

Company Registration No. 07359945
(England and Wales)

BURFORD CAPITAL HOLDINGS (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019

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BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

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BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

COMPANY INFORMATION

Directors	Sir P Middleton C Arnott C Bogart R Clark T Dutton (resigned 31 May 2020) J Molot
Secretary	P Leibfried
Company registration no.	07359945
Registered office	8 th Floor, Brettenham House 2-19 Lancaster Place London WC2E 7EN
Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
Bankers	Bank of America Merrill Lynch 2 King Edward Street London EC1A 1HQ

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2019. The Company was incorporated in the United Kingdom under Companies Act 2006 and registered in England and Wales. The address of the Company's registered office is provided on page 1.

PRINCIPAL ACTIVITY

The Company's principal activity is to act as a holding company for various Burford entities. In addition, the Company lends money to related undertakings within the Group structure.

The Company does not currently trade or have any plans to change its primary role as a holding company.

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of members of the Burford group and our relationship with regulators. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for large companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Among other areas, we review health and safety, financial and operational performance, risk and legal and regulatory compliance. In addition the Group Board review other areas over the course of the financial year including the Company's business strategy, key risks, stakeholder-related matters, and governance, compliance and legal matters.

The Company's key stakeholders are its workforce, clients and regulators. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the board judges that it should engage directly with certain stakeholders on certain issues, the size and spread of both our stakeholders and the Burford group means that generally our stakeholder engagement best takes place at a group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on some of the engagement that takes place with the Company's stakeholders so as to encourage the directors to understand the issues to which they must have regard please see page 11 of the Burford Capital Limited 2019 Annual Report.

We set out below some examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us.

An example of this was the company identified that its existing office space was insufficient to accommodate the growing business. Following a review the company identified new premises that it moved into during the year which provide a significantly improved working environment for its staff and that the Board believe will help it retain existing staff and attract new staff.

A further example is that in 2019 we have not recommended a payment of a dividend. In making our decision we considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of our shareholder as the supplier of long-term equity capital to the Company.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

STRATEGIC REPORT (continued)

REVIEW OF THE YEAR

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

STRATEGY, OBJECTIVES AND PRINCIPAL RISK

The Company is a holding company. It has made investments in its subsidiaries and anticipates receiving dividends from those subsidiaries.

The Directors consider the principal risk and uncertainty facing the Company to be the performance of, and thus the value of its investments in its various subsidiaries. This generally depends on the ability of management of those subsidiaries to assess litigation risk and profit thereby.

In January 2016 the Company received a license to practice as an Alternative Business Structure (ABS) Law Firm from the UK Solicitors Regulatory Authority (SRA). The Company has made use of this license to enable it to offer legal services to clients.

There are no relevant KPIs applicable to the Company.

FUTURE OUTLOOK

The Company anticipates making further investments in existing and new group undertakings.

EMPLOYEES

The Company has no employees.

DONATIONS

The Company made no political contributions or donations to charity during the year (2018: £nil).

Approved by the Board on 16 February 2021.



C Arnott
Director

8th Floor, Brettenham House
2-19 Lancaster Place
London
WC2E 7EN

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2019.

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 Directors are satisfied that the Company has sufficient resources to enable it to continue as a going concern for at least 12 months from the date of approval of these financial statements, and consequently have adopted the going concern basis in preparing the accounts. The Company has received confirmation that none of the intercompany loans will be called within 12 months from the signing of the accounts (note 13).

The full extent to which the COVID-19 pandemic may impact Group's results, operations or liquidity is uncertain. At present the global economy is suffering considerable disruption due to the effects of the COVID-19 pandemic, and Management has given serious consideration to the consequences of this for the Company and the Group. In assessing the going concern basis of accounting, Management has considered the period end cash balances and forecast cash flows of both the Company and the Group.

Therefore, the financial statements as at 31 December 2019 have been prepared on a going concern basis.

DIVIDENDS

The Company did not receive dividend income during the year (2018: £4,506,000). The Directors do not propose to pay a dividend for the year ended 31 December 2019 (2018: £nil).

SHARE CAPITAL

No shares were issued in the year.

DIRECTORS

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

Sir P Middleton
C Arnott
C Bogart
R Clark
T Dutton (resigned 31 May 2020)
J Molot

POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity around the world. In response to this coronavirus pandemic, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. In response to this the ultimate parent has closed its offices and implemented business continuity plans for staff to work from home without noticeable impact on service delivery and operations.

