

**Company Registration No. 09077893  
(England and Wales)**

**BURFORD CAPITAL PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the period 9 June 2014 to 31 December 2014**

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of Directors</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>7</b>
<b>Profit and Loss Account</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10</b>

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**COMPANY INFORMATION**

<b>Directors</b>	H Leake N Rowles-Davies
<b>Secretary</b>	J Mahoney
<b>Company registration no.</b>	09077893
<b>Registered office</b>	5 <sup>th</sup> Floor Norfolk House Wellesley Road Croydon CR0 1LH
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Bankers</b>	Lloyds TSB 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Freshfields Bruckhaus Deringer
<b>Incorporated</b>	9 June 2014

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **STRATEGIC REPORT**

The Directors present their strategic report for the period 9 June 2014 to 31 December 2014.

### **INCORPORATION**

The Company was incorporated on 9 June 2014.

### **BUSINESS MODEL & FUTURE OUTLOOK**

The Company's principal activity is a bond issuing vehicle for Burford Capital Limited and its subsidiary companies (the "Group"). The future prospects of the Company are deemed to be in line with expectations set prior to the bond issue. The Directors do not propose introducing further business activities in this company.

Details of the Group Business Model and that of the subsidiaries are explained in more detail in the Report of the Directors. 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 Registered Office.

### **STRATEGY, OBJECTIVES AND PRINCIPAL RISK**

In June 2014, the Group undertook a refinancing exercise which involved the issue of £90m of Retail Bonds ("the Bonds") which were admitted to trading on the London Stock Exchange, through its Order book for Retail Bonds by the Company. The proceeds of the issue were then remitted as intercompany loans to Burford Capital Holdings (UK) Limited, which itself is a wholly-owned subsidiary of Burford Capital Limited. The Board of Burford Capital Limited has agreed to act as Guarantor in relation to the Bonds. The overall intention is that the funds raised are used by Burford Capital Limited and its other subsidiaries in the furtherance of the Group's activities.

The Bonds have been issued with an 8 year term maturing on 19 August 2022 and a fixed coupon of 6.5% payable bi-annually. The issue of bonds with a fixed coupon minimises any financial risk to the Group as a result of interest rate fluctuations. So long as the Bonds remain outstanding, Burford Capital limited is required to ensure that at each reporting date, the Group leverage ratio is no more than 1:2.

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 business, they are satisfied that it will be in a position to do so.

### **REVIEW OF THE PERIOD**

The results for the period are set out in detail on page 8.

The Balance Sheet on page 9 shows negative net assets due to interest expense incurred in the period.

There are no relevant KPI's applicable to the Company.

### **EMPLOYEES**

The Company has no employees.

### **ENVIRONMENT & SUSTAINABILITY**

The Company made no political contributions or donations to charity during the period.

Approved by the Board on 30 March 2015

J Mahoney

Company Secretary

5<sup>th</sup> Floor  
Norfolk House  
Wellesley Road  
Croydon  
CR0 1LH

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **REPORT OF DIRECTORS**

The Directors present their annual report and audited financial statements for the period 9 June 2014 to 31 December 2014.

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](http://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 2. 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 Holdings (UK) Limited, which is itself a subsidiary of Burford Capital Limited, the Guarantor of the Bonds as detailed in note 9 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 immediate requirement is the servicing of the bi-annual interest payments, and through the Guarantee, Burford Capital Plc has committed to bondholders to meet these payments as they fall due. From the Company's perspective, the Directors of Burford Capital Limited have confirmed to the Directors that they will assist in the Company in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities, for a period of at least 12 months from the date of the approval of these financial statements. The Group's commitment to the special purpose arrangements was demonstrated in February 2015 by the lending of funds to the Company by another Group subsidiary, in order to enable the first interest payments to be made to Bondholders. The Directors are also considering ways in which the Company may generate its own cash resources, for example through the sale of group relief to other Group subsidiaries. The Company also has the facility to amend the terms of the loans made to Burford Capital Holdings (UK) Limited in order to generate interest income.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and has the ability to meet its liabilities as they fall due. Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

### **DIVIDENDS**

No dividends will be distributed for the period 9 June 2014 to 31 December 2014.

