2018

INTERIM REPORT

Burford

About Burford Capital

Burford Capital is a leading global finance and investment management firm focused on law. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the London Stock Exchange, and it works with law firms and clients around the world from its principal offices in New York, London, Chicago and Singapore.

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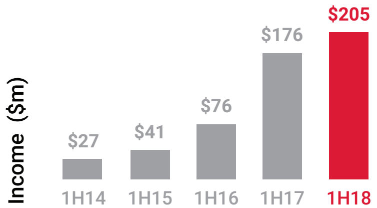
This report is for the use of Burford's public shareholders and does not constitute an offer of any Burford fund.

First Half 2018 Highlights

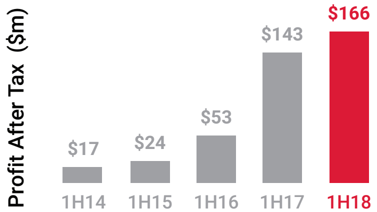
Income up 17% to

$205m



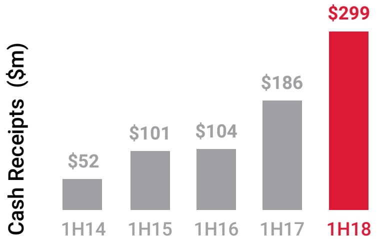
Profit after tax up 17% to

$166m



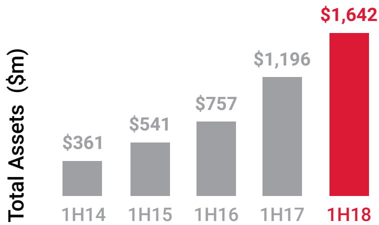
Cash generation up 61% to

$299m



Total assets up 37% to

$1.6bn



Note: As adjusted and defined in each interim report. Please refer to note on page 2 for further details on 2018 figures.

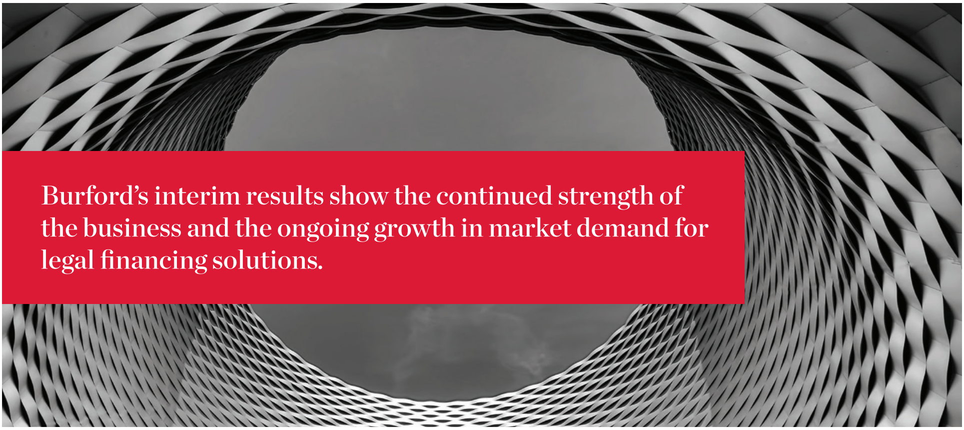
Unaudited IFRS consolidated condensed financial statements can be found in the following pages. Below is a summary of Burford's results without third-party interests in consolidated funds, where noted. The figures for operating profit, profit before tax and profit after tax also exclude the impact of amortisation of the intangible asset relating to the acquisition of GKC Holdings, LLC and investment banking and brokerage fees and are shown to assist in understanding the underlying performance of the Company. Without these adjustments, profit after tax would have been $160.8 million (30 June 2017: $133.0 million), and the increase over 2017 would have been 21%.

Financial Summary

US$'000	30 June 2018	30 June 2017*	% Change
Investment income	$195,197	$161,633	+ 21%
Investment management income	$7,190	$7,534	
Insurance income	$2,891	$4,626	
New initiatives income	$1,003	$897	
Other income	($1,076)	$834	
Total income**	**$205,205**	**$175,524**	**+ 17%**
Operating expenses – investments	($13,069)	($10,611)	
Operating expenses – investment management	($3,014)	($3,569)	
Operating expenses – insurance	($940)	($914)	
Operating expenses – new initiatives	($1,016)	($1,755)	
Operating expenses – corporate	($3,658)	($3,720)	
Operating profit**	**$183,508**	**$154,955**	**+ 18%**
Finance costs	($18,912)	($10,015)	
Profit before tax**	**$164,596**	**$144,940**	**+ 14%**
Taxation	$1,759	($2,206)	
Profit after tax**	**$166,355**	**$142,734**	**+ 17%**

* Figures for 30 June 2017 reflect consolidated results shown in the 2017 interim report; the difference in 2017 to Burford's results without third-party interests in consolidated funds was immaterial. Refer to Note 14 to the consolidated financial statements for a reconciliation of the impacts.

** Income, operating profit, profit before tax and profit after tax exclude the impact of amortisation of the intangible asset relating to the acquisition of GKC Holdings, LLC and investment banking and brokerage fees and for 2018, exclude third-party interests in the consolidated fund. Refer to page 12 for a reconciliation to the corresponding amounts on a consolidated IFRS basis.



Burford's interim results show the continued strength of the business and the ongoing growth in market demand for legal financing solutions.

Our income and profit set new records, with income of $205 million, an increase of 17% over last year's similarly record-breaking interim results, and profit after tax increasing 17% to $166 million.[1] As usual, our income was a mixture of realised and unrealised gains; in the period, 65% of our income was provided by realised gains, a higher proportion than in fiscal 2016 or 2017. We generated $299 million in cash during the period (2017: $186 million), covering our debt service obligations by 15 times and permitting us to reinvest significantly in the business. Our net debt-to-equity ratio strengthened to 0.39x.

Our new business also increased, again measured against the record levels last year. During what is typically a seasonally slow first half, we made $540 million in new investment commitments, a 10% increase from 2017 and a 170% increase from 2016. Notably, the growth of our core litigation finance commitments was even greater: our new commitments to single case investments, which are often the entry level product for new clients, more than doubled, to $88 million, and our new commitments to portfolio investments rose 70% to $205 million. For context, only three years ago, in 2015, our first half commitments totalled $81 million across all types of investments, so the business has grown more than 550% in three years. And we are not just making new investment commitments, but we are deploying substantial amounts of capital as well: in the first half, we deployed $400 million of new investment capital.

As is our custom, we keep this interim report brief and do not repeat the lengthy narrative provided only a few months ago in our annual report. We also do not discuss events that occurred during 2018 if they were previously discussed in the 2017 annual report, such as our successful bond issuance in February 2018 (priced at the lowest spread in our history) and our successful secondary sale of the Teinver investment for $107 million in cash.

Consistent with past practice, we are declaring an interim dividend of 3.67¢, which is equal to one-third of 2017's total dividend, payable on 5 December 2018 to shareholders of record on 9 November 2018.

Litigation finance

We commented in our annual report in March that we were seeing greater market activity and that a corner had been turned, with litigation finance moving into the mainstream of the legal industry. We pointed not only to our own results and survey data, but also to the sheer increase in public attention to litigation finance. That trend has continued. Last year had already seen a sea change, with legal media coverage of litigation finance showing striking increases. The trajectory

1 All financial results discussed herein are expressed for the six months ended 30 June 2018 or, when appropriate, as of 30 June 2018, unless specifically identified as relating to a different date or period. When prior year comparisons are discussed, those comparisons are similarly for the six months ended 30 June 2017 or, where appropriate, as of 30 June 2017, unless specifically identified as relating to a different date or period.

Continued

is even steeper in 2018, with as much media coverage generated in the first half of this year as in all of 2017.

Within that market growth, Burford stands out, as it has since inception. A number of our competitors came into existence around the same time as we did and remain very much smaller today, whether measured by income, profit, investments or net asset value. A recent analyst report called us the market leader in a 10x growth market and estimated that we had 55-60% of the current market.[2]

New commitments

We have seen the ongoing mainstreaming of litigation finance reflected in the new business we did during the period. Last year, we developed a new tabular form of disclosure about our new business, designed to provide more granularity about the form of the business in which we are investing. We repeat that table on the facing page but we have now expanded it from four to five categories, also to show new commitments relating to our asset recovery business.

Our core business is exemplified by the first and second categories of this table, single case and portfolio litigation finance. To be sure, we are growing and expanding the business into other areas, but those newer areas (the last three categories on the table) have greater potential to wax and wane on a period-by-period basis. Looking just at the first two categories, the growth is striking. We have almost doubled our new commitments, from $156 million in 2017 to $293 million this year. It is also exciting to note that our single case business included a number of new clients; single cases are often an entry level product for clients who ultimately graduate into larger portfolio transactions. Indeed, since inception, 75% of law firms for which Burford financed a single case have later brought us additional opportunities, 40% of which have been for portfolio investments.

We do not mean to suggest that we are in any way unhappy with the performance of the other three categories. However, those areas of the business are simply more episodic. We did not find as many desirable recourse investments in the period and our commitment level thus declined year-over-year – although putting $173 million into recourse investments in six months can hardly be called shabby. Legal risk management, our fourth category, saw a steep decline, reflecting the unusual circumstances of the first half of 2017 which we did not expect to be repeated. On the other hand, asset recovery (the fifth category) soared in the period, showing the traction we gained from our strategic changes 18 months ago (more about that later) and registering an 11x increase in investment commitments over the prior year, to $49 million.

Detailed analysis aside, the simple fact that we committed more than half-a-billion dollars to new investments in the first half of the year, historically our slower period, fills us with excitement for the continuing expansion potential of the business.

