

# **Burford Treasury Limited**

**Directors' report and financial statements**

**30 November 2016**

Registered number 04191021

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# Burford Treasury Limited

Registered number 04191021

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# Burford Treasury Limited

Registered number 04191021

## Strategic report

### Principal activity

The company's principal activity is managing the group treasury function. All activities have been discontinued and these financial statements have not been prepared on a going concern basis. The impact of this is discussed in note 1 to the financial statements.

### Business review and future developments

The company made a loss for the year of £85,629 (year ended Nov 2015: £91,224 loss) which has been transferred to reserves. The company has net liabilities of £11,070,772 (year ended Nov 2015: £10,985,143).

### Principal risks and uncertainties

As the entity does not trade, but acts as the banking function for the Burford Holdings group, the directors consider there to be no significant risks at this time.

### Key performance indicators

Given the straightforward nature of the business, the company directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

By Order of the Board



J Gleek  
Director

Richmond House  
Avonmouth Way  
Avonmouth  
Bristol BS11 8DE

16 January 2018

# Burford Treasury Limited

Registered number 04191021

## Directors' report

The directors present their report and the audited financial statements for the year ended 30 November 2016.

### Dividends

No dividend is recommended for the year (year ended Nov 2015: £nil).

### Directors

The directors who held office throughout the year and subsequently were as follows:

J Gleek  
RJ Anderson  
B Porter

### Payment policy

The policy of the company is to pay suppliers by the date specific to each transaction. The company does not follow any specific supplier code or practice and adheres to the payment terms of its suppliers stated in their invoice.

### EU Referendum

In relation to the assessment and monitoring of economic, political and regulatory risks, the company is continuing to evaluate the impact of the outcome of the referendum in relation to the UK's membership of the EU on the company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the company's business activities, there will be no immediate change in business strategy, and it does not change the non-going concern position of the company. Over the course of the transition period the company will continue to closely monitor developments and will make appropriate changes to the business strategy.

### Statement as to disclosure of information to auditor

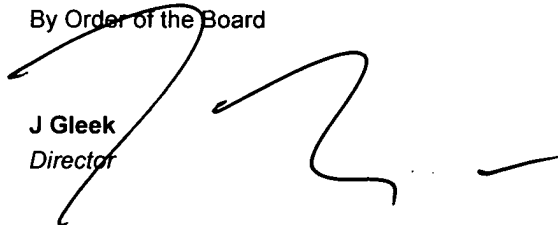
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditors

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By Order of the Board

J Gleek  
Director



Richmond House  
Avonmouth Way  
Avonmouth  
Bristol BS11 8DE

16 January 2018

# Burford Treasury Limited

Registered number 04191021

## **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, the Directors' 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 that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 their profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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.

## **Independent auditor's report to the members of Burford Treasury Limited**

We have audited the financial statements of Burford Treasury Limited for the year ended 30 November 2016 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report** continued

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.



**Henry Todd (Senior Statutory Auditor)**

**for and on behalf of**

**KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London E14 5GL

*(7 January* 2018

# Burford Treasury Limited

Registered number 04191021

## Profit and loss account

for the year ended 30 November 2016

|                                                        | Note | Year<br>ended<br>30 Nov<br>2016<br>£ | Year<br>ended<br>30 Nov<br>2015<br>£ |
|--------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| Administrative expenses                                |      | (1,643)                              | (1,590)                              |
| Provision made for debts due from<br>group undertaking |      | (84,895)                             | (90,742)                             |
| Interest receivable                                    |      | 1,155                                | 1,150                                |
| Interest payable and similar charges                   | 2    | (246)                                | (42)                                 |
| <b>Loss on ordinary activities before taxation</b>     | 3    | <b>(85,629)</b>                      | <b>(91,224)</b>                      |
| Tax credit/(charge) on loss on ordinary activities     | 5    | -                                    | -                                    |
| <b>Loss for the financial year</b>                     |      | <b>(85,629)</b>                      | <b>(91,224)</b>                      |

The notes on pages 9 to 12 form part of these financial statements.

There is no material difference between the results disclosed in the profit and loss account and the results on a historical cost basis.

There were no other items of comprehensive income other than those reported above.