### **DIRECTORS**

The Directors who held office during the period and to the date of this report were as follows:

H Leake

M Connole (resigned 31 October 2014)

N Rowles-Davies (appointed 31 October 2014)

### **POST BALANCE SHEET EVENTS**

In February 2015, the first interest payment was made to the Bondholders through the lending of funds to the Company by another Group subsidiary. There have been no other material post balance sheet events that would require disclosure or adjustment to these financial statements.

### **AUDIT COMMITTEE**

The Audit Committee of the ultimate parent company, Burford Capital Limited performs this function for the Group and is compliant with DTR 7.1.

### **CORPORATE GOVERNANCE**

The Group's corporate governance statement is detailed in the Annual Report and Financial Statements of the ultimate parent company, Burford Capital Limited and is available for download from their website [www.burfordcapital.com](http://www.burfordcapital.com).

### **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 will be lent to other subsidiaries within the Group. Subsidiaries of the Group will use the amounts lent to it by Burford Capital Plc 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 will therefore be the obligation of other subsidiaries within the Group to repay such on-lent funds to it. As the repayment of on-lent funds will originate from cash-flow generated from the wider business of the Group, the ability of other subsidiaries within the Group to repay the loan and accordingly the ability of Burford Capital Plc to repay the Bonds will be subject to all the risks to which the Group is subject.

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **REPORT OF DIRECTORS – continued**

#### Risks relating to the Group

##### *Investment selection and performance*

The Group is dependent on whether or not its investments, financings and profit commission income received as an insurance intermediary 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 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, financings and insurance contracts.*

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.

##### *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 AIM listed companies as well as the ORB (The Order Book for Retail Bonds). Burford Capital Limited 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 Burford Capital Limited is no longer required to comply with the Code following its reorganisation in 2012, it has nevertheless elected to do so.

##### *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 judgement or award if the case is successful. If the defendant is unable to pay or the claimant or defendant challenges the judgement or award, the Group may encounter difficulties in recovery.

##### *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.

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **REPORT OF DIRECTORS - continued**

#### *Impact of UK regulatory changes*

The implementation of the Legal Aid, Sentencing and Prosecution of Offenders Act (the “*Jackson Reforms*”) has, as expected, reduced demand for the Group’s current UK insurance offerings. As a result, the Group is unlikely to be able to continue to write on behalf of Great Lakes Reinsurance (UK) Ltd, new insurance business at its historical levels and thus the profitability of the UK insurance related business will decline over time as its current cases settle and profit commissions crystallise and are received. Moreover, while the Jackson Reforms were philosophically in favour of litigation funding, the implementation of the Jackson Reforms has created uncertainty in the UK legal market which may reduce the total volume of litigation or restrict the returns available for the Group from UK litigation matters.

#### *Operational Risk*

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.

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the Directors to prepare financial statements for each financial period. Under the law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 of the profit and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply consistently;
- make judgement and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 they 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.

Ernst & Young were appointed during the period to fill a casual vacancy. Ernst & Young have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 30 March 2015  
and signed on its behalf by:

J Mahoney

Company Secretary

5<sup>th</sup> Floor  
Norfolk House  
Wellesley Road  
Croydon  
CR0 1LH

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

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

We have audited the financial statements of Burford Capital Plc for the period from 9 June to 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the period 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

Denise Larnder (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
31 March 2015

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**PROFIT AND LOSS ACCOUNT**

For the period ended 31 December 2014

		9 June 2014 to 31 December 2014
	Notes	£'000
Interest and similar income	2	10
Operating expenses		(20)
Interest expense and similar charges	3	(2,148)
<b>Loss on ordinary activities before taxation</b>		<b>(2,158)</b>
Tax charge on profit on ordinary activities	4	-
<b>Loss for the financial period</b>	11	<b>(2,158)</b>

All figures relate to continuing operations.

The notes on pages 10 – 14 form part of the financial statements.

There have not been any recognised gains or losses or other movements in shareholders' funds in the reporting period other than those recorded in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**BALANCE SHEET as at 31 December 2014**

	Notes	31 December 2014 £'000
<b>Non-current assets</b>		
Debtors: amounts falling due after more than one year	8	88,935
		<hr/> 88,935
<b>Current assets</b>		
Cash at bank and in hand		1,124
		<hr/> 90,059
<b>Total assets</b>		<b>90,059</b>
<b>Creditors: amounts falling due within one year</b>	9	(2,167)
		<hr/> 87,892
<b>Total assets less current liabilities</b>		<b>87,892</b>
<b>Creditors: amounts falling due after more than one year</b>	9	(90,000)
		<hr/> (2,108)
<b>Net liabilities</b>		<hr/> <hr/> <b>(2,108)</b>
<b>Capital and reserves</b>		
Called up share capital	10	50
Profit and loss account	11	(2,158)
		<hr/> (2,108)
<b>Equity shareholders' deficit</b>	11	<hr/> <hr/> <b>(2,108)</b>

All figures relate to continuing operations.

The notes on pages 10 - 14 form part of the financial statements.

These financial statements of Burford Capital Plc, company number 09077893 were approved by the Board of Directors on 30 March 2015 and signed on its behalf by

H Leake

Director

N Rowles-Davies

Director

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparation**

The principal accounting policies adopted are described below. They have all been applied consistently throughout the period 9 June 2014 to 31 December 2014.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention rules as permitted by the provisions of Companies Act 2006 and in accordance with applicable United Kingdom accounting standards.

##### **Going concern**

The financial statements have been prepared on a going concern basis as, in addition to the Guarantee provided by the parent undertaking Burford Capital Limited to the bondholders as described in Note 9, the parent undertaking has committed to assist the Company in meeting its liabilities as they fall due for a period at least 12 months from the date of signing of these financial statements. The Directors are also considering ways in which the Company may generate its own cash resources.

##### **Cash flow Statement**

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Company's cash flows in its own published consolidated financial statements.

##### **Taxation**

UK taxation in the profit and loss account is based on profits and income of the period as determined in accordance with the relevant tax legislation.

Deferred taxation is provided in accordance with Financial Reporting Standards No.19 ("FRS 19") on all timing differences between the treatment of certain items for taxation and accounting purposes which have originated but not reversed by the balance sheet date. Deferred taxation assets are only recognised to the extent that they are regarded as recoverable.

##### **Loans**

Loans advanced are recorded at cost of the principal amounts.

##### **Borrowings**

Interest bearing loans are recorded at the proceeds received, and 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.

##### **Cash at bank and in hand**

Cash at bank and in hand comprises cash held in bank accounts.

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**NOTES TO THE FINANCIAL STATEMENTS - continued****2. INTEREST AND SIMILAR INCOME**

	<b>Period 9 June 2014 to 31 December 2014 £'000</b>
Bank Interest	10

**3. INTEREST EXPENSE AND SIMILAR CHARGES**

	<b>Period 9 June 2014 to 31 December 2014 £'000</b>
Interest on Loan Capital (fixed 6.5%)	2,148

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b>Period 9 June 2014 to 31 December 2014 £'000</b>
<b>Current tax</b>	
UK corporation tax at 21%	-
Total current tax	-

**Factors affecting the current tax charge**

The current tax charge for the year is more than 21% due to items set out in the reconciliation below:

	<b>Period 9 June 2014 to 31 December 2014 £'000</b>
Loss on ordinary activities before tax	(2,158)
Current tax at 21%	(453)
Factors affecting charge:	
Group relief surrendered for nil payment	453
<b>Total current tax</b>	<b>-</b>

The UK corporation tax rate during 2014 was 23% reducing to 21% effective from 1 April 2014 and enacted as part of the Finance Act 2013.

No timing differences have been identified in the entity and therefore there is no deferred tax included in the financial statements.

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**NOTES TO THE FINANCIAL STATEMENTS - continued****5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>Period 9 June 2014 to 31 December 2014 £'000</b>
The loss on ordinary activities before taxation is stated after charging:	
Fees paid and payable to Ernst & Young LLP:	
Statutory audit	19

**6. STAFF COSTS**

There were no employees or staff costs for the period ended 31 December 2014.

**7. REMUNERATION OF DIRECTORS**

The remuneration of Directors is included in Burford Capital (UK) Limited's financial statements. The Directors consider the costs of their services to the Company to be immaterial and accordingly no remuneration has been apportioned to the Company.

**8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>£'000</b>
Amounts owed by Parent Company	88,935
	<hr/>
	88,935
	<hr/>

The terms of the loan of £89m 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.

**BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

**NOTES TO THE FINANCIAL STATEMENTS - continued****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>£'000</b>
Loan Capital Interest	2,148
Audit fee accrual	19
	<u>2,167</u>

**CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>£'000</b>
Loan Capital	<u>90,000</u>

On 19 August 2014, the Company issued retail bonds to the value of £90,000,000. The Bonds are listed on the London Stock Exchange's Order Book for Retail Bonds. The Bonds will mature on 19 August 2022, and pay a fixed rate of 6.5% payable bi-annually.

The Bonds constitute unsecured debt obligations of the Issuer, Burford Capital Plc. The Bond of Burford Capital Limited is the Guarantor for interest and capital repayments as they fall due.

So long as any Bond remains outstanding, Burford Capital Limited is required to ensure that at each reporting date, the Group Leverage ratio is no more than 1:2 (50%).

**10. CALLED UP SHARE CAPITAL**

	<b>£'000</b>
<b>Allotted, Issued and fully paid:</b>	
50,000 ordinary shares of £1	50

The total allotted, issued and fully paid share capital of £50,000 is divided into 50,000 ordinary shares of £1 each, all of which are held by Burford Capital Holdings (UK) Limited, which itself is a wholly-owned subsidiary of Burford Capital Limited.

**11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

<b>2014</b>	<b>Share Capital £'000</b>	<b>Profit &amp; Loss Account £'000</b>	<b>Total £'000</b>
9 June	-	-	-
Shares issued in the period	50	-	50
Loss for the financial period	-	(2,158)	(2,158)
31 December	<u>50</u>	<u>(2,158)</u>	<u>(2,108)</u>

**12. CAPITAL COMMITMENTS**

The Company had no capital commitments as at 31 December 2014.

## **BURFORD CAPITAL PLC**

for the period 9 June 2014 to 31 December 2014

### **NOTES TO THE FINANCIAL STATEMENTS - continued**

#### **13. POST BALANCE SHEET EVENTS**

In February 2015, the first interest payment was made to the Bondholders through the lending of funds to the Company by another Group subsidiary. There have been no other material post balance sheet events that would require disclosure or adjustment to these financial statements.

#### **14. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption available in Financial Reporting Standard 8 'Related Party Disclosures' from disclosing details of transactions with other wholly owned subsidiaries in the Group.

During the period the company entered into transactions with a related party in the ordinary course of business. David Lowe is a non-executive director and a board member of Burford Capital Limited, the ultimate parent company and guarantor of the bond issue. Mr Lowe owns 300,000 bonds. 180,000 were purchased on the initial offering and with a further 120,000 purchased on 21 October 2014. Both purchases were disclosed to the public in an RNS to the London Stock Exchange.

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

#### **15. ULTIMATE PARENT COMPANY**

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 financial statements can be obtained from:

Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey  
GY1 1WW