2 Burford initiation research report: Keefe, Bruyette & Woods, George Karamanos and Thomas Hallett, 6 July 2018.

Total 1H 2018 Investment Commitments: $540.3 million

$ in millions	Balance sheet commitments		Investment funds commitments	
Single case finance: Investments subject to binary legal risk – in other words, Burford's traditional litigation finance investments, such as financing the costs of pursuing a single litigation claim	**$33.2** $20.4	**10%** 9%	**$54.3** $14.2	**26%** 6%
Portfolio finance: Investments with multiple claims or multiple paths to recovery where Burford's returns come entirely from litigation outcomes – in other words, many of Burford's traditional complex and portfolio investments, such as financing a cross-collater-alised pool of a client's litigation claims	**$131.8** $57.5	**39%** 25%	**$73.6** $63.4	**36%** 24%
Recourse finance: Investments in connection with legal claims where Burford has recourse to an underlying asset beyond the legal claim – in other words, investments where Burford would not expect to suffer a complete loss upon failure of the claim, such as the Rurelec investment concluded in 2014 where the bulk of Burford's profits came from an interest in a claim outcome but where Burford expected to recover its principal from Rurelec's assets even if the claim had been unsuccessful	**$100.9** $87.5	**30%** 38%	**$72.1** $173.7	**35%** 66%
Legal risk management: Investments where Burford is providing some form of legal risk arrangement, such as providing an indemnity for adverse costs	**$19.0** $60.6	**6%** 26%	**$6.6** $10.8	**3%** 4%
Asset recovery: Enforcement of legal judgments	**$48.8** $4.1	**15%** 2%	**–** –	**–** –
Total	**$333.7** $230.1	**100%** 100%	**$206.6** $262.1	**100%** 100%
Total investment commitments	**$540.3 million**			

Note: **1H 2018 commitment figures are bolded**, 1H 2017 commitment figures are light gray

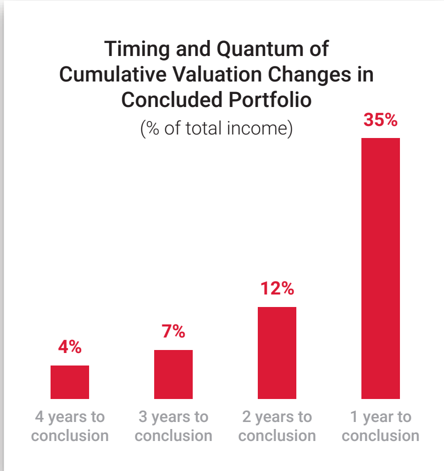
Continued

Financial performance
Of course, new business is only as good as the profit it ultimately generates, and the first half was particularly strong with regards to both income and cash generation from invested capital.

We generated almost $200 million in income from litigation investments in the period, a 21% increase from 2017. Of that income, 62% is composed of realised gains and only 38% of unrealised gains. The relative composition of our income will ebb and flow with case activity, but it is noteworthy that the proportion of unrealised gain in our income was considerably lower than it was in either fiscal 2017 or fiscal 2016. We attach no importance to that change or indeed to the proportion in the first place, as we discuss at length at page 22 of our 2017 annual report, but we point it out here given that we are often asked about it.

To shed more light on the question of valuation and unrealised gain, we have prepared the graphic to the right. This shows the timing and quantum of valuation changes over the life of litigation investments. The chart looks at our total profit from all of our fully- and partially-concluded investments to date and shows what portion of that profit was already recognised in each year prior to investment conclusion, and demonstrates that when we do recognise unrealised gains, most of them occur close to investment conclusion.

So, across our total portfolio, only 7% of our ultimate investment profit was ever recognised in investments three years prior to their conclusion, rising to 12% two years prior to conclusion and to 35% one year prior to conclusion. Notably, 65% of our investment profit has never been taken before investment conclusion. As we noted in our annual report, it is rare for investments to swing to a loss after incurring a write-up.



Important as financial statement measurements are, at the end of the day we focus more than anything else on bringing cash in the door. On that metric, the first half was very successful. We generated $288 million in cash in the period from our litigation investments, a significant increase from $172 million last year and $91 million in 2016. Indeed, Burford has generated well over a billion dollars in cash in our short life, validating the investment model we use.

Petersen/YPF
The period saw some developments in our investment in the ongoing litigation against Argentina in connection with its expropriation of YPF, which were discussed in an RNS announcement on 11 July 2018. Burford has for some time been financing litigation brought by YPF's second-largest shareholder, the Petersen Group, against Argentina and YPF. We have reported previously on the status of that litigation and various secondary market transactions in which we have engaged.

The procedural posture of the case is that Petersen's claims were filed in US federal court in New York, and there has been skirmishing for some time about whether the claims can properly be heard in the US courts. The trial court decided some time ago that they could be, and on 10 July 2018 the relevant appellate court agreed.

As a result, the case will now return to the trial court for substantive proceedings, although there is the possibility of the defendants seeking a further review by either or both of the full complement of the appellate court or the US Supreme Court; such requests are rarely granted.

While we are pleased with this decision, it is important to emphasise that this decision relates purely to a preliminary jurisdictional question and does not foreshadow any particular result in the underlying litigation.

Given that the appellate court released its decision on 10 July 2018, Burford did not factor the impact of the court's decision into its investment valuation process for the period ended 30 June 2018; we will consider its impact, if any, in the investment valuation process for the period ending 31 December 2018. Our valuation process is discussed in our annual report.

Burford has also historically provided litigation financing in connection with similar claims advanced by Eton Park, the third-largest YPF shareholder, which at the relevant time held approximately 3% of YPF's equity. Although publicly disclosed, Burford's investment in the Eton Park matter has not historically been the subject of investor attention. However, Eton Park is now in the process of dissolving, and Burford thus agreed in June 2018 to take on a broader role in the Eton Park matter, comparable to its role in the Petersen claim, and made a $21 million advance payment to Eton Park in exchange for the right to receive a further 70% of Eton Park's proceeds from the YPF litigation less various fees and expenses.

In order to hold Burford's cash exposure to the YPF claims relatively constant, we decided to finance our payment to Eton Park by selling some further interests in our Petersen entitlement, and contemporaneously with closing the Eton Park transaction, we sold 3.75% of our entitlement for an effective cash price of $30 million, implying a valuation of $800 million for our original total Petersen entitlement, although we carry our Petersen investment at a lower carrying value than that for the reasons we have enunciated previously. (We are unable to release the carrying value of ongoing investments as that has the potential to reveal protected information.) When also considering prior secondary market sales, Burford now owns 71.25% of its original total entitlement.

Australia

We have not historically been very active in the Australian market. Australia is very far away from our main centres of activity and we were neither ready to put someone on the ground in the country nor to try to manage a market position from thousands of miles away.

However, in late 2016, we hired Craig Arnott as the head of our business outside the Americas. Although Craig is based in London, he is an Australian barrister (as well as a Rhodes Scholar who taught jurisprudence at Oxford and a lawyer who has practiced in New York, London and Europe as well as Australia) with deep insight into the market. That has enabled us to take some steps towards greater activity in Australia, which is a particularly litigious market.

Continued

We think the Australian market has potential but we also think it is today characterised by oligopolistic tendencies, and we believe our entry into the market has the potential to disrupt it considerably. Our first foray, just in the last few months, is for a large shareholder claim against one of Australia's major financial services firms, AMP, where a number of its senior executives admitted a variety of corporate misconduct, causing the departure of its Chairman, CEO and CFO and the loss of more than A$2 billion in its market capitalisation. We have offered to finance that claim at a price well below conventional Australian norms (while still offering the potential for Burford to earn an appropriate risk-adjusted profit), and we shall see if we are successful both in landing the engagement and in transforming the Australian market.

Investment management

Just as with our litigation finance business, our investment management business is a two-part story – looking forward (at new funds and new investment commitments that could generate future performance fee income) and looking backward (at results and the consequent fee income from investments made some time ago).[3]

Looking backward, the most notable development in the first half was a significant trial win for an investment in the Partners III fund from which (if ultimately upheld on appeal) the fund's entitlement could be more than $100 million with a performance fee potential in excess of $20 million, once the fund unlocks performance fees. To be sure, we have had other investment activity in the period, but no single investment's performance had the potential to unlock performance fees at the level of this one success.

We are also pleased with some early successes in our new complex strategies fund. In addition to the investment resolution we described in the 2017 annual report, we have had two subsequent resolutions (both of which resolved after 30 June 2018). The three resolutions have collectively generated more than $10 million in fees and direct profits for the Burford balance sheet.

We have always expected volatility from our fund management income because it is dependent on performance fees, which in turn are dependent on the timing of litigation outcomes. Our fund income fell somewhat against the prior period as the level of performance fees earned this period was lower in the absence of a significant litigation success to unlock fees given the funds' European carry structure.

Looking forward, given the volume of demand for Burford's capital, we ended the period with Partners III, our current core litigation finance fund, being fully committed. There is some room in Partners III for incremental new investments given our ability to recycle some concluded commitments, but the fund is approaching the end of its viable investable life, well over a year before the end of its investment period. Thus, we expect to be in the fundraising market again this year, and we see considerable appetite for investment in the legal finance sector.

3 Burford Capital Investment Management, LLC ("BCIM"), which acts as the fund manager, is registered as an investment adviser with the U.S. Securities and Exchange Commission. The information provided herein is for informational purposes only. It describes multiple investment vehicles focused on multiple investment strategies, and share common terms such as management and performance fees. Nothing herein should be construed as a solicitation to offer investment advice or services. Information about investing in BCIM-managed funds is available only in the form of private placement memoranda and other offering documents.

Insurance
Our legacy insurance business is following its expected trend in run-off, and we are pleased with our ability to continue to generate profits from the business and to right-size its operating expenses.