# Burford Treasury Limited

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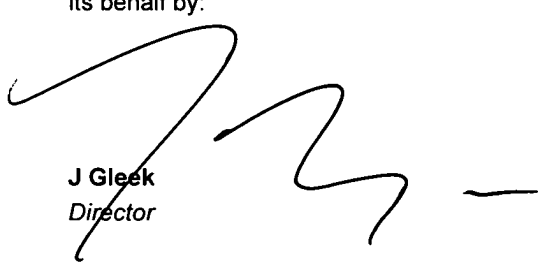
## Balance sheet

at 30 November 2016

|                                                | Note | 30 Nov<br>2016<br>£ | 30 Nov<br>2015<br>£ |
|------------------------------------------------|------|---------------------|---------------------|
| <b>Current assets</b>                          |      |                     |                     |
| Cash at bank and in hand                       |      | 2,392,064           | 2,491,097           |
| Creditors: amounts falling due within one year | 6    | (13,462,836)        | (13,476,240)        |
| <b>Net liabilities</b>                         |      | <u>(11,070,772)</u> | <u>(10,985,143)</u> |
| <b>Capital and reserves</b>                    |      |                     |                     |
| Called up share capital                        | 7    | 1                   | 1                   |
| Profit and loss account                        | 8    | (11,070,773)        | (10,985,144)        |
| <b>Equity shareholders' deficit</b>            |      | <u>(11,070,772)</u> | <u>(10,985,143)</u> |

The notes on pages 9 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 16 January 2018 and were signed on its behalf by:

  
J Gleek  
Director

# Burford Treasury Limited

Registered number 04191021

## Statement of changes in equity

|                                    | Share<br>capital<br>£ | Profit and loss<br>account<br>£ | Total<br>equity<br>£ |
|------------------------------------|-----------------------|---------------------------------|----------------------|
| At 1 December 2014                 | 1                     | (10,893,920)                    | (10,893,919)         |
| Loss for the year                  | -                     | (91,224)                        | (91,224)             |
| <b>Balance at 30 November 2015</b> | <b>1</b>              | <b>(10,985,144)</b>             | <b>(10,985,143)</b>  |

|                                    | Share<br>capital<br>£ | Profit and loss<br>account<br>£ | Total<br>equity<br>£ |
|------------------------------------|-----------------------|---------------------------------|----------------------|
| At 1 December 2015                 | 1                     | (10,985,144)                    | (10,985,143)         |
| Loss for the year                  | -                     | (85,629)                        | (85,629)             |
| <b>Balance at 30 November 2016</b> | <b>1</b>              | <b>(11,070,773)</b>             | <b>(11,070,772)</b>  |

The notes on pages 9 to 12 form part of these financial statements.

# Burford Treasury Limited

Registered number 04191021

## Notes to the financial statements

*(forming part of the financial statements)*

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"), and the requirements of the Companies Act 2006. The company has early adopted the standard as at 1 December 2014. The company is not a going concern. These financial statements have therefore been prepared on a break-up basis. The company has written off all debts due from fellow subsidiaries. On transition to FRS 102, the company has made no measurement or presentational adjustments.

#### ***Financial reporting standard 102 – reduced disclosure exemptions***

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Burford Holdings Limited, a company registered in England and Wales, and these financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff.

#### ***Cash flow statement***

The cash flow statement included in the consolidated financial statements of an intermediate holding company, Burford Holdings Limited, complies with the conditions of FRS 102, and these financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff. The company therefore is exempt under FRS 102, paragraphs 1.11 and 1.12, from the requirement to prepare a separate cash flow statement.

#### ***Related party transactions***

As the company is a wholly owned subsidiary of Lehman Brothers Holdings Inc., it has taken advantage of the exemption contained in FRS 102, paragraph 33.1A, and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties).

#### ***Taxation***

The charge for taxation is based on profit for the year and takes into account taxation due to timing differences between the treatment of certain items for taxation and accounting purposes.

#### ***Debtors***

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# Burford Treasury Limited

Registered number 04191021

## Notes continued

### Accounting policies continued

#### Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have not made any judgements in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or made any key assumptions concerning the future and any other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the next financial year. The company has various intercompany payables where management continually updates and reviews the carrying amount based on historical experience, current events, and other factors deemed reasonable by the company.

