

BURFORD CAPITAL FINANCE LLC
UNAUDITED INTERIM FINANCIAL STATEMENTS
For the period ended 30 June 2022

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

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BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

STATEMENT OF COMPREHENSIVE INCOME

	Notes	to 30 June 2022 \$'000	to 30 June 2021 \$'000
Income	2	1,316	1,013
Operating expenses	3	(704)	(693)
Foreign exchange movements		171	-
Operating profit		783	318
Interest income	4	5,586	5,586
Finance costs	5	(5,663)	(5,663)
Profit on ordinary activities before taxation		706	241
Tax on profit on ordinary activities	6	(176)	(60)
Profit/(loss) for the financial period		530	181
Other comprehensive income		-	-
Total comprehensive profit for the period		530	181

All figures relate to continuing operations.

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

The notes on pages 6-10 form part of the financial statements.

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2022 \$'000	31 December 2021 \$'000
Assets			
Non-current assets			
Loans advanced to fellow group undertaking	7	177,750	177,750
		177,750	177,750
Current assets			
Cash		-	645
Amounts due from fellow group undertaking	14	9,072	7,087
Total current assets		9,072	7,732
		186,822	185,482
Member's equity and liabilities			
Current Liabilities			
Other creditors	8	6,438	5,778
Non-current liabilities			
Loan capital	9	179,065	178,915
Total liabilities		185,503	184,693
Member's equity			
Member's equity	11	1	1
Accumulated profit/(loss)		1,318	788
Total member's equity		1,319	789
		186,822	185,482

The notes on pages 6-10 form part of the financial statements.

These financial statements of Burford Capital Finance LLC on pages 2 to 10, were approved by the Officers on 29 September 2022 and signed on their behalf by



P Braverman
Officer

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

STATEMENT OF CHANGES IN MEMBER'S EQUITY

30 June 2022	Capital Contributions \$'000	Statement of Comprehensive Income \$'000	Total \$'000
Balance at 1 January 2022	1	788	789
Total comprehensive profit for the period	-	530	530
Balance at 30 June 2022	1	1,318	1,319

30 June 2021	Capital Contributions \$'000	Statement of Comprehensive Income \$'000	Total \$'000
Balance at 1 January 2021	1	235	236
Total comprehensive profit for the period	-	181	181
Balance at 30 June 2021	1	416	417

The notes on pages 6-10 form part of the financial statements.

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

STATEMENT OF CASH FLOWS

	to 30 June 2022 \$'000	to 30 June 2021 \$'000
Cash flows from operating activities		
Profit for the period before tax	706	241
Adjusted for:		
Interest income	(5,585)	(5,585)
Finance costs	5,663	5,663
	784	319
Changes in working capital		
Decrease/(increase) in receivables	(1,985)	18
(Decrease)/increase in payables	556	(334)
Net cash inflow from operating activities	(645)	3
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	5,513	5,513
Net cash inflow from investing activities	5,513	5,513
Net increase/(decrease) in cash and cash equivalents	(645)	3
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at beginning of period	645	1
Increase/(decrease) in cash and cash equivalents	(645)	3
Cash and cash equivalents at end of period	-	4

The notes on pages 6-10 form part of the financial statements.

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

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 2021.

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

2. INCOME

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Recharge of Guarantor fee (see note 3)	675	675
Other income	641	338
	1,316	1,013

3. OPERATING EXPENSES

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

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Guarantor fee	675	675
Audit fee to Ernst & Young LLP	18	18
Other costs	11	-
	704	693

Burford Capital Limited and Burford Capital plc have agreed to act as Guarantors in relation to the Bond.

4. INTEREST INCOME

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Loan interest (see note 7)	5,586	5,586
Bank interest	-	-
	5,586	5,586

5. FINANCE COSTS

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Interest and finance charges on 6.125% 2025 bond (see note 9)	5,663	5,663

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS – (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Current Tax		
US corporation tax at 25%	176	60
Deferred Tax		
Current period	-	-
Current Tax	176	60

Factors affecting the current tax charge

The total tax for the period is set out in the reconciliation below:

	to 30 June 2022	to 30 June 2021
	\$'000	\$'000
Profit on ordinary activities before tax	706	241
Current tax at 25%	176	60
Total tax	176	60

7. AMOUNTS DUE FROM PARENT UNDERTAKING

	30 June	31 December
	2021	2020
	\$'000	\$'000
Loans advanced to parent undertaking	177,750	177,750

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

8. OTHER CREDITORS

	30 June	31 December
	2022	2021
	\$'000	\$'000
Loan capital interest payable	4,226	4,226
Accruals	21	37
Amounts due to fellow group undertakings	2,191	1,515
	6,438	5,778

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS – (continued)

9. LOAN CAPITAL

	30 June	31 December
	2022	2021
	\$'000	\$'000
At 1 January	183,141	182,841
Finance costs (see note 5)	5,663	11,325
Interest paid	(5,513)	(11,025)
At end of period	183,291	183,141
Split:	30 June	31 December
	2022	2021
	\$'000	\$'000
Loan capital	180,000	180,000
Bond issue costs to be charged as finance costs	(935)	(1,085)
Non-current liabilities	179,065	178,915
Current liabilities (see note 8)	4,226	4,226
	183,291	183,141

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.

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS – (continued)

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

Fair Value Hierarchy

30 June 2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Loan to parent undertaking	-	-	177,750	177,750
Loan capital, at fair value	(171,144)	-	-	(171,144)
Total	(171,144)	-	177,750	6,606

31 December 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Loan to parent undertaking	-	-	177,750	177,750
Loan capital, at fair value	(185,855)	-	-	(185,855)
Total	(185,855)	-	177,750	(8,105)

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	31 December
	2022	2021
	\$'000	\$'000
Balance at end of period	1	1

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

12. CAPITAL COMMITMENTS

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.

On 11 April 2022, Burford Capital Global Finance LLC, a group company, issued notes to the value of \$360m. The notes were privately offered and held in book-entry form only through The Depository Trust Company. The notes have an 8 year term, maturing on 15 April 2030, and a fixed coupon of 6.875% payable bi-annually.

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

BURFORD CAPITAL FINANCE LLC
for the period ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS – (continued)

13. POST BALANCE SHEET EVENTS

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

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 2022 \$'000	30 June 2021 \$'000
Loan interest income from Burford Capital LLC	5,586	5,616
Guarantor and other fees receivable from Burford Capital LLC	850	850
Guarantor and other fees receivable from other Group entities	466	163
Other transactions with Burford Capital LLC including transfer of tax charge/(credit)	(239)	100
Guarantor fee payable to other Group entities	(675)	(675)

At 30 June 2022, 31 December 2021 and 30 June 2021 the balance on the loan due from Burford Capital LLC was \$177,750,000. Interest owed was \$5,823,000 (31 December 2021: \$3,780,000, 30 June 2021: \$5,584,000).

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

	30 June 2022 \$'000	31 December 2021 \$'000
Debtor balances	3,249	7,087
Creditor balances	(2,191)	(1,515)
Net	1,058	5,572

Hugh Steven Wilson, a non-executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, owns \$400,000 nominal of the 6.125% 2025 bonds (December 2021: \$400,000).

Christopher Bogart, an executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, owns \$500,000 nominal of the 6.125% 2025 bonds (December 2021: \$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

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