BURFORD CAPITAL FINANCE LLC

Annual Report and Financial Statements for the year - 31 December 2019

Contents

COMPANY INFORMATION

Officers	Christopher Bogart Elizabeth O'Connell (resigned 15 August 2019) James Kilman (appointed 15 August 2019) Phillip Braverman Melissa Sobel
Registered office	251 Little Falls Drive Wilmington Delaware 19808
Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

OFFICERS' REPORT

The Officers present their statement to the members together with the audited financial statements for the year ended 31 December 2019. The Company was incorporated in the state of Delaware, USA. The address of the Company's registered office is provided in page 2.

BUSINESS ACTIVITIES

The Company's principal activity is to act as a bond issuing vehicle for Burford Capital Limited and its subsidiary companies (the "Group"). The Officers do not propose introducing further business activities in this company.

For further information on the operations of Burford Capital Limited, the ultimate parent company, please refer to the financial statements which may be downloaded from its website www.burfordcapital.com.

STRATEGY, OBJECTIVES AND PRINCIPAL RISK

On 12 February 2018, the Company issued a set of retail bonds to the value of $180m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have a 7.5 year term, maturing on 12 August 2025, and a fixed coupon of 6.125% payable bi-annually.

The ultimate parent, Burford Capital Limited, and fellow group subsidiary Burford Capital plc are the Guarantors for interest and capital repayments as they fall due.

The issue of bonds with a fixed coupon minimises any financial risk to the Group as a result of interest rate fluctuations. The terms of the bonds require that as long as they remain outstanding, Burford Capital Limited is required to ensure that at each reporting date, the Group leverage ratio (as defined in the bond documents) is no more than 1:2 (excluding certain subsidiaries) and as at the time of signing these financial statements, this condition was met.

The Officers consider the principal risk and uncertainty facing the Company to be its ability to service the capital and interest payments which is dependent on the performance of the Group. The Officers have considered the ability of Burford Capital Limited to ensure that the Company is in a position to make interest and capital repayments at the appropriate times, and as the Group is a profitable and solvent business, they are satisfied that it will be in a position to do so.

GOING CONCERN

In considering the going concern basis of preparation of these financial statements the Officers have had regard to a number of factors. The Company's primary obligation for the forthcoming twelve months is to make the bi-annual interest payments on the bonds as they fall due. From the Company's perspective, Burford Capital Limited has confirmed to the Company that it will assist it in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

On this basis, the Officers have a reasonable expectation that the Company has or has access to adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements and has the ability to meet its liabilities as they fall due. The full extent to which the COVID-19 pandemic may impact Group's results, operations or liquidity is uncertain. At present the global economy is suffering considerable disruption due to the effects of the COVID-19 and Management has given serious consideration to the consequences of this for the Company and for the Guarantor. In assessing the going concern basis of accounting Management has considered ongoing compliance with applicable loan capital covenants, and the year end cash balances and forecast cash flows of both the Company and the Guarantor.

The Company has certain covenants associated with its loan capital and at present, the financial situation of the Guarantor does not suggest that any of these covenants are close to being breached. The analysis performed has considered the extraordinary nature of the current economic situation and included a number of stress tests to examine the possible circumstances which could result in the covenants being breached. Based on this analysis, it is Management's opinion that the circumstances which would give rise to a covenant breach, or a failure of the Guarantor to assist in meeting the Company's liabilities as they fall due, are highly unlikely. The first repayment on the Company's loan capital is not due until August 2025.

Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

OFFICERS' REPORT – continued

FINANCIAL RISK MANAGEMENT OBJECTIVE

The sole function of the Company is to act as a special purpose company to raise money by the issue of the Bonds. The net proceeds received by the Company from the issue of the Bonds were made available to other subsidiaries within the Group. Subsidiaries of the Group will use such amounts for the general corporate purposes of the Group and to introduce debt to its capital structure for economic efficiency. The Company's only material assets are therefore the intercompany assets created through the sharing of the Bonds' proceeds within the Group. The ability of the Company to repay the Bonds will be dependent upon remittances or repayments from Group subsidiaries and, therefore, will be subject to all the risks to which the Group is subject.

Risks relating to the Group

Investment selection and performance

The Group is dependent on whether or not the investments and financings which it undertakes and insurance contracts which it has undertaken (collectively, "investments") will be successful or will pay returns. Assessing the value, strengths and weaknesses of litigation is complex and the outcome is not certain. Should the investments, financings and insurance contracts in which the Group is or becomes involved prove to be unsuccessful or produce returns below those expected, the ability of the Group to meet its commitments under the Bonds could be materially adversely affected.

