

Burford Capital PLC Group

**Unaudited Interim Financial Statements for the
period ending 30 June 2022**

Burford Capital PLC Group
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For the period ended 30 June 2022

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Burford Capital PLC Group
Consolidated income statements
For the period ended 30 June 2022

		Consolidated	
	Note	June 2022	June 2021
		£'000	£'000
Income			
Income	3	10,543	8,050
Operating expenses	4	(2,754)	(1,885)
Foreign exchange movements		<u>34,157</u>	<u>(4,202)</u>
Operating profit		41,946	1,963
Finance costs	5	<u>(9,861)</u>	<u>(10,472)</u>
Profit/(loss) before tax on ordinary activities		32,085	(8,509)
Tax on ordinary activities	6	<u>(537)</u>	<u>(648)</u>
Profit/(loss) after tax on ordinary activities for the period		31,548	(9,157)
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period		<u><u>31,548</u></u>	<u><u>(9,157)</u></u>

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

Burford Capital PLC Group
Consolidated and company balance sheets
As at 30 June 2022

		Consolidated		Company	
	Note	June 2022	December	June 2022	December
		£'000	2021	£'000	2021
			£'000		£'000
Assets					
Non-current assets					
Investments in subsidiaries	7	-	-	280,676	342,694
Loans receivable from fellow group undertakings	8	330,848	416,019	41,428	79,400
Total non-current assets		330,848	416,019	322,104	422,094
Current assets					
Cash and cash equivalents		8,409	2,702	6,232	955
Receivables due from fellow group undertakings	9	49,394	27,264	5,511	3,194
Total current assets		57,803	29,966	11,743	4,149
Total assets		388,651	445,985	333,847	426,243
Liabilities					
Non-current liabilities					
Creditors: Amounts falling due after more than one year	10	273,588	273,393	273,588	273,393
Total non-current liabilities		273,588	273,393	273,588	273,393
Current liabilities					
Creditors: Amounts falling due within one year	11	48,578	137,655	30,641	115,845
Total current liabilities		48,578	137,655	30,641	115,845
Total liabilities		322,166	411,048	304,229	389,238
Net assets		66,485	34,937	29,618	37,005
Equity					
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		(13,759)	(45,307)	(50,626)	(43,239)
Total equity		66,485	34,937	29,618	37,005

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 2022

The above consolidated 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 2022

Consolidated	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
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>

Consolidated	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
Balance at 1 January 2022	7,050	73,194	(45,307)	34,937
Profit after tax on ordinary activities for the period	-	-	31,548	31,548
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	31,548	31,548
Balance at 30 June 2022	<u>7,050</u>	<u>73,194</u>	<u>(13,759)</u>	<u>66,485</u>

Company	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
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>

Company	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total equity £'000
Balance at 1 January 2022	7,050	73,194	(43,239)	37,005
Loss after tax on ordinary activities for the period	-	-	(7,387)	(7,387)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(7,387)	(7,387)
Balance at 30 June 2022	<u>7,050</u>	<u>73,194</u>	<u>(50,626)</u>	<u>29,618</u>

The above consolidated 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 2022

	Consolidated	
	June 2022	June 2021
	£'000	£'000
Cash flows from operating activities		
Profit/(loss) for the period before tax	32,085	(8,509)
Adjusted for:		
Finance costs	9,861	10,472
Premium on Bond redemption	945	-
Effect of exchange rate changes	(34,157)	4,203
Adjusted cash flows from operating activities	8,734	6,166
Changes in working capital		
(Increase)/decrease in receivables	(2,654)	5,707
(Decrease)/increase in payables	(43,269)	998
Taxation paid	-	-
Net cash (outflow)/inflow from operating activities	(37,189)	12,871
Cash flows from financing activities		
Interest paid on loan capital	(11,875)	(10,363)
Bond redemption	(62,679)	-
Loans repaid	117,317	-
Net cash inflow/(outflow) from financing activities	42,763	(10,363)
Net Increase in cash at bank	5,574	2,508
Reconciliation of net cash flow to movements in cash at bank		
Cash at bank at beginning of year	2,702	280
Increase/(decrease) in cash at bank	5,574	2,508
Effect of exchange rate changes on cash	133	(2,430)
Cash at bank at end of year	8,409	358

Burford Capital PLC Group
Notes to the financial statements
For the period ended 30 June 2022

1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 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 2021.

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

	Consolidated	
	2022	June 2021
	£'000	£'000
Recharge of Guarantor fee	1,750	1,825
Intra-group Guarantor fee receivable	536	279
Intra group interest income	8,257	5,946
Income	<u>10,543</u>	<u>8,050</u>

Burford Capital PLC Group
Notes to the consolidated financial statements
For the period ended 30 June 2022

4. Operating expenses

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

	Consolidated	
	June 2022	June 2021
	£'000	£'000
Guarantor fee (note 15)	1,750	1,825
Statutory audit fee to Ernst & Young LLP	36	29
Other costs	968	31
	<u>2,754</u>	<u>1,885</u>

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

5. Finance costs

	Consolidated	
	June 2022	June 2021
	£'000	£'000
Interest and finance charges on 6.5% 2022 bond	2,290	2,901
Interest and finance charges on 6.125% 2024 bond	3,114	3,114
Interest and finance charges on 5% 2026 bond	4,457	4,457
	<u>9,861</u>	<u>10,472</u>

