Company Registration No. 09077893

Burford Capital PLC

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

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Directors	C Arnott L Paster P Braverman
Company secretary	P Leibfried
Company registration no.	09077893
Registered office	8th Floor Brettenham House 2-19 Lancaster Place London WC2E 7EN
Auditor	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
Solicitors	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
Incorporated	9 June 2014

Burford Capital PLC
Strategic report
31 December 2019

The Directors present their Strategic Report for the financial statements for the year ended 31 December 2019. The Company was incorporated in the United Kingdom under Companies Act 2006 and registered in England and Wales. The address of the Company's registered office is provided in page 2.

Principal 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 Directors do not propose introducing further business activities or changes to its principal activity.

Details of the Group business model and that of the subsidiaries are explained in more detail in the Report of the Directors on page 5. Additionally, information can be found in the financial statements of the ultimate parent, Burford Capital Limited. A copy of the financial statements can be obtained from their website at www.burfordcapital.com.

Principal risks and uncertainties

On 19 August 2014 the Company issued £90m of retail bonds. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8 year term, maturing on 19 August 2022, and a fixed coupon of 6.5% payable bi-annually.

On 26 April 2016, the Company issued a second set of retail bonds to the value of £100m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8.5 year term, maturing on 26 October 2024, and a fixed coupon of 6.125% payable bi-annually.

On 1 June 2017, the Company issued a third set of retail bonds to the value of £175m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have a 9.5 year term, maturing on 1 December 2026, and a fixed coupon of 5.0% payable bi-annually.

The Directors 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 Directors 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.

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 three 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 of these financial statements, this condition was met.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors for example include the interests and views of members of the Burford Group and our relationship with our lenders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings, the directors receive information on section 172 matters when making relevant decisions. For example, each year we make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends. In 2019 we considered the level of reserves of the company and we have not recommended a payment of a dividend.

As the principal activity of the Company is to issue retail bonds to provide financing to subsidiary and fellow subsidiary undertakings the Company has had no commercial business operations, and no employees, customers or suppliers during the period and as such the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

Review of operations
The results for the period are set out in detail on page 18. The Balance Sheet on page 19 shows positive net assets following the restructure and the issuance of new equity in 2017 (note 14).

During the year, the Company received interim dividends from its subsidiaries totalling £10.9m.

On 12 February 2018, Burford Capital Finance LLC, issued 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 Bonds constitute unsecured debt obligations of the Issuer, Burford Finance LLC. The Company and the ultimate parent, Burford Capital Limited will jointly and severally, unconditionally and irrevocably guarantee interest and capital repayments as they fall due.

There are no relevant KPIs applicable to the Company.

Likely future developments
The Directors do not anticipate any material changes in the Company's activities in the coming year.

Employees
The Company has no employees.

On behalf of the Directors

L Paster
Director

21 May 2020

Burford Capital PLC
Directors' report
31 December 2019

The Directors present their annual report and audited financial statements for the year to 31 December 2019.

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

Going concern

The Company's business activities, together with the factors likely to affect its future performance, position and development are set out in the Strategic Report on page 3. The Strategic Report describes the financial position of the Company and its Financial Risk Management Objectives are outlined below.

Burford Capital PLC is a special purpose company which is a subsidiary of Burford Capital (UK) Limited, which is itself a subsidiary of Burford Capital Limited, the guarantor of the bonds as detailed in note 12 of the financial statements.

In considering the going concern basis of preparation of these financial statements the Directors 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 2022.

On this basis, the Directors 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.

Dividends

No dividends will be distributed for the year to 31 December 2019 (2018: £nil).

Directors

The Directors who held office during the period were as follows:

C Arnott
L Paster
P Braverman

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 pages 22-23.

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.

Corporate Governance
The Company regards the successful identification, monitoring and control of risk as an essential part of its operations and has procedures in place to do so effectively. Due to the Company’s limited scope and nature of its activities the Company’s Board is itself responsible for all aspects of the Company’s corporate governance. The Company does not, therefore, have a separate audit committee from that of Burford Capital Limited, the ultimate parent company, whose Audit Committee performs this function for the Group.

Financial risk management objective
The sole function of Burford Capital PLC 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. Burford Capital PLC’s only material assets are therefore the intercompany assets created through the sharing of the Bonds’ proceeds within the Group. The ability of Burford Capital PLC 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 investment 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.

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. While the Company is not required to comply with the Code, it has nevertheless elected to do so.

Currency risk
The Group's financial statements are presented in U.S. dollars and many of its assets are denominated in U.S. dollars. Although some of the Group's expenses are denominated in U.S. dollars, others are in sterling, euros and other currencies. Principal and interest on the Bonds are denominated and will be paid in sterling. There is a risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of U.S. dollars) and the risk that the U.S. Federal Reserve may impose or modify exchange controls. The Group may hedge some of its exposure to the U.S. dollar or other non-sterling currencies through forward foreign exchange contracts or through other financial products. While hedging may reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations, and the Group may also elect to forego hedging. Accordingly, the holders of the bonds ("Bondholders") may be exposed to exchange rate risks between U.S. dollars (or other non-sterling currency) and sterling such that if the value of the U.S. dollar (or other non-sterling currency) falls relative to sterling, the Group's assets will, in sterling terms, be worth less.

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 judgement 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.

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 judgement 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.

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.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Burford Capital PLC
Directors' report
31 December 2019

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation as a whole; and
- the management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Ernst and Young LLP were appointed as auditors of the Company on 6 February 2015 in accordance with S487 of Companies Act 2006 and are deemed reappointed as the Company's auditors.

Approved by the board and signed on its behalf by:

L Paster
Director

21 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURFORD CAPITAL PLC

Opinion

We have audited the financial statements of Burford Capital Plc (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, the Balance Sheet, the Statement of changes in equity, the 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 applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)'.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are 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.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 £3.2m (2018: £4.2m) which represents 0.75% 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.

Risk	**Our response to the risk**	**Key observations communicated to the Audit Committee**
Measurement of the retail bonds and compliance with covenants		
Refer to the Accounting policies (page 22 – page 23) and Note 12 of the Financial Statements (page 27 - page 28). The Company has in issue three retail bonds to the value of £365 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 bonds require that as long as they remain 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. The risk has remained in line with the prior year.	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 bonds were appropriately disclosed and recorded in the financial statements. • Confirmed that the bonds continue 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.	We concluded that the accounting of the retail bonds is in accordance with the UK Generally Accepted Accounting Standards and the appropriate disclosures have been made in the financial statements. 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.

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.

Changes from the prior year
There have been no significant changes from the prior year.

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 £3.2 million (2018: £4.2 million), which is 0.75% (2018: 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 the that total assets is the primary measure used by the stakeholders in assessing the performance of the entity, and is therefore our basis for materiality. We reduced our materiality threshold from 1% to 0.75% of total assets for our 2019 audit as the first maturity date of the issued bonds is due in 2022, and as this date approaches, smaller movements in the Company's reported balances may become more significant for users of the financial statements.

During the course of our audit, we reassessed initial materiality and concluded that materiality assessed at the planning stages 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% (2018: 75%) of our planning materiality, namely £1.6m (2018: £3.2m). We have set performance materiality at this reduced percentage as compared to the prior year on the basis that the first maturity date of the issued bonds is approaching, as described above.

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2018: £0.2m), 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, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on pages 10-11, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the direct laws and regulations related to elements of company law and tax legislation, and to the financial reporting framework used. Our consideration of other laws and regulations that may have a material effect on the financial statements included the UK Listing Authority Rules ('UKLA') as defined by the Financial Conduct Authority ('FCA').

- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed minutes of the Board and Risk Committee and gained an understanding of the Company's approach to governance, demonstrated by the Board's involvement in the Company's governance framework and the Board's discussion of risk and compliance.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, the oversight of those charged with governance and the impact that this might have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journal entries designed to provide reasonable assurance that the financial statements were free from fraud or error.

- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies.

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.

Other matters we are required to address

- We were appointed by the company on 6 February 2015 to audit the financial statements for the year ending 31 December 2014 and subsequent financial periods. We were appointed as auditors by the Directors of the Company and signed the engagement letter on 21 November 2018.