#### Going concern

The company is not a going concern. These financial statements have therefore been prepared on a break-up basis. The company has written off all debts due from fellow subsidiaries.

### 2. Interest payable and similar charges

|              | 30 Nov<br>2016<br>£ | 30 Nov<br>2015<br>£ |
|--------------|---------------------|---------------------|
| Bank charges | 246                 | 42                  |

### 3. Loss on ordinary activities before taxation

The auditor's remuneration was paid by an intermediate holding company, Burford Holdings Limited, and is not recharged to the company. The audit fee attributable to the audit of the company's financial statements is estimated by the directors at £4,280 (year ended Nov 2015: £2,500). No fees were charged in respect of non-audit services (year ended Nov 2015: £nil).

### 4. Staff numbers and costs

Other than the directors, the company had employed no staff during the current year or the preceding year. No director received any remuneration for their services as directors of the company during the current year or the preceding year.

# Burford Treasury Limited

Registered number 04191021

## Notes continued

### 5. Taxation

|                                                    | Year<br>ended<br>30 Nov<br>2016<br>£ | Year<br>ended<br>30 Nov<br>2015<br>£ |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Taxation based on loss for the year:               |                                      |                                      |
| UK Corporation tax                                 | -                                    | -                                    |
| <b>Tax (credit)/charge on operating activities</b> | <b>-</b>                             | <b>-</b>                             |

#### Factors affecting the tax (credit)/charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (year ended Nov 2015: 20.33%).

|                                                                                                        | Year<br>ended<br>30 Nov<br>2016<br>£ | Year<br>ended<br>30 Nov<br>2015<br>£ |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Loss on ordinary activities before taxation                                                            | (85,629)                             | (91,224)                             |
| Loss on ordinary activities multiplied by standard rate of corporation tax in UK of 20% (2015: 20.33%) | (17,125)                             | (18,546)                             |
| <i>Effects of:</i>                                                                                     |                                      |                                      |
| Expense not deductible for tax purposes                                                                | 16,979                               | 18,448                               |
| Tax relief on loss not provided                                                                        | 146                                  | 98                                   |
| <b>Tax (credit)/charge in the financial statements</b>                                                 | <b>-</b>                             | <b>-</b>                             |

The UK corporation tax rate was reduced from 21% to 20% (effective 1 April 2015). During 2015, the government announced legislation setting the corporation tax main rate at 19% for the years commencing 1 April 2017, 2018 and 2019 and at 18% for the year commencing 1 April 2020. In 2016, the government announced a further reduction to the corporation tax main rate for the year starting 1 April 2020, setting the rate at 17%. This will reduce the company's future current tax charge accordingly.

### 6. Creditors: amounts due within one year

|                                   | 30 Nov<br>2016<br>£ | 30 Nov<br>2015<br>£ |
|-----------------------------------|---------------------|---------------------|
| Amounts due to group undertakings | 13,462,836          | 13,476,240          |

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

# Burford Treasury Limited

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## Notes continued

### 7. Called up share capital

|                                                       | 30 Nov<br>2016<br>£ | 30 Nov<br>2015<br>£ |
|-------------------------------------------------------|---------------------|---------------------|
| <b><i>Allotted, called up and fully paid</i></b>      |                     |                     |
| 1 Ordinary share of £1 (2015: 1 Ordinary share of £1) | <u>1</u>            | <u>1</u>            |

### 8. Reserves

Profit and loss account represents the company's accumulated profits less any accumulated losses available for the distribution to shareholders.

### 9. Ultimate holding company

The company's ultimate holding company is Lehman Brothers Holdings Inc., a company incorporated in the state of Delaware in the USA.

The largest group in which the results of the company are consolidated is that headed by Lehman Brothers Holdings Inc.

Eldon Street Holdings Limited, an intermediate holding company, is in administrative receivership, together with several subsidiaries of Lehman Brothers Holdings Inc., which itself filed for bankruptcy protection in the USA in 2008.

At the date of signing these financial statements, no consolidated financial statements for these companies are available and arrangements for their eventual publication are not known.

The smallest group in which the results of the company are consolidated is that headed by Burford Holdings Limited, a company registered in England and Wales, whose annual financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff.

The company's immediate parent company is Burford Holdings Limited, a company incorporated in England and Wales.