6. Tax on ordinary activities

	Consolidated	
	June 2022	June 2021
	£'000	£'000
<i>Tax on ordinary activities</i>		
Current tax	537	648
	<u>537</u>	<u>648</u>
<i>Numerical reconciliation of tax on ordinary activities and tax at the statutory rate</i>		
Profit/(loss) before tax on ordinary activities	32,085	(8,509)
Tax at the statutory tax rate of 19%	6,096	(1,617)
Current period tax losses not recognised	967	435
Income not subject to tax	(6,526)	-
Costs not allowable for tax	-	1,830
	<u>537</u>	<u>648</u>

Burford Capital PLC Group
Notes to the consolidated financial statements
For the period ended 30 June 2022

7. Investments in subsidiaries

	Consolidated		Company	
	June 2022	December 2021	June 2022	June 2021
	£'000	£'000	£'000	£'000
Investments in subsidiaries	-	-	280,676	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		Company	
	June 2022	December 2021	June 2022	December 2021
	£'000	£'000	£'000	£'000
Loans receivable from fellow group undertakings	<u>330,848</u>	<u>416,019</u>	<u>41,428</u>	<u>79,400</u>

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 a fixed rate of 3.2%. \$39m of the loan was repaid in February 2022 and a further \$63m in May 2022 to leave a balance of \$126m.

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. £38m of the loan was repaid in May 2022.

Burford Capital PLC Group
Notes to the consolidated financial statements
For the period ended 30 June 2022

9. Receivables due from fellow group undertakings

	Consolidated		Company	
	June 2022	December 2021	June 2022	December 2021
	£'000	£'000	£'000	£'000
Receivables due from fellow group undertakings	29,382	9,233	5,511	3,194
Loan receivable from fellow group undertakings	20,012	18,031	-	-
	<u>49,394</u>	<u>27,264</u>	<u>5,511</u>	<u>3,194</u>

All above balances are payable on demand and interest free.

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

	Consolidated		Company	
	June 2022	December 2021	June 2022	December 2021
	£'000	£'000	£'000	£'000
As at 1 January	367,388	366,996	367,388	366,996
Bond surrendered	(28,266)	-	(28,266)	-
Bond redemption	(62,679)	-	(62,679)	-
Finance charge (note 5)	9,861	21,117	(11,875)	21,117
Premium on Bond redemption	945	-	945	-
Interest paid	(11,875)	(20,725)	9,861	(20,725)
As at 31 December	<u>275,374</u>	<u>367,388</u>	<u>275,374</u>	<u>367,388</u>

	Consolidated		Company	
	June 2022	December 2021	June 2022	December 2021
	£'000	£'000	£'000	£'000
Split:				
Loan capital	275,000	275,000	275,000	275,000
Bond issue costs to be charged as finance costs	(1,412)	(1,607)	(1,412)	(1,607)
Creditors due in more than one year	<u>273,588</u>	<u>273,393</u>	<u>273,588</u>	<u>273,393</u>
Loan capital and interest payable (note 11)	<u>1,786</u>	<u>93,995</u>	<u>1,786</u>	<u>93,995</u>
	<u>275,374</u>	<u>367,388</u>	<u>275,374</u>	<u>367,388</u>

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

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

Burford Capital PLC Group
Notes to the consolidated financial statements
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10. Creditors: Amounts falling due after more than one year (continued)

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%).

In May 2022, the Group provided notice to the Bond holders, that it would be redeeming the £90m, aggregate principal amount of the 6.5% 2022 retail Bonds that remained outstanding in full on 25 May 2022. £27,972,000 of bonds were held by another Group company, Burford Capital Holdings (UK) Limited, which agreed to surrender the bonds it held to the Group on the same terms with the value being offset against the loan receivable from Burford Capital Holdings (UK) Limited.

11. Creditors: Amounts falling due within one year

	Consolidated		Company	
	June 2022	December 2021	June 2022	December 2021
	£'000	£'000	£'000	£'000
Loan interest payable (note 10)	1,786	3,995	1,786	3,995
Accruals	50	66	28	42
Payable due to fellow group undertakings	46,742	43,594	28,827	21,808
Loan capital	-	90,000	-	90,000
	<u>48,578</u>	<u>137,655</u>	<u>30,641</u>	<u>115,845</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 £19,321,000 (2021: £23,002,000). 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	Consolidated £'000	Company £'000
Balance at 1 January 2022	367,388	367,388
<i>Net cash from financing activities</i>		
Interest paid	(11,875)	(11,875)
Bond surrendered	(28,266)	(28,266)
<i>Non-cash flows</i>		
Interest expense	9,667	9,667
Premium on Bond redemption	945	945
Bond redemption	(62,679)	(62,679)
Amortisation of Bond issue costs	194	194
Balance at 30 June 2022	<u>275,374</u>	<u>275,374</u>

Burford Capital PLC Group
Notes to the consolidated financial statements
For the period ended 30 June 2022

13. Called up share capital

	Consolidated		December	
	June 2022 Shares	December 2021 Shares	June 2022 £'000	December 2021 £'000
Ordinary shares - fully paid	<u>7,050,001</u>	<u>7,050,001</u>	<u>7,050</u>	<u>7,050</u>

	Company		December	
	June 2022 Shares	December 2021 Shares	June 2022 £'000	December 2021 £'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 (2021: 7,050,001) shares of £1 par value.

14. Other Reserves

	Consolidated		Company	
	June 2022 £'000	December 2021 £'000	June 2022 £'000	December 2021 £'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.

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 and 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 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 2022 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 consolidated financial statements
For the period ended 30 June 2022

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.