Company Registration No. 09077893
(England and Wales)

BURFORD CAPITAL PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended December 2016

BURFORD CAPITAL PLC
for the year ended 31 December 2016

	Page
Company Information	**1**
Strategic Report	**2**
Directors' Report	**3**
Independent Auditor's Report	**9**
Income Statement	**11**
Balance Sheet	**12**
Statement of Changes in Equity	**13**
Notes to the Financial Statements	**14**

COMPANY INFORMATION

Directors	H Leake C Arnott L Paster
Secretary	H Leake
Company registration no.	09077893
Registered office	24 Cornhill London EC3V 3ND
Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5RB
Solicitors	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended to 31 December 2016.

BUSINESS MODEL & FUTURE OUTLOOK

The Company's principal activity is to act as 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 the Company.

Details of the Group business model and that of the subsidiaries are explained in more detail in the Report of the Directors on page 3. 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 website at www.burfordcapital.com.

STRATEGY, OBJECTIVES AND PRINCIPAL RISK

On 19 August 2014 the Company issued £90m of retail bonds. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8 year term, maturing on 19 August 2022, and a fixed coupon of 6.5% payable bi-annually.

On 26 April 2016, the Company issued a second set of retail bonds to the value of £100m. The bonds are listed on the London Stock Exchange's Order Book for Retail Bonds and have an 8.5 year term, maturing on 26 October 2024, and a fixed coupon of 6.125% payable bi-annually.

For both bond issues 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 issue of bonds with a fixed coupon minimises any financial risk to the Group as a result of interest rate fluctuations. The terms of both 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).

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 and solvent 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 11.

The Balance Sheet on page 12 shows negative net assets due to interest expense and the guarantor fee incurred in the period.

On 26 April 2016, the Company issued retail bonds to the value of £100m. The proceeds from the issue were invested in Burford Investments Limited, a group financing entity.

During the year, the Company issued 7,000,000 ordinary shares at par for consideration of £7,000,000, intercompany balance payable to Burford Capital (UK) Limited.

There are no relevant KPIs applicable to the Company.

EMPLOYEES

The Company has no employees.

DONATIONS

The Company made no political contributions or donations to charity during the period (2015: £nil).

Approved by the Board on 30 March 2017

Craig Arnott
Director

24 Cornhill
London, EC3V 3ND

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year to 31 December 2016.

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.

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 (UK) Limited, which is itself a subsidiary of Burford Capital Limited, the guarantor of the bonds as detailed in note 13 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 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.

On this basis, the Directors 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 statements 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 year to 31 December 2016 (2015: £nil).

DIRECTORS

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

C Arnott (appointed 8 August 2016)
H Leake
N Rowles-Davies (resigned 8 August 2016)
L Paster

POST BALANCE SHEET EVENTS

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

CORPORATE GOVERNANCE

The Company regards the successful identification, monitoring and control of risk as an essential part of its operations and has procedures in place to do so effectively. Due to the Company's limited scope and nature of its activities the Company's Board is itself responsible for all aspects of the Company's corporate governance. The Company does not, therefore, have a separate audit committee from that of Burford Capital Limited, the ultimate parent company whose Audit Committee performs this function for the Group including Burford Capital PLC.

DIRECTORS' REPORT– continued

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 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. Burford Capital PLC's only material assets are therefore the intercompany assets created through the sharing of the Bonds' proceeds within the Group. The ability of Burford Capital PLC 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, financings and insurance contracts (collectively, "investments") which it undertakes 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 US 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 US 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.

DIRECTORS' 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. While the Company is not required to comply with the Code, it has nevertheless elected to do so.