The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. As at the date of this report the most likely impact for the ultimate parent is expected to be some potential delays in the realisation of cash flows from the capital provision asset portfolio. While litigation matters that do not require in-person attendance are continuing, courts and arbitration tribunals are postponing some trials and hearings as they adapt to the new environment. In addition, some liquidity constrained corporate defendants may defer settling cases. As a result, the impact of this event on the Company is not expected to be material.

Further consideration in respect of the assessment of COVID-19 impact and how this has been considered in respect of forming a conclusion in respect of the going concern assumption for the Company is set out in note 1 on page 11.

On the basis of this analysis the Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

DIRECTORS' REPORT (continued)

With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 year. 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 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 or loss of the Company for that year.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

AUDITORS

Ernst and Young LLP were appointed as auditors of the Company on 15 June 2012 in accordance with S487 of Companies Act 2006 and are deemed reappointed as the Company's auditors.

Approved by the Board on 16 February 2021 and signed on its behalf by:



C Arnott
Director

8th Floor, Brettenham House
2-19 Lancaster Place
London
WC2E 7EN

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURFORD CAPITAL HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of Burford Capital Holdings (UK) Limited (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibility statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

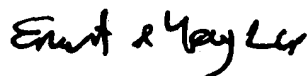
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 directors as a body, for our audit work, for this report, or for the opinions we have formed.



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

London

17 February 2021

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

INCOME STATEMENT
For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Dividend and other income	2	309	4,621
Operating expenses	3	(737)	(698)
Foreign exchange movements		1,326	(506)
Profit/(loss) on ordinary activities before finance costs		898	3,417
Finance costs	4	(70)	(66)
Profit/(loss) on ordinary activities before taxation		828	3,351
Tax (charge)/credit on profit/(loss) on ordinary activities	5	(153)	219
Profit/(loss) for the financial year		675	3,570

All figures relate to continuing operations.

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

The notes on pages 11-21 form part of the financial statements.


BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019


BALANCE SHEET
As at 31 December 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Investments in subsidiaries	7	223,693	223,693
Investment in joint ventures	8	48,904	47,366
Other Investments	9	3,400	614
Total non-current assets		275,997	271,673
Current assets			
Debtors	11	3,740	532
Cash		201	7,949
Total current assets		3,941	8,481
Creditors: amounts falling due within one year			
Other creditors	12	(7,018)	(7,221)
Net current (liabilities) / assets		(3,077)	1,260
Total assets less current liabilities		272,920	272,933
Creditors: amounts falling due after more than one year	13	(140,469)	(141,157)
Net assets		132,451	131,776
Capital and reserves			
Called up share capital	15	60,181	60,181
Share premium account	15	68,080	68,080
Income Statement		4,190	3,515
Equity shareholders' funds		132,451	131,776

The notes on pages 11-21 form part of the financial statements.

These financial statements of Burford Capital Holdings (UK) Limited, company number 07359945 were approved by the Board of Directors on 16 February 2021 and signed on its behalf by


C Arnott
Director


R Clark
Director

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Share Capital £'000	Share Premium Account £'000	Income Statement £'000	Total £'000
31 December 2018				
Balance at 1 January	60,181	68,080	(55)	128,206
Profit for the financial year	-	-	3,570	3,570
Balance at 31 December 2018	60,181	68,080	3,515	131,776

	Share Capital £'000	Share Premium Account £'000	Income Statement £'000	Total £'000
31 December 2019				
Balance at 1 January	60,181	68,080	3,515	131,776
Profit for the financial year	-	-	675	675
Balance at 31 December 2019	60,181	68,080	4,190	132,451

The notes on pages 11-21 form part of the financial statements.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. 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 IFRS 3 Business Combinations;
- FRS 101.8(d) the requirements of IFRS 7 Financial Instruments: Disclosures;
- FRS 101.8(g) the requirements of IAS 1 Presentation of Financial Statements;
- FRS 101.8(e) the requirements of IFRS 13 Fair Value Measurement;
- FRS 101.8(h) the requirements of IAS 7 Statement of Cash Flows;
- FRS 101.8(i) the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- FRS 101.8(k) the requirements of IAS 24 Related Party Disclosures; and
- FRS 101.8(l) the requirements of IAS 36 Impairment of Assets.

b. Significant judgements and estimates & assumptions

The most significant judgements relate to:

Going concern

The Company has substantial liabilities to other subsidiary undertakings and its ability to service its capital and interest payments is dependent on the performance of the Group. This is reviewed in more detail below and in the Directors' Report and the Strategic Report.