During the period, we received regulatory approval for the launch of our new insurance business. As discussed in our 2017 annual report, we have created a Guernsey insurer that will offer adverse costs insurance globally in both litigation and arbitration, and we have arranged substantial reinsurance for that insurer from leading reinsurers.

Asset recovery
As we have discussed previously, we have been experimenting with the best business model for our asset recovery business.

Originally, we provided asset recovery services on a fee-for-service basis. That had the benefit of being low-risk and producing positive cash flow, but our strong sense was that we were leaving money on the table by not being willing to participate on a risk basis. Thus, we altered the business model last year and began focusing on at-risk transactions.

It is too early to tell if that will be successful, but early signs are encouraging. It is certainly enabling us to do considerably more business – $49 million in new commitments during the period – given our unique offering in the market.

Our asset recovery business has a greater potential to find itself in the press than the rest of Burford given that people tend to resist being parted from their assets with great vigour. We previously discussed a Wall Street Journal front-page feature on one of our cases, and more recently there has been press over our role in England's largest divorce matter. To be clear, Burford does not finance divorce litigation. However, once any type of litigation has been resolved finally and turned into an enforceable judgment, we are agnostic about the type of underlying litigation that led to the judgment – we are simply in the business of helping clients collect their judgments, and the techniques are the same for a contract judgment or a divorce judgment. Thus, we are today engaged in attempting to satisfy a judgment against Farkhad Akhmedov, whose hostility toward his ex-wife has caused him to evade payment despite a net worth that was found at trial to be $1.4 billion. The British press has been particularly focused on our success in "arresting" a 377-foot yacht reported to be worth something on the order of $400 million, which is currently the subject of ongoing proceedings in Dubai.

Despite the salacious nature of some of the cases that gave rise to the judgments we help enforce, the asset recovery business is fundamentally about high-quality factual and investigative work married to transnational litigation strategy. It is an obvious fit for us and a business we have continued to expand. Today, it numbers 14 people in addition to our wholly-owned law firm, Burford Law, that now is comprised of three lawyers primarily focused on the asset recovery practice.

Capital structure
Burford regularly considers its capital structure and the optimal approach to financing its investment commitments and deployments, considering the unpredictable nature of Burford's cash flows. Historically, we have made use of public debt and equity capital along with ever-growing amounts of recycled capital. Our efforts to create a secondary market have yielded a further source of flexible capital. We have been growing our investment fund business as yet another source of capital. The ongoing growth in the business means we will likely need to add incremental capital over the next twelve months and we continue to explore the most efficient structures to do so.

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Governance
Burford has throughout its history adopted and complied with the Guernsey Finance Sector Code of Corporate Governance (the "**Code**"), and our compliance has been the subject of regular reporting to, and oversight by, the Burford Board.

We discuss below how our practices meet the relevant principles in the Code.

1. *Effective responsible Board:* The Board, chaired by Sir Peter Middleton GCB, is comprised of four independent non-executive directors, each with direct and relevant experience in investment management and litigation. All four directors have been in their roles since Burford's inception. The Board generally meets quarterly for a full day meeting preceded by a board dinner and is in active communication with management in-between meetings. Senior management attends every board meeting, although the Board also meets without management present at each meeting. The Board has established three committees – Audit, Remuneration and Investment – composed entirely of independent directors with each committee chaired by a different director. The Board retains ultimate responsibility with respect to Burford's activities, performance and governance.

2. *Collective responsibility of the directors:* Burford's directors are experienced and collectively well-versed in the legislative and regulatory environment in which Burford operates. They are provided with relevant information in a timely manner (including a daily business update) and kept abreast of relevant information so that they can discharge their duties. The Board has overall responsibility for Burford's governance, strategy, risk management and key policies and engages in robust scrutiny of the business and its investment portfolios. The Board regularly evaluates its own performance and discusses improvements to its structure and processes.

3. *Good standards of business conduct, integrity and ethical behaviour:* The Board is subject to Burford's various integrity policies, including with regard to conflicts of interest, self-dealing and fiduciary duties.

4. *Accountability for Burford's position and prospects:* At its in-person quarterly board meetings, the Board is presented with materials so it can meaningfully assess Burford's performance, measure the impact of the business' strategy and evaluate Burford's position. Burford has a significant professional finance function that provides detailed management reporting and also prepares financial statements pursuant to International Financial Reporting Standards. The Board is in regular contact with Ernst & Young, Burford's auditors. Sir Peter Middleton also chairs the Board of Burford Capital Holdings (UK) Limited, a significant subsidiary, to ensure non-executive oversight. The Board has ultimate responsibility for Burford's objectives and business plans.

5. *Board oversight of risk management:* The Board maintains oversight of risk by way of a comprehensive risk presentation at every quarterly Board meeting. Burford has a robust management team focused on risk, including a Chief Risk Officer, a Chief Compliance Officer, a General Counsel and a number of other in-house lawyers – in addition to dozens of the business' professional staff being lawyers, including many of the business' most senior managers.

6. *Timely and balanced disclosure and reporting:* The Board ensures appropriate and timely reporting pursuant to all applicable obligations.

7. *Fair and responsible remuneration:* The Remuneration Committee of the Board reviews and approves compensation for all employees and appointees. The Remuneration Committee is responsible for setting Burford's remuneration policy which is consistent with effective risk management.

8. *Effective shareholder relations:* The Board oversees the creation and delivery to shareholders of communications about performance and status of the business. The annual report is the principal vehicle for that communication along with the interim report and periodic updates. The Board provides the AGM as a forum for shareholders to exercise their rights as well as supervising a robust investor relations programme.

The above does not purport to be an exhaustive summary of all the actions taken by Burford in adhering to the Code.

Burford's adoption of the Code is current as of 24 July 2018 and is reviewed as part of the Company's annual reporting process.

There are no material departures from Burford's obligations under the Code.

***

We are grateful to all of our stakeholders for their support of Burford and its growth and look forward to a busy second half of 2018.

Sir Peter Middleton GCB
Chairman

Christopher Bogart
Chief Executive Officer

Jonathan Molot
Chief Investment Officer

July 2018

As previously announced, Burford made a $150 million commitment to its $500 million complex strategies investment fund raised in June 2017. The combination of Burford's commitment to the fund and its management oversight result, under the applicable accounting rules, in the consolidation of that fund into Burford's financial statements.

In our view, it is confusing to include the interests of fund investors other than Burford in our discussion of performance, and we have thus generally excluded the non-Burford portion of such funds from our presentation of our financial performance. The tables below provide a full reconciliation of the consolidated statement of comprehensive income and consolidated statement of financial position so that investors are able to relate our performance discussion with our published accounts.

Reconciliation of Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2018

US$'000	Consolidated IFRS	Elimination of third-party fund interests*	Other adjustments**	Burford
Investment income	$200,085	($4,888)	–	$195,197
Investment management income	$5,447	$1,743	–	$7,190
Insurance income	$2,891	–	–	$2,891
New initiatives income	$1,003	–	–	$1,003
Other income	($610)	($466)	–	($1,076)
Third-party share of gains relating to interests in consolidated fund	($2,826)	$2,826	–	–
Total income	**$205,990**	**($785)**	–	**$205,205**
Operating expenses	($22,482)	$785	–	($21,697)
Amortisation of intangible asset	($4,747)	–	$4,747	–
Banking and brokerage fees	($788)	–	$788	–
Operating profit	**$177,973**	–	**$5,535**	**$183,508**
Finance costs	($18,912)	–	–	($18,912)
Profit before tax	**$159,061**	–	**$5,535**	**$164,596**
Taxation	$1,759	–	–	$1,759
Profit after tax	**$160,820**	–	**$5,535**	**$166,355**
Other comprehensive income	$10,394	–	–	$10,394
Total comprehensive income	**$171,214**	–	**$5,535**	**$176,749**

* Elimination of third-party fund interests is the net of the funds and adjustments and elimination figures shown in Note 14 to the consolidated financial statements.

** Other adjustments are to exclude the impact of amortisation of the intangible asset relating to the acquisition of GKC Holdings, LLC and investment banking and brokerage fees to assist in understanding the underlying performance of the Company.

Reconciliation of Consolidated Statement of Financial Position

As at 30 June 2018

US$'000	Consolidated IFRS	Elimination of third-party fund interests*	Burford
Assets			
Non-current assets			
Investments	$1,218,008	($116,061)	$1,101,947
Due from settlement of investments	$3,083	–	$3,083
Investment income receivable	$11,158	($11,158)	–
New initiatives investments	$28,689	–	$28,689
Other non-current assets	$177,689	–	$177,689
	$1,438,627	**($127,219)**	**$1,311,408**
Current assets			
Due from settlement of investments	$26,411	–	$26,411
Receivables and prepayments	$14,875	$751	$15,626
Taxation receivable	$281	–	$281
Due from broker	$29,302	($29,302)	–
Cash management investments	$50,807	–	$50,807
Cash and cash equivalents	$240,735	($3,230)	$237,505
	$362,411	**($31,781)**	**$330,630**
Total assets	**$1,801,038**	**($159,000)**	**$1,642,038**
Liabilities			
Current liabilities			
Investments payable	$3,500	–	$3,500
Payables	$7,435	($397)	$7,038
Financial liabilities at fair value through profit and loss	$25,480	($25,480)	–
Derivative financial liabilities	$9,250	–	$9,250
Loan capital interest payable	$9,388	–	$9,388
	$55,053	**($25,877)**	**$29,176**
Non-current liabilities			
Other non-current liabilities	$659,137	–	$659,137
Third-party interests in consolidated fund	$133,123	($133,123)	–
	$792,260	**($133,123)**	**$659,137**
Total liabilities	**$847,313**	**($159,000)**	**$688,313**
Net assets	**$953,725**	**–**	**$953,725**

* Elimination of third-party fund interests is the net of the funds and adjustments and elimination figures shown in Note 14 to the consolidated financial statements.

Notes 6 and 7 to the consolidated financial statements also provide a reconciliation of the investments and due from settlement of investments balances showing the interests of Burford excluding the third-party interests in consolidated fund.

Introduction
We have been engaged by Burford Capital Limited ("the Company") to review the condensed set of financial statements in the Interim Report for the six months ended 30 June 2018 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 20. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities
The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with International Accounting Standard 34 "Interim Financial Reporting".

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRS. The condensed set of financial statements included in this Interim Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our Responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Ernst & Young LLP
London
24 July 2018

Notes:
1 The maintenance and integrity of 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 Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

for the period ended 30 June 2018

	Notes	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Income			
Investment income	6	200,085	161,633
Investment management income		5,447	7,534
Insurance income		2,891	4,626
New initiatives income	8	1,003	897
Net loss on equity securities		(1,956)	–
Cash management income and bank interest	9	2,824	94
Foreign exchange (losses)/gains		(1,478)	740
Third-party share of gains relating to interests in consolidated funds		(2,826)	–
Total income		205,990	175,524
Operating expenses		(22,482)	(20,569)
Amortisation of intangible asset		(4,747)	(5,851)
Banking and brokerage fees		(788)	(3,838)
Operating profit		177,973	145,266
Finance costs	12	(18,912)	(10,015)
Profit for the period before taxation		159,061	135,251
Taxation credit/(expense)	4	1,759	(2,206)
Profit for the period after taxation		160,820	133,045
Other comprehensive income			
Exchange differences on translation of foreign operations on consolidation		10,394	(11,142)
Total comprehensive income for the period		171,214	121,903

		Cents	Cents
Basic profit per ordinary share	16	77.23	63.89
Diluted profit per ordinary share	16	77.05	63.89
Basic comprehensive income per ordinary share	16	82.22	58.54
Diluted comprehensive income per ordinary share	16	82.03	58.54

The notes on pages 21 to 39 form an integral part of these consolidated financial statements.

as at 30 June 2018

	Notes	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Assets				
Non-current assets				
Investments	6	**1,218,008**	1,075,941	750,585
Due from settlement of investments	7	**3,083**	3,083	29,601
Investment income receivable	14	**11,158**	4,765	–
New initiatives investments	8	**28,689**	10,189	3,723
Equity securities		**4,102**	6,058	–
Deferred tax asset	4	**14,521**	10,863	10,368
Goodwill		**133,999**	134,022	133,983
Intangible asset		**22,945**	27,692	33,544
Tangible fixed assets		**2,122**	2,399	2,193
		1,438,627	1,275,012	963,997
Current assets				
Due from settlement of investments	7	**26,411**	165	3,455
Receivables and prepayments	10	**14,875**	5,474	4,742
Tax receivable		**281**	1,676	2,366
Due from broker	14	**29,302**	41,678	–
Cash management investments	9	**50,807**	39,933	28,180
Cash and cash equivalents		**240,735**	135,415	193,736
		362,411	224,341	232,479
Total assets		**1,801,038**	1,499,353	1,196,476
Liabilities				
Current liabilities				
Investments payable		**3,500**	–	4,076
Payables	11	**7,435**	23,833	6,716
Financial liabilities at fair value through profit and loss	14	**25,480**	36,242	–
Derivative financial liabilities	6	**9,250**	–	–
Loan interest payable	12	**9,388**	5,397	5,081
Due to limited partners		**–**	1,158	–
Net trades payable		**–**	–	1,709
		55,053	66,630	17,582
Non-current liabilities				
Investment subparticipations		**3,165**	3,152	456
Deferred tax liability	4	**2,211**	437	3,305
Loan capital	12	**653,761**	486,931	468,040
Third-party interests in consolidated funds	14	**133,123**	143,639	2,005
		792,260	634,159	473,806
Total liabilities		**847,313**	700,789	491,388
Total net assets		**953,725**	798,564	705,088

as at 30 June 2018 (continued)

	Notes	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Represented by:				
Ordinary share capital	15	**351,249**	351,249	351,249
Contingent share capital – deferred consideration	15	**13,500**	13,500	13,500
Other capital reserve		**1,654**	1,152	520
Revenue reserve		**567,485**	423,220	313,312
Foreign currency translation reserve		**19,975**	9,581	26,645
Capital redemption reserve		**(138)**	(138)	(138)
Total equity shareholders' funds		**953,725**	798,564	705,088

The notes on pages 21 to 39 form an integral part of these consolidated financial statements.

The financial statements on pages 15 to 39 were approved by the Board of Directors on 24 July 2018 and were signed on its behalf by:

Charles Parkinson
Director

24 July 2018

for the period ended 30 June 2018

	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Cash flows from operating activities		
Profit for the period before tax	**159,061**	135,251
Adjusted for:		
Changes in operating assets and liabilities		
Realised (gains) on realisation of investments	**(124,524)**	(110,723)
Fair value change on investments	**(70,545)**	(50,401)
Interest and other income from investments	**(667)**	(635)
Net (increase) in new initiatives investments and income	**(1,003)**	(897)
Net (increase)/decrease in cash management investments	**(343)**	49
Net decrease in equity securities	**1,956**	–
Net increase in financial liabilities at fair value through profit and loss	**1,851**	–
Net increase in loan capital – finance costs	**18,912**	10,015
Non-cash items		
Amortisation and depreciation of intangible assets and tangible fixed assets	**5,080**	6,041
Other non-cash including exchange rate movements	**2,088**	1,482
	(8,134)	(9,818)
Changes in working capital		
Proceeds from investments	**342,630**	165,980
(Increase)/decrease in due from settlement of investments	**(26,246)**	6,312
Funding of investments	**(277,391)**	(200,976)
Proceeds from new initiatives investments	**1,055**	1,408
Funding of new initiatives investments	**(19,042)**	(1,180)
Net funding of cash management investments	**(10,531)**	(17,131)
Net proceeds from financial liabilities at fair value through profit and loss	**(12,613)**	–
(Increase) in investment income receivable	**(6,393)**	–
Decrease in due from broker	**12,376**	–
(Increase)/decrease in receivables	**(14,101)**	4,269
(Decrease) in payables	**(13,182)**	(13,712)
Taxation refund/(paid)	**1,268**	(958)
(Decrease)/increase in third-party interests in consolidated funds	**(10,516)**	2,005
Net cash (outflow) from operating activities	**(40,820)**	(63,801)
Cash flows from financing activities		
Issue of loan capital and loan notes	**180,000**	225,803
Issue expenses – loan capital	**(2,637)**	(2,921)
Interest paid on loan capital and loan notes	**(14,217)**	(9,022)
Dividends paid on ordinary shares	**(16,555)**	(13,494)
Repayment of loan notes	**–**	(43,750)
Net cash inflow from financing activities	**146,591**	156,616
Cash flows from investing activities		
Purchases of tangible fixed assets	**(64)**	(205)
Settlement of outstanding creditor relating to prior year's acquisition of subsidiary	**–**	(57,863)
Net cash (outflow) from investing activities	**(64)**	(58,068)
Net increase in cash and cash equivalents	**105,707**	34,747

for the period ended 30 June 2018 (continued)

	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at beginning of year	135,415	158,371
Increase in cash and cash equivalents	105,707	34,747
Effect of exchange rate changes on cash and cash equivalents	(387)	618
Cash and cash equivalents at end of period	240,735	193,736

Supplemental Disclosure	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Cash received from interest income	2,673	733

The notes on pages 21 to 39 form an integral part of these consolidated financial statements.

for the period to 30 June 2018

30 June 2018	Share capital $'000	Contingent share capital $'000	Other capital reserve $'000	Revenue reserve $'000	Foreign currency consol-idation reserve $'000	Capital redemp-tion reserve $'000	Total equity share-holders' funds $'000
As at 1 January 2018	351,249	13,500	1,152	423,220	9,581	(138)	798,564
Profit for the period	–	–	–	160,820	–	–	160,820
Other comprehensive income	–	–	–	–	10,394	–	10,394
Share-based payments	–	–	502	–	–	–	502
Dividends paid	–	–	–	(16,555)	–	–	(16,555)
Balance at 30 June 2018	**351,249**	**13,500**	**1,654**	**567,485**	**19,975**	**(138)**	**953,725**

30 June 2017	Share capital $'000	Contingent share capital $'000	Other capital reserve $'000	Revenue reserve $'000	Foreign currency consol-idation reserve $'000	Capital redemption reserve $'000	Total equity share-holders' funds $'000
As at 1 January 2017	351,249	13,500	–	193,761	37,787	(138)	596,159
Profit for the period	–	–	–	133,045	–	–	133,045
Other comprehensive income	–	–	–	–	(11,142)	–	(11,142)
Share-based payments	–	–	520	–	–	–	520
Dividends paid	–	–	–	(13,494)	–	–	(13,494)
Balance as at 30 June 2017	351,249	13,500	520	313,312	26,645	(138)	705,088

The notes on pages 21 to 39 form an integral part of these consolidated financial statements.

1. Legal form and principal activity

Burford Capital Limited (the "Company") and its subsidiaries (the "Subsidiaries") (together the "Group") provide investment capital, investment management, financing and risk solutions with a focus on the legal sector.

The Company was incorporated under The Companies (Guernsey) Law, 2008 (the "Law") on 11 September 2009. Shares in the Company were admitted to trading on AIM, a market operated by the London Stock Exchange, on 21 October 2009.

These financial statements cover the period from 1 January 2018 to 30 June 2018.

2. Basis of preparation and changes to principal accounting policies

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and using the going concern basis of preparation. These financial statements do not contain all the information and disclosures as presented in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2017. The consolidated condensed interim financial statements are presented in United States Dollars and are rounded to the nearest $'000 unless otherwise indicated.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017 except for the adoption of two new standards effective as of 1 January 2018 and the addition of a new category of financial instruments as discussed below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated condensed interim financial statements of the Group.

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group has retrospectively applied IFRS 9, but the provision of comparative information is not compulsory.

(a) Classification and measurement
There are no changes in the classification and measurement requirements of IFRS 9 as the Group early adopted these requirements in prior periods.

(b) Impairment
IFRS 9 requires the Group to record expected credit losses (ECLs) on its debt securities, loans, amounts due from settlement of both investments and new initiatives investments and trade receivables, either on a 12-month or lifetime basis. The Group has determined there is no material impact of ECLs on the financial statements.

(c) Hedge accounting
The Group has not applied hedge accounting.

2. Basis of preparation and changes to principal accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations, and establishes a five-step model to account for all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted IFRS 15 using the modified retrospective method of application to all contracts as of 1 January 2018 and there was no material impact on its reported amounts. Disclosures related to revenue from contracts with customers is included within Note 5, Segmental information.

Financial instruments
Derivative financial instruments
Derivative financial instruments are option and swap contracts whose value is derived from one or more underlying financial instruments or other variables defined in the contract. All derivative financial instruments are held at fair value through profit and loss and classified as assets when their fair value is positive or as liabilities when their fair value is negative. They are initially recorded at the fair value of proceeds received and subsequent changes in fair value recorded in investment income in the consolidated statement of comprehensive income.

3. Material agreements

During 2018 and 2017 there were no material agreements in place between the Group entities and third parties.

4. Taxation

The Company obtained exempt company status in Guernsey. In certain cases, a subsidiary of the Company may elect to make use of investment structures that are subject to income tax in a country related to the investment. The Company's subsidiaries in Ireland, the UK and the US are subject to taxation in such jurisdictions as determined in accordance with relevant tax legislation.

	30 June 2018 $'000	30 June 2017 $'000
Profit on ordinary activities before tax	**159,061**	135,251
Corporation tax at country rates	**(5,080)**	1,959
Factors affecting charge:		
Adjustment in respect of prior year	**2,490**	2
Tax losses not recognised	**496**	234
Costs not allowable for tax	**335**	11
Total taxation (credit)/expense	**(1,759)**	2,206

Corporation tax at country rates is influenced by taxable profits and losses arising in jurisdictions at different rates and non taxable gains and losses arising on fair value adjustments.

4. Taxation (continued)

The taxation charge for the period comprises:

	30 June 2018 $'000	30 June 2017 $'000
US taxation charge	279	–
Irish taxation (credit)/charge	(156)	470
UK deferred taxation charge	83	–
Irish deferred taxation charge	13	–
US deferred taxation (credit)/charge	(1,978)	1,736
Total taxation (credit)/charge	(1,759)	2,206

Deferred tax asset	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Balance at 1 January	10,863	9,498	9,498
Movement on US deferred tax – temporary differences	3,658	5,681	1,340
Movement on Irish deferred tax – temporary differences	–	(644)	(470)
Adjustment for US tax rate change	–	(3,672)	–
Balance at end of period	14,521	10,863	10,368

Included in the deferred tax asset recognised at the balance sheet date are amounts relating to operating losses that the Group believes it will be able to utilise in the future.

Deferred tax liability	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Balance at 1 January	437	227	227
Movement on US deferred tax – temporary differences	1,680	443	3,075
Movement on UK deferred tax	83	–	–
Movement on Irish deferred tax	13	–	–
Foreign exchange adjustment	(2)	4	3
Adjustment for US tax rate change	–	(237)	–
Balance at end of period	2,211	437	3,305

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Net deferred tax asset	12,310	10,426	7,063

Analysis of net deferred tax asset by type	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Staff compensation and benefits	814	3,618	604
GKC acquisition costs	(991)	690	(959)
Investment fair value adjustments	1,651	1,584	1,056
Capital allowances	(244)	(209)	(221)
Revenue timing difference	(13)	–	–
Net operating loss carry forward	11,093	4,743	6,583
	12,310	10,426	7,063

5. Segmental information

Management consider that there are four operating business segments in addition to its corporate functions, being (i) provision of investment capital in connection with the underlying asset value of claims, (ii) investment management activities, (iii) provision of litigation insurance (reflecting UK and Channel Islands litigation insurance activities), and (iv) exploration of new initiatives related to application of capital to the legal sector until such time as those initiatives mature into full-fledged independent segments.

Segment revenue and results

30 June 2018	Investments $'000	Investment management $'000	Litigation insurance $'000	New initiatives $'000	Other corporate activity $'000	Total $'000
Income*	**195,303**	**5,447**	**2,891**	**1,003**	**1,346**	**205,990**
Operating expenses	**(13,854)**	**(3,014)**	**(940)**	**(1,016)**	**(3,658)**	**(22,482)**
Amortisation of intangible asset arising on acquisition	–	–	–	–	**(4,747)**	**(4,747)**
Investment banking and brokerage fees	–	–	–	–	**(788)**	**(788)**
Finance costs	–	–	–	–	**(18,912)**	**(18,912)**
Profit/(loss) for the period before taxation	**181,449**	**2,433**	**1,951**	**(13)**	**(26,759)**	**159,061**
Taxation	**3,243**	**(107)**	**(269)**	**(68)**	**(1,040)**	**1,759**
Other comprehensive income	–	–	–	–	**10,394**	**10,394**
Total comprehensive income	**184,692**	**2,326**	**1,682**	**(81)**	**(17,405)**	**171,214**
*Includes the following revenue from contracts with customers for services transferred over time	–	**5,447**	**2,891**	**731**	–	**9,069**

30 June 2017	Investments $'000	Investment management $'000	Litigation insurance $'000	New initiatives $'000	Other corporate activity $'000	Total $'000
Income	161,633	7,534	4,626	897	834	175,524
Operating expenses	(10,611)	(3,569)	(914)	(1,755)	(3,720)	(20,569)
Amortisation of intangible asset	–	–	–	–	(5,851)	(5,851)
Investment banking and brokerage fees	–	–	–	–	(3,838)	(3,838)
Finance costs	–	–	–	–	(10,015)	(10,015)
Profit/(loss) for the period before taxation	151,022	3,965	3,712	(858)	(22,590)	135,251
Taxation	(718)	(349)	(451)	(98)	(590)	(2,206)
Other comprehensive income	–	–	–	–	(11,142)	(11,142)
Total comprehensive income	150,304	3,616	3,261	(956)	(34,322)	121,903

5. Segmental information (continued)

Segment assets

30 June 2018	Investments $'000	Investment management $'000	Litigation insurance $'000	New initiatives $'000	Other corporate activity $'000	Total $'000
Non-current assets						
Investments	1,218,008	–	–	–	–	1,218,008
Due from settlement of investments	3,083	–	–	–	–	3,083
Investment income receivable	11,158	–	–	–	–	11,158
New initiatives investments	–	–	–	28,689	–	28,689
Equity securities	4,102	–	–	–	–	4,102
Deferred tax asset	13,822	–	–	–	699	14,521
Goodwill	–	–	–	–	133,999	133,999
Intangible asset	–	–	–	–	22,945	22,945
Tangible fixed assets	1,519	229	374	–	–	2,122
	1,251,692	229	374	28,689	157,643	1,438,627
Current assets						
Due from settlement of investments	26,411	–	–	–	–	26,411
Receivables and prepayments	10,253	1,563	2,602	417	40	14,875
Tax receivable	149	–	132	–	–	281
Due from broker	29,302	–	–	–	–	29,302
Cash management investments	–	–	–	–	50,807	50,807
Cash and cash equivalents	56,525	288	9,834	9	174,079	240,735
	122,640	1,851	12,568	426	224,926	362,411
Total assets	1,374,332	2,080	12,942	29,115	382,569	1,801,038
Current liabilities						
Investments payable	3,500	–	–	–	–	3,500
Payables	6,194	30	1,042	30	139	7,435
Financial liabilities at fair value through profit and loss	25,480	–	–	–	–	25,480
Derivative financial liabilities	9,250	–	–	–	–	9,250
Loan interest payable	–	–	–	–	9,388	9,388
	44,424	30	1,042	30	9,527	55,053
Non-current liabilities						
Investment subparticipations	3,165	–	–	–	–	3,165
Deferred tax liability	398	–	123	–	1,690	2,211
Loan capital	–	–	–	–	653,761	653,761
Third-party interests in consolidated fund	133,123	–	–	–	–	133,123
	136,686	–	123	–	655,451	792,260
Total liabilities	181,110	30	1,165	30	664,978	847,313
Total net assets	1,193,222	2,050	11,777	29,085	(282,409)	953,725

5. Segmental information (continued)

30 December 2017	Investments $'000	Investment management $'000	Litigation insurance $'000	New initiatives $'000	Other corporate activity $'000	Total $'000
Non-current assets						
Investments	1,075,941	–	–	–	–	1,075,941
Due from settlement of investments	3,083	–	–	–	–	3,083
Investment income receivable	4,765	–	–	–	–	4,765
New initiatives investments	–	–	–	10,189	–	10,189
Equity securities	6,058	–	–	–	–	6,058
Deferred tax asset	10,138	–	–	–	725	10,863
Goodwill	–	–	–	–	134,022	134,022
Intangible asset	–	–	–	–	27,692	27,692
Tangible fixed assets	1,654	320	425	–	–	2,399
	1,101,639	320	425	10,189	162,439	1,275,012
Current assets						
Due from settlement of investments	165	–	–	–	–	165
Receivables and prepayments	995	2,845	832	771	31	5,474
Tax receivable	1,541	–	135	–	–	1,676
Due from broker	41,678	–	–	–	–	41,678
Cash management investments	–	–	–	–	39,933	39,933
Cash and cash equivalents	61,598	236	10,017	13,627	49,937	135,415
	105,977	3,081	10,984	14,398	89,901	224,341
Total assets	1,207,616	3,401	11,409	24,587	252,340	1,499,353
Current liabilities						
Payables	20,647	30	1,865	866	425	23,833
Financial liabilities at fair value through profit and loss	36,242	–	–	–	–	36,242
Loan interest payable	–	–	–	–	5,397	5,397
Due to limited partner	1,158	–	–	–	–	1,158
	58,047	30	1,865	866	5,822	66,630
Non-current liabilities						
Investment subparticipations	3,152	–	–	–	–	3,152
Deferred tax liability	361	–	41	–	35	437
Loan capital	–	–	–	–	486,931	486,931
Third-party interests in consolidated funds	143,639	–	–	–	–	143,639
	147,152	–	41	–	486,966	634,159
Total liabilities	205,199	30	1,906	866	492,788	700,789
Total net assets	1,002,417	3,371	9,503	23,721	(240,448)	798,564

5. Segmental information (continued)

30 June 2017	Investments $'000	Investment management $'000	Litigation insurance $'000	New initiatives $'000	Other corporate activity $'000	Total $'000
Non-current assets						
Investments	750,585	–	–	–	–	750,585
Due from settlement of investments	29,601	–	–	–	–	29,601
New initiatives investments	–	–	–	3,723	–	3,723
Deferred tax asset	9,166	–	–	–	1,202	10,368
Goodwill	–	–	–	–	133,983	133,983
Intangible assets	–	–	–	–	33,544	33,544
Tangible fixed assets	1,404	379	410	–	–	2,193
	790,756	379	410	3,723	168,729	963,997
Current assets						
Due from settlement of investments	3,455	–	–	–	–	3,455
Receivables and prepayments	950	1,751	1,242	743	56	4,742
Taxation receivable	2,236	–	130	–	–	2,366
Cash management investments	–	–	–	–	28,180	28,180
Cash and cash equivalents	64,027	120	12,383	77	117,129	193,736
	70,668	1,871	13,755	820	145,365	232,479
Total assets	861,424	2,250	14,165	4,543	314,094	1,196,476
Current liabilities						
Investments payable	4,076	–	–	–	–	4,076
Payables	5,097	225	771	341	282	6,716
Loan interest payable	–	–	–	–	5,081	5,081
Net trades payable	1,709	–	–	–	–	1,709
	10,882	225	771	341	5,363	17,582
Non-current liabilities						
Investment subparticipations	456	–	–	–	–	456
Deferred tax liability	1,106	–	38	–	2,161	3,305
Loan capital	–	–	–	–	468,040	468,040
Third-party interests in consolidated funds	2,005	–	–	–	–	2,005
	3,567	–	38	–	470,201	473,806
Total liabilities	14,449	225	809	341	475,564	491,388
Total net assets	846,975	2,025	13,356	4,202	(161,470)	705,088

6. Investments

The majority of investments are comprised of assets at fair value and some assets at amortised cost. As at 30 June 2018, investments at fair value are $1,216,508,000 (31 December 2017: $1,074,441,000; 30 June 2017: $746,447,000) and investment at amortised cost is $1,500,000 (31 December 2017: $1,500,000; 30 June 2017: $4,138,000), totalling $1,218,008,000 (31 December 2017: $1,075,941,000; 30 June 2017: $750,585,000) as shown on the consolidated statement of financial position.

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**1,075,941**	559,687	559,687
Additions	**280,904**	560,346	193,138
Realisations	**(341,963)**	(362,890)	(165,769)
Net realised gain for period	**124,524**	122,712	110,723
Fair value movement (net of transfers to realisations)	**70,545**	191,830	50,401
Transfer to derivative financial liabilities	**9,250**	–	–
Net gain on investments at amortised cost	**–**	528	424
Foreign exchange (losses)/gains	**(1,193)**	3,728	1,981
At end of period	**1,218,008**	1,075,941	750,585

The investment income on the face of the consolidated statement of comprehensive income comprises:

	30 June 2018 $'000	30 June 2017 $'000
Net realised gains on investments (above)	**124,524**	110,723
Fair value movement on investments (above)	**70,545**	50,401
Net gain on investments at amortised cost (above)	**–**	424
Interest and other income*	**6,867**	211
Net loss on financial liabilities at fair value through profit and loss	**(1,851)**	–
Third-party interests in consolidated funds	**–**	(126)
Total investment income	**200,085**	161,633

* Interest and other income includes $667,000 (30 June 2017: $211,000) of income received as part of due from settlement of investments and $6,200,000 (30 June 2017: $nil) of interest income from the complex strategies investment fund included as part of investment income receivables.

Included in realisations for the period are two sale transactions where the Group has written put options relating to the investments that were sold and derecognised in the financial statements. The fair value of the options at 30 June 2018 is $9,250,000 (31 December 2017 and 30 June 2017: $nil) and is included in derivative financial liabilities in the consolidated statement of financial position. The options are only exercisable based on contingent future events and, in the event they are exercised, the Group would recover the underlying entitlements and become entitled to their future value. The total cash outflows required to repurchase the assets if all the put options become exerciseable and were exercised would be $122,500,000 and the maximum exposure to loss for the Group assuming a recovery of zero proceeds would be $113,250,000. Of the total cash outflows that may be required to repurchase the assets, $22,500,000 expires within 6 months (and has already expired as of the date of this report) and the remainder expires on the resolution of the contingent event that is expected within 18 months.

Further detail and commentary on realised gains on investments and unrealised gains on investments is included in the report to shareholders on page 6.

6. Investments (continued)

The following table reflects the line-by-line impact of eliminating the funds' investments from the investments balance reported in the consolidated statement of financial position to arrive at Burford's investments at 30 June 2018.

	Consolidated total $'000	Elimination of third-party fund interests $'000	Burford $'000
At 1 January 2018	**1,075,941**	**(93,764)**	**982,177**
Additions	**280,904**	**(51,711)**	**229,193**
Realisations	**(341,963)**	**29,291**	**(312,672)**
Net realised gain for the period	**124,524**	**(3,954)**	**120,570**
Fair value movement (net of transfers to realisations)	**70,545**	**4,077**	**74,622**
Transfer to derivative financial liabilities	**9,250**	**–**	**9,250**
Foreign exchange losses	**(1,193)**	**–**	**(1,193)**
At 30 June 2018	**1,218,008**	**(116,061)**	**1,101,947**

	Consolidated total $'000	Elimination of third-party fund interests $'000	Burford $'000
At 1 January 2017	559,687	–	559,687
Additions	193,138	26,632	219,770
Realisations	(165,769)	–	(165,769)
Net realised gain for the period	110,723	–	110,723
Fair value movement (net of transfers to realisations)	50,401	(110)	50,291
Net gain on investments at amortised cost	424	–	424
Foreign exchange gains	1,981	(64)	1,917
At 30 June 2017	750,585	26,458	777,043

7. Due from settlement of investments

Amounts due from settlement of investments relate to the recovery of investments that have successfully concluded and where there is no longer any litigation risk remaining. The settlement terms and duration vary by investment. The carrying value of these assets approximate the fair value of the assets at the balance sheet date.

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**3,248**	39,368	39,368
Transfer of realisations from investments (Note 6)	**341,963**	362,890	165,769
Interest and other income (Note 6)	**667**	999	211
Proceeds received	**(316,380)**	(387,010)	(172,349)
Assets received in kind	**–**	(13,011)	–
Foreign exchange (losses)/gains	**(4)**	12	57
At end of period	**29,494**	3,248	33,056
Split:			
Non-current assets	**3,083**	3,083	29,601
Current assets	**26,411**	165	3,455
Total due from settlement of investments	**29,494**	3,248	33,056

7. Due from settlement of investments (continued)

The following table reflects the line-by-line impact of eliminating the funds' investment receivables from the due from settlement of investments balance reported in the consolidated statement of financial position to arrive at Burford's investment receivables at 30 June 2018.

	Consolidated total $'000	Elimination of third-party fund interests $'000	Burford $'000
At 1 January 2018	**3,248**	**1,517**	**4,765**
Transfer of realisations from investments	**341,963**	**(29,291)**	**312,672**
Interest and other income	**667**	**(662)**	**5**
Proceeds received	**(316,380)**	**28,436**	**(287,944)**
Foreign exchange losses	**(4)**	**–**	**(4)**
At 30 June 2018	**29,494**	**–**	**29,494**

	Consolidated total $'000	Elimination of third-party fund interests $'000	Burford $'000
At 1 January 2017	39,368	–	39,368
Transfer of realisations from investments	165,769	–	165,769
Interest and other income	211	–	211
Proceeds received	(172,349)	–	(172,349)
Foreign exchange gains	57	–	57
At 30 June 2017	33,056	–	33,056

8. New initiatives investments

New initiatives investments represent capital deployed in the exploration of new initiatives related to the legal sector until such time as those initiatives mature into full-fledged independent segments.

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**10,189**	2,337	2,337
Additions	**19,042**	6,467	1,180
Net realised gains for the period	**–**	–	35
Fair value movement (net of transfers to realisations)	**272**	1,096	116
Foreign exchange (losses)/gains	**(814)**	289	55
At end of period	**28,689**	10,189	3,723

New initiatives income on the face of the consolidated statement of comprehensive income is $1,003,000, including income of $731,000 from fees for asset recovery services, for the period ended 30 June 2018 (30 June 2017: new initiatives income was $897,000, including income of $746,000 from fees for asset recovery services).

9. Cash management investments

As at 30 June 2018, cash management investments of $50,807,000 (31 December 2017: $39,933,000; 30 June 2017: 28,180,000) were invested primarily in a listed investment fund and fixed income securities.

Reconciliation of movements	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**39,933**	11,098	11,098
Purchases	**17,434**	32,948	21,425
Proceeds on disposal	**(6,870)**	(4,975)	(4,272)
Net realised gains on disposal	**605**	70	116
Fair value change in period	**(262)**	823	(165)
Change in accrued interest	**(33)**	(31)	(22)
At end of period	**50,807**	39,933	28,180

The cash management income and bank interest on the face of the consolidated statement of comprehensive income comprise:

	30 June 2018 $'000	30 June 2017 $'000
Realised gains (see above)	**605**	116
Fair value movement (see above)	**(262)**	(165)
Interest and dividend income	**959**	128
Bank interest income	**1,522**	15
Total cash management income and bank interest	**2,824**	94

10. Receivables and prepayments

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Trade receivable – litigation segment	**8,562**	960	915
Trade receivable – insurance segment	**2,364**	722	1,197
Trade receivable – new initiatives segment	**417**	746	827
Investment management receivables	**1,418**	2,698	1,606
Prepayments	**2,114**	348	197
	14,875	5,474	4,742

11. Payables

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Audit fee payable	**420**	505	450
Claim costs payable	**–**	–	335
General expenses payable	**7,015**	23,328	5,931
	7,435	23,833	6,716

12. Loan capital

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

Issuance date	19 August 2014	19 April 2016	1 June 2017	12 February 2018
Issuing entity (100% owned subsidiary)	Burford Capital PLC	Burford Capital PLC	Burford Capital PLC	Burford Capital Finance LLC
Currency	GBP	GBP	GBP	USD
Face amount (in currency)	£90,000,000	£100,000,000	£175,000,000	$180,000,000
Maturity date	19 August 2022	26 October 2024	1 December 2026	12 August 2025
Interest rate per annum	6.5%	6.125%	5.0%	6.125%
USD equivalent face value	$149,562,000	$144,020,000	$225,803,000	$180,000,000

Fair value equivalent:				
At 30 June 2018	**$130,383,000**	**$145,926,000**	**$239,139,000**	**$181,485,000**
At 31 December 2017	$135,056,000	$151,042,000	$250,079,000	N/A
At 30 June 2017	$131,165,000	$142,913,000	$233,951,000	N/A

Retail bonds	**30 June 2018 $'000**	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**492,328**	234,258	234,258
Retail bonds issued	**180,000**	225,803	225,803
Bond issue costs	**(2,637)**	(3,170)	(2,921)
Finance costs	**18,912**	22,976	8,740
Interest paid	**(14,217)**	(21,281)	(7,623)
Foreign exchange (gains)/losses	**(11,237)**	33,742	14,864
At end of period	**663,149**	492,328	473,121
Split:			
Loan capital	**653,761**	486,931	468,040
Loan interest payable	**9,388**	5,397	5,081
Total loan capital	**663,149**	492,328	473,121

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
Loan capital interest expense	**18,327**	22,233	8,445
Bond issue costs incurred as finance costs	**585**	743	295
Loan notes interest expense	**–**	1,275	1,275
Total finance costs	**18,912**	24,251	10,015

13. Fair value of assets and liabilities

Valuation methodology

The fair value of financial assets and liabilities continue to be valued using the techniques set out in the accounting policies used in the 2017 annual report.

Fair value hierarchy

30 June 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investments*	–	–	1,133,445	1,133,445
Investments – equity securities	83,063	–	–	83,063
New initiatives investments	–	–	28,689	28,689
Equity securities	4,102	–	–	4,102
Cash management investments:				
Listed fixed income securities and investment funds	50,807	–	–	50,807
Financial liabilities at fair value through profit or loss	(25,480)	–	–	(25,480)
Derivative financial liabilities	–	–	(9,250)	(9,250)
Loan capital, at fair value**	(696,933)	–	–	(696,933)
Investment subparticipations	–	–	(3,165)	(3,165)
Total	(584,441)	–	1,149,719	565,278

31 December 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investments*	–	–	1,009,988	1,009,988
Investments – equity securities	64,453	–	–	64,453
New initiatives investments	–	–	10,189	10,189
Equity securities	6,058	–	–	6,058
Cash management investments:				
Listed fixed income securities and investment funds	39,933	–	–	39,933
Financial liabilities at fair value through profit or loss	(36,242)	–	–	(36,242)
Loan capital, at fair value**	(536,177)	–	–	(536,177)
Investment subparticipations	–	–	(3,152)	(3,152)
Total	(461,975)	–	1,017,025	555,050

30 June 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investments*	–	–	625,754	625,754
Investments – equity securities	120,693	–	–	120,693
New initiatives investments	–	–	3,723	3,723
Cash management investments:				
Listed fixed income securities and investment fund	28,180	–	–	28,180
Loan capital, at fair value**	(508,029)	–	–	(508,029)
Investment subparticipations	–	–	(456)	(456)
Total	(359,156)	–	629,021	269,865

* The carrying value of other investments held at amortised cost of $1,500,000 (31 December 2017: $1,500,000; 30 June 2017: $4,138,000) approximates fair value and have not been included the above tables.

** Loan capital is held at amortised cost in the consolidated financial statements and the figures disclosed in the above tables represent the fair value equivalent amounts.

13. Fair value of assets and liabilities (continued)

All transfers into and out of level 3 are recognised as if they have taken place at the beginning of each reporting period. Transfers into level 3 during the period of $98,884,000 (31 December 2017: $261,487,000; 30 June 2017: $nil) relate to investments where the underlying asset no longer has a quoted price and becomes subject to the Group's valuation methodology for level 3 financial instruments as set out in the accounting policies in the 2017 annual report. There were transfers out of level 3 during the period of $nil (31 December 2017: $nil; 30 June 2017: $2,626,000).

Movements in Level 3 fair value assets and liabilities

The table below provides analysis of the movements in the level 3 financial assets and liabilities.

	Investments $'000	New initiatives investments $'000	Total level 3 assets $'000	Derivative financial liabilities $'000	Investment subparticipations $'000	Total level 3 liabilities $'000	Net level 3 assets $'000
At 1 January 2018	**1,009,988**	**10,189**	**1,020,177**	**–**	**(3,152)**	**(3,152)**	**1,017,025**
Additions	**126,094**	**19,042**	**145,136**	**–**	**(118)**	**(118)**	**145,018**
Transfers into level 3	**98,884**	**–**	**98,884**	**–**	**–**	**–**	**98,884**
Realisations	**(304,434)**	**–**	**(304,434)**	**–**	**105**	**105**	**(304,329)**
Net realised gain	**123,328**	**–**	**123,328**	**–**	**–**	**–**	**123,328**
Fair value movement	**71,527**	**272**	**71,799**	**–**	**–**	**–**	**71,799**
Transfer to derivative financial liabilities	**9,250**	**–**	**9,250**	**(9,250)**	**–**	**(9,250)**	**–**
Foreign exchange losses	**(1,192)**	**(814)**	**(2,006)**	**–**	**–**	**–**	**(2,006)**
At 30 June 2018	**1,133,445**	**28,689**	**1,162,134**	**(9,250)**	**(3,165)**	**(12,415)**	**1,149,719**

	Investments $'000	New initiatives investments $'000	Total level 3 assets $'000	Level 3 liabilities: Investment subparticipations $'000	Net level 3 assets $'000
At 1 January 2017	549,173	2,337	551,510	(2,865)	548,645
Additions	234,303	6,467	240,770	(433)	240,337
Transfers into level 3	261,487	–	261,487	–	261,487
Realisations	(364,681)	–	(364,681)	146	(364,535)
Net realised gain	134,045	–	134,045	–	134,045
Fair value movement	191,933	1,096	193,029	–	193,029
Foreign exchange gains	3,728	289	4,017	–	4,017
At 31 December 2017	1,009,988	10,189	1,020,177	(3,152)	1,017,025

13. Fair value of assets and liabilities (continued)

	Investments $'000	New initiatives investments $'000	Total level 3 assets $'000	Level 3 liabilities: Investment subparticipations $'000	Net level 3 assets $'000
At 1 January 2017	549,173	2,337	551,510	(2,865)	548,645
Additions	71,792	1,180	72,972	(217)	72,755
Realisations	(158,968)	–	(158,968)	–	(158,968)
Transfers out of level 3	–	–	–	2,626	2,626
Net realised gain	110,723	35	110,758	–	110,758
Fair value movement	51,054	116	51,170	–	51,170
Foreign exchange gains	1,980	55	2,035	–	2,035
At 30 June 2017	625,754	3,723	629,477	(456)	629,021

There were no gains or losses recognised in other comprehensive income with respect to these assets.

Sensitivity of Level 3 valuations

The Group engages in a semi-annual review of each level 3 instrument's fair value. At 30 June 2018, should the value of those instruments have been 10% higher or lower than provided for in the Group's fair value estimation, while all other variables remained constant, the Group's income and net assets would have increased and decreased respectively by $114,972,000 (31 December 2017: $101,703,000; 30 June 2017: $62,902,000).

Reasonably possible alternative assumptions

The determination of fair value for investments, new initiative investments, derivative financial liabilities and investment subparticipations involve significant judgements and estimates. Whilst the potential range of outcomes for the investments is wide, the Group'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 Group's 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.

14. Investment in consolidated funds

Burford may invest in funds that it manages and may be deemed to control such funds, which results in their consolidation on a line-by-line basis as detailed below.

Investments in funds are not actively traded and the valuation at fund level cannot be determined by reference to other available prices. The fair value of the investments in the fund is determined in line with the accounting policy of the assets held in the fund. The fair value hierarchy of financial assets is disclosed in Note 13.

Line-by-line consolidation

The following tables reflect the line-by-line impact of consolidating the results of the funds with the stand alone results for Burford (i.e., if Burford only accounted for its investment in the funds) to arrive at the totals reported in the consolidated statement of comprehensive income and consolidated statement of financial position.

14. Investment in consolidated funds (continued)

Consolidated Statement of Comprehensive Income

30 June 2018	Burford $'000	Funds $'000	Adjustments and eliminations* $'000	Consolidated total $'000
Investment income	195,197	7,536	(2,648)	200,085
Investment management income	7,190	-	(1,743)	5,447
Insurance income	2,891	-	-	2,891
New initiatives income	1,003	-	-	1,003
Other income	(1,076)	466	-	(610)
Third-party share of gains relating to interests in consolidated fund	-	-	(2,826)	(2,826)
Total income	205,205	8,002	(7,217)	205,990
Operating expenses	(21,697)	(2,428)	1,643	(22,482)
Amortisation of intangible asset	(4,747)	-	-	(4,747)
Banking and brokerage fees	(788)	-	-	(788)
Operating profit	177,973	5,574	(5,574)	177,973
Finance costs	(18,912)	-	-	(18,912)
Profit before tax	159,061	5,574	(5,574)	159,061
Taxation	1,759	-	-	1,759
Profit after tax	160,820	5,574	(5,574)	160,820
Other comprehensive income	10,394	-	-	10,394
Total comprehensive income	171,214	5,574	(5,574)	171,214

30 June 2017	Burford $'000	Funds $'000	Adjustments and eliminations* $'000	Consolidated total $'000
Investment income	161,650	(653)	636	161,633
Investment management income	7,534	–	–	7,534
Insurance income	4,626	–	–	4,626
New initiatives income	897	–	–	897
Other income	685	149	–	834
Total income	175,392	(504)	636	175,524
Operating expenses	(20,437)	(132)	–	(20,569)
Amortisation of intangible asset	(5,851)	–	–	(5,851)
Banking and brokerage fees	(3,838)	–	–	(3,838)
Operating profit	145,266	(636)	636	145,266
Finance costs	(10,015)	–	–	(10,015)
Profit before tax	135,251	(636)	636	135,251
Taxation	(2,206)	–	–	(2,206)
Profit after tax	133,045	(636)	636	133,045
Other comprehensive income	(11,142)	–	–	(11,142)
Total comprehensive income	121,903	(636)	636	121,903

14. Investment in consolidated funds (continued)

Consolidated Statement of Financial Position

30 June 2018	Burford $'000	Funds $'000	Adjustments and eliminations* $'000	Consolidated total $'000
Investments	1,101,947	271,309	(155,248)	1,218,008
Due from settlement of investments – total	29,494	–	–	29,494
Investment income receivable	–	11,158	–	11,158
New initiatives investments	28,689	–	–	28,689
Receivables and prepayments	15,626	252	(1,003)	14,875
Due from broker	–	29,302	–	29,302
Cash management investments	50,807	–	–	50,807
Cash and cash equivalents	237,505	3,230	–	240,735
Other assets	177,970	–	–	177,970
Total assets	**1,642,038**	**315,251**	**(156,251)**	**1,801,038**
Investments payable	3,500	–	–	3,500
Payables	7,038	1,299	(902)	7,435
Financial liabilities at fair value through profit and loss	–	25,480	–	25,480
Derivative financial liabilities	9,250	–	–	9,250
Other liabilities	668,525	–	–	668,525
Third-party interests in consolidated fund	–	–	133,123	133,123
Total liabilities	**688,313**	**26,779**	**132,221**	**847,313**
Total net assets	**953,725**	**288,472**	**(288,472)**	**953,725**

31 December 2017	Burford $'000	Funds $'000	Adjustments and eliminations* $'000	Consolidated total $'000
Investments	982,177	249,644	(155,880)	1,075,941
Due from settlement of investments – total	4,765	–	(1,517)	3,248
Investment income receivable	–	4,765	–	4,765
New initiatives investments	10,189	–	–	10,189
Receivables and prepayments	6,772	282	(1,580)	5,474
Due from broker	–	41,678	–	41,678
Cash management investments	39,933	–	–	39,933
Cash and cash equivalents	91,473	43,942	–	135,415
Other assets	182,710	–	–	182,710
Total assets	1,318,019	340,311	(158,977)	1,499,353
Payables	23,538	1,614	(1,319)	23,833
Financial liabilities at fair value through profit and loss	–	36,242	–	36,242
Due to limited partners	–	2,675	(1,517)	1,158
Other liabilities	495,917	–	–	495,917
Third-party interests in consolidated funds	–	–	143,639	143,639
Total liabilities	519,455	40,531	140,803	700,789
Total net assets	798,564	299,780	(299,780)	798,564

14. Investment in consolidated funds (continued)

30 June 2017	Burford $'000	Funds $'000	Adjustments and eliminations* $'000	Consolidated total $'000
Investments	777,043	123,701	(150,159)	750,585
Due from settlement of investments – total	33,056	–	–	33,056
New initiatives investments	3,723	–	–	3,723
Receivables and prepayments	4,742	–	–	4,742
Cash management investments	28,180	–	–	28,180
Cash and cash equivalents	163,369	30,367	–	193,736
Other assets	182,454	–	–	182,454
Total assets	1,192,567	154,068	(150,159)	1,196,476
Investments payable	4,076	–	–	4,076
Payables	6,521	195	–	6,716
Net trades payable	–	1,709	–	1,709
Other liabilities	476,882	–	–	476,882
Third-party interest in consolidated funds	–	–	2,005	2,005
Total liabilities	487,479	1,904	2,005	491,388
Total net assets	705,088	152,164	(152,164)	705,088

* The adjustments and eliminations are required due to the services provided by the Group to the consolidated funds as investment manager and the Group's investment as a limited partner in the funds. Accordingly, these adjustments and eliminations do not have an effect on the net income or total net assets of Burford.

Due from brokers includes restricted cash and margin balances held by the broker in relation to the financial liabilities at fair value through profit and loss.

15. Share capital

Authorised share capital	**30 June 2018 $'000**	31 December 2017 $'000	30 June 2017 $'000
Unlimited ordinary shares of no par value	**–**	–	–

Issued share capital	**Number**	Number	Number
Ordinary shares of no par value	**208,237,979**	208,237,979	208,237,979

80,000,001 ordinary shares were issued at 100p each on 21 October 2009. A further 100,000,000 ordinary shares were issued at 110p each on 9 December 2010. A further 24,545,454 shares were issued on 12 December 2012. A further 3,692,524 shares were issued on 14 December 2016 as part of the GKC acquisition.

	30 June 2018 $'000	31 December 2017 $'000	30 June 2017 $'000
At 1 January	**351,249**	351,249	351,249
Share capital issued	**–**	–	–
At period end	**351,249**	351,249	351,249

15. Share capital (continued)

Also, the GKC acquisition included $15,000,000 of contingent equity consideration. In calculating the fair value of the contingent consideration a discount of 10% was applied for non-performance risk, hence the contingent equity consideration is valued at $13,500,000 at acquisition. Shares of 2,461,682 will be issued only after GKC's investment funds contribute more than $100 million in performance fee income (and, in certain instances, fee income from new funds or other investment income) to Burford within the prescribed timeframe. If the $100 million income target is not achieved, no contingent consideration is payable.

16. Profit per ordinary share and comprehensive income per ordinary share

Profit per ordinary share is calculated based on profit attributable to ordinary shareholders for the period of $160,820,000 (30 June 2017: $133,045,000) and the weighted average number of ordinary shares in issue for the period of 208,237,979 (30 June 2017: 208,237,979). Comprehensive income per ordinary share is calculated based on total comprehensive income attributable to ordinary shareholders for the period of $171,214,000 (30 June 2017: $121,903,000), and the same weighted average number of ordinary shares in issue as above. The effect of dilution is attributable to the addition of 477,171 shares related to the LTIP (30 June 2017: nil).

17. Dividends

The Board has approved an interim dividend of 3.67¢ (US cents) per share (30 June 2017: 3.05¢).

18. Financial commitments and contingent liabilities

As a normal part of its business, the Group routinely enters into some investment agreements that oblige the Group to make continuing investments over time, whereas other agreements provide for the immediate funding of the total investment commitment. The terms of the former type of investment agreements vary widely; in some cases, the Group has broad discretion as to each incremental funding of a continuing investment, and in others, the Group has little discretion and would suffer punitive consequences were it to fail to provide incremental funding.

The Group's funding obligations are capped at a fixed amount in its agreements. At 30 June 2018, the Group had outstanding commitments for $582,529,000, of which $552,798,000 are for investments and $29,731,000 are for new initiatives investments (31 December 2017: $503,435,000 outstanding commitments, of which $502,830,000 are for investments and $605,000 are for new initiatives investments; 30 June 2017: $400,445,000 outstanding commitments, of which $399,845,000 are for investments and $600,000 are for new initiatives investments). Of the $582,529,000 in commitments, the Group expects less than 50% to be sought from it during the next 12 months. In addition, at 30 June 2018 at current exchange rates, the Group had $76,667,000 of exposure to investments where the Group is providing some form of legal risk arrangement pursuant to which the Group does not generally expect to deploy the full committed capital unless there is a failure of the claim, such as providing an indemnity for adverse costs (31 December 2017: $61,070,000; 30 June 2017: $61,435,000).

19. Related party transactions

Directors' fees paid in the period amounted to $225,000 (30 June 2017: $166,000) and one director holds an interest of $691,000 in the consolidated funds at 30 June 2018 (31 December 2017: $708,000; 30 June 2017: $nil) on which no management or performance fees were charged. There were no directors' fees outstanding at 30 June 2018, 31 December 2017 or 30 June 2017.

There is no controlling party.

20. Subsequent events

There have been no significant subsequent events.

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Charles Nigel Kennedy Parkinson

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