Currency risk
The Group's financial statements are presented in US dollars and many of its assets are denominated in US dollars. Although some of the Group's expenses are denominated in US dollars, others are in sterling, euros and other currencies. Principal and interest on the Bonds are denominated and will be paid in sterling. There is a risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of US dollars) and the risk that the US Federal Reserve may impose or modify exchange controls. The Group may hedge some of its exposure to the US dollar or other non-sterling currencies through forward foreign exchange contracts or through other financial products. While hedging may reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations, and the Group may also elect to forego hedging. Accordingly, Bondholders may be exposed to exchange rate risks between US dollars (or other non-sterling currency) and sterling such that if the value of the US dollar (or other non-sterling currency) falls relative to sterling, the Group's assets will, in sterling terms, be worth less.

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 judgement 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 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.

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.

DIRECTORS' REPORT– continued

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.

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 US, UK 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 judgement 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 prospect issuer.

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, this risk factor should not be taken as implying that the Company will be unable to comply with its obligations as a Company with Notes admitted to the Official List of the Financial Conduct Authority.

DIRECTORS' REPORT– continued

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.

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 judgement 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.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Report of Directors, 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) including Financial Reporting Standard 101 'Reduced Disclosure Framework.

Under company law and DTR 4.1, 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 income statement 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, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

DIRECTORS' REPORT– continued

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 and Young LLP were appointed as auditors of the Company on 6 February 2015 and are deemed reappointed as the Company's auditors.

Approved by the Board on 30 March 2017
and signed on its behalf by:

Craig Arnott
Director

24 Cornhill
London
EC3V 3ND

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

We have audited the financial statements of Burford Capital PLC for the year ended 31 December 2016 which comprises the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. 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), including FRS 101 "Reduced Disclosure Framework".

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 pages 7 and 8, 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 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report

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
- 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.

Ernst & Young LLP

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 *March 2017*

Notes:

1. *The maintenance and integrity of the Burford Capital Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.*
2. *Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

INCOME STATEMENT
For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Income	2	**2,813**	-
Operating expenses	3	**(1,633)**	(1,257)
Operating Profit/(Loss)		**1,180**	(1,257)
Interest receivable and similar income	4	**1,313**	-
Interest expense and similar charges	5	**(10,140)**	(5,844)
Loss on ordinary activities before taxation		**(7,647)**	(7,101)
Tax credit on profit on ordinary activities	6	**1,133**	1,434
Loss for the financial period		**(6,514)**	(5,667)

All figures relate to continuing operations.

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

The notes on pages 14-20 form part of the financial statements.

BALANCE SHEET as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investment in subsidiary	9	**98,500**	-
Debtors: amounts falling due after more than one year	10	**86,010**	89,063
		184,510	89,063
Current assets			
Debtors: amounts falling due in less than one year	11	**876**	144
Cash at bank and in hand		**139**	1
Total current assets		**1,015**	145
Creditors: amounts falling due within one year	12	**(4,026)**	(6,983)
Net current liabilities		**(3,011)**	(6,838)
Total assets less current liabilities		**181,499**	82,225
Creditors: amounts falling due after more than one year	13	**(188,788)**	(90,000)
Net liabilities		**(7,289)**	(7,775)
Capital and reserves			
Called up share capital	14	**7,050**	50
Income Statement		**(14,339)**	(7,825)
Equity shareholders' deficit		**(7,289)**	(7,775)

The notes on pages 14-20 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 2017 and signed on its behalf by

Leslie Paster
Director

C Arnott
Director

STATEMENT OF CHANGES IN EQUITY

31 December 2016	**Share Capital £'000**	**Income Statement £'000**	**Total £'000**
Balance at 1 January 2016	**50**	**(7,825)**	**(7,775)**
Shares issued in year	**7,000**	**-**	**7,000**
Loss for the period	**-**	**(6,514)**	**(6,514)**
Balance at 31 December 2016	**7,050**	**(14,339)**	**(7,289)**

31 December 2015	Share Capital £'000	Income Statement £'000	Total £'000
Balance at 1 January 2015	50	(2,158)	(2,108)
Loss for the period	-	(5,667)	(5,667)
Balance at 31 December 2015	50	(7,825)	(7,775)

The notes on pages 14-20 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and Generally Accepted Accounting Practice and on a going concern basis. The financial statements have been prepared under the historical cost convention and the numbers are reported in Sterling GBP, which is the presentational and functional currency of the Company, rounded to the nearest £'000 unless otherwise indicated.

The Company prepares its financial statements under FRS 101 'Reduced Disclosure Framework'. FRS 101 forms part of the new UK financial reporting regime and allows UK qualifying subsidiaries to apply EU adopted International Financial Reporting Standards ("IFRS") but with reduced disclosure.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company has taken advantage of the following exemptions under FRS 101:

- FRS 101.8(b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67of IFRS 3 Business Combinations.
- FRS 101.8(d) the requirements of IFRS 7 Financial Instruments: Disclosures.
- FRS 101.8(e) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- FRS 101.8(g) the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS Presentation of Financial Statements
- FRS 101.8 (h) the requirements of IAS 7 Statement of Cash Flows;
- FRS 101.8(i) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- FRS 101.8 (k) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- FRS 101.8 (l) the requirements in IAS 36 Impairment of Assets.

Significant judgements and estimates

The most significant judgement relate to the assessment of going concern as the Company has net liabilities and its ability to service its capital and interest payments is dependent on the performance of the Group. This is reviewed in more detail in the Report of Directors and the Strategic Report

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Burford Capital Limited, has agreed to act as Guarantor to the bondholders as described in note 13.

Investment in Subsidiary

Investments are stated at cost less provision for any impairment in value. Investments are reviewed annually for impairment.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the balance sheet 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 balance sheet 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 temporary difference can be deducted. Temporary difference 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 temporary difference are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Intercompany Loans

Intercompany loans, which are interest free and repayable on demand, are recorded at cost of the principal amount.

NOTES TO THE FINANCIAL STATEMENTS - continued

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 Income Statement 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.

Expenses
All expenses are accounted for on an accruals basis.

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 balance sheet date. All differences are taken to the Income Statement.

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

Other income
Other income relates to the recharge of the guarantor fee. This is recognised at the point when the cost is incurred.

NOTES TO THE FINANCIAL STATEMENTS – continued

2. INCOME

	2016 £'000	2015 £'000
Recharge of Guarantor fee	**2,813**	-

The liquidity agreement was signed in September 2016 with other group entities. 2016 income represents the recharge of the guarantor fee incurred from the ultimate parent company (see note 3 below) and covers the period August 2014 to December 2016.

3. OPERATING EXPENSES

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

	2016 £'000	2015 £'000
Guarantor fee	**1,580**	1,233
Statutory audit fee to Ernst & Young LLP	**29**	21
Other costs	**24**	3
	1,633	1,257

As stated in the Report of Directors Burford Capital Limited has agreed to act as Guarantor in relation to the Bonds. This agreement was signed in June 2015 and thus the 2015 Guarantor fee charge covers the period August 2014 to December 2015.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £'000	2015 £'000
Bond issue costs incurred and recharged as finance costs	**1,313**	-

The liquidity agreement was signed in September 2016 and thus the 2016 income covers the period August 2014 to December 2016.

5. INTEREST EXPENSE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Loan capital interest expense	**10,034**	5,844
Bond issue costs incurred as finance costs	**106**	-
	10,140	5,844

NOTES TO THE FINANCIAL STATEMENTS – continued

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2016 £'000	2015 £'000
Current Tax		
UK corporation tax at 20% (2015: 20.25%)	**(1,262)**	(1,309)
Under-provision in prior year	**-**	4
Total current tax	**(1,262)**	(1,305)
Deferred Tax		
Current period	**129**	(129)
Tax credit in the Income Statement	**(1,133)**	(1,434)

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

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	**(7,649)**	(7,101)
Current tax at 20% (2015: 20.25%)	**(1,530)**	(1,438)
Factors affecting charge:		
Under-provision in prior year	**-**	4
Other temporary difference	**397**	-
Total tax	**(1,133)**	(1,434)

The Company has tax losses which arose in the UK of £1,336,000 (2015: £637,000) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty over the recoverability.

The UK government legislated during 2015, to reduce the corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020.

Balance sheet presentation of deferred tax	**2016 £'000**	2015 £'000
Opening deferred tax asset	**129**	-
Impact of rate change	**(2)**	-
Temporary timing difference	**(127)**	129
Closing deferred tax asset	**-**	129

7. STAFF COSTS

There were no employees or staff costs for the period ended 31 December 2016.

8. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

9. INVESTMENTS IN SUBSIDIARIES

	2016 £'000	2015 £'000
At 1 January	-	-
Additions	98,500	-
At 31 December	**98,500**	-

On 4 May 2016, the Company acquired 100% of the share capital, for a consideration of £1, of Burford Investments Limited, (a group financing company). Following the issue of the second bond, a further £98.5m was invested in Burford Investments Limited for additional shares.

The Directors are satisfied that the value of the Company's investments in the Company undertakings remains fairly stated as at year end and that no impairment is required.

At 31 December 2016, investments in group undertakings were as follows:

Name	Registered office	Class of shares held	Proportion Held %	Held directly or indirectly
Burford Investments Limited*	24 Cornhill, London, EC3V 3ND.	Ordinary	100%	Direct

*incorporated in the year

10. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £'000	2015 £'000
Deferred tax asset	-	129
Loans advanced to fellow Group company	86,010	88,934
	86,010	89,063

The terms of the loan of £86 million 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.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN THAN ONE YEAR

	2016 £'000	2015 £'000
Amounts owed by fellow Group companies	876	144

NOTES TO THE FINANCIAL STATEMENTS - continued

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Loan interest payable	**3,264**	2,142
Corporation tax	-	2
Accruals	**25**	19
Amounts owed to ultimate parent company - Burford Capital Limited	**737**	283
Amounts owed to fellow group company	-	4,537
	4,026	6,983

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

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £'000	2015 £'000
As at 1 January	**92,142**	92,148
Bonds issued	**100,000**	-
Bond issue costs	**(1,318)**	-
Finance charge (see note 5)	**10,140**	5,844
Interest paid	**(8,912)**	(5,850)
As at 31 December	**192,052**	92,142
Split:		
Loan capital	**190,000**	90,000
Bond issue costs to be charged as finance costs	**(1,212)**	-
Creditors due in more than one year	**188,788**	90,000
Loan capital interest payable	**3,264**	2,142
	192,052	92,142

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.

On 26 April 2016, the Company issued retail bonds to the value of £100,000,000. The Bonds are listed on the London Stock Exchange's Order Book for Retail Bonds. The bonds will mature on 26 October 2024, and pay a fixed rate of 6.125% payable bi-annually.

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%).

NOTES TO THE FINANCIAL STATEMENTS – continued

14. CALLED UP SHARE CAPITAL

	2016 **£'000**	2015 £'000
Allotted, issued and fully paid ordinary shares of £1:		
At 1 January	**50**	50
Shares issues in year	**7,000**	-
At 31 December	**7,050**	50

During the year, the Company issued 7,000,000 ordinary shares at par for consideration of £7,000,000 to Burford Capital (UK) Limited.

15. CAPITAL COMMITMENTS

The Company had no capital commitments as at 31 December 2016 or 31 December 2015.

16. POST BALANCE SHEET EVENTS

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

17. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available in FRS 101 (IAS 24) 'Related Party Disclosures' from disclosing details of transactions with other wholly owned subsidiaries in the Group.

David Lowe, a non-executive director of Burford Capital Limited, the ultimate parent and Guarantor of the Bonds, owns 300,000 bonds as at the reporting dates 31 December 2016 and 31 December 2015.

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

18. 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 consolidated financial statements can be obtained from:

Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW