union.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining those charged with governance and management's paper in respect of going concern and challenging this, based on our knowledge of the Company, with both those charged with governance and management;
- Consideration of the cash available, the liquidity of the investment portfolio held, and the expected annual running costs and determining whether these assumptions were reasonable based on our knowledge of the company.
- Performing our own considerations regarding impact redemptions may have on going concern
- Reviewing the minutes of meetings of those charged with governance, the RNS announcements and the compliance reports for any indicators of concerns in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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 Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters (2021 & 2020)	Valuation and ownership of investments
Materiality	*Company financial statements as a whole* £278,000 (2020:£203,500) based on 1.75% (2020: 1.75%) of total assets.

An overview of the scope of our audit

Our Company audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We carried out a full scope of the Company which was tailored to take into account the nature of the Company's investments, the accounting and reporting environment and the industry in which the entity operates.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment, we considered the Company's interaction with the Manager and the Company's Administrator and Custodian. We obtained an understanding of the control environment in place at the Manager and the Company's Administrator to the extent that it was relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and Ownership of Investments (Note 2, 4)	The investment portfolio at 30 June 2021 comprised either listed investments or investments in funds whose prices are publicly available. This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations. The Investment Manager is remunerated based on the net asset value of the funds, derived using those valuations and therefore we consider this to be a key audit matter. We focused on the valuation and ownership of investments because investments represent a material proportion of the net asset value as disclosed in the Statement of Financial Position.	We agreed the ownership of all investment portfolio holdings to the independent Custodian confirmation. We tested the valuation of all investments held by agreeing the prices used in the valuation to independent third-party sources such as Bloomberg. We also checked that amounts were appropriately presented and disclosed within the financial statements. **Key observations:** Based on the work performed, we did not identify any matters to indicate that the ownership and valuation of the investments are inappropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2021 £	2020 £
Materiality	278,000	203,500
Basis for determining materiality	1.75% of total assets	1.75% of total assets
Rationale for the benchmark applied	Due to it being an investment fund with the objective of long-term capital growth, with investment values being a key focus of users of the financial statements.	
Performance materiality	208,000	152,600
Basis for determining performance materiality	75% of materiality This was determined using our professional judgement and took into account control environment in place, the Directors' assessment of risk and our past experience of adjustments.	

Specific materiality
We also determined that for investment income and sensitive expenses including investment management fees, directors' fees, custodian fees, administration fees, audit fees and legal fees, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on 10% of materiality being £27,800 (2020: £20,350). We further applied a performance materiality level of 75% (2020:75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold
We agreed with the Board of Directors that we would report to them all individual audit differences identified during our audit in excess of £13,900 (2020: £10,170). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement within the Report of the Directors, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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.

Extent to which the audit was capable of detecting irregularities, including fraud
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 Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its investment activities, and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and have a direct impact on the preparation of the financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework such as IFRS, the Listing Rules issued by The International Stock Exchange, the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Authorised Collective Investment Schemes (Class B) Rules 2013 and the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to revenue recognition in relation to the investments and management bias and judgement involved in accounting estimates, specifically in relation to the valuation of investments (the responses to which are detailed in our key audit matters above).

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining an understanding of the internal control environment in place to prevent and detect irregularities;
- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission and internal compliance reports to identify and consider any known or suspected instances of non-compliance with laws and regulations and fraud; and
- Recalculating investment income and realised and unrealised gains and losses in full for listed investments based on external source information.
- Agreeing prices used in investment valuations to independent third party sources

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited
Chartered Accountants
Place du Pré,
Rue du Pré,
St Peter Port,
Guernsey

23 September 2021

Butterfield Bank PCC Limited

Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced
		£	£
Net gains/(losses) on investments at fair value through profit or loss	4	1,695,359	(238,616)
Net foreign exchange losses		(269)	(29)
		1,695,090	(238,645)
Income			
Dividend income	4	152,522	210,436
Interest income		-	1,627
Total net income		152,522	212,063
Expenses			
Investment management fees	6	(49,556)	(46,700)
Administration fees	6	(36,076)	(37,266)
Directors' fees	6	(30,000)	(27,589)
Custodian fees	6	(14,000)	(14,086)
Audit fees		(15,500)	(16,784)
Annual and regulatory fees		(5,888)	(5,521)
Listing fees		(7,943)	(7,154)
Brokers fees		(430)	(482)
Legal fees		(10,000)	-
Other expenses		(1,804)	(2,504)
Total operating expenses		(171,197)	(158,086)
Profit/(loss) before tax		1,676,415	(184,668)
Tax expenses	9	-	-
Profit/(loss) for financial year before allocation of income attributable to holders of Participating Redeemable Preference Shares		1,676,415	(184,668)
(Income)/loss attributable to holders of Participating Redeemable Preference Shares		(1,676,415)	184,668
Result for financial year after allocation of income attributable to holders of Participating Redeemable Preference Shares		-	-
Profit for the year attributable to holders of Equity Management Shares		-	-
Increase/(decrease) in net assets attributable to:			
Holders of Participating Redeemable Preference Shares		1,676,415	(184,668)
Holders of Equity Management Shares		-	-
Income/(loss) attributable per Class A Participating Redeemable Preference Share	11	£0.193	(£0.0268)
Income/(loss) attributable per Class B Participating Redeemable Preference Share	11	£0.201	(£0.0198)

All income/(loss) is attributable to the Participating Redeemable Preference shares of the Cell.

The notes on pages 20 to 37 form an integral part of these Financial Statements.

Butterfield Bank PCC Limited

Statement of Changes in Equity
For the year ended 30 June 2021

	For the year ended 30 June 2021	For the year ended 30 June 2020
	£	**£**
As at 1 July	1	1
Profit for the year attributable to holders of Equity Management Shares for the year	-	-
As at 30 June	1	1

Statement of Changes in Participating Redeemable Preference Shares
For the year ended 30 June 2021

	Note	For the year ended 30 June 2021	For the year ended 30 June 2020
		£	**£**
As at 1 July		11,606,879	14,645,732
Income/(loss) attributable to holders of Participating Redeemable Preference Shares for the year		1,676,415	(184,668)
Total comprehensive income/(loss) for the year		1,676,415	(184,668)
Transactions with holders of Participating Redeemable Preference Shares:			
Amounts receivable on issue of shares	8	3,768,572	399,235
Amounts payable on redemption of shares	8	(1,153,634)	(3,253,420)
Total transactions with holders of Participating Redeemable Preference Shares		2,614,938	(2,854,185)
As at 30 June		15,898,232	11,606,879

Notes on pages 20 to 37 form an integral part of these Financial Statements.

Butterfield Bank PCC Limited

Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021 Company Total	30 June 2021 Non Cellular	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced	30 June 2020 Company Total	30 June 2020 Non Cellular	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced
		£	£	£	£	£	£
Assets							
Investments at fair value through profit or loss	4	13,616,042	-	13,616,042	10,819,079	-	10,819,079
Other receivables and prepayments		20,029	1	20,028	11,847	1	11,846
Cash and cash equivalents		2,286,927	-	2,286,927	798,614	-	798,614
Total assets		15,922,998	1	15,922,997	11,629,540	1	11,629,539
Liabilities							
Other payables		24,765	-	24,765	22,660	-	22,660
		24,765	-	24,765	22,660	-	22,660
Liabilities (excluding net assets attributable to holders of Participating Redeemable Preference Shares)		24,765	-	24,765	22,660	-	22,660
Net assets attributable to holders of Participating Redeemable Preference Shares	8	15,898,232	-	15,898,232	11,606,879	-	11,606,879
Total liabilities		15,922,997	-	15,922,997	11,629,539	-	11,629,539
Equity							
Management Shares	5	1	1	-	1	1	-
Total equity		1	1	-	1	1	-
Total liabilities and equity		15,922,998	1	15,922,997	11,629,540	1	11,629,539
Net assets per Class A Participating Redeemable Preference Share	10			£1.6119			£1.4258
Net assets per Class B Participating Redeemable Preference Share	10			£1.6782			£1.4771

Notes on pages 20 to 37 form an integral part of these Financial Statements.

The Financial Statements on pages 16 to 37 were approved and authorised by the Board for issue on 23 September 2021 and signed on its behalf by:

Shaun Robert
Director

Butterfield Bank PCC Limited
Statement of Cash Flows
For the year ended 30 June 2021

	Note	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced £
Cash flows used in operating activities			
Profit/(loss) for the financial year		1,676,415	(184,668)
Adjustments for:			
Net (gains)/losses on financial assets at fair value through profit or loss		(1,695,359)	238,616
Net foreign exchange losses		269	29
		(18,675)	53,977
Changes in working capital			
(Increase)/decrease in prepayments and other receivables		(8,182)	3,633
Increase in other payables		2,105	1,925
		(24,752)	59,535
Proceeds from sale of financial assets at fair value through profit or loss	4	2,015,565	4,223,970
Purchase of financial assets at fair value through profit or loss	4	(3,117,169)	(1,679,736)
Net cash flow (used in)/from operating activities		(1,101,604)	2,603,769
Cash flows from financing activities			
Proceeds from participating redeemable preference shares issued	8	3,768,572	399,235
Redemption of participating redeemable preference shares	8	(1,153,634)	(3,253,420)
Net cash flows from/(used in) financing activities		2,614,938	(2,854,185)
Net increase/(decrease) in cash and cash equivalents		1,488,582	(250,416)
Effect of exchange rate changes during the year		(269)	(29)
Cash and cash equivalents at beginning of year		798,614	1,049,059
Cash and cash equivalents at end of year		2,286,927	798,614

The notes on pages 20 to 37 form an integral part of these Financial Statements.

1. The Company

Butterfield Bank PCC Limited (the "Company" or "PCC") was incorporated in Guernsey on 17 March 2010 and has been authorised as a Class "B" collective investment scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 1987. Since commencement and as at 30 June 2021 the Company has had only one active cell: Butterfield Multi-Asset Fund – GBP Balanced (the "Cell" or "Fund") (formerly Diversified Opportunities Fund), which was admitted to The International Stock Exchange ("TISE") on 4 May 2010. Its Class A Participating Redeemable Preference Shares and Class B Participating Redeemable Preference Shares (the "PRP Shares") are admitted to the Official List of TISE. On 31 August 2021 Class C Participating Redeemable Preference Shares were admitted to Official List of TISE.

The principal objective of the Company is to seek to achieve long term capital appreciation. The Company will pursue this objective by investing in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products from around the world.

2. Principal Accounting Policies

Basis of accounting
The Financial Statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Directors believe that the Financial Statements contain all of the information required to enable shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Company for the period to which they relate and do not omit any matter or development of significance.

The Company's Financial Statements have been prepared on a historical cost basis, except for investments measured at fair value through profit or loss.

Going concern
After a review of the Company's holdings in cash and cash equivalents, investments and a consideration of the income deriving from, and the viability of, those investments and the factors that may impact its performance, including the potential impact as a result of the COVID-19 pandemic, in the forthcoming year, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements, as the Company has adequate financial resources to meet its liabilities as they fall due.

The Board of Directors is aware that the economic disruption caused by COVID-19 has resulted in adverse economic impacts globally and on the locations in which the Company invests and operates.

The medium and long-term impacts of COVID-19 disruption on the fundamental performance of the Company's investments and on their valuation will depend on the future development of the virus, the effectiveness of vaccines and efficiency of vaccine roll outs, restrictions on, and changes in, consumer behaviour, and mitigating actions taken by governments.

The Board of Directors notes that all the Company's service providers have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19, its impact on the global economy, businesses locally and across the globe.

2. Principal Accounting Policies; continued

Basis of accounting, continued
Going concern, continued
The Board of Directors rely on the Investment Managers to manage liquid investment portfolios that ensure the company remains a going concern. It is acknowledged that the portfolios managed by our advisors are made up of predominantly liquid assets and therefore provide a basis for effective cash management. The Directors have concluded that the Company has adequate financial resources and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing these Financial Statements.