Investments in Subsidiaries

At the reporting date, the Company assesses whether objective evidence exists that any of its investments in subsidiary undertakings are impaired.

c. Going concern

The full extent to which the COVID-19 pandemic may impact Group's results, operations or liquidity is uncertain. At present the global economy is suffering considerable disruption due to the effects of the COVID-19 pandemic, and Management has given serious consideration to the consequences of this for the Company. In assessing the going concern basis of accounting, Management has considered forecast cash flows of both the Company and the Group.

The Company has received confirmation that none of the intercompany loans will be called within 12 months from the signing of the accounts (note 13). Based on this the Directors are satisfied that the Company has sufficient resources to continue in business for at least 12 months from the date of approval of these financial statements, and that it is therefore appropriate to adopt the going concern basis in preparing the accounts.

d. Dividends

Dividend income from investments in subsidiaries is recognised when the right to receive payment is legally established. Dividends payable are recognized as a liability in the year in which they are declared.

e. Investments in subsidiaries and joint ventures

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

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

f. Other investments

These represent investments in unquoted entities that are not subsidiaries, joint ventures nor associates. These are categorised as fair value through profit or loss. They are initially measured as the cash sum invested. Any movements in fair value, realised gains and losses on disposal and dividend income are reflected in income from Other investments in the Income Statement.

Valuation Methodology

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants as of the measurement date.

The methods and procedures to fair value assets and liabilities may include, but are not limited to: (i) obtaining information provided by third parties when available; (ii) obtaining valuation-related information from the issuers or counterparties (or their advisors); (iii) performing comparisons of comparable or similar investment matters; (iv) calculating the present value of future cash flows; (v) assessing other analytical data and information relating to the investment that is an indication of value; (vi) reviewing the amounts invested in these investments; and (vii) evaluating financial information provided by the investment counterparties.

g. Taxation

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

Deferred tax is recognised in respect of all temporary differences 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 differences can be deducted. Temporary differences 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 years.

Deferred tax is measured at a non-discounted basis at the tax rates that are expected to apply in the years in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

h. Debtors

Debtors are recognised at nominal value and are reviewed for recoverability. They do not carry any interest.

IFRS 9 requires the Company to record expected credit losses (ECLs) on its debtors, either on a 12-month or lifetime basis. The Company applies the simplified approach to recognize impairment on debtors based on the lifetime expected credit loss. The Company has determined there is no material impact of ECLs on the financial statements.

i. Cash

Cash comprises cash held at bank.

j. Expenses

All expenses are accounted for on an accruals basis.

k. 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.

l. Trade and other creditors

Payables are recognised at nominal value and are non-interest bearing.

m. Interest income and expense

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

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DIVIDEND AND OTHER INCOME

	2019 £'000	2018 £'000
Dividend income from subsidiaries	-	4,506
Bank interest	89	41
Other	220	74
	309	4,621

3. OPERATING EXPENSES

The cost of the audit fee of £25,000 (2018: £20,610) is borne by Burford Capital (UK) Limited. There were no non-audit services rendered during the year.

There were no employees or staff costs for the year ended 31 December 2019 (2018: nil).

4. FINANCE COSTS

	2019 £'000	2018 £'000
Bank charges	7	6
Loan interest expense	63	60
Finance costs	70	66

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2019 £'000	2018 £'000
Tax credited in the income statement		
Current tax		
UK corporation tax at 19%	(157)	219
Current year adjustment to prior year	4	-
Tax (charge)/ credit in the income statement	(153)	219

Factors affecting the total tax charge

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

	2019 £'000	2018 £'000
Profit/(Loss) on ordinary activities before tax	828	3,351
Tax calculated at UK standard rate of corporation tax of 19%	(157)	(637)
Factors affecting charge:		
Dividend income not taxable	-	856
Current year adjustment to prior year	4	-
Total tax	(153)	219

The Company has cumulative tax losses which arose in the UK of £424,000 (2018: £424,000) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty over the recoverability.

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020 and received Royal Assent on 22 July 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. REMUNERATION OF DIRECTORS

Two of the Directors (2018: two) were paid fees totalling £85,000 (2018: £85,000) for their services to the Company. This remuneration was paid by Burford Capital (UK) Limited and included in that company's financial statements and has not been charged to the Company.

The other Directors consider that it is not practical to allocate their time and that the costs of their services to the Company to be immaterial and accordingly no remuneration has been apportioned to the Company.

7. INVESTMENTS IN SUBSIDIARIES

	2019 £'000	2018 £'000
Investments in group undertakings		
At 1 January	223,693	223,719
Additions	-	-
Transfer to Other investments (note 9)	-	(26)
Disposals	-	-
At 31 December	223,693	223,693

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

Following a loss of control of the entity in 2018 the investment in ASG Ausgleichsgesellschaft für die Sägeindustrie GmbH was reclassified to Other investments. The value at the date of transfer was £26,000 being both the cost of the investment and the company's net assets thus there was no profit or loss arising from the transfer.

The company has received an exemption under Section 409 of the Companies Act 2006 from the requirement to disclose information about certain of its related undertakings. At 31 December 2019, those investments in group undertakings as to which no exemption was applicable were as follows, all of which are 100% owned (unless otherwise indicated):

Entity	Registered address	Class of shares held	Principal activity	Held directly or indirectly
Burford Capital (UK) Limited	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Insurance Intermediary	Direct
Burford Capital Overseas Limited ⁽²⁾	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Business Development	Direct
Burford Capital Investments (UK) Limited ⁽³⁾	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Business Development	Direct
Burford Capital LLC	292 Madison Avenue, New York, NY 10017	⁽¹⁾	Litigation Funding	Direct
Burford Capital Ireland DAC	1-2 Victoria Buildings, Haddington Road, Dublin 4	Ordinary	Business Investment	Direct
Justitia Ireland Investments DAC	1-2 Victoria Buildings, Haddington Road, Dublin 4	Ordinary	Business Investment	Direct
Burford Finance DAC	1-2 Victoria Buildings, Haddington Road, Dublin 4	Ordinary	Group Financing Entity	Direct
Burford Capital PLC	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Group Financing Entity	Indirect
Burford Investments Limited	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Group Financing Entity	Indirect
Burford Global Investments Limited	8 th Floor, Brettenham House, 2-19 Lancaster Place, London, WC2E 7EN	Ordinary	Group Financing Entity	Indirect

BURFORD CAPITAL HOLDINGS (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN SUBSIDIARIES (Continued)

Entity	Registered address	Class of shares held	Principal activity	Held directly or indirectly
Prospect Investments LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect
Ireton LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect
Ballard LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Holding company	Indirect
Burford Ireland LP	1-2 Victoria Buildings, Haddington Road, Dublin 4	(1)	Holding company	Indirect
BCIM General Partner I, LP (a)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM General Partner II, LP (b)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM General Partner III, LP (c)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM COLP GP, LP (d)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM Strategic Value GP, LP (e)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM PI Holdings LLC (f)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM PII Holdings LLC (g)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM PIII Holdings LLC (h)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM COLP Holdings LLC (i)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BC Investment Holdings, LLC (j)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
Burford Capital Finance LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Group Financing entity	Indirect
Burford Lending LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect
Law Firm Solutions LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect
Newington Investments LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect
Burford Capital Investment Management LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCIM Holdings LLC (k)	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
BCM Trading LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Investment Management	Indirect
Bankruptcy Litigation Funding LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	(1)	Litigation Funding	Indirect

(1) a capital contribution

(2) new entity created in 2019

(3) entity dissolved in 2020

(a) name changed from GKC General Partner I, LP in 2018

(b) name changed from GKC General Partner II, LP in 2018

(c) name changed from GKC General Partner III, LP in 2018

(d) name changed from GKC COLP GP, LP in 2018

(e) name changed from GKC Strategic Value GP, LP in 2018

(f) name changed from GKC PI Holdings LLC in 2018

(g) name changed from GKC PII Holdings LLC, LP in 2018

(h) name changed from GKC PIII Holdings LLC, LP in 2018

(i) name changed from GKC COLP Holdings LLC in 2018

(j) name changed from ARGP Holdings, LLC in 2018

(k) name changed from GKC Holdings LLC in 2018

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. INVESTMENT IN JOINT VENTURES

	2019 £'000	2018 £'000
Investment in joint ventures		
At 1 January	47,366	-
Additions	1,538	47,366
At 31 December	48,904	47,366

At 31 December 2019, the principal investments in joint ventures were as follows:

Entity	Registered address	Class of shares held	Principal activity	Held directly or indirectly
Energy Investments SCSp	14, Rue Edward Steichen, L-2540 Luxembourg	Ordinary ⁽¹⁾	Litigation Funding	Direct
Burford German Funding LLC	251 Little Falls Drive, Wilmington DE, 19808 USA	⁽²⁾	Litigation Funding	Indirect
Bankruptcy Litigation Funding LLC	251 Little Falls Drive, Wilmington DE, 19808 USA SA	⁽²⁾	Litigation Funding	Indirect

(1) the company's holding represents 90% of the equity issued but it is only entitled to a 50% participation in the results of the joint venture.

(2) a capital contribution.

9. OTHER INVESTMENTS

	2019 £'000	2018 £'000
Other investments		
At 1 January	614	500
Transfer from investments in subsidiaries (note 7)	-	26
Additions	2,789	85
Foreign exchange revaluation	(3)	3
At 31 December	3,400	614

10. FAIR VALUE OF ASSETS AND LIABILITIES

The financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the market price observability of the inputs used in making the fair value measurements, as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3 – Those inputs for the asset that are not based on observable market data (unobservable inputs). The inputs into determination of fair value require significant management judgement and estimation.

Valuation Methodology

Financial assets and liabilities measured at fair value are valued using the techniques set out in the accounting policies in note 1.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

10. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Fair Value Hierarchy

31 December 2019	2019 Level 3 £'000	2018 Level 3 £'000
Assets		
Other investments	3,400	614
Total assets	3,400	614
Liabilities		
Loan payable*	(137,526)	(141,157)
Total liabilities	(137,526)	(141,157)
Net total	(134,126)	(140,543)

*These assets and liabilities are held at amortised cost and the amounts included in the table represent the carrying value which has been determined to approximate their fair value.

Movements in Level 3 fair value assets

The table below provides analysis of the movements in the Level 3 assets measured at fair value in the financial statements.

	2019 £'000	2018 £'000
Other investments		
At 1 January	614	500
Transfer from investments in subsidiaries (note 7)	-	26
Additions	2,789	85
Foreign exchange revaluation	(3)	3
At 31 December	3,400	614

Sensitivity of Level 3 valuations

Following investment, the Company engages in a semi-annual review of each investment's fair value. At 31 December 2019, should the value of investments have been 10% higher or lower than provided for in the Company's fair value estimation, while all other variables remained constant, the Company's income and net assets would have increased and decreased respectively by £340,000 (2018: £61,000).

Reasonably possible alternative assumptions

The determination of fair value of investments involve significant judgements and estimates. Whilst the potential range of outcomes for the investments is wide, the Company's fair value estimation is its best assessment of the current fair value of each investment. That estimate is inherently subjective being based largely on an assessment of how individual events have changed the possible outcomes of the investment and their relative probabilities and hence the extent to which the fair value has altered. The aggregate of the fair values selected falls within a wide range of reasonably possible estimates. In the directors' opinion, there is no useful alternative valuation that would better quantify the market risk inherent in the portfolio and there are no inputs or variables to which the values of the investments are correlated.

11. DEBTORS

	2019 £'000	2018 £'000
Amounts owed by fellow group undertakings	3,706	520
Amounts owed by direct subsidiary undertakings	12	12
Other	22	
	3,740	532

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. OTHER CREDITORS

	2019 £'000	2018 £'000
Amounts owed to parent undertakings	2,925	3,660
Amounts owed to direct subsidiary undertakings	1,622	619
Amounts owed to other group undertakings	147	517
Other	2,324	2,425
	7,018	7,221

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

	2019 £'000	2018 £'000
Loan owed to parent undertaking	34,065	34,507
Loan owed to direct subsidiary undertakings	5,964	6,148
Loan owed to other group undertakings	100,440	100,502
	140,469	141,157

The terms attaching to the loan from its subsidiary Burford Capital (UK) Limited, since inception, are that the loan is repayable on demand and interest is being charged at a rate per annum equal to the six-month GBP LIBOR plus 0.15%.

The terms attaching to the other loans, since inception, are that the loans are repayable on demand and are provided on an interest free basis with no covenants. All the entities borrowed from have confirmed that they had no intention of demanding repayment of their debt within 12 months of the date of signing of these financial statements.

14. FINANCIAL RISK MANAGEMENT

Market and investment risk

The Company is exposed to market and investment risk with respect to its investments at fair value through profit or loss. The maximum risk equals the fair value of all such financial instruments. As the current value of these investments is £3,400,000 (2018: £614,000) this risk is not material to the Company.

Liquidity risk

The Company is exposed to liquidity risk. The Company's investments in joint ventures requires funds for ongoing settlement of operating liabilities and to meet investment commitments (see note 16). The Company's investments typically require significant capital contributions with little or no immediate return and no guarantee of return or repayment.