Inability to locate, and delay in entering into, investments

The success of the Group is dependent upon the conclusion, management and realisation of suitable investments. There is no guarantee that the Group will be successful in sourcing suitable investments in a timely manner or at all, or in sourcing a sufficient number of suitable investments that meet the diversification and underwriting and other requirements of the Group in jurisdictions where such investments are desirable.

The Group may experience fluctuations in its operating results

Investors contemplating an investment in the Bonds should recognise that their market value can fluctuate and may not always reflect the underlying operating results of the Group. Such operating results may themselves vary from time to time due to a variety of factors including, but not limited to, the accounting valuations of the investments made by the Group, the recognition of recoveries and the collection of awards, settlement monies or other funds from investments. The actual results of the Group for a particular period should therefore not be taken as indicative of its performance in a future period.

Regulation

Law and professional regulation (including ethics regulation) in the area of acquiring or otherwise taking a financial position or a commercial interest with respect to claims and defences can be complex and uncertain in the U.S. and elsewhere. In various jurisdictions there are prohibitions or restrictions in connection with purchasing claims from claimants (known as maintenance, and a form of maintenance, called champerty), assignment of certain kinds of claims and/or participating in a lawyer's contingent fee interests (including ethical rules against sharing fees with lawyers and non-lawyers). Such prohibitions and restrictions, to the extent they exist, are governed by the rules and regulations of each state and jurisdiction in the U.S. and elsewhere and vary in degrees of strength and enforcement in different states and federal jurisdictions. This is a complex issue that involves both substantive law and also choice of law principles. The Group has retained counsel experienced in ethics and other professional matters, and assesses the foregoing legal and ethical and other issues as appropriate and on an overall ongoing basis. However, in many jurisdictions, the relevant issues may not have been considered by the courts nor addressed by statute and thus obtaining clear opinions or legal advice may be difficult to achieve. Thus the Group's investments could be open to challenge or subsequently reduced in value or extinguished.

Changes in laws, regulation or ethical rules could further reduce or limit opportunities for the Group to make investments or could result in the reduction or extinction of the value of investments already concluded by the Group in such jurisdictions, and such changes are regularly proposed by groups opposed to litigation proliferation and others.

Competition

Competition for attractive investment opportunities may lead to lower potential returns than expected from individual investments, which may affect the Group's ability to invest on terms which it considers attractive. The Group may face competition from other entities, some of which may have significantly greater financial and/or technical resources than the Group, whose business may be at a more mature stage of development than that of the Group, which may develop or market alternative financial arrangements that are more effective or less susceptible to challenge than those developed or marketed by the Group, or that might render the Group's investment strategy obsolete or uncompetitive.

OFFICERS' REPORT – continued

Reputational risk
Failure to protect the Group's reputation and brand in the face of ethical, legal or moral challenges could lead to a loss of trust and confidence. This could result in a decline in the client base and affect the Group's ability to recruit and retain good people, which could have a material adverse effect on the Group's financial performance.

The Guarantor recognises the high standards of corporate governance demanded of listed companies. The Guarantor has adopted and complied with the Finance Sector Code of Corporate Governance published by the Guernsey Financial Services Commission (the "Code"). The Code includes many of the principles contained in the UK Corporate Governance Code.

Evaluation and disclosure of investments and investment performance
Details of investments that the Group has or is pursuing or intends to pursue, cannot and will not be disclosed on a named or detailed basis to Bondholders because of confidentiality and other restrictions. To this extent, Bondholders will therefore not have an opportunity to evaluate for themselves such investments and therefore Bondholders will be dependent upon the Group's judgment and ability in investing and managing its assets.

Recovery collection risks
The Group is exposed to credit risk in various investment structures, most of which involve investing sums recoverable only out of successful investments with a risk of loss of its investment cost. On becoming contractually entitled to proceeds, depending on the structure of the particular investment, the Group could be a creditor of, or otherwise subject to credit risk from, a claimant, a defendant, both or other parties. Moreover, the Group may be indirectly subject to credit risk to the extent a defendant does not pay a claimant immediately, notwithstanding successful adjudication of a claim in the claimant's favour. Part of the case selection process for investment involves an assessment by the Group of the ability of the defendant to pay a judgment or award if the case is successful. If the defendant is unable to pay or the claimant or defendant challenges the judgment or award, the Group may encounter difficulties in recovery.

Potential commitments in excess of funds raised
The Group may contract for commitments in matters in excess of its total funds. While the Group intends to manage its investment portfolio in such a manner as to minimise the risk of a mismatch between commitments and available cash, it is possible that such a mismatch will occur, which could cause damage to the Group and the potential loss of business and financial relationships.