New, revised and amended standards applicable to future reporting periods
At the date of authorisation of these Financial Statements, the following relevant standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:
• IAS 1 (amended), “Presentation of Financial Statements” (effective for accounting periods commencing on or after 1 January 2023); The amendments to IAS 1 were published in January 2020 and relate to the classification of liabilities.

• IAS 37 (amended), “Provisions, Contingent Liabilities and Contingent Assets” (effective for accounting periods commencing on or after 1 January 2022); The amendments to IAS 37 were published in May 2020 and relate to the costs to include when assessing whether a contract is onerous.

• “Annual Improvements to IFRS Standards 2018-2020”, published in May 2020, which has amended certain existing standards, effective for accounting periods commencing on or after 1 January 2022.

The Board expects that the adoption of these standards in a future period will not have a material impact on the Financial Statements of the Company.

New accounting standards effective and adopted
The following relevant amended standards have been applied for the first time in these financial statements:

• IFRS 3 (amended), “Business Combinations” (amendments to clarify the definition of a business, effective for periods commencing on or after 1 January 2020);
• IFRS 9, IAS 39 and IFRS 7 (amended), “Interest rate benchmark reform” (amendments issued on 26 September 2019, effective date 1 January 2020).

In addition, the IASB has issued the following publications:
• “Definition of Material (Amendments to IAS 1 and IAS 8)”, published in October 2018, which has amended IAS 1 and IAS 8 to clarify the definition of ‘material’ and to align the definition used in the Conceptual Framework and the standards, effective for accounting periods commencing on or after 1 January 2020;
• “Amendments to References to the Conceptual Framework in IFRS standards”, published in March 2018, which has updated certain Standards and Interpretations with regard to references to and quotes from the Framework or to indicate where they refer to a different version of the Conceptual Framework, effective for accounting periods commencing on or after 1 January 2020;

The adoption of these amended standards has had no material impact on the financial statements of the Company.

2. Principal Accounting Policies, continued

Basis of Aggregation

The Company's aggregated Financial Statements, which are shown in the total column, represent the sum of the Cell and the non-cellular assets and liabilities within the PCC.

Financial Assets and Liabilities

Financial assets

Under IFRS 9, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; or
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI").

Classification

On initial recognition, the Company classifies its financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

This classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Company are measured at FVTPL.

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed.

The Company has determined that it has two business models.

- *Amortised cost: Held-to-collect business model* - this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.
- *Fair value through profit or loss: Other business model* - this includes investments in listed equities and investment funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

2. Principal Accounting Policies, continued

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost:
This includes trade and other payables and unsettled investment purchases.

Derecognition
A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fair Value Measurement Hierarchy
IFRS 13 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see note 7). The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement as a whole. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Cash and cash equivalents
Cash and cash equivalents include current accounts and demand deposits with an original maturity of three months or less.

Receivables
Receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

2. Principal Accounting Policies, continued

Impairment of financial assets
IFRS 9 has introduced the Expected Credit Loss ("ECL") model which brings forward the timing of impairments.

Under IFRS 9 for trade receivables the Company has elected to apply the simplified model as the trade receivables all have a maturity of less than one year and do not contain a significant financing component. Under the simplified approach the requirement is to always recognise lifetime ECL. Under the simplified approach practical expedients are available to measure lifetime ECL but forward looking information must still be incorporated. Under the simplified approach there is no need to monitor significant increases in credit risk and entities will be required to measure lifetime ECLs at all times.

The directors have concluded that any ECL on trade receivables would be highly immaterial to the Financial Statements.

Payables
Payables are not interest-bearing and are stated at their nominal value.

Net assets attributable to holders of redeemable shares
The amounts attributable to holders of participating redeemable preference shares are classified as liabilities in the Company's Statement of Financial Position as they represent puttable instruments at the option of the holder meeting the applicable criteria for such categorisation.

Redeemable shares are issued and redeemed at the holder's option at prices based on the relevant Cell's net asset value at the time of issue or redemption of redeemable shares in that Cell. The Cell's net asset value per redeemable share is calculated by dividing the net assets attributable to holders of redeemable shares in that Cell by the total number of outstanding redeemable shares in that Cell at the redemption date. The dealing in the Cell is carried out on a weekly basis.

Investment Income
Income is included in the Statement of Comprehensive Income as follows:

- Dividends receivable are accounted for on an accruals basis. The Company accrues for dividend income where the instrument is held at the ex-dividend date and the Company's right to receive the dividend is irrevocable.
- Interest revenue is recognised on a time-proportionate basis using the effective interest method.

Expenses
Expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Foreign Exchange
The functional and presentation currency of the Company is Pounds Sterling ("Sterling").

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies at the end of the accounting period are translated into Sterling at the closing exchange rates at the reporting date. Gains and losses arising on translation are included in the Statement of Comprehensive Income.

Management Shares
The Management Shares have been created so that Redeemable Preference Shares may be issued. To qualify as Redeemable Preference Shares, the shares were required under the Companies (Guernsey) Law, 1994, at incorporation, to have a preference over some other class of share capital. The Management Shares are not redeemable and do not carry a right to participate in the profits or assets of the Company. Each holder of Management Shares is entitled to receive notice of and attend any general meeting of the Company.

3. Judgements and estimates

The preparation of Financial Statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was 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 most critical estimates, that the Directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the Financial Statements is the fair value of financial assets designated to be at fair value through profit or loss (see note 2). The fair value of securities not traded in an active market may be determined by the Company using reputable pricing sources (such as pricing agencies) or indicative prices from market makers and not from judgements of the Directors. For these purposes, the Directors consider prices obtained from the administrators of underlying non-exchange traded securities to which the securities are puttable back to the issuer as being a reliable pricing source in an inactive market. Quotes obtained from pricing sources may be indicative and not executable or binding. The Company's classification of fair value measurements and the risk management policies are disclosed in note 7.

4. Investments at Fair Value Through Profit or Loss

The investment portfolio can be analysed as follows.

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced £
Bond and Bond Funds	3,972,875	3,050,137
Equity or Equity Funds	8,420,157	6,311,790
Commodity Funds	748,050	700,000
Alternative Funds	474,960	757,152
Financial assets at fair value through profit or loss	13,616,042	10,819,079

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced £
Asia securities	390,864	327,786
Europe securities	627,226	510,000
Global investment strategy securities*	5,207,706	4,422,324
Japan securities	258,050	294,498
United Kingdom securities	4,399,215	3,396,324
United States securities	2,732,981	1,868,147
Financial assets at fair value through profit or loss	13,616,042	10,819,079

*The investment strategies for these portfolios are not limited to a specific region but are spread globally.

4. Investments at Fair Value Through Profit or Loss, continued

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced £
Listed Funds	3,738,915	2,103,310
Unlisted Funds	9,877,127	8,715,769
Financial assets at fair value through profit or loss	13,616,042	10,819,079

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced £
Book cost brought forward	10,268,658	12,036,014
Additions	3,117,169	1,679,736
Disposals	(2,015,565)	(3,762,945)
Realised gains on financial assets	234,221	315,853
Book cost carried forward	11,604,483	10,268,658
Net unrealised gains on financial assets brought forward	550,421	1,104,890
Movement in net unrealised gains/(losses) on financial assets during the year	1,461,138	(554,469)
Net unrealised gains on financial assets carried forward	2,011,559	550,421
Fair value carried forward	13,616,042	10,819,079

See the unaudited Portfolio Statement on page 38 for further information on the types of financial assets held and currency exposure.

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced & Company Total £
Net gains on financial assets at fair value through profit or loss:		
Realised gains	234,221	315,853
Unrealised gains/(losses)	1,461,138	(554,469)
Net gains/(losses) on financial assets at fair value through profit or loss	1,695,359	(238,616)
Dividend income	152,522	210,436
Total gains/(losses) on financial assets at fair value through profit or loss	1,847,881	(28,180)

5. Share Capital

a) Non-cellular

Authorised
The Company has unlimited authorised Management Shares.

Issued and fully paid	**2021 & 2020 £**
1 Management Share of £1	1

Management Shares
The Management Shares may only be issued at par. The rights attaching to the Management Shares are as follows:

(i) Voting Rights:
The Management Shares carry no voting rights whilst any Participating Redeemable Preference Shares of any Cell are in issue.

(ii) Dividends and distribution of assets on a winding up:
The Management Shares do not carry any right to dividends. In the event of a liquidation, they rank pari passu inter se but only for return of the nominal amount paid up on them using only assets of the Company not comprised within any of the Cells.

(iii) Redemption:
The Management Shares are not redeemable and do not carry a right to participate in the profits or assets of the Company.

b) Cellular - Butterfield Multi-Asset Fund – GBP Balanced

The Cell has unlimited authorised Participating Redeemable Preference Shares.

Issued and fully paid	**30 June 2021**		
	Butterfield Multi-Asset Fund – GBP Balanced		
Number of Participating Redeemable Preference Shares	**Class A No.**	**Class B No.**	**Total No.**
At 1 July 2020	2,516,428	5,428,762	7,945,190
Issued shares	409,765	1,966,430	2,376,195
Redeemed shares	(236,286)	(505,506)	(741,792)
At 30 June 2021	2,689,907	6,889,686	9,579,593
Share Premium	**£**	**£**	**£**
At 1 July 2020	2,848,495	3,814,370	6,662,865
Issued shares	613,702	3,154,870	3,768,572
Redeemed shares	(352,722)	(800,912)	(1,153,634)
At 30 June 2021	3,109,475	6,168,328	9,277,803

5. Share Capital, continued

Authorised, continued

Issued and fully paid	**30 June 2020**		
	Butterfield Multi-Asset Fund – GBP Balanced		
Number of Participating Redeemable Preference Shares	**Class A No.**	**Class B No.**	**Total No.**
At 1 July 2019	2,516,303	7,365,983	9,882,286
Issued shares	205,957	68,159	274,116
Redeemed shares	(205,832)	(2,005,380)	(2,211,212)
At 30 June 2020	2,516,428	5,428,762	7,945,190
Share Premium	**£**	**£**	**£**
At 1 July 2019	2,850,630	6,666,420	9,517,050
Issued shares	296,912	102,323	399,235
Redeemed shares	(299,047)	(2,954,373)	(3,253,420)
At 30 June 2020	2,848,495	3,814,370	6,662,865

The rights attaching to the Participating Redeemable Preference Shares are as follows:

(i) Voting Rights:
On a show of hands, every holder who (being an individual) is present in person shall have one vote and, on a poll, every holder present in person or by a proxy or by a duly authorised representative shall have one vote for every Participating Redeemable Preference Share held.

(ii) Dividends:
The shareholders of a Cell may from time to time by simple majority resolution declare dividends payable to Shareholders of the relevant Cell up to an amount recommended by the Directors. The Directors may from time to time if they think fit pay interim dividends on Participating Redeemable Preference Shares of a particular Cell if justified by the profits of that Cell.

(iii) Winding Up:
The Participating Redeemable Preference Shares carry a right to a return of the surplus assets remaining on the winding up of a Cell and such assets of that Cell are distributed to the holders of the Participating Redeemable Preference Shares pro rata.

(iv) Redemption:
The Participating Redeemable Preference Shares may be redeemed by shareholders at the net asset value of the relevant Class at the valuation point on each dealing day. Redemption values at the year end are shown in Note 10. The Participating Redeemable Preference Shares have no par value.

6. Material Agreements & Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related Party Transactions
The Investment Manager and Custodian are considered to be related parties of the Company.

The Company is responsible for the continuing fees of the Investment Manager, Administrator and the Custodian in accordance with the Investment Management, Administration and Custodian Agreements all dated 23 March 2010 and any amendments thereof.

Material Agreements
Investment Management Fees
Pursuant to the provisions of the Investment Management Agreement (as amended June 2016) the Investment Manager received investment management fees during the year ended 30 June 2021 in return for managing each class of Participating Redeemable Preference Shares in issue in the Company as follows:

- For the Class A Participating Redeemable Preference Shares a fee equal to 1.5% of the Net Asset Value of that class; and
- For the Class B Participating Redeemable Preference Shares a fee equal to 1.0% of the Net Asset Value of that class.

The investment management fee was reduced with effect from 01 October 2018 as follows:

- For the Class A Participating Redeemable Preference Shares a fee equal to 0.8% of the Net Asset Value of that class; and
- For the Class B Participating Redeemable Preference Shares a fee equal to 0.3% of the Net Asset Value of that class.

Such fees are calculated weekly and payable monthly in arrears. The Investment Manager has committed to waiving its right to receive investment management fees should the Total Expense Ratio ("TER") of the Company exceed 2.25%.

During the year, the Investment Manager was due a fee of £49,556 (30 June 2020: £46,700) of which £5,215 (30 June 2020: £3,816) was outstanding at the year end.

No performance fee is payable to the Investment Manager (30 June 2020: £nil)

Administration Fees
Pursuant to the provisions of the Administration Agreement the Administrator received fees during the year ended 30 June 2021 in return for acting as the Company's Administrator. The Administrator is entitled to be paid annual fees out of the Company of 0.15% of the Net Asset Value of the Company, subject to a minimum of £35,000, per annum. (30 June 2020: minimum fee of £35,000 per annum), calculated weekly and payable monthly in arrears.

The Administrator also receives a shareholder transaction fee of up to £100 per shareholder transaction and a fixed fee of £1,000 per annum for each additional share class of the Company.

The Administrator had an addendum to the Administration Agreement signed on 29 July 2014 to provide an agent to assist with compliance with FATCA for the Company. For this service the Administrator received a fee based on time spent of £925 (30 June 2020: £685).

6. Material Agreements & Related Party Transactions, continued

Material Agreements, continued
Administration Fees, continued

For the collation of client due diligence for any new investor a fee of up to £100 per investor will be charged. Any other duties of the Administrator shall be subject to additional fees which shall be agreed in advance between the Company, Investment Manager and Administrator.

During the year, the Administrator was due a fee of £36,076 (30 June 2020: £37,266) of which £3,284 (30 June 2020: £3,120) was outstanding at the year end.

Shaun Robert, who serves as a Director of the Company with effect from 31 July 2018, is also a Director of International Fund Management Limited (part of the PraxisIFM group of companies) and a shareholder of PraxisIFM Group Limited.

Praxis Trustees Limited ATO Truchot Retirement Plan, a pension plan ("the Scheme") administered by Praxis for its staff, will be making contributions into the Company on a periodic basis.

Custodian Fees
Pursuant to the provisions of the Custodian Agreement, the Custodian is entitled to be paid annual fees out of the Company of 0.075% of the Net Asset Value of the Company, calculated weekly and payable monthly in arrears, subject to an annual minimum of £24,000, with effect from 1 October 2018 Butterfield Bank (Guernsey) Limited ("the Bank") agreed to reduce the annual minimum fee to £14,000 and to waive its charge of £75 per investment transaction.

During the year, the Custodian was due a fee of £14,000 (30 June 2020: £14,086) of which £1,266 (30 June 2020: £1,224) was outstanding at the year end.

Directors' Fees & Interests:
All Director's were entitled to a Director's fee equivalent to £15,000 per annum. Michel Davy and Shaun Robert agreed to reduce their fee for the provision of the services of a director to £10,000 per annum with effect from 1 October 2018. Paul Martin had waived his entitlement to a Director's fee whilst in the employment of Butterfield Bank (Guernsey) Limited ("the Bank") (formerly ABN AMRO (Channel Islands) Limited). Paul Martin had, effective 6 September 2019, left the employment of Butterfield Bank (Guernsey) Limited and it was resolved that Paul Martin's remuneration for the provision of the services of a Director fall in line with that of the remainder of the Board. As such Paul Martin was entitled to a Director's fee equivalent to £10,000 per annum, effective 9 September 2019.

On 31 August 2021, Paul Martin resigned from the Board and Alan Bain was appointed. With effect from 31 August 2021 the Director's fees reverted to £15,000 per annum as per the revised SP. Alan Bain has agreed to waive his fee.

The Director's of the Company are considered to be key management personnel.

As at 30 June 2021, no Director had a direct interest in the share capital of the Company. Paul Martin held 102,137 (30 June 2020: 102,137) Class B Participating Redeemable Preference Shares in his capacity as trustee to three Guernsey RATS.

During the year, the Director's were due a fee of £30,000 (30 June 2020: £27,589) of which nil (30 June 2020: nil) was outstanding at the year end.

7. Financial Instruments and Risk Management Policies and Disclosures

In pursuing the Company's investment objectives a number of financial instruments are held which may include investments, cash balances, debtors and creditors that arise directly from operations.

The following table contains the carrying amounts of financial instruments by category:

	30 June 2021	30 June 2020
Financial assets	£	£
Investments at fair value through profit or loss	13,616,042	10,819,079
Financial assets at amortised cost:	-	-
Receivables (excluding prepayments)	13,079	5,660
Cash and cash equivalents	2,286,927	798,614
Total financial assets	15,916,048	11,623,353

The directors consider the carrying amount of cash and cash equivalents and receivables approximates to their fair value

	30 June 2021	30 June 2020
	£	£
Financial liabilities		
Payables	24,765	22,660
Participating Redeemable Preference Shares	15,898,232	11,606,879
Total financial liabilities	15,922,997	11,629,539

Payables are measured at amortised cost.

Participating Redeemable Preference Shares are held at fair value and quoted on an active market.

Political and economic events in the major economies of the world will influence stock and securities markets worldwide. The main risks from the Company holding financial instruments, together with the policy for managing these risks, are set out below.

Market risk
The Company's activities expose it primarily to the market risks of changes in equity price, interest rates and foreign currency exchange rates.

Equity Price Risk
Equity price risk arises from uncertainty about future prices of financial instruments. The Investment Manager determines investment opportunities and has invested, by the purchase of funds, equities, sovereign bonds and commodities in the equity of collective investment schemes and exchange traded funds to achieve a broad spread of asset classes on a global basis targeting an overall level of volatility lower than that of equity markets. Operating parameters are identified through the model and trading takes place within a defined price range. Positions can predominantly be liquidated with immediate effect.

35% is the sensitivity rate used when reporting equity price risk internally to key management personnel and represents management's assessment of the reasonably possible change in market prices. The sensitivity rate of 35% (30 June 2020 20%) is regarded as reasonable due to the actual market price volatility experienced as a result of the economic impact of COVID-19 pandemic on the Company's investments during the year

If the Company's investments were to increase or decrease by 35% (30 June 2020: 20%) the impact on the value of the investments would be +/- £4,765,615 (30 June 2020: 2,163,816).

Interest Rate Risk
Interest rate risk is the risk that the value of the Company's investments will fluctuate as a result of interest rate changes. The value of interest bearing financial instruments may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation of other classes. The amount of income receivable from bank balances will be affected by fluctuations in interest rates.

7. Financial Instruments and Risk Management Policies and Disclosures, continued

Interest Rate Risk, continued
By careful assessment of economic and other relevant factors, the Investment Manager will seek to invest in those investments most likely to benefit, or be shielded, from anticipated changes in interest rates.

Although the Company is not significantly exposed to interest rate fluctuations, the table below shows the split between interest and non-interest bearing financial assets and financial liabilities:

		30 June 2021		30 June 2020
	WAEIR*	Butterfield Multi-Asset Fund – GBP Balanced	WAEIR*	Butterfield Multi-Asset Fund – GBP Balanced
Assets	%	£	%	£
Floating interest rate cash at bank	0.00	2,286,927	0.375	798,614
Non-interest bearing		13,636,070		10,824,739
Total financial assets		15,922,997		11,623,353

	2021	2020
Liabilities	£	£
Payables	24,765	22,660
Participating Redeemable Preference Shares	15,898,232	11,606,879
Total financial liabilities	15,922,997	11,629,539

**Weighted Average Effective Interest Rate*

All liabilities are non-interest bearing.

Currency Risk
Currency risk is the risk that the value of non-Sterling based financial instruments will fluctuate due to changes in foreign exchange rates.

All but a trivial amount of financial instruments is held in Sterling and therefore no significant currency risk arises.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as and when they fall due. The Company may be adversely affected by a decrease in market liquidity for the investments in which it invests which may impair the Company's ability to adjust its positions.

The Company is exposed to liquidity risk, primarily due to potential redemptions of its redeemable shares in the Cell. Shareholders can redeem Participating Redeemable Preference Shares by giving prior notice on any relevant dealing day, however the Directors may, at their discretion, limit the total number of Participating Redeemable Preference Shares in the Cell to be redeemed to 10% of the Company's total issued Participating Redeemable Preference Shares. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Dealing Day so that the proportion of each holding redeemed is the same for all such Shareholders. The Company manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate daily. At the current and previous year end all of the investments held were daily redeemable securities.

7. Financial Instruments and Risk Management Policies and Disclosures, continued

Liquidity Risk, continued

The Company's financial instruments include investments which are traded in an organised public market and which are liquid. As a result, the Company will be able to liquidate quickly some of its investments in these instruments in order to meet its liquidity requirements. Cash and cash equivalents and open ended investment funds have no fixed maturity date. Cash is instantly accessible to the Company. All open ended investment funds may be redeemed within one month unless a specific notice period is given. All of the investments that were held at the year end were either classified as a level 1 or a level 2 investment in the fair value hierarchy and as a result the liquidity risk to the Company was minimal.

The table below analyses the net financial assets and liabilities attributable to holders of Participating Redeemable Preference Shares into relevant maturity groupings based on the earliest period in which the counterparty is required to pay at the reporting date. The amounts in the table below are the contractual undiscounted cash flows which are the same as the discounted cash flows given the short term nature of the financial instruments.

30 June 2021	**Butterfield Multi-Asset Fund – GBP Balanced**	
	Less than 7 days	**Total**
Assets	**£**	**£**
Financial assets at fair value through profit or loss	13,616,042	13,616,042
Cash and cash equivalents	2,286,927	2,286,927
Other receivables (excluding prepayments)	13,079	13,079
Total financial assets	15,916,048	15,916,048
Liabilities		
Other payables	24,765	24,765
Net assets attributable to holders of redeemable shares	15,898,232	15,898,232
Total financial liabilities	15,922,997	15,922,997

30 June 2020	**Butterfield Multi-Asset Fund – GBP Balanced**	
	Less than 7 days	**Total**
Assets	**£**	**£**
Financial assets at fair value through profit or loss	10,819,079	10,819,079
Cash and cash equivalents	798,614	798,614
Other receivables (excluding prepayments)	5,660	5,660
Total financial assets	11,623,353	11,623,353
Liabilities		
Other payables	22,660	22,660
Net assets attributable to holders of redeemable shares	11,606,879	11,606,879
Total financial liabilities	11,629,539	11,629,539

7. Financial Instruments and Risk Management Policies and Disclosures, continued

Credit Risk

All investments are made through funds or fund of funds. Any underlying credit risk exposures in those funds' investments are reflected within the fair values of those funds or fund of funds investments held by the Company. Please see equity price risk disclosures within these Financial Statements for further details on the Company's exposure to equity price risk.

The Company is subject to the risk of the inability of any counterparty (including the Custodian) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Credit risk is the risk that a counterparty will be unable to pay amounts in full when due resulting in financial loss to the Company. As at 30 June 2021, the maximum credit risk the Company is exposed to is £15,916,048 (30 June 2020: £11,623,353) which is total assets less prepayments.

The Company's cash and cash equivalents and its financial assets at fair value through profit or loss are held in custody with Butterfield Bank (Guernsey) Limited. Bankruptcy or insolvency of Butterfield Bank (Guernsey) Limited may cause the Company's rights with respect to assets held with Butterfield Bank (Guernsey) Limited to be reduced or delayed. Butterfield Bank (Guernsey) Limited is wholly owned by The Bank of N.T. Butterfield & Son Limited whose S&P long term credit rating is 'BBB+' (30 June 2020: 'BBB+') as at the reporting date.

Capital Risk Management

The capital of the Company is represented by the Net Assets Attributable to Participating Redeemable Preference Shareholders. The amount of Net Assets Attributable to Holders of Participating Redeemable Preference Shares can change on a weekly basis, as the Company is subject to weekly subscriptions and redemptions at the discretion of the Participating Redeemable Preference shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for holders of Participating Redeemable Preference Shares, to provide benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the Company. The Board of Directors and Investment Manager monitor capital on the basis of the value of Net Assets Attributable to Holders of Participating Redeemable Preference Shares.

Classification of Fair Value Measurements

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Directors.

7. Financial Instruments and Risk Management Policies and Disclosures, continued

Classification of Fair Value Measurements, continued

The table below analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 30 June 2021:

	30 June 2021		
	Level 1	**Level 2**	**Total**
	£	**£**	**£**
Designated at fair value through profit or loss:			
Equity or Equity Funds	2,122,855	6,297,301	8,420,156
Bond and Bond Funds	868,010	3,104,866	3,972,876
Alternative Funds	-	474,960	474,960
Commodity Funds	748,050	-	748,050
	3,738,915	9,877,127	13,616,042

	30 June 2020		
	Level 1	**Level 2**	**Total**
	£	**£**	**£**
Designated at fair value through profit or loss:			
Equity or Equity Funds	998,490	5,313,300	6,311,790
Bond and Bond Funds	404,820	2,645,317	3,050,137
Alternative Funds	-	757,152	757,152
Commodities	700,000	-	700,000
	2,103,310	8,715,769	10,819,079

The Participating Redeemable Preference Shares are classified as a liability and therefore fall within the scope of IFRS 7. The Participating Redeemable Preference Shares are held at fair value and quoted on an active market, therefore classified within level 1. As at 30 June 2021 the Participating Redeemable Preference Shares liability totalled £15,898,232 (30 June 2020: £11,606,879).

The valuation and classification of the investments are reviewed on a regular basis. The Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All the Company's investments are categorised as level 1 or level 2 financial assets. There were no transfers within the fair value hierarchies during the year.

Financial instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include actively traded listed equity funds and commodity funds. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

8. Net assets attributable to PRP shareholders

	Share premium £	Reserves £	Total £
At 1 July 2020	6,662,865	4,944,014	11,606,879
PRP shares issued during the year	3,768,572	-	3,768,572
PRP shares redeemed during the year	(1,153,634)	-	(1,153,634)
Profit for the financial year	-	1,676,415	1,676,415
At 30 June 2021	9,277,803	6,620,429	15,898,232

	Share premium £	Reserves £	Total £
At 1 July 2019	9,517,050	5,128,682	14,645,732
PRP shares issued during the year	399,235	-	399,235
PRP shares redeemed during the year	(3,253,420)	-	(3,253,420)
Loss for the financial year	-	(184,668)	(184,668)
At 30 June 2020	6,662,865	4,944,014	11,606,879

Share Premium refers to the liability which has arisen due to share dealing transactions. Reserves relates to the net income the Company has earned to date, less any dividend or distributions paid to investors. Guernsey law does not require a share premium account and as such it can be treated like any other reserve. The Company continues to reflect a share premium account as it has historically done so. All share transactions, at the holder's pro rata share of the share premium account, are recognised through this account until it is depleted.

9. Taxation

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption entails payment by the Company of an annual fee of £1,200 (2020: £1,200). It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

The Company has suffered no irrecoverable withholding tax in the year under review (30 June 2020: £nil).

10. Net Assets Value per Participating Redeemable Preference Share

The net asset value per Participating Redeemable Preference Share Class is calculated based on the net assets attributable to holders of each Participating Redeemable Preference Share Class ("NAV") at the reporting date divided by the year end numbers of shares in issue in that Participating Redeemable Preference Share Class at the reporting date. The Dealing NAV per share is the value at which the Participating Redeemable Preference Shares could be redeemed for as at the reporting date.

	30 June 2021 Butterfield Multi-Asset Fund – GBP Balanced		30 June 2020 Butterfield Multi-Asset Fund – GBP Balanced	
	Class A	**Class B**	**Class A**	**Class B**
NAV (£)	4,335,774	11,562,458	3,587,984	8,018,894
No. of Participating Redeemable Preference shares in issue	2,689,907	6,889,686	2,516,429	5,428,761
Accounting and Dealing NAV per share (£)	1.6119	1.6782	1.4258	1.4771

11. Income attributable per Class A and Class B Participating Redeemable Preference Share

Earnings per Class A Participating Redeemable Preference Share are based on the income for the year of £506,745 (30 June 2020: loss of £67,055) and on a weighted average number of Class A Participating Redeemable Preference Shares in issue during the year of 2,624,596 (30 June 2020 2,497,954).

Earnings per Class B Participating Redeemable Preference Share is based on the income for the year of £1,169,670 (30 June 2020: loss of £117,612) and on a weighted average number of Class B Participating Redeemable Preference Shares in issue during the year of 5,833,017 (30 June 2020: 5,953,432).

12. Commitments

At the end of the reporting period no commitments existed.

13. Ultimate Controlling Party

The issued PRP shares of the Cell are owned by a number of parties and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Cell or Company, as defined by IAS 24 - Related Party Disclosures.

14. Events after the end of the reporting period

On 31 August 2021 the Company listed an unlimited number of Class C Participating Redeemable Preference Shares in the capital of the Company on TISE. As at the date of signing of these Financial Statements, 608,824.672 Class C shares have been issued.

There were no other post year end events that require disclosure in these Financial Statements.

Description	Nominal	Fair Value	Percentage of Net Asset Value
		£	%
Bond and Bond Funds (30 June 2020: 26.28%)			
GBP			
Invesco AM IRL Sterling Bond Z Inc**	50,000	557,115	3.50%
Ishares UK Gilts 0-5yr UCITS ETF*	6,500	868,011	5.47%
Jupiter Dynamic Bond - Class 1 GBP Q Inc HSC**	50,000	571,500	3.59%
M&G Offshore Corporate Bond Fund – I**	440,000	523,403	3.29%
Neuberger Berman EMD - Hard Currency FD**	27,400	263,314	1.66%
Nomura Global Dynamic Bond Fund**	4,500	618,332	3.89%
Pimco Global Real Return Inst GBP Inc**	56,000	571,200	3.59%
Total Bond Funds		**3,972,875**	**24.99**
Equity Funds (30 June 2020: 54.38%)			
GBP			
Axa WF-Framlington UK-L**	440,000	697,928	4.39%
BGF Cont European Flexible D4 GBP**	10,000	356,700	2.24%
Carmignac Grande Europe W GBP Acc**	2,300	270,526	1.70%
Fidelity Funds-Emkt-W GBP**	265,000	434,600	2.73%
Findlay Park American Fund**	4,300	560,376	3.52%
First St-Asian Eq Plus-IIIGI**	17,500	390,864	2.46%
Ishares Core FTSE 100 UCITS ERF (Dist)*	120,000	826,321	5.20%
Ishares Edge S&P500 Min Vol*	6,000	326,520	2.05%
Ishares S&P 500 UCITS ETF (Dist)*	23,000	711,965	4.48%
Jo Hambro CM - UK Growth Fund - A Shares*	200,000	829,600	5.22%
JP Morgan F-JPM US Value-CGBP**	4,000	646,720	4.07%
Liontrust Global Fd Spec Sits C**	29,000	685,270	4.31%
Loomis Sayles US Growth Equity Fund**	2,500	487,400	3.07%
Polar Capital - Healthcare Opportunities Fund**	9,000	445,230	2.80%
Threadneedle - UK Equities – I GBP**	15,400	492,087	3.10%
Vanguard FTSE Japan UCITS ETF*	10,000	258,050	1.62%
Total Equity Funds		**8,420,157**	**52.96%**
Commodity Funds (30 June 2020: 6.03%)			
GBP			
Ishares Physical Gold Etc*	30,000	748,050	4.71%
Alternative Funds (30 June 2019: 6.52%)			
GBP			
Ninety One GS Fund – GLB Multi Asset Income Fund**	24,000	474,960	2.99%
Total financial assets held at fair value through profit or loss		**13,616,042**	**85.65%**

Description	Nominal	Fair Value	Percentage of Net Asset Value
		£	%
Other assets/(liabilities):			
Cash and cash equivalents		2,286,927	14.38%
Other receivables and prepayments		20,029	0.13%
Other payables		(24,765)	(0.16%)
Management share		(1)	-
Net Assets attributable to holders of Redeemable Shares		**15,898,232**	**100%**

*Listed
**Unlisted

Butterfield Bank PCC Limited

Summary of Material Portfolio Changes (unaudited) – Butterfield Multi-Asset Fund – GBP Balanced
For the year ended 30 June 2021

Description (GBP)	*Opening position at 1 July 2020* Fair Value	*Purchases* Cost	*Sales* Proceeds	*Net gains/(losses) through P&L during the year*	*Closing position at 30 June 2021* Fair Value
	£	£	£	£	£
Amundi FDS -ID MSCI JAPN-IEC	294,498	-	(290,627)	(3,871)	-
Axa WF-Framlington UK - Class L	566,016	-	-	131,912	697,928
BGF Cont European Flexible D4 GBP	510,000	-	(263,400)	110,100	356,700
Carmignac Grande Europe W GBP Acc	-	235,474	-	35,052	270,526
Fidelity Funds-EMarket - W GBP	319,855	-	-	114,745	434,600
Findlay Park American Fund	463,325	-	-	97,051	560,376
First St-Asian Eq Plus-IIIGI	327,786	-	-	63,078	390,864
GVQ UK Focus Fund I Class	498,173	-	(633,958)	135,785	-
Invesco - Sterling Bd-Z QD	436,852	110,954	-	9,309	557,115
Ishares Core FTSE 100 UCITS ERF (Dist)	392,860	331,862	-	101,599	826,321
Ishares Edge S&P500 Min Vol	284,400	-	-	42,120	326,520
Ishares Physical Gold ETC	700,000	122,961	-	(74,911)	748,050
Ishares S&P 500 UCITS ETF (Dist)	321,230	276,735	-	114,000	711,965
Ishares UK Gilts 0-5yr	404,820	470,234	-	(7,044)	868,010
Jo Hambro CM - UK Growth Fund - A Shares	566,000	-	-	263,600	829,600
JPMORGAN F-JPM Us Value-CGBP	-	644,320	-	2,400	646,720
Jupiter Dynamic Bond - Class 1 GBP Q Inc HSC	571,500	-	-	-	571,500
Liontrust Global FD Spec Sits C3	556,855	-	-	128,415	685,270
Loomis Sayles US Growth Equity Fund	400,925	-	-	86,475	487,400
M&G Offshore Corporate Bond Fund - II	447,678	71,760	-	3,965	523,403
Neuberger Berman EMD - Hard Currency FD	251,258	-	-	12,056	263,314
Ninety One Gs Fund - GLB Multi Asset Income Fund	757,152	-	(297,804)	15,612	474,960
Nomura Global Dynamic Bond Fund	380,269	191,293	-	46,771	618,333
Pimco Global Real Return Inst GBP Inc	557,759	-	-	13,441	571,200
Polar Capital - Healthcare Opportunities Fund	-	428,490	-	16,740	445,230
Robeco BP US Premium Equities IE	398,268	-	(529,776)	131,508	-
Threadneedle - UK Equities - IGP	411,600	-	-	80,487	492,087
Vanguard FTSE Japan UCITS ETF	-	233,086	-	24,964	258,050
Sub-Total	**10,819,079**	**3,117,169**	**(2,015,565)**	**1,695,359**	**13,616,042**