

# **Burford Capital PLC Group**

**Unaudited Interim Financial Statements for the  
period - 30 June 2021**

**Burford Capital PLC Group**  
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**For the period ended 30 June 2021**

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**Burford Capital PLC Group**  
**Consolidated income statement**  
**For the period ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>June 2021</b>	<b>June 2020</b>
		<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
Income	3	8,050	9,578
Operating expenses	4	(1,885)	(1,875)
Foreign exchange movements		(4,202)	24,162
<b>Operating profit</b>		1,963	31,865
Finance costs	5	(10,472)	(10,506)
Bank interest income received		-	30
<b>Profit/(loss) before tax on ordinary activities</b>		(8,509)	21,389
Tax on ordinary activities	6	(648)	(842)
<b>Profit/(loss) after tax on ordinary activities for the period</b>		(9,157)	20,547
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<u>(9,157)</u>	<u>20,547</u>

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

Burford Capital PLC Group  
Consolidated and Company balance sheets  
As at 30 June 2021

	Note	June 2021 £'000	Consolidated December 2020 £'000	June 2021 £'000	Company December 2020 £'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	7	-	-	342,694	342,694
Loans receivable from fellow group undertakings	8	407,688	411,777	79,400	79,400
<b>Total non-current assets</b>		<b>407,688</b>	<b>411,777</b>	<b>422,094</b>	<b>422,094</b>
<b>Current assets</b>					
Cash and cash equivalents		358	280	192	28
Receivables due from fellow group undertakings	9	45,826	49,864	2,698	4,195
<b>Total current assets</b>		<b>46,184</b>	<b>50,144</b>	<b>2,890</b>	<b>4,223</b>
<b>Total assets</b>		<b>453,872</b>	<b>461,921</b>	<b>424,984</b>	<b>426,317</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Creditors: Amounts falling due after more than one year	10	363,195	363,000	363,195	363,000
<b>Total non-current liabilities</b>		<b>363,195</b>	<b>363,000</b>	<b>363,195</b>	<b>363,000</b>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	11	61,786	60,873	24,119	39,064
<b>Total current liabilities</b>		<b>61,786</b>	<b>60,873</b>	<b>24,119</b>	<b>39,064</b>
<b>Total liabilities</b>		<b>424,981</b>	<b>423,873</b>	<b>387,314</b>	<b>402,064</b>
<b>Net assets</b>		<b>28,891</b>	<b>38,048</b>	<b>37,670</b>	<b>24,253</b>
<b>Equity</b>					
Called up share capital	13	7,050	7,050	7,050	7,050
Other Reserves	14	73,194	73,194	73,194	73,194
Accumulated losses		(51,353)	(42,196)	(42,574)	(55,991)
<b>Total equity</b>		<b>28,891</b>	<b>38,048</b>	<b>37,670</b>	<b>24,253</b>

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



L Paster  
Director



C Arnott  
Director

30 September 2021

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

**Burford Capital PLC Group**  
**Consolidated and Company statements of changes in equity**  
**For the period ended 30 June 2021**

	Share capital £'000	Share premium £'000	Revenue reserves £'000	Total equity £'000
<b>Consolidated</b>				
Balance at 1 January 2020	7,050	73,194	(8,487)	71,757
Profit after tax on ordinary activities for the period	-	-	20,547	20,547
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	20,547	20,547
Balance at 30 June 2020	<u>7,050</u>	<u>73,194</u>	<u>12,060</u>	<u>92,304</u>

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
<b>Consolidated</b>				
Balance at 1 January 2021	7,050	73,194	(42,196)	38,048
Loss after tax on ordinary activities for the period	-	-	(9,157)	(9,157)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(9,157)	(9,157)
Balance at 30 June 2021	<u>7,050</u>	<u>73,194</u>	<u>(51,353)</u>	<u>28,891</u>

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
<b>Company</b>				
Balance at 1 January 2020	7,050	73,194	(31,218)	49,026
Loss after tax on ordinary activities for the period	-	-	(9,841)	(9,841)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(9,841)	(9,841)
Balance at 30 June 2020	<u>7,050</u>	<u>73,194</u>	<u>(41,059)</u>	<u>39,185</u>

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
<b>Company</b>				
Balance at 1 January 2021	7,050	73,194	(55,991)	24,253
Profit after tax on ordinary activities for the period	-	-	13,417	13,417
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	13,417	13,417
Balance at 30 June 2021	<u>7,050</u>	<u>73,194</u>	<u>(42,574)</u>	<u>37,670</u>

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

**Burford Capital PLC Group**  
**Consolidated statement of cash flows**  
**For the period ended 30 June 2021**

	<b>Consolidated</b> 2021 £'000	<b>Consolidated</b> 2020 £'000
<b>Cash flows from operating activities</b>		
Loss/(profit) for the period before tax	(8,509)	21,389
<b>Adjusted for:</b>		
Finance costs	10,472	10,506
Effect of exchange rate changes	4,203	(24,162)
<b>Adjusted cash flows from operating activities</b>	<u>6,166</u>	<u>7,733</u>
<b>Changes in working capital</b>		
Decrease/(increase) in receivables	5,707	(44,668)
Increase in payables	998	30,448
Taxation paid	-	(115)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>12,871</u>	<u>(6,602)</u>
<b>Cash flows from financing activities</b>		
Interest paid on loan capital	(10,363)	(10,363)
<b>Net cash outflow from financing activities</b>	<u>(10,363)</u>	<u>(10,363)</u>
<b>Net increase(decrease) in cash at bank</b>	<u>2,508</u>	<u>(16,965)</u>
<b>Reconciliation of net cash flow to movements in cash at bank</b>		
Cash at bank at beginning of period	280	19,396
Increase/(decrease) in cash at bank	2,508	(16,965)
Effect of exchange rate changes on cash	(2,430)	(1,173)
<b>Cash at bank at end of period</b>	<u>358</u>	<u>1,258</u>

*The above statements of cash flow should be read in conjunction with the accompanying notes*

**Burford Capital PLC Group**  
**Notes to the financial statements**  
**For the period ended 30 June 2021**

**1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Companies Act 2006, as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**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 Group's ability to service its capital and interest payments is dependent on the performance of the Burford Capital Group.

***Investments in Subsidiaries***

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**3. Income**

	<b>Consolidated</b>	
	<b>June 2021</b>	<b>June 2020</b>
	<b>£'000</b>	<b>£'000</b>
Recharge of Guarantor fee	1,825	1,825
Intra-group Guarantor fee receivable	279	181
Intra group interest income	5,946	7,572
Income	<u>8,050</u>	<u>9,578</u>

**Burford Capital PLC Group**  
**Notes to the financial statements**  
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**4. Operating expenses**

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

	June 2021	Consolidated June 2020
	£'000	£'000
Guarantor fee (note 15)	1,825	1,825
Statutory audit fee to Ernst & Young LLP	29	27
Other costs	31	23
	<u>1,885</u>	<u>1,875</u>

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

**5. Finance costs**

	June 2021	Consolidated June 2020
	£'000	£'000
Interest and finance charges on 6.5% 2022 bond	2,901	2,909
Interest and finance charges on 6.125% 2024 bond	3,114	3,125
Interest and finance charges on 5% 2026 bond	4,457	4,472
	<u>10,472</u>	<u>10,506</u>

**6. Tax on ordinary activities**

	June 2021	Consolidated June 2020
	£'000	£'000
<i>Tax on ordinary activities</i>		
Current tax	648	842
	<u>648</u>	<u>842</u>
<i>Numerical reconciliation of tax on ordinary activities and tax at the statutory rate</i>		
Profit/(loss) before tax on ordinary activities	(8,509)	21,389
Tax at the statutory tax rate of 19%	(1,617)	4,064
Current period tax losses not recognised	435	1,181
Prior period temporary differences not recognised now recognised	-	-
Income tax not subject to tax	-	(4,683)
Costs not allowable for tax	1,830	280
	<u>648</u>	<u>842</u>
Tax on ordinary activities	<u>648</u>	<u>842</u>



Burford Capital PLC Group  
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For the period ended 30 June 2021

7. Investments in subsidiaries

	Consolidated December		Company December
	June 2021 £'000	2020 £'000	June 2021 £'000
			2020 £'000
Investments in subsidiaries	-	-	342,694
			342,694

At 30 June 2020, investments in group undertakings were as follows, all of which are directly owned subsidiaries:

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

8. Loans receivable from fellow group undertakings

	Consolidated December		Company December
	June 2021 £'000	2020 £'000	June 2021 £'000
			2020 £'000
Loans receivable from fellow group undertakings	407,688	411,777	79,400
			79,400

**Consolidated**

Burford Global Investments Limited loaned \$90m to Burford Capital LLC, a fellow subsidiary of the Burford Capital Group. The terms of the loan, since inception, are that it is payable on demand and interest is charged at a fixed rate of 7.0%.

Burford Global Investments Limited loaned \$135m to Burford Capital LLC, a fellow subsidiary of the Burford Capital Group. The terms of the loan, since inception, are that it is payable on demand and interest is charged at a fixed rate of 6.5%.

Burford Investments Limited loaned \$228m to Ollivets Investments Limited, a fellow subsidiary of the Burford Capital Group. The terms of the loan, since inception, are that it is repayable on demand and interest is charged at 1 year LIBOR plus 0.25%.

**Company**

The Company loaned £79m to Burford Capital Holdings (UK) Limited, a fellow subsidiary of the Burford Capital Group. The terms of the loan, since inception, are that it is interest free and repayable on demand.

Burford Capital PLC Group  
Notes to the financial statements  
For the period ended 30 June 2021

9. Receivables due from fellow group undertakings

	Consolidated		Company	
	December		December	
	June 2021	2020	June 2021	2020
	£'000	£'000	£'000	£'000
Receivables due from fellow group undertakings	8,475	8,476	2,698	4,195
Loan receivable from fellow group undertakings	37,351	41,388	-	-
	<u>45,826</u>	<u>49,864</u>	<u>2,698</u>	<u>4,195</u>

All above balances are payable on demand and interest free.

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

	Consolidated		Company	
	December		December	
	June 2021	2020	June 2021	2020
	£'000	£'000	£'000	£'000
As at 1 January	366,996	366,571	366,996	366,571
Finance charge (note 5)	10,472	21,150	10,472	21,150
Interest paid	(10,363)	(20,725)	(10,363)	(20,725)
As at 31 December	<u>367,105</u>	<u>366,996</u>	<u>367,105</u>	<u>366,996</u>

	Consolidated		Company	
	December		December	
	June 2021	2020	June 2021	2020
	£'000	£'000	£'000	£'000
<b>Split:</b>				
Loan capital	365,000	365,000	365,000	365,000
Bond issue costs to be charged as finance costs	(1,805)	(2,000)	(1,805)	(2,000)
Creditors due in more than one year	<u>363,195</u>	<u>363,000</u>	<u>363,195</u>	<u>363,000</u>
Loan capital interest payable (note 11)	3,910	3,996	3,910	3,996
	<u>367,105</u>	<u>366,996</u>	<u>367,105</u>	<u>366,996</u>

The Group has issued the following retail bonds listed on the London Stock Exchange's Order Book for Retail Bonds:

Issuance Date	19 August 2014	26 April 2016	1 June 2017
Face amount	£90,000,000	£100,000,000	£175,000,000
Maturity date	19 August 2022	26 October 2024	1 December 2026
Interest rate per annum	6.50%	6.125%	5.00%

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%).

**Burford Capital PLC Group**  
**Notes to the financial statements**  
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**11. Creditors: Amounts falling due within one year**

	Consolidated December		Company December	
	June 2021 £'000	2020 £'000	June 2021 £'000	2020 £'000
Loan interest payable (note 10)	3,910	3,996	3,910	3,996
Accruals	79	63	39	31
Payable due to fellow group undertakings	57,797	56,814	20,170	35,037
	<u>61,786</u>	<u>60,873</u>	<u>24,119</u>	<u>39,064</u>

Included within payable due to fellow group undertakings, is a loan from Ollivets Investments Limited, a fellow subsidiary of the Burford Capital Group to Burford Capital Global Investments, of £42,694,000 (2020: £43,226,000). The terms of the loan, since inception, are that it is payable on demand and interest free. All other balances due to fellow group undertakings are payable on demand and interest free.

**12. Changes in liabilities arising from financing activities**

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

	Consolidated £'000	Company £'000
Balance at 1 January 2020	366,571	366,571
<i>Net cash from financing activities</i>		
Interest paid	(20,725)	(20,725)
<i>Non-cash flows</i>		
Interest expense	20,756	20,756
Amortisation of Bond issue costs	394	394
Balance at 1 January 2021	366,996	366,996
<i>Net cash from financing activities</i>		
Interest paid	(10,363)	(10,363)
<i>Non-cash flows</i>		
Interest expense	10,278	10,278
Amortisation of Bond issue costs	194	194
Balance at 30 June 2021	<u>367,105</u>	<u>367,105</u>

**Burford Capital PLC Group**  
**Notes to the financial statements**  
**For the period ended 30 June 2021**

**13. Called up share capital**

			Consolidated	
	June 2021	December	June 2021	December
	Shares	2020	2021	2020
		Shares	£'000	£'000
Ordinary shares - fully paid	<u>7,050,001</u>	<u>7,050,001</u>	<u>7,050</u>	<u>7,050</u>

  

			Company	
	June 2021	December	June 2021	December
	Shares	2020	2021	2020
		Shares	£'000	£'000
Ordinary shares - fully paid	<u>7,050,001</u>	<u>7,050,001</u>	<u>7,050</u>	<u>7,050</u>

The authorised and issued share capital is 7,050,001 (2020: 7,050,001) shares of £1 par value.

**14. Other Reserves**

	Consolidated		Company	
	June 2021	December	June 2021	December
	£'000	2020	2021	2020
		£'000	£'000	£'000
Share premium reserve	<u>73,194</u>	<u>73,194</u>	<u>73,194</u>	<u>73,194</u>

**15. Capital commitments**

On 12 February 2018, Burford Capital Finance LLC, a fellow subsidiary of the Burford Capital Limited Group, 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 Capital Finance LLC. The Group and the ultimate parent, Burford Capital Limited have jointly and severally, unconditionally and irrevocably guarantee interest and capital repayments as they fall due.

On 5 April 2021, Burford Capital Global Finance LLC, a group company, issued notes to the value of \$400m. The notes were privately offered and held in book-entry form only through The Depository Trust Company. The notes have a 7 year term, maturing on 15 April 2028, and a fixed coupon of 6.25% payable bi-annually.

The notes constitute unsecured debt obligations of the Issuer, Burford Capital Limited, the ultimate parent, Burford Capital Finance LLC, a fellow subsidiary and the Company, are jointly and severally Guarantors for interest and capital repayments as they fall due.

**16. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Burford Capital PLC Group**  
**Notes to the financial statements**  
**For the period ended 30 June 2021**

**17. 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 undertaking 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:

Oak House  
Hirzel Street  
St Peter Port  
Guernsey  
GY1 2NP

In the opinion of the directors, there is no Ultimate Controlling party of the Company.