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

31 December 2019	0 – 3 months £'000	3 – 6 months £'000	6 – 12 months £'000	1 to 5 years £'000	Total £'000
Amounts owed to Group undertakings	4,694	-	-	140,469	145,163
Other creditors and accruals	2,324	-	-	-	2,324
Total undiscounted cash flows	7,018	-	-	140,469	147,487

Included in the amounts owed to Group subsidiary undertakings at 31 December 2019 are intercompany loans payable of £140,469,000 (2018: £141,157,000). These entities have all confirmed that they have no intention however of demanding repayment of this debt within 12 months of the date of the signing these financial statements.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. FINANCIAL RISK MANAGEMENT (continued)

31 December 2018	0 – 3 months £'000	3 – 6 months £'000	6 – 12 months £'000	1 to 5 years £'000	Total £'000
Amounts owed to Group undertakings	4,796	-	-	141,157	145,953
Other creditors and accruals	2,425	-	-	-	2,425
Total undiscounted cash flows	7,221	-	-	141,157	148,378

Credit risk

The Company is exposed to credit risk on financial assets held at amortised cost which includes amounts owed by fellow Group undertakings that has a maximum credit exposure represented by the carrying value at 31 December 2019 of £1,055,000 (2018: £520,000) and the risk is not material to the Company.

The Company is also exposed to credit risk in respect of cash at bank. Though the credit risk is mitigated as all cash is placed with reputable banks with a sound credit rating (A-2). The maximum credit risk exposure represented by cash and investments is as stated on the consolidated statement of financial position.

Currency risk

The Company's functional currency is sterling and it has exposure to currency risk relating to its assets and liabilities held in US dollars and euros.

	2019 Non-current assets £'000	2019 Other Net Assets/(Liabilities) £'000	2018 Non-current assets £'000	2018 Other Net Assets/(Liabilities) £'000
Sterling	98,984	(104,312)	96,195	(107,265)
US dollar	127,998	(39,234)	127,998	(32,632)
Euro	49,015	-	47,480	-
	275,997	(143,546)	271,673	(139,897)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in floating interest rates relates primarily to the Company's cash. All cash bears interest at floating rates. This also one loan from its subsidiary Burford Capital (UK) Limited that is at a variable rate the other loans are interest free.

Management of capital

The Company's objective is to provide dividends and capital growth to its shareholder. Cash is managed to ensure adequate liquidity to meet commitments and to ensure resources are available to finance investments as opportunities arise.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CALLED UP SHARE CAPITAL

	2019 No.	2018 No.	2019 £'000	2018 £'000
Allotted, Issued and fully paid:				
At 1 January	60,181,695	60,181,695	60,181	60,181
Ordinary Shares of £1 each issued in year	-	-	-	-
At 31 December	60,181,695	60,181,695	60,181	60,181
			2019 £'000	2018 £'000
Share Premium Account:				
At 1 January			68,080	68,080
Shares issued in year			-	-
At 31 December			68,080	68,080

16. CAPITAL COMMITMENTS

As a normal part of its business the Company will agree to provide funding to its subsidiaries and joint ventures to enable them to meet their obligations under investment agreements that they have entered into. At the year end the Company had outstanding commitments to its subsidiaries and joint ventures of £50 million (2018 £53 million). Of the £50 million in commitments, the Company expects less than 50% to be sought from it during the next 12 months.

17. POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity around the world. In response to this coronavirus pandemic, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. In response to this the ultimate parent has closed its offices and implemented business continuity plans for staff to work from home without noticeable impact on service delivery and operations.

The Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event.

The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. As at the date of this report the most likely impact for the ultimate parent is expected to be some potential delays in the realisation of cash flows from the capital provision asset portfolio. While litigation matters that do not require in-person attendance are continuing, courts and arbitration tribunals are postponing some trials and hearings as they adapt to the new environment. In addition, some liquidity constrained corporate defendants may defer settling cases. As a result, the impact of this event on the Company is not expected to be material.

Further consideration in respect of the assessment of COVID-19 impact and how this has been considered in respect of forming a conclusion in respect of the going concern assumption for the Company is set out in note 1 on page 11.

With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

BURFORD CAPITAL HOLDINGS (UK) LIMITED
for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RELATED PARTY TRANSACTIONS

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

The following transactions with related parties took place at arm's length terms agreed between the parties during the financial period:

	2019 £'000	2018 £'000
Funding provided to joint ventures	48,904	47,367

19. ULTIMATE PARENT & CONTROLLING PARTY

The immediate and ultimate parent and controlling party 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