- The period of total uninterrupted engagement including previous renewals and reappointments is 6 years, covering the years ending 31 December 2014 to 31 December 2019.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

- The audit opinion is consistent with the additional report to the audit committee.

Burford Capital PLC
Independent auditor's report to the members of Burford Capital PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Ernst & Young LLP

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 22 May 2020

Notes:
1. The maintenance and integrity of the Burford Capital Limited web site is the responsibility of the directors; 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.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Burford Capital PLC
Income statement
For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Income			
Income	3	4,001	3,951
Operating expenses	4	(3,697)	(3,715)
Foreign exchange movements		(50)	(111)
Operating profit		254	125
Dividend income from subsidiaries	5	10,932	6,610
Finance costs	6	(21,087)	(21,118)
Loss before tax on ordinary activities	8	(9,901)	(14,383)
Tax on ordinary activities	8	2,494	3,799
Loss after tax on ordinary activities for the year		(7,407)	(10,584)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(7,407)	(10,584)

The above income statement should be read in conjunction with the accompanying notes

Burford Capital PLC
Balance sheet
As at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Investments in subsidiaries	9	342,694	342,694
Loan receivable from fellow group undertakings	10	79,400	79,400
Total non-current assets		422,094	422,094
Current assets			
Receivables due from fellow group undertakings	11	603	144
Cash at bank		4	269
Total current assets		607	413
Total assets		422,701	422,507
Liabilities			
Non-current liabilities			
Creditors: Amounts falling due after more than one year	12	362,607	362,214
Total non-current liabilities		362,607	362,214
Current liabilities			
Creditors: Amounts falling due within one year	13	18,475	11,267
Total current liabilities		18,475	11,267
Total liabilities		381,082	373,481
Net assets		41,619	49,026
Equity			
Called up share capital	14	7,050	7,050
Share premium account	15	73,194	73,194
Accumulated losses		(38,625)	(31,218)
Total equity		41,619	49,026

These financial statements of Burford Capital PLC, company number 09077893 were approved and signed by the Directors

L Paster
Director

C Arnott
Director

21 May 2020

The above balance sheet should be read in conjunction with the accompanying notes

Burford Capital PLC
Statement of changes in equity
For the year ended 31 December 2019

	Share Capital £'000	Share Premium Account £'000	Revenue reserve £'000	Total equity £'000
Balance at 1 January 2018	7,050	73,194	(20,634)	59,610
Loss after tax on ordinary activities for the year	-	-	(10,584)	(10,584)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(10,584)	(10,584)
Balance at 31 December 2018	7,050	73,194	(31,218)	49,026

	£'000	Share capital £'000	Revenue reserve £'000	Total equity £'000
Balance at 1 January 2019	7,050	73,194	(31,218)	49,026
Loss after tax on ordinary activities for the year	-	-	(7,407)	(7,407)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,407)	(7,407)
Balance at 31 December 2019	7,050	73,194	(38,625)	41,619

The above statement of changes in equity should be read in conjunction with the accompanying notes

Burford Capital PLC
Statement of cash flows
For the year ended 31 December 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Loss for the period before tax	(9,901)	(14,383)
Adjusted for:		
Finance costs	21,087	21,118
Dividend income	(10,932)	(6,610)
Net adjusted cash flow from operating activities	254	125
Changes in working capital		
Decrease in receivables	2,204	7,130
Increase in payables	7,070	7,127
Net cash inflow from operating activities	9,274	14,381
Cash flows from financing activities		
Interest paid on loan capital	(20,725)	(20,725)
Net cash (outflow)/inflow from financing activities	(20,725)	(20,725)
Cash flows from investing activities		
Dividend income	10,932	6,610
Net cash inflow/(outflow) from investing activities	10,932	6,610
Net (decrease)/increase in cash at bank	(265)	266
Reconciliation of net cash flow to movements in cash at bank		
Cash at bank at beginning of year	269	3
(Decrease)/increase in cash at bank	(265)	266
Cash at bank at end of year	4	269

The above statement of cash flows should be read in conjunction with the accompanying notes

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

There were no new or amended accounting standards or interpretations effective for the year ended 31 December 2019 which had an effect on the Company's financial position, performance or disclosures. There were no new or amended accounting standards or interpretations announced but not yet effective which are expected to have an effect.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and Generally Accepted Accounting Practice and on a going concern basis. The financial statements have been prepared under the historical cost convention and the numbers are reported in Sterling GBP, which is the presentational and functional currency of the Company, rounded to the nearest £'000 unless otherwise indicated.

The Company prepares its financial statements under FRS 101 'Reduced Disclosure Framework'. FRS 101 forms part of the new UK financial reporting regime and allows UK qualifying subsidiaries to apply EU adopted International Financial Reporting Standards ("IFRS") but with reduced disclosure.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company has taken advantage of the following exemptions under FRS 101:

- FRS 101.8(b) the requirements of IFRS 3 Business Combinations;
- FRS 101.8(d) the requirements of IFRS 7 Financial Instruments: Disclosures;
- FRS 101.8(e) the requirements of IFRS 13 Fair Value Measurement;
- FRS 101.8(g) the requirements of IAS 1 Presentation of Financial Statements;
- FRS 101.8(i) the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- FRS 101.8(k) the requirements of IAS 24 Related Party Disclosures; and
- FRS 101.8(l) the requirements IAS 36 Impairment of Assets.

Going concern

In considering the going concern basis of preparation of these financial statements the Directors 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.

1. Significant accounting policies (continued)

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 2022.

On this basis, the Directors 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 financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Burford Capital Limited, has agreed to act as Guarantor to the bondholders as described in note 12.

Investments in subsidiaries
Investments are stated at cost less provision for any impairment in value. Investments are reviewed annually for impairment.

Loans
Loans advanced to fellow group undertakings are interest free and 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.

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.

Tax
Corporation tax is provided on taxable profits at the current rate.

1. Significant accounting policies (continued)

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet 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 temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Cash
Cash comprises cash held in bank accounts.

Expenses
All expenses are accounted for on an accruals basis.

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 balance sheet date. All differences are taken to the profit and loss account.

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

Other income
Other income includes recharge of guarantor fee and dividends received from subsidiary undertakings. Guarantor fee income is recognised over the year on the accruals basis and dividend income when the right to receive payment is legally established.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The most significant judgements, estimates and assumptions are discussed below.

Going concern
The most significant judgement relates to the assessment of going concern and 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 Report of Directors and the Strategic Report and in accounting policy 1 above.

3. Income

	2019 £'000	2018 £'000
Recharge of Guarantor fee	3,650	3,650
Intra-group Guarantor fee receivable	351	301
Income	4,001	3,951

4. Operating expenses

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

	2019 £'000	2018 £'000
Guarantor fee (note 3)	3,650	3,650
Statutory audit fee to Ernst & Young LLP	34	30
Other costs	13	35
	3,697	3,715

There were no non-audit services rendered by Ernst & Young during the period.

5. Dividend income from subsidiaries

	2019 £'000	2018 £'000
Dividend income from subsidiaries	10,932	6,610

6. Finance costs

	2019 £'000	2018 £'000
Interest and finance charges on 6.5% 2022 bond	5,844	5,850
Interest and finance charges on 6.125% 2024 bond	6,269	6,280
Interest and finance charges on 5% 2026 bond	8,974	8,988
Total Finance costs	21,087	21,118

7. Staff costs

There were no staff costs for the year ended 31 December 2019.

The remuneration of the directors is paid by the directors' employing company within the Burford Group. The directors 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.

8. Tax on ordinary activities

	2019 £'000	2018 £'000
Tax on ordinary activities		
Current tax	(2,619)	(3,700)
Adjustment recognised for prior periods	125	(99)
Aggregate tax on ordinary activities	(2,494)	(3,799)
Numerical reconciliation of tax on ordinary activities and tax at the statutory rate		
Loss before tax on ordinary activities	(9,901)	(14,383)
Tax at the statutory tax rate of 19%	(1,881)	(2,733)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	(2,077)	(1,256)
Costs not allowable for tax	-	22
Loss not recognised	924	-
Deferred tax not recognised	415	267
	(2,619)	(3,700)
Adjustment recognised for prior periods	125	(99)
Tax on ordinary activities	(2,494)	(3,799)

The Company has cumulative tax losses which arose in the UK of £6,360,000 (2018: £1,498,000) that are available indefinitely for offset against future taxable profits. Following the introduction of Corporate Interest Restriction ('CIR') from 1 April 2017, £5,851,000 (2018: £2,880,000) of the Company's finance costs have been disallowed for tax. These are potentially deductible in future periods subject to the CIR rules.

Deferred tax assets have not been recognised in respect of these as there is uncertainty over the recoverability.

9. Investments in subsidiaries

	2019 £'000	2018 £'000
Investments in subsidiaries	342,694	342,694

At 31 December 2019, investments in group undertakings were as follows, all of which are directly own owned subsidiaries:

The Company	Registered office	Class of shares held	Proportion held
Burford Investments Limited	8th Floor Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	100%
Burford Global Investments Limited	8th Floor Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	100%

10. Loan receivable from fellow group undertakings

	2019 £'000	2018 £'000
Loan receivable from fellow group undertakings	79,400	79,400

The terms of the loan are that it is interest free and repayable on demand. The Directors have no intention however of demanding repayment of this debt within 12 months of the date of signing these financial statements.

11. Receivables due from fellow group undertakings

	2019 £'000	2018 £'000
Receivable due from fellow group undertakings	603	144

12. Creditors: Amounts falling due after more than one year

	2019 £'000	2018 £'000
As at 1 January	366,209	365,816
Finance charge (note 6)	21,087	21,118
Interest paid	(20,725)	(20,725)
As at 31 December	366,571	366,209

	2019 £'000	2018 £'000
Split:		
Loan capital	365,000	365,000
Bond issue costs to be charged as finance costs	(2,393)	(2,786)
Creditors due in more than one year	362,607	362,214
Loan capital interest payable (note 13)	3,964	3,995
	366,571	366,209

On 19 August 2014, the Company issued £90m of retail bonds. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8 year term, maturing on 19 August 2022, and a fixed coupon of 6.5% payable bi-annually.

On 26 April 2016, the Company issued a second set of retail bonds to the value of £100m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8.5 year term, maturing on 26 October 2024, and a fixed coupon of 6.125% payable bi-annually.

12. Creditors: Amounts falling due after more than one year (continued)

On 1 June 2017, the Company issued a third set of retail bonds to the value of £175m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have a 9.5 year term, maturing on 1 December 2026, and a fixed coupon of 5.0% payable bi-annually.

The Bonds constitute unsecured debt obligations of the Issuer, Burford Capital PLC. The ultimate parent, Burford Capital Limited, is the Guarantor 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%).

13. Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Loan interest payable (note 12)	3,964	3,995
Accruals	33	30
Payable due to fellow group undertakings	14,478	7,242
	18,475	11,267

14. Called up share capital

	2019 Shares	2018 Shares	2019 £'000	2018 £'000
Ordinary shares - fully paid	7,050,001	7,050,001	7,050	7,050

15. Share premium account

	2019 £'000	2018 £'000
Share premium reserve	73,194	73,194

16. Dividends

No dividends will be distributed for the year to 31 December 2019 (2018: £nil).

17. Capital commitments

The Company had no capital commitments as at 31 December 2019 or 31 December 2018.

On 12 February 2018, Burford Capital Finance LLC, issued 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 Bonds constitute unsecured debt obligations of the Issuer, Burford Finance LLC. The Company and the ultimate parent, Burford Capital Limited will jointly and severally, unconditionally and irrevocably guarantee interest and capital repayments as they fall due.

18. Events after the reporting period

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 pages 22-23.

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 Company has taken advantage of the exemptions available in FRS 101 for IAS 24 ‘Related Party Disclosures’ from disclosing details of transactions with other wholly owned subsidiaries in the Group.

David Lowe, a non-executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, owns £300,000 nominal of the 6.5% 2022 bonds as at the reporting dates 31 December 2019 and 31 December 2018.

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

20. Ultimate parent & controlling party

The immediate parent is Burford Capital (UK) Limited, a Company incorporated in the United Kingdom and registered in England & Wales, copies of whose financial statements can be obtained from:

8th Floor Brettenham House
2-19 Lancaster Place
London
WC2E 7EN

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

Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW