BURFORD CAPITAL FINANCE LLC

UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

For the period ended 30 June 2020

COMPANY INFORMATION

Officers	Christopher Bogart Phillip Braverman James Kilman 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 unaudited financial statements for the period ended 30 June 2020. 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.

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 period 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 has the ability to meet its liabilities as they fall due.

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 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.

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.

J Kilman
Officer

30 September 2020

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2020

	Notes	to 30 June 2020 $'000	to 30 June 2019 $'000
Income	2	850	852
Operating expenses	3	(693)	(703)
Operating profit/(loss)		157	149
Interest income	4	5,622	5,586
Finance costs	5	(5,663)	(5,663)
Profit/(loss) on ordinary activities before taxation		116	72
Tax on profit/(loss) on ordinary activities	6	(29)	(18)
Profit/(loss) for the financial period		87	54
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the period		87	54

All figures relate to continuing operations.

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

The notes on pages 12-18 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
Assets				
Non-current assets				
Loans advanced to fellow group undertaking	7	**177,750**	177,750	177,750
		177,750	177,750	177,750
Current assets				
Cash		**2**	5,132	6,412
Amounts due from fellow group undertaking	14	**6,252**	191	850
Total current assets		**6,254**	5,323	7,262
		184,004	183,073	185,012
Members equity and liabilities				
Current Liabilities				
Other creditors	8	**5,408**	4,714	6,939
Non-current liabilities				
Loan capital	9	**178,465**	178,315	178,165
Total liabilities		**183,873**	183,029	185,104
Member's equity				
Member's equity	11	**1**	1	1
Accumulated profit/(loss)		**130**	43	(93)
Total member's equity		**131**	44	(92)
		184,004	183,073	185,012

All figures relate to continuing operations.

The notes on pages 12-18 form part of the financial statements.

These financial statements of Burford Capital Finance LLC, were approved by the Officers on 30 September 2020 and signed on their behalf by

J Kilman
Officer

STATEMENT OF CHANGES IN MEMBER'S EQUITY
For the period ended 30 June 2019

30 June 2020	**Capital Contributions $'000**	**Statement of Comprehensive Income $'000**	**Total $'000**
Balance at 1 January 2020	**1**	**43**	**44**
Total comprehensive profit for the period	**-**	**87**	**87**
Balance at 30 June 2020	**1**	**130**	**131**

30 June 2019	Capital Contributions $'000	Statement of Comprehensive Income $'000	Total $'000
Balance at 1 January 2019	1	(147)	(146)
Total comprehensive profit for the period	-	54	54
Balance at 30 June 2019	1	(93)	(92)

The notes on pages 12-18 form part of the financial statements.

STATEMENT OF CASH FLOWS
For the period ended 30 June 2020

	to 30 June 2020 $'000	to 30 June 2019 $'000
Cash flows from operating activities		
Profit/(loss) for the period before tax	**116**	72
Adjusted for:		
Interest income	**(5,622)**	(5,586)
Finance costs	**5,663**	5,663
	157	149
Changes in working capital		
Increase/(decrease) in receivables	**(850)**	375
Increase in payables	**694**	2,447
Net cash inflow from operating activities	**1**	2,971
Cash flows from financing activities		
Interest paid on loan capital	**(5,513)**	(5,513)
Net cash outflow from financing activities	**(5,513)**	(5,513)
Cash flows from investing activities		
Interest received	**382**	5,586
Net cash inflow from investing activities	**382**	5,586
Net (decrease)/increase in cash and cash equivalents	**(5,130)**	3,044
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at beginning of period	**5,132**	3,368
(Decrease)/increase in cash and cash equivalents	**(5,130)**	3,044
Cash and cash equivalents at end of period	**2**	6,412

The notes on pages 12-18 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and using the going concern basis of preparation. These financial statements do not contain all the information and disclosures as presented in the annual financial statements and should be read in conjunction with the Company's annual financial statements as of 31 December 2019.

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.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2019. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several standards and other amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim financial statements of the Company.

b) 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 c) below.

c) 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 period 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 has the ability to meet its liabilities as they fall due. Accordingly, they adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

1. ACCOUNTING POLICIES (continued)

d) 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.

e) Financial assets at amortised cost

Financial assets that have fixed or determinable payments representing principal and interest are measured at amortised cost using the effective interest method, less any impairment.

f) 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.

g) Cash

Cash at bank comprises cash held in bank accounts

h) 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.

i) Expenses

All expenses are accounted for on an accruals basis.

j) Interest income

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

k) 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

	to 30 June 2020 $'000	to 30 June 2019 $'000
Recharge of Guarantor fee (see note 3)	**675**	675
Other income	**175**	177
	850	852

3. OPERATING EXPENSES

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

	to 30 June 2020 $'000	to 30 June 2019 $'000
Guarantor fee	**675**	675
Audit fee to Ernst & Young LLP	**18**	17
Other costs	**-**	11
	693	703

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 INCOME

	to 30 June 2020 $'000	to 30 June 2019 $'000
Loan interest (see note 7)	**5,616**	5,586
Bank interest	**6**	-
	5,622	5,586

5. FINANCE COSTS

	to 30 June 2020 $'000	to 30 June 2019 $'000
Interest and finance charges on 6.125% 2025 bond (see note 9)	**5,663**	5,663

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	to 30 June 2020 $'000	to 30 June 2019 $'000
Current Tax		
US corporation tax at 25%	**(29)**	(18)
Deferred Tax		
Current period	**-**	-
Tax (charge)/credit in the Income statement	**(29)**	(18)

NOTES TO THE FINANCIAL STATEMENTS – (continued)

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

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

	to 30 June 2020 $'000	to 30 June 2019 $'000
Profit/(loss) on ordinary activities before tax	**116**	72
Current tax at 25%	**(29)**	(18)
Factors affecting charge:		
Other temporary timing difference	**-**	-
Total tax	**(29)**	(18)

7. AMOUNTS DUE FROM PARENT UNDERTAKING

	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
Loans advanced to parent undertaking	**177,750**	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.

8. OTHER CREDITORS

	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
Loan capital interest payable	**4,226**	4,226	4,226
Accruals	**57**	38	11
Amounts due to fellow group undertakings	**1,125**	450	2,702
	5,408	4,714	6,939

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

NOTES TO THE FINANCIAL STATEMENTS – (continued)

9. LOAN CAPITAL

	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
At 1 January or from inception	**182,541**	182,241	182,241
Bonds issued	**-**	-	-
Bond issue costs	**-**	-	-
Finance costs (see note 5)	**5,663**	11,325	5,663
Interest paid	**(5,513)**	(11,025)	(5,513)
At end of period	**182,691**	182,541	182,391

Split:	**30 June 2020 $'000**	31 December 2019 $'000	30 June 2019 $'000
Loan capital	**180,000**	180,000	180,000
Bond issue costs to be charged as finance costs	**(1,535)**	(1,685)	(1,835)
Non-current liabilities	**178,465**	178,315	178,165
Current liabilities (see note 8)	**4,226**	4,226	4,226
	182,691	182,541	182,391

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%).

10. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities included in the Company's balance sheet are measured at fair value. 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.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

10. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES – (continued)

Fair Value Hierarchy

30 June 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loan to parent undertaking	**-**	**-**	**177,750**	**177,750**
Loan capital, at fair value	**(162,270)**	**-**	**-**	**(162,270))**
Total	**(162,270)**	**-**	**177,750**	**15,480**

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	(173,350)	-	177,750	5,400

30 June 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	(189,090)	-	-	(189,090)
Total	(189,090)	-	177,750	(11,340)

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 represents the fair value using the quoted price..

11. MEMBER'S EQUITY

	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
Balance at 1 January	**1**	1	1
Capital contributed in the period	**-**	-	-
At end of period	**1**	1	1

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

12. CAPITAL COMMITMENTS

The Company had no capital commitments as at 30 June 2020 (31 December 2019: $nil, 30 June 2019: $nil).

13. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

14. RELATED PARTY TRANSACTIONS

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

	30 June 2020 $'000	30 June 2019 $'000
Loan interest income from Burford Capital LLC	**5,616**	5,586
Guarantor and other fees receivable from Burford Capital LLC	**850**	850
Other transactions with Burford Capital LLC including transfer of tax charge/(credit)	**29**	213
Guarantor fee payable to other Group entities	**(679)**	(675)

At 30 June 2020, 31 December 2019 and 30 June 2019 the balance on the loan due from Burford Capital LLC was $177,750,000. Interest owed was $5,333,000 (31 December 2019: $93,000, 30 June 2019: $nil).

The balances due to / from Group entities other than the loan of $177,750,000 noted above was:

	30 June 2020 $'000	31 December 2019 $'000	30 June 2019 $'000
Debtor balances	**6,252**	191	850
Creditor balances	**(1,125)**	(450)	(2,702)
Net	**5,127**	(259)	(1,852)

Hugh Steven Wilson, a non-executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, purchased $110,000 nominal of the 6.125% 2025 bonds on 28 May 2020. At 30 June 2020 his nominal holding was $110,000 (December 2019 and June 2019 $nil).

Christopher Bogart, was appointed as executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds on 13 May 2020. He purchased $500,000 nominal of the 6.125% 2025 bonds on 28 May 2020. At 30 June 2020 his nominal holding was $500,000.

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

15. 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
Oak House
Herzel Street
Guernsey
GY1 2NP