Reliance on lawyers
The Group is particularly reliant on lawyers to litigate claims and defences with due skill and care. If they are not able to do this, or do not do this for other reasons, it is likely to have a material adverse effect on the value of the Group's investment. Whilst the Group will evaluate the lawyers involved in any investment (who are generally not selected by the Group), there is no guarantee that the outcome of a case will be in line with the lawyers' assessment of the case or in line with the expected skill and care from the lawyers.

Changes in regulation
The Group is subject to regulatory requirements currently and may be subject to additional regulatory requirements both in its current areas of activity and any future areas of activity. The Group will be under a duty to comply with any new rules, regulations and laws applicable to it. Compliance with these rules, regulations and laws could create additional burdens for the Group and could have a material adverse effect on the investment strategies of, and/or the value of, direct or indirect business or financial interests of the Group.

Legal professional duties
The Group will generally not wholly own or control a claim in which it has invested, and as a result the Group will not be the client of the law firm representing the owner of the claim that is the subject of an investment or financing of the Group. Accordingly that law firm may be required to act in accordance with its client's wishes rather than those of the Group or may be subject to an overriding duty to the courts.

Operational risks
Operational risks, including the risk of fraud and other criminal acts carried out against the Group, are inherent in the Group's business. As the Group's business grows in size and complexity, and in particular as the Group enters new markets, operational risk increases.

OFFICERS' REPORT – continued

Operational risk and losses can result from external and internal fraud, failures or inadequacies in systems or processes, failure to comply with regulatory requirements and conduct of business rules, errors by employees, natural disasters or the failure of external systems, for example, those of the Group's contractual counterparties. The Group has implemented a risk management framework which seeks to maintain residual risk exposures within defined risk appetite thresholds, and appropriate resources are devoted to developing efficient procedures, including the identification and rectification of weaknesses. However, it is not possible to implement procedures which fully control each of the operational risks noted above.

Terrorist acts, other acts of war or hostility and geopolitical, pandemic or other such events may result in economic and political uncertainties which could have a material adverse effect on U.S., U.K. and international economic conditions and more specifically on the Group's results of operations, financial condition or prospects. In addition, an incident incapacitating the Group's management or systems could impact on the Group's ability to carry on its business.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Group will be unable to comply with its obligations as a company with securities admitted to the Official List of the Financial Conduct Authority.

Reliance on key personnel
The Group's performance is, to a large extent, dependent upon the judgment and ability of its senior management to implement the Group's strategy to use and commit the Group's capital and finance, manage and realise returns on its investments. The success of the Group will therefore depend largely upon the ability of certain members of its senior management and the Group's ability to train, motivate and retain them to ensure their continuing availability. The death, incapacity or loss of the service of any of its senior management could have a material adverse impact on the business of the Group.

In addition, the Group's performance may be limited by its ability to employ, train, motivate and retain sufficient skilled personnel. Such a failure to retain or recruit suitable replacements for significant numbers of skilled personnel could damage the Group's business.

The Group's operations are dependent on the proper functioning of information technology systems
The Group relies on its information technology ("IT") systems to conduct its business, including key account management, documentation, producing financial and management reports on a timely basis and maintaining accurate records. The Group's processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of the IT systems and/or third-party infrastructure on which the Group relies could lead to costs and disruptions that could adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

Computer and data-processing systems are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant malfunction or interruption of one or more of the Group's computer or data-processing systems could adversely affect the Group's ability to keep its operations running efficiently and affect service availability. In addition, it is possible that a malfunction of the Group's data system security measures could enable unauthorised persons to access sensitive data, including information relating to the Group's intellectual property or litigation or business strategy or those of its customers. Any such malfunction or disruptions could cause economic losses. A failure of the Group's IT systems could also cause damage to its reputation which could harm its business. Any of these developments, alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with notes admitted to the Official List of the Financial Conduct Authority.

Tax risks
Characterisation of investments
Tax laws and regulations are under constant development and often subject to change as a result of government policy. The Group structures investments on a case-by-case basis in accordance with legal and ethical principles and limitations identified by the Group and its professional advisors. There is no guarantee that a state, federal or other governmental taxing authority in the jurisdiction where the investment is made or where the relevant claim is pending will accept, for tax or other regulatory purposes, the characterisation of the investment as intended and documented by the Group and reflected in the investment documents. Taxing or other regulatory authorities may deem the transaction to be characterised differently for local tax or other regulatory purposes, which could yield a different tax or regulatory treatment of the associated investment returns.

OFFICERS' REPORT – continued

If the Group or a taxing authority does re-characterise investment contracts or disbursements for their accounting or taxing purposes respectively, this could result in additional tax being assessed on the Group on investment returns associated with the contract; a write down of the value of the investment asset on the books of the Group; or a re-characterisation of the investment contract for purposes of interpretation or enforcement of the Group's rights in a place whose courts have jurisdiction over the enforcement of the investment contract or judgment or arbitral award based on such contract.

Tax leakage
Some or all revenues earned by the Group may be subject to a significant income or corporate income tax liability (including withholdings) which cannot be reclaimed by the Group. If applicable, the rates of such taxes (or withholdings) will depend on the jurisdiction in which the revenues are earned (or with which they are connected) and will reduce the net returns on the Group's investments and, as a result, diminish the potential value of the Group's assets.

Changes in taxation legislation or regulation may adversely affect the Group or Bondholders
Any change in the Group's tax status, or in taxation legislation in any jurisdiction in which the Group carries on, or is deemed to carry on, a trade or business or from which its income is sourced, could affect the value of its investments and the Group's ability to achieve its investment objective, and may adversely affect returns to Bondholders.

POST BALANCE SHEET EVENTS

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity around the world. In response to this coronavirus pandemic, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. In response to this the ultimate parent has closed its offices and implemented business continuity plans for staff to work from home without noticeable impact on service delivery and operations.

The Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event.

The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. As at the date of this report the most likely impact for the ultimate parent is expected to be some potential delays in the realisation of cash flows from the capital provision asset portfolio. While litigation matters that do not require in-person attendance are continuing, courts and arbitration tribunals are postponing some trials and hearings as they adapt to the new environment. In addition, some liquidity constrained corporate defendants may defer settling cases. As a result, the impact of this event on the Company is not expected to be material.

Further consideration in respect of the assessment of COVID-19 impact and how this has been considered in respect of forming a conclusion in respect of the going concern assumption for the Company is set out in the Going Concern section above on page 3.

With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

P Braverman
Officer

21 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURFORD CAPITAL FINANCE LLC

Opinion

We have audited the financial statements of Burford Capital Finance LLC for the period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Member's Equity, Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the period then ended; and

- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Key audit matters	• Measurement of the retail bonds and compliance with covenants
Materiality	• Overall materiality of US$1.8m which represents 1% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. These matters included 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Risk</th><th>Our response to the risk</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr><td colspan="3">Measurement of the retail bonds and compliance with covenants</td></tr>
<tr><td>Refer to the Accounting policies (pages 16 to 17) and Note 11 of the Financial Statements (page 20).

On 12 February 2018 the Company issued a set of retail bonds to the value of US$ 180 million. The principal risk to the Company is its ability to service the capital and interest payments which is dependent on the performance of Burford Capital Limited (the 'Group').

The terms of the bond require that as long as it remains outstanding, the Group is required to ensure that at each reporting date, the Group leverage ratio (as defined in the bond documents) is not more than 1:2 (excluding certain subsidiaries).

The draft financial statements of the Group are prepared by management showing compliance with this leverage ratio covenant.

Given the significance of the results of the Group to the compliance with covenants, we considered this a key audit matter for this risk as part of our audit.</td><td>To obtain sufficient audit evidence to conclude on the measurement of the transactions, we:

• Read and considered the relevant sections of the bond issue documents in connection with the terms of the bonds and confirmed that the bond was appropriately disclosed and recorded in the financial statements.

• Confirmed that the bond continues to be recorded at the balance sheet date at amortised cost using the effective interest rate method. We validated the completeness, accuracy and integrity of the calculation by reperforming and agreeing the inputs to the bond issue documents.

• Recalculated the leverage ratio calculation provided to us by management and agreed the underlying figures to the Group financial statements. We obtained the trust deeds and ensured the terms per the agreements were reflected in the calculations. We considered the results of the Group in assessing the risk of going concern.

• In light of the Covid-19 outbreak described in Note 1, we performed testing to evaluate whether the covenant requirements would be met under base and stressed scenarios and considered the level of headroom under these scenarios, and whether the Group would be in a position to continue to assist the Company in meeting its liabilities as they fall due under such scenarios.</td><td>We concluded that the accounting of the retail bonds is in accordance with IFRS and the appropriate disclosures have been made in the financial statements.

We concluded the carrying value of the retail bond was reasonably stated.

At 31 December 2019, we confirmed the leverage ratio did not exceed the required 1:2 limit as stated in the trust deeds.

We concluded that management's assessment as to the Group's ability to continue to support such covenants and to continue to assist the Company in meeting its liabilities as they fall due, and the disclosures included in the financial statements with respect to this assessment, are appropriate.</td></tr>
</table>

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be US$1.8 million, which is 1% of total assets. The Company's principal and sole activity is that of a bond issuing and group financing vehicle which holds and services issued debt. The primary stakeholders of the Company are its ultimate parent and guarantor of the bonds, Burford Capital Limited and the bond holders. Having considered these factors we believe that total assets is the primary measure used by the stakeholders in assessing the performance of the Company, and is therefore our basis for materiality.

During the course of our audit, we reassessed initial materiality and concluded that materiality assessed at the planning stage of our audit remained appropriate.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely US$0.9 million.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the officers that we would report to them all uncorrected audit differences in excess of US$ 0.1 million, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 7, other than the financial statements and our auditor's report thereon. The officers are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of officers

The officers 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 officers 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 officers 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 officers 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.

A further description of our responsibilities for the audit of the financial statements is located 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 officers, as a body, in accordance with our engagement letter dated 25 February 2019. Our audit work has been undertaken so that we might state to the company's officers 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 officers as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ernst & Young LLP
London

22 May 2020

Notes:

1. The maintenance and integrity of the **Burford Capital Finance LLC** web site is the responsibility of the officers; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Income	**2**	**1,700**	1,193
Operating expenses	**3**	**(1,406)**	(1,260)
Operating Profit/(Loss)		**294**	(67)
Interest and similar income	**4**	**11,284**	9,875
Finance costs	**5**	**(11,325)**	(10,004)
Profit/(Loss) on ordinary activities before taxation		**253**	(196)
Tax on profit/(loss) on ordinary activities	**6**	**(63)**	49
Profit/(Loss) for the financial period		**190**	(147)
Other comprehensive income		**-**	-
Total comprehensive profit/(loss) for the period		**190**	(147)

All figures relate to continuing operations.

There were no other items recognised outside of the statement of comprehensive income above.

The notes on pages 16-24 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	2019 $'000	2018 $'000
Assets			
Non-current assets			
Loans advanced to fellow group undertaking	9	**177,750**	177,750
		177,750	177,750
Current assets			
Cash		**5,132**	3,368
Amounts due from fellow group undertaking	19	**191**	1,243
Total current assets		**5,323**	4,611
		183,073	182,361
Members equity and liabilities			
Current Liabilities			
Other creditors	10	**4,714**	4,492
Non-current liabilities			
Loan capital	11	**178,315**	178,015
Total liabilities		**183,029**	182,507
Member's equity			
Member's equity	16	**1**	1
Accumulated Profit/(Loss)		**43**	(147)
Total member's equity		**44**	(146)
		183,073	182,361

The notes on pages 16-24 form part of the financial statements.

These financial statements of Burford Capital Finance LLC, were approved by the Officers on 21 May 2020 and signed on their behalf by

Philip Bravermar

P Braverman
Officer

STATEMENT OF CHANGES IN MEMBER'S EQUITY
For the year ended 31 December 2019

31 December 2019	**Members' equity $'000**	**Accumulated Profit/(loss) $'000**	**Total $'000**
Balance at 1 January 2019	**1**	**(147)**	**(146)**
Total comprehensive profit for the period	**-**	**190**	**190**
Balance at 31 December 2019	**1**	**43**	**44**

31 December 2018	**Members' equity $'000**	**Accumulated Profit/(loss) $'000**	Total $'000
Balance at 7 November 2017	-	-	-
Member's capital contributed in the period (note 16)	1	-	1
Total comprehensive loss for the period	-	(147)	(147)
Balance at 31 December 2018	1	(147)	(146)

The notes on pages 16-24 form part of the financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Cash flows from operating activities		
Profit/(Loss) for the period before tax	**253**	(196)
Adjusted for:		
Interest income	**(11,284)**	(9,875)
Finance costs	**11,325**	10,004
	294	(67)
Changes in working capital		
Decrease/(Increase) in receivables	**737**	(1,194)
Increase in payables	**474**	266
Net cash inflow/(outflow) from operating activities	**1,211**	(928)
Cash flows from financing activities		
Members capital contributed	**-**	1
Issue of loan capital	**-**	180,000
Issue expenses of loan capital	**-**	(2,250)
Interest paid on loan capital	**(11,025)**	(5,513)
Net cash (outflow)/inflow from financing activities	**(11,025)**	172,238
Cash flows from investing activities		
Loans advanced to parent undertaking	**-**	(177,750)
Interest received	**11,284**	9,875
Net cash inflow/(outflow) from investing activities	**11,284**	(167,875)
Net increase in cash and cash equivalents	**1,764**	3,368
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at beginning of period	**3,368**	-
Increase in cash and cash equivalents	**1,764**	3,368
Cash and cash equivalents at end of period	**5,132**	3,368

The notes on pages 16-24 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The financial statements are prepared in United States Dollars, which is the presentational and functional currency of the company, and are rounded to the nearest $'000 unless otherwise indicated.

b) Standards and interpretations issued but not yet effective

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

c) Significant accounting judgments and estimates

The most significant judgment relates to:

Going concern
The most significant judgment relates to the assessment of going concern the Company's ability to service its capital and interest payments is dependent on the performance of the Group. This is reviewed in more detail in the Officers' Report and in accounting policy d) below.

d) Going concern

In considering the going concern basis of preparation of these financial statements the Officers have had regard to a number of factors. The Company's primary obligation for the forthcoming twelve months is to make the bi-annual interest payments on the bonds as they fall due. From the Company's perspective, Burford Capital Limited has confirmed to the Company that it will assist it in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

The full extent to which the COVID-19 pandemic may impact Group's results, operations or liquidity is uncertain. At present the global economy is suffering considerable disruption due to the effects of the COVID-19 and Management has given serious consideration to the consequences of this for the Company and for the Guarantor. In assessing the going concern basis of accounting Management has considered ongoing compliance with applicable loan capital covenants, and the year end cash balances and forecast cash flows of both the Company and the Guarantor.

The Company has certain covenants associated with its loan capital and at present, the financial situation of the Guarantor does not suggest that any of these covenants are close to being breached. The analysis performed has considered the extraordinary nature of the current economic situation and included a number of stress tests to examine the possible circumstances which could result in the covenants being breached. Based on this analysis, it is Management's opinion that the circumstances which would give rise to a covenant breach, or a failure of the Guarantor to assist in meeting the Company's liabilities as they fall due, are highly unlikely. The first repayment on the Company's loan capital is not due until August 2025.

On this basis, the Officers have a reasonable expectation that the Company has or has access to adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements and will be able to meet its liabilities as and when then fall due and payable. Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Burford Capital Limited, and Burford Capital Plc have agreed to act as Guarantor to the bondholders as described in note 3.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

e) Taxation

Taxation in the Profit and Loss Account is based on net profits of the period as determined in accordance with the relevant tax legislation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be sustainable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax is measured at a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

f) Loans

Loans advanced to fellow group undertakings are repayable on demand. These loans meet the contractual cash flow test as these cash flows comprise solely payments of principal and interest and are held in a business model to receive those contractual cash flows and are classified as 'financial assets at amortised cost'. These loans are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment calculated under the expected loss model

g) Borrowings

Interest bearing loans are initially recorded at the proceeds received, net of issue costs, and subsequently recorded at amortised cost using the effective interest rate method.

Finance costs are recorded on an accrual basis in the profit and loss account using the effective interest method and added to the carrying amount. The carrying amount is accordingly split between current and non-current, representing the interest and principal amounts respectively.

h) Cash

Cash at bank comprises cash held in bank accounts

i) Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the Profit and Loss Account.

j) Expenses

All expenses are accounted for on an accruals basis.

k) Interest income

Interest income is calculated using the effective interest rate method and is recognised on an accruals basis.

l) Other income

Other income includes recharge of guarantor fee. Guarantor fee income is recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

2. INCOME

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Recharge of Guarantor fee (see note 3)	**1,350**	1,193
Other income	**350**	-
	1,700	1,193

3. OPERATING EXPENSES

The loss on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Guarantor fee	**1,350**	1,193
Audit fee to Ernst & Young LLP	**45**	27
Other costs	**11**	40
	1,406	1,260

As stated in the Officers' Report Burford Capital Limited and Burford Capital plc have agreed to act as Guarantors in relation to the Bond.

4. INTEREST AND SIMILAR INCOME

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Loan interest (see note 9)	**11,264**	9,875
Bank interest	**20**	-
	11,284	9,875

5. FINANCE COSTS

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Interest and finance charges on 6.125% 2025 bond	**11,325**	10,004

6. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Current Tax		
US corporation tax at 25%	**63**	(49)
Deferred Tax		
Current period	**-**	-
Tax charge/(credit) in the Income statement		
Current Tax	**63**	(49)

NOTES TO THE FINANCIAL STATEMENTS – (continued)

6. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES – (continued)

Factors affecting the current tax charge
The total tax for the year is set out in the reconciliation below:

	Year ended 31 December 2019 $'000	7 November 2017 to 31 December 2018 $'000
Profit/(loss) on ordinary activities before tax	**253**	(196)
Current tax at 25%	**63**	(49)
Factors affecting charge:		
Other temporary timing difference	**-**	-
Total tax	**63**	(49)

7. STAFF COSTS

There were no employees or staff costs for the year ended 31 December 2019 (2018: $nil).

8. REMUNERATION OF OFFICERS

The remuneration of the Officers is paid by the Officer's employing company within the Burford Group. The Officers consider that it is not practical to allocate their time and that the costs of their services to the Company are immaterial and accordingly no remuneration has been apportioned to the Company.

9. AMOUNTS DUE FROM PARENT UNDERTAKING

	2019 $'000	2018 $'000
Loans advanced to parent undertaking	**177,750**	177,750

The terms of $177,750,000 loan to Burford Capital LLC are that it is repayable on demand with an interest rate of 6.25%. The Officers have no intention however of demanding repayment of this debt within 12 months of the date of signing these financial statements.

10. OTHER CREDITORS

	2019 $'000	2018 $'000
Loan capital interest payable	**4,226**	4,226
Accruals	**38**	27
Amounts due to fellow group undertaking	**450**	239
	4,714	4,492

As stated in the Officers' Report, Burford Capital Limited and Burford Capital Plc have confirmed to the Company that it will assist it in meeting its liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

11. LOAN CAPITAL

Retail Bonds	**2019 $'000**	2018 $'000
As at start of period	**182,241**	-
Bonds issued	**-**	180,000
Bond issue costs	**-**	(2,250)
Finance costs (see note 5)	**11,325**	10,004
Interest paid	**(11,025)**	(5,513)
As at 31 December	**182,541**	182,241

	2019 $'000	2018 $'000
Split:		
Loan capital	**180,000**	180,000
Bond issue costs to be charged as finance costs	**(1,685)**	(1,985)
Non-current liabilities	**178,315**	178,015
Current liabilities (note 10)	**4,226**	4,226
	182,541	182,241

On 12 February 2018, the Company issued $180m of retail bonds. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have a 7.5 year term, maturing on 12 August 2025, and a fixed annual coupon of 6.125% payable bi-annually.

The Bonds constitute unsecured debt obligations of the Issuer, Burford Capital Finance LLC. The ultimate parent, Burford Capital Limited, and fellow group subsidiary Burford Capital plc are the Guarantors for interest and capital repayments as they fall due.

So long as any Bonds remain outstanding, Burford Capital Limited is required to ensure that at each reporting date, the Group leverage ratio (as defined in the Bond documents and excluding certain identified subsidiaries) is no more than 1:2 (50%).

12. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

A summary of the changes arising from cash flows and non-cash changes is shown below.

Retail Bonds	**2019 $'000**	2018 $'000
As at start of period	**182,241**	-
Cash flows:		
Bonds issued	**-**	180,000
Bond issue costs	**-**	(2,250)
Interest paid	**(11,025)**	(5,513)
Non-cash flows		
Interest expense	**11,025**	9,739
Amortisation of bond issue costs	**300**	265
As at 31 December	**182,541**	182,241

NOTES TO THE FINANCIAL STATEMENTS – (continued)

13. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities included in the Company's balance sheet are measured at amortised cost using the effective interest method. The table below presents an equivalent fair value for the applicable financial assets and liabilities disclosed in accordance with the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3 – Those inputs for the asset that are not based on observable market data (unobservable inputs). The inputs into determination of fair value require significant management judgment and estimation.

Fair Value Hierarchy

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loan to parent undertaking	**-**	**-**	**177,750**	**177,750**
Loan capital, at fair value	**(172,350)**	**-**	**-**	**(172,350)**
Total	**(172,350)**	**-**	**177,750**	**5,400**

31 December 2018	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Loan to parent undertaking	-	-	177,750	177,750
Loan capital, at fair value	(177,075)	-	-	(177,075)
Total	(177,075)	-	177,750	675

The fair value of the loan to parent undertaking approximates carrying amount as it is repayable on demand and there have been no significant changes that would impact the credit spread.

Loan capital is held at amortised cost and the figures disclosed in the above table represent the fair value using the quoted price.

14. RISK MANAGEMENT

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's bonds and loans advanced to parent undertaking both incur interest at a fixed rate and so are not exposed to changes in market interest rates.

Liquidity risk
The Company is exposed to liquidity risk. The proceeds raised through the issue of the bonds have been lent to the its parent company, Burford Capital LLC. The term of the loan is that it is repayable on demand (see note 9) which reduces this risk however Burford Capital LLC needs to have sufficient funds available to repay the loan. As detailed in note 10 its parent company, Burford Capital Limited and fellow group subsidiary, Burford Capital Plc will provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

14. RISK MANAGEMENT (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

31 December 2019	**Current liabilities**	**Loan capital interest**	**Loan capital**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Less than 3 months	488	5,512	-	**6,000**
3 to 6 months	-	-	-	**-**
6 to 12 months	-	5,512	-	**5,512**
1 to 5 years	-	44,100	-	**44,100**
Greater than 5 years	-	11,025	180,000	**191,025**
Total undiscounted cash outflows	**488**	**66,149**	**180,000**	**246,637**

31 December 2018	Current liabilities	Loan capital interest	Loan capital	Total
	$'000	$'000	$'000	$'000
Less than 3 months	266	5,512	-	5,778
3 to 6 months	-	-	-	-
6 to 12 months	-	5,512	-	5,512
1 to 5 years	-	44,100	-	44,100
Greater than 5 years	-	22,050	180,000	202,050
Total undiscounted cash outflows	266	77,174	180,000	257,440

Credit risk
The Company is exposed to credit risk on the loan to its parent undertaking and amounts due from fellow group undertaking. The amounts are repayable on demand but the Officers have confirmed that that there is no intention of demanding repayment within 12 months of the date of signing these financial statements. The Company monitors the risk of the loan defaulting and is satisfied that any expected credit losses are immaterial as at 31 December 2019 (2018: $nil).

The company also holds cash with a reputable bank with a sound credit rating.

The maximum credit risk exposure represented by cash is as stated on the statement of financial position.

15. MANAGEMENT OF CAPITAL

The capital structure of the Company comprises members equity and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to members, return capital to members or receive additional capital contributions from members. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the period ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

16. MEMBER'S EQUITY

	2019 $'000	2018 $'000
Balance at start of period	**1**	-
Capital contributed in the period	**-**	1
At 31 December	**1**	1

The Company's equity is held by a single member, Burford Capital LLC.

17. CAPITAL COMMITMENTS

The Company had no capital commitments as at 31 December 2019 (2018: nil).

18. POST BALANCE SHEET EVENTS

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity around the world. In response to this coronavirus pandemic, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. In response to this the ultimate parent has closed its offices and implemented business continuity plans for staff to work from home without noticeable impact on service delivery and operations.

The Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event.

The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. As at the date of this report the most likely impact for the ultimate parent is expected to be some potential delays in the realisation of cash flows from the capital provision asset portfolio. While litigation matters that do not require in-person attendance are continuing, courts and arbitration tribunals are postponing some trials and hearings as they adapt to the new environment. In addition, some liquidity constrained corporate defendants may defer settling cases. As a result, the impact of this event on the Company is not expected to be material.

Further consideration in respect of the assessment of COVID-19 impact and how this has been considered in respect of forming a conclusion in respect of the going concern assumption for the Company is set out in note 1 on page 16.

With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

19. RELATED PARTY TRANSACTIONS

The following transactions with related parties took place at arm's length terms agreed between the parties during the financial period:

	2019 $'000	2018 $'000
Loan interest income from Burford Capital LLC	11,264	9,875
Guarantor fee and other income receivable from Burford Capital LLC	1,700	1,193
Other transactions with Burford Capital LLC including transfer of tax charge/(credit)	(63)	50
Guarantor fees payable to other Group entities	(1,350)	(1,193)

During the 2018 the company made a loan of $177,750,000 to Burford Capital LLC (see note 9). At 31 December 2019 the balance on the loan is $177,750,000 (2018: $177,750,000) and the company was owed interest of $93,000 (2018: nil).

At 31 December 2019 the balance due from Burford Capital LLC was $191,000 (2018: $1,243,000) primarily relating to the guarantee fee.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

19. RELATED PARTY TRANSACTIONS (continued)

At 31 December 2019 the balance due to other Group entities relating to the guarantee fee was $450,000 (2018: $nil).

Hugh Steven Wilson, a non-executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, owns $280,000 nominal of the 6.125% 2025 bonds as at 31 December 2019 (2018 : $nil)

There are no other related party transactions that need to be disclosed here.

20. ULTIMATE PARENT COMPANY

The immediate parent company is Burford Capital LLC, a company incorporated in the United States and registered in the state of Delaware.

The ultimate parent undertaking at the date these financial statements were approved was Burford Capital Limited, which is incorporated and registered in Guernsey, copies of whose consolidated financial statements can be obtained from:

Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW