27 November 2018

Amigo Holdings PLC

Interim results for the six months ended 30 September 2018

Growth in customer base to over 200,000

Figures in £ million, unless otherwise stated		Six Months ended 30 September 2018 IFRS 9	Six Months ended 30 September 2017 IAS 39	Change %
Revenue		130.1	92.6	40%
Impairment / revenue	*%*	23%	19%	21%
Adjusted profit after tax[1]		47.2	33.8	40%
Profit after tax		37.7	24.2	56%
EPS (Basic, adjusted)[2]	pence	10.8	8.5	27%
Basic EPS	pence	8.6	6.1	41%
Dividend per share	pence	1.87	n.a.	n.a.
Net loan book[3]		671.7	541.6	24%
Net borrowings[4]/gross loan book[5]	*%*	63%	68%	(7)%
Net borrowings /adjusted tangible equity[6]		2.3x	2.4x	(4)%
Number of customers[7]	'000s	207	155	34%

Notes:

[1] Adjusted profit is a non IFRS measure. Adjusted profit after tax is profit after tax plus shareholder loan note interest (£6.0m) and IPO costs and related financing (£3.9m) less incremental tax expense (£0.4m) as shown in note 6

[2] This is a non-IFRS measure and the calculation is shown in note 6. Shareholder loan note interest is excluded as the loan notes were converted to equity immediately before admission while IPO costs are also non-recurring in nature. By excluding these items from the adjusted profit and EPS metrics, the Directors are of the opinion that these measures give a better understanding of the underlying performance of the business

[3] Net loan book represents total outstanding loans less provision for impairment excluding deferred broker costs

[4] Net borrowings is defined as borrowings, excluding shareholder loan notes, less cash at bank and in hand

[5] Gross loan book represents total outstanding loans excluding deferred broker costs

[6] Adjusted Tangible Equity is defined as shareholder equity less intangible assets plus shareholder loan notes

[7] Number of customers represents accounts with a balance greater than zero

Financial highlights

- Significant growth in revenue to £130.1 million, an increase of 40% (H1 2017: £92.6 million)
- Net Loan Book of £671.7 million (H1 2017: £541.6 million pre IFRS 9)
- The impairment charge as a percentage of revenue at half year is 23% on an IFRS 9 basis
- Adjusted profit after tax of £47.2 million; an increase of 40% compared to the previous year
- Profit after tax of £37.7 million; an increase of 56% compared to the previous year
- Customer base of 207,000 (H1 2017: 155,000), an increase of 34% year on year
- Inaugural interim dividend of 1.87p per share payable on 29 January 2019

Company highlights

- Company completed its initial public offering ("IPO") in July 2018 and joined the FTSE 250 in September 2018
- Announced inaugural securitisation on 13 November 2018 for a £150 million facility
- Increased customer interaction through the Amigo app, which enhances our ability to offer customers easy access to manage their finances
- 'Treating Customers Fairly Champion' at the Consumer Credit Awards in July 2018
- 'UK Contact Centre of the Year' winner at the UK Contact Centre Forum Awards, November 2018
- Added strength to the Board through the appointment of Clare Salmon as an independent non-executive director in November 2018

Commenting on the half year results, Glen Crawford, CEO of Amigo, said:

"I am delighted to present the first interim accounts for the business as a PLC following its listing and the subsequent inclusion in the FTSE 250 in September 2018.

Amigo has had a strong start on its journey as a listed Company with results showing growth across all our key performance indicators. We are delighted to have welcomed over 50,000 new customers during the last twelve months, contributing to an increase in both our loan book and revenue. On the back of these positive results, Amigo is pleased to announce our first interim dividend of 1.87 pence per share.

We are continuing to work hard to deliver on the objectives we set out at the time of listing and have implemented a number of these initiatives. These include a new securitisation funding line for £150 million and we are pleased to welcome Clare Salmon onto the Board as a new independent non-executive director.

There are millions of people across the UK who find themselves turned away by their high street banks and unable to access the financing they need for important life costs. Our continued success positions us well to deliver our goal of meeting the growing needs of these individuals, providing access to a flexible, mid-cost financing option – a simple guarantor loan product at an APR of 49.9%."

Analyst, investor and bondholder conference call

Amigo will be hosting a live webcast for investors and bondholders today at 08:30 (GMT) which will be available at https://www.amigoplc.com/investors/results-centre

A conference call is also available for those unable to join the webcast (Dial in:+44 20 3936 2999, Access code 322902)

There will be the facility to ask questions via both the webcast and conference call.

A replay will be available on Amigo's website after the event.

Amigo's CEO, CFO and Legal and Compliance Director will be hosting a presentation for analysts at 09:30 (GMT) at the offices of JP Morgan, 60 Victoria Embankment, London EC4Y 0JP.

The presentation pack for the webcast shows the reconciliation between the PLC results and Amigo Loans Group Limited (the 'Bond Group').

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About Amigo Loans

Amigo Holdings PLC is listed on the main market of the London Stock Exchange (ticker: AMGO). It is the leading Company in the UK guarantor loans market and offers access to credit to those who are unable to borrow from traditional lenders due to their credit history.

The guarantor loan concept introduces a second individual to the lending relationship, typically a family member or friend with a stronger credit profile than the borrower. This individual acts as guarantor, undertaking to make loan payments if the borrower does not.

Amigo was founded in 2005 and has grown to become the UK's largest provider of guarantor loans, with approximately 88% UK product share as at 31 December 2017. Amigo's guarantor loan product has allowed borrowers to obtain the finance they need, rebuild their credit scores and improve their ability to access credit from mainstream financial service providers.

Amigo operates within the mid-cost credit market providing a simple and transparent product - a guarantor loan at an APR of 49.9%, with no fees, early redemption penalties or any other charges.

Amigo Holdings PLC is the new name of Amigo Holdings Ltd, which was adopted on IPO. Within the Group, Amigo Loans Ltd is authorised as a lender and regulated in the UK by the Financial Conduct Authority (FCA) and Amigo Management Services Limited is authorised as a 'servicer' for debt administration and collecting.

Chief Executive's Statement

Performance

I am delighted to present the first interim accounts for the business as a PLC following our listing in July 2018 and the inclusion of Amigo in the FTSE 250 in September 2018.

The first half of the year has seen Amigo deliver strong growth across its key performance indicators. Loan book growth of 24% compared to the same period last year has increased revenue to £130.1m (2017: £92.6m) an uplift of 40% for the six month period. In turn this feeds into profit after tax of £37.7m (2017: £24.2m) and adjusted profit after tax (i.e. excluding costs of the IPO and loan note interest relating to instruments that were capitalised on flotation) of £47.2m (2017: £33.8m).

The growth has been achieved by a rise in customer numbers to 207,000 at 30 September 2018 from 155,000 at 30 September 2017 as Amigo continues to provide a simple, guarantor backed, transparent product in the mid-cost credit space lending between £500 - £10,000 at a fixed APR of 49.9%. A recognition of the need for financial inclusion for the 8-10 million people unable to access mainstream credit, and the regulatory focus on moving away from high cost credit has helped drive demand. Customers are looking for a simple product, with no additional charges, typically to purchase a vehicle, consolidate debts or make home related expenditure.

Amigo was the first entrant into the guarantor market in 2005 and therefore has historic data on long term customer behaviour. Producing its own scorecards using raw credit data gives additional insights into customer outcomes and allows us to lend to borrower / guarantor combinations that might not be apparent from using credit bureau block data. This insight allows Amigo to continue to develop new scorecards through our ongoing programme of pilot lending. New scorecards, by their nature, carry a higher degree of risk, which is recognised in the impairment charge. By moderating the flow of pilot lending the business manages its credit risk and ultimately its impairment charge which along with slightly better than forecast credit losses and a small debt sale has given an impairment charge / revenue ratio of 23% under IFRS 9 for the half year. We believe our approach gives us a significant competitive advantage over other lenders and allows us to control credit quality and growth.

Initiatives and product development

Amigo introduced a mobile app for borrowers in late 2017 to allow customers to check on their loan balance, make payments or look at the affordability of an increased loan. The take up of the app has been very strong with 73,000 downloads to 30 September 2018, improving the efficiency of the business, the quality and availability of the service for our customers.

Securitisation

As announced at IPO, we have explored our funding options with a view to lowering the cost of capital for the business over time and further diversifying our funding sources. We are therefore pleased to announce the successful completion of our inaugural securitisation funding line of £150m at an all-in rate approximately 500bps less than our bond funding.

The securitisation is a key part in the business's strategic initiative in diversifying its sources of funding, maintaining strong liquidity and lowering overall cost of capital. Further information is provided in the financial review section of this announcement.

Regulatory Update

Amigo is a mid-cost credit provider, characterised by the FCA as operating above prime rates but below the minimum charged by high cost lenders. With an APR of 49.9% and no fees the product is substantially different from the high cost short term credit sector. Products such as rent to own, home collected credit, catalogue credit and store cards form the focus of the ongoing FCA High Cost Credit Review.

The FCA affordability policy statement, issued in July, stated that it would include guarantor lending in its further review into high cost credit markets and we believe this will focus on ensuring the guarantor understands their obligations. We emphasise the guarantor's responsibilities in several ways before lending and we do not lend money unless we have spoken with the guarantor – a recorded call which evidences that we have clearly communicated the guarantor obligations. We welcome the FCA's work in this area.

We have also carried out our own review of affordability and other customer facing processes particularly in relation to the new FCA affordability rules which went live on 1 November 2018. We made some minor changes in our procedures.

Dividend

The Board is delighted to announce its first interim dividend as a listed business of 1.87p per share representing 35% of the adjusted profits after tax for the period since flotation to 30 September 2018, in line with the dividend policy we announced at the IPO.

The dividend of 1.87p per share will be paid on 29 January 2019 to ordinary shareholders on the register on 11 January 2019.

Board

During the quarter, the Company was notified by its major shareholder, Richmond Group Limited ("Richmond"), that, as a small family office, it no longer wished to be represented on the Company's board of directors. This was in order for Richmond to be able to fully focus its energies on private investments in which it can play an active role. As a result, James Benamor resigned as a Director of the Company on 30 September 2018. The Board would like to thank Mr Benamor for his valuable contribution to the Group and looks forward to continuing engagement with Richmond as a major shareholder.

The Company has strengthened the independence of the Board with the appointment of Clare Salmon on 8 November 2018 as an independent non-executive director taking the number of independent directors to four. Clare is also chairing the Remuneration Committee. Clare has extensive PLC experience across a broad range of service businesses including Royal London, RSA PLC, Prudential, the AA, Vodafone and ITV. Clare has a strong background in marketing and the Board looks forward to working with her.

Outlook

The business has started its life as a PLC with results showing strong growth from the previous year. With an emphasis on its single guarantor product in the mid-cost credit space and focus on a simple customer product, Amigo is well placed to benefit from an environment which is encouraging people who are excluded from mainstream finance to move away from high cost credit products. We believe these strong structural drivers have encouraged growth in our business and still present significant opportunities. The Company remains on track to meet its targets and looks forward to the future with confidence.

FINANCIAL REVIEW

Group Performance

The Group returned an adjusted profit after tax of £47.2m (2017: £33.8m) and a statutory profit after tax of £37.7m (2017: £24.2m) assisted by a growing loan book. An effective yield[11] of 36.9% gave revenue of £130.1m (2017: £92.6m) an increase of 40% on the prior year.

The Group's interest charge comprises bond interest which carries a coupon of 7.625%, a super senior facility and shareholder loan note interest at 12%. The shareholder loan notes were converted to equity as part of the listing on the London Stock Exchange and therefore the interest charge has been excluded in the calculation of adjusted profit after tax as it is not an ongoing item. The net interest margin[7] for the business was 31.7% (2017: 32.8%), excluding the effect of the shareholder loan note interest.

The single largest charge in the profit and loss account relates to impairment. From 1 April 2018 the impairment charge is calculated under IFRS 9 which has the effect of bringing forward the impairment provision on originations compared to the historical treatment under the previous accounting standard IAS 39 – although there is no difference in charge over the length of the loan and no change in cash flows. Amigo has continued to grow its loan book and at the same time reduced the relative amount of pilot lending. Collection performance is slightly ahead of expectation and with a debt sale in September realising £1.1m the impairment charge as a percentage of revenue for the first six months is 23% (2017:19%). The 2017 charge is before the introduction of IFRS 9 which it is believed would have increased the prior year charge.

A feature of IFRS 9 is that interest on Stage 3 assets (primarily loans that are more than 61 days overdue) is no longer recognised in the financial statements. This has the effect of reducing both revenue and the impairment charge leaving risk adjusted margin unchanged. There is no effect on profitability as it is purely a change in accounting classification. With this change and loan book performance slightly ahead of expectations, we expect impairment to be in the mid-twenties as a percentage of revenue for the year.

The risk adjusted margin[9] for the business is 28.3% (2017: 31.1%).

Operating expenses as a percentage of revenue have fallen to 17.9% (2017: 23.5%) as the Company continues to benefit from economies of scale and increased efficiency particularly with repeat loans where there is minimal cost of acquisition.

IPO costs and related financing were provided in the first quarter of the financial year and comprise the legal, advisory, funding and other costs in relation to the listing.

The effective tax rate of the business is 22% (2017: 19%) higher than the prevailing rate of 19% due to the disallowance of IPO and certain other costs and timing differences. Following the listing the tax rate is expected to reduce closer to the UK corporation tax rate of 19%.

Adjusted earnings per share was 10.8 pence (2017: 8.5 pence) and basic earnings per share was 8.6 pence (2017: 6.1 pence). Adjusted EPS is before the effect of shareholder loan note interest, IPO costs and related financing and tax credits on these items. A reconciliation of the calculation is shown in note 6.

Balance sheet and Funding

During the six month period the net loan book[10] has increased on an IFRS 9 basis from £602.7m to £671.7m on originations of £220.7m representing an increase of 11.5% in the six months. The ageing of the loan book, shown in note 7 shows that 95.6% of balances are either fully up to date or within 31 days overdue (2017: 97.6%) demonstrating the strong credit quality of our guarantor loan model.

This loan book growth, in line with IPO targets, has been delivered with originations of £220.7m (2017: £238.1m). As planned, and previously highlighted, Amigo has restricted its pilot lending giving a decrease in originations compared to the prior year but still at a level that grows the loan book in line with guidance.

Cash collections in the period were £260.7m (2017: £179.1m) up 46% and at a level which is higher than origination. As a consequence the Group's preferred indicator of gearing, net debt/tangible net equity has fallen from 2.8x to 2.3x in the six months to 30 September 2018 whilst simultaneously growing the loan book. Net borrowings at 30 September 2018 were £464.5m (2017: £381.1m). Loan to value ('LTV') measured as net borrowings over gross loan book was 63% (2017: 68%).

The Group is financed from its own cash flow, a secured £400m bond with a 7.625% coupon, a senior facility of £160m and a securitised facility of £150m. The interest rate for the securitised assets is materially less than both the senior facility and the bond coupon and should over time allow a significant reduction in cost of capital.

The Group wishes to maintain a diverse source of funds with variable repayment dates and currently intends to keep some element of all its facilities. The senior facility is not due until 2022. The final repayment date for the bond is 2024 and the securitised facility is a minimum 3 year term with a further amortisation period of four years. Amigo may from time to time seek to buy back its outstanding high yield bonds.

The shareholder loan notes, including accrued interest were capitalised at listing with the effect that net assets were increased on that date by approximately £207m. There is no further interest due on these notes.

Notes:

[7] Net Interest Margin (NIM) being net interest income divided by the average of the Gross Loan Book at the beginning of the period and at the end of the period

[8] Risk Adjusted Revenue being revenue less impairment charge. Risk Adjusted Revenue is not a measurement of performance under IFRS

[9] Risk Adjusted Margin (RAM) being Risk Adjusted Revenue divided by the average of the Gross Loan Book at the beginning of the period and at the end of the period

[10] Net loan book represents total outstanding loans less provision for impairment excluding deferred broker costs

[11] Yield being the revenue divided by the average Gross Loan Book at the beginning of the period and at the end of the period

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material effect on the Group's financial performance over the remaining half year and cause results to differ materially from expectations. The nature of the principal risks and uncertainties affecting the Group are largely consistent with those set out on pages 2 and 3 of the audited Financial Statements for the year to 31 March 2018 (a copy of which is available on the Company website).

Competitive Risk

The Group operates in a single segment of the non-standard finance market with a core focus in one geographic jurisdiction - the United Kingdom. The ability of the Group to execute its plan is therefore dependent on the competitive environment in the United Kingdom both within the guarantor loan sub-sector and adjacent markets in the non-standard finance market. In addition the Group originates a significant amount of new loans through a network of broker relationships and the results of the Group are therefore susceptible to changes in the business models of these brokers.

Credit Risk

The business operates in the guarantor loan segment of the non-standard finance market. The financial performance of the business is impacted by the ability of the Group to ascertain and forecast long term credit losses across the range of loans it originates. Because of its guarantor business model the Group's credit losses are a function of the long term ability of both the applicant and, if necessary, the guarantor to repay the loan. As the Group develops strategies relating to the underlying attributes of the borrowers and guarantors to which it originates loans, historic data on underlying credit risk may become less reliable therefore reducing the accuracy of any credit loss forecasts. As the business changes its operational processes, historic data on underlying credit risk may be less applicable to determine credit losses.

Regulatory Risk

The business is directly regulated by the Financial Conduct Authority (FCA) as well as being subject to other business legislation such as the Data Protection Act. The working environment in the United Kingdom for non-standard finance companies is complex and operational requirements can change based on FCA reviews across the non-standard finance market which could have a negative effect on the execution of the long term business plan. The FCA announced in July 2018 that it would be including guarantor lending in its further review into high cost credit market assessment later this year.

Funding Risk

The ability of the business to execute its long term business plan is dependent on obtaining the necessary funding in terms of quantum, term and price. Any material deterioration in the underlying performance of the business could affect either the covenants associated with the current funding structure or the ability to raise future financing as necessary.

To mitigate the funding risk the Group is financed via a securitisation, long term senior secured notes and a committed long term super senior credit facility. The covenants associated with the Group's funding are monitored on a monthly basis and the Group's future liquidity position is also assessed on a monthly basis.

Future Risk

The reputation and/or the ability of the business to execute its plan could be affected if the business fails to interpret and implement change required due to the impact from new ideas, technologies, regulations or economic scenarios. The Group has data concerning performance during a general recession. It does not currently actively build an assessment of the impact of future economic scenarios in its lending criteria. The Group believes that the dual aspect nature of the borrower plus the guarantor leads to a significantly reduced economic risk relative to other non-standard lending without a guarantor.

As the exact nature of the UK's withdrawal from the European Union ('Brexit') is not yet decided, resulting regulatory and other changes could impact the Group's results. This is in part due to uncertainty in relation to the eventual outcome of the negotiations and in part due to a large proportion of the regulatory regime applicable to the Group being derived from EU directives and regulations - the UK exiting the EU could materially change the regulatory framework applicable to the Group's operations. The impact on credit losses the business may suffer as a result of economic changes or changes in the nature of the wider mid-cost credit market cannot currently be determined.

Operational Risk

The failure of business processes, IT and data infrastructure, physical infrastructure or the adequate deployment of trained staff could materially affect the ability of the Group to execute its business plan or diminish its brand reputation. As the business is continually revising and developing the way in which it interacts with its customers, the Group is exposed to the risks associated with changing information technology systems and also the key knowledge sets of certain individuals.

In order to mitigate these risks the Group operates a very flat management structure and there is clear ownership and responsibility with specific individuals for all aspects of the business as well as lateral knowledge such that several key individuals could easily switch between roles. Because of the simplicity of the structure and the location of the business in one place in a single floor open plan office environment, any concerns are easily and quickly escalated to senior management. Information technology changes are controlled via the Change Management Steering Group and any proposed changes made to the core business system are double-checked.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Simon G Dighton

Director

SGD

27 November 2018

INDEPENDENT REVIEW REPORT TO AMIGO HOLDINGS PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 which comprises Condensed consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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 UK. 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. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

Amigo Holdings PLC has not previously produced a half-yearly report containing a condensed set of financial statements. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 September 2017.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1.1, the interim financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Andrew Walker

for and on behalf of KPMG LLP

Chartered Accountants

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27 November 2018

Condensed Consolidated Statement of Comprehensive Income

	Notes	**Six months ended 30-Sep-18 Unaudited £m**	Six months ended 30-Sep-17 Unaudited £m	Year to 31-Mar-18 Audited £m
Revenue	2	**130.1**	92.6	210.8
Interest payable and funding facility fees		**(18.2)**	(13.4)	(30.4)
Shareholder loan note interest		**(6.0)**	(10.2)	(21.2)
Total interest payable	3	**(24.2)**	(23.6)	(51.6)
Impairment of amounts receivable from customers[1]		**(30.3)**	(17.4)	(44.8)
Operating expenses		**(23.3)**	(21.8)	(46.2)
IPO and related financing costs	4	**(3.9)**	-	(2.1)
Profit before tax		**48.4**	29.8	66.1
Tax on profit	5	**(10.7)**	(5.6)	(15.5)
Profit and total comprehensive income[2]		**37.7**	24.2	50.6

		Six months ended 30-Sep-18	Six months ended 30-Sep-17	Year to 31-Mar-18
Basic and Diluted EPS (pence)	6	**8.6**	6.1	12.7

[1] - IFRS 9 was adopted on 1 April 2018, comparatives have not been restated

[2] - There was no other comprehensive income during any period, and hence no consolidated statement of other comprehensive income is presented

Consolidated balance sheet

	Notes	30-Sep-18 Unaudited £m	30-Sep-17 Unaudited £m	31-Mar-18 Audited £m
Non-current assets				
Property, plant and equipment		**0.5**	0.6	0.6
Intangible assets		**0.1**	0.1	0.1
Deferred tax asset		**7.7**	-	-
		8.3	0.7	0.7
Current assets				
Customer loans and receivables[1]	7	**690.8**	558.0	666.3
Other receivables	9	**1.7**	1.7	2.3
Cash at bank and in hand		**19.5**	9.7	12.2
		712.0	569.4	680.8
Total Assets		**720.3**	570.1	681.5
Current liabilities				
Trade and other payables	10	**(17.3)**	(18.1)	(18.8)
Current tax liabilities		**(16.7)**	(3.9)	(12.7)
		(34.0)	(22.0)	(31.5)
Non-current liabilities				
Borrowings	11	**(484.0)**	(390.8)	(455.0)
Shareholder loan notes	12	**-**	(190.1)	(201.1)
Deferred tax liability		**-**	-	(0.2)
		(484.0)	(580.9)	(656.3)
Total liabilities		**(518.0)**	(602.9)	(687.8)
Net assets / (liabilities)		**202.3**	(32.8)	(6.3)
Equity				
Share capital		**1.2**	1.0	1.0
Share premium		**207.9**	0.9	0.9
Merger reserve		**(295.2)**	(295.2)	(295.2)
Retained earnings		**288.4**	260.5	287.0
Shareholder equity		**202.3**	(32.8)	(6.3)

This interim report of Amigo Holdings PLC was approved by the Board of Directors and authorised for issue.

S G Dighton
Director
Company no.
10024479

Date: 27 November 2018

[1] - IFRS 9 was adopted on 1 April 2018, comparatives have not been restated.

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Merger Reserve[1] £m	Retained earnings £m	**Total equity £m**
At 31 March 2017 (Audited)	1.0	0.9	(295.2)	236.4	**(56.9)**
Total comprehensive income	-	-	-	24.1	**24.1**
At 30 September 2017 (Unaudited)	1.0	0.9	(295.2)	260.5	**(32.8)**
Total comprehensive income	-	-	-	26.5	**26.5**
At 31 March 2018 (Audited)	1.0	0.9	(295.2)	287.0	**(6.3)**
IFRS 9 opening balance sheet adjustment[2]	-	-	-	(37.7)	**(37.7)**
At 01 April 2018	1.0	0.9	(295.2)	249.3	**(44.0)**
Total comprehensive income	-	-	-	37.7	**37.7**
Share based payments	-	-	-	1.4	**1.4**
IPO	0.2	207.0	-	-	**207.2**
At 30 September 2018 (Unaudited)	**1.2**	**207.9**	**(295.2)**	**288.4**	**202.3**

[1] - The merger reserve was created as a result of a Group reorganisation to create an appropriate holding company structure.
[2] - Refer to IFRS 9 note 1.2 - IFRS 9 was adopted on 1 April 2018, comparatives have not been restated.

Consolidated Cashflow statement

	Six months ended 30-Sep-18 Unaudited £m	Six months ended 30-Sep-17 Unaudited £m	Year to 31-Mar-18 Audited £m
Profit for the period	**37.7**	24.2	50.6
Adjustments for:			
Impairment provision	**30.3**	17.4	44.8
Income tax expense	**10.7**	5.6	15.5
Shareholder loan note interest accrued	**6.0**	10.2	21.2
Interest expense	**18.2**	13.4	30.4
Interest charged on loan book	**(143.2)**	(96.9)	(222.1)
Depreciation of property, plant and equipment	**0.1**	0.2	0.2
Operating cash flows before movements in working capital[1]	**(40.2)**	(25.9)	(59.4)
Increase in receivables	**3.0**	3.4	(8.8)
Decrease in payables	**0.7**	(1.4)	7.5
Tax paid	**(6.6)**	(6.3)	(7.2)
Interest paid	**(17.2)**	(12.7)	(28.2)
Proceeds from intercompany funding	**0.1**	(1.8)	3.1
Repayment of intercompany funding	**(0.5)**	-	(5.0)
Proceeds from bank borrowings	**40.0**	125.0	276.6
Repayment of bank borrowings	**(12.0)**	(16.0)	(105.0)
Net cash used in operating activities before loans issued and collections on loans	**(32.7)**	64.3	73.6
Loans issued	**(220.7)**	(238.1)	(470.1)
Collections	**260.7**	179.1	404.4
Net cash used in operating activities	**7.3**	5.3	7.9
Investing activities			
Purchases of property, plant, equipment	**-**	-	(0.1)
Net cash used in investing activities	**-**	-	(0.1)
Financing activities			
Proceeds from issue of share capital	**-**	-	-
Net cash from financing activities	**-**	-	-
Net increase / (decrease) in cash and cash equivalents	**7.3**	5.3	7.8
Cash and cash equivalents at beginning of period	**12.2**	4.4	4.4
Cash and cash equivalents at end of period	**19.5**	9.7	12.2

[1] The IPO is not included in financing activities (as no cash was raised). IPO and related financing costs are included within operating cash flows, see note 4 for detail.

Notes to the condensed financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

Amigo Holdings PLC is a public company (following IPO on 4 July 2018), listed upon the London Stock Exchange (LSE: AMGO). On listing the Company changed name from Amigo Holdings Ltd to Amigo Holdings PLC.

These consolidated financial statements have been prepared on the going concern basis and in accordance with the recognition and measurement requirements of the International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The consolidated financial statements are prepared under the historical cost convention except for financial instruments measured at amortised cost or fair value. These interim financial statements have been prepared fully in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of Amigo Holdings PLC (the 'Group') as at and for the year ended 31 March 2018.

The interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated annual report for the year ended 31 March 2018, other than that this is the first set of the Group's financial statements where IFRS 9 and IFRS 15 have been applied. Changes to significant accounting policies are described in note 1.2.

The consolidated financial statements of the Group as at and for the year ended 31 March 2018 are available upon request from the Company's registered office at Nova Building, 118-128 Commercial Road, Bournemouth, United Kingdom, BH2 5LT.

The comparative figures for the financial year ended 31 March 2018 are not the Company's statutory accounts for that financial year, but are an extract from those statutory accounts for interim reporting. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor:

- (i) was unqualified;
- (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and
- (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These interim financial statements were approved by the board of directors on 27 November 2018.

1.2 Significant accounting policies

Details of the accounting policies applied are those set out in Amigo Holdings Ltd's Financial Statements 2018 with the exception of IFRS 9 which was adopted from 1 April 2018 and is considered further in 1.2.3 below. IFRS 15 was considered but is not material to the sources of revenue for the Group.

In applying the accounting policies, management has made appropriate estimates in many areas, and the actual outcome may differ from those calculated. The key sources of estimation uncertainty at the balance sheet date were the same as those that applied to the consolidated financial statements of the Group for the period ended 30 September 2017.

During the period a number of new standards and amendments to IFRS became effective and were adopted by the Group. The impact of IFRS 9 is described below, otherwise none of the other changes had a material impact on the Group's net cash flows, financial position, total comprehensive income or earnings per share.

	31-Mar-18 Closing £m	01-Apr-18 IFRS 9 Impact £m	01-Apr-18 Opening £m
Non-current assets			
Property, plant and equipment	0.6	-	0.6
Intangibles	0.1	-	0.1
Deferred tax	-	7.9	7.9
	0.7	**7.9**	**8.6**
Current assets			
Gross loan book	668.1	-	668.1
Loss allowance	(21.2)	(44.2)	(65.4)
Loan book	**646.9**	**(44.2)**	**602.7**
Deferred broker fees	19.4	(1.4)	18.0
Customer loans and receivables	**666.3**	**(45.6)**	**620.7**
Other receivables	2.3	-	2.3
Cash at bank and in hand	12.2	-	12.2
	680.8	**(45.6)**	**635.2**
Total assets	**681.5**	**(37.7)**	**643.8**
Total liabilities	**(687.8)**	**-**	**(687.8)**
Net assets / (liabilities)	**(6.3)**	**(37.7)**	**(44.0)**
Capital and reserves			
Called up share capital	1.0	-	1.0
Share premium	0.9	-	0.9
Merger reserve	(295.2)	-	(295.2)
Retained earnings	287.0	(37.7)	249.3
Shareholder equity	**(6.3)**	**(37.7)**	**(44.0)**

There have been no changes to the measurement of financial assets and liabilities upon adoption of IFRS 9, classification has changed from Loans and receivables to Amortised Cost.

1.2.3. IFRS 9

IFRS 9 'Financial Instruments' is the replacement of IAS 39 'Financial instruments, recognition and measurement' and was adopted on 01 April 2018. The key changes to the Group's accounting policies resulting from its adoption of IFRS 9 are summarised below.

The assessment below is dependent on management's judgements and estimates particularly with regard to forward looking assumptions. The full impact of adopting IFRS 9 on the current year consolidated Financial Statements will depend on the financial instruments that the Group holds during the current financial year, the macroeconomic environment and judgements made during the year.

1.2.3.1. Classification

IFRS 9 adopts a classification and measurement approach for financial assets which reflects how the assets are managed and their cash flow characteristics. IFRS 9 includes three classification categories for financial assets: measured at amortised cost, Fair Value Though Other Comprehensive Income ('FVOCI') and Fair Value Through Profit and Loss ('FVTPL'). A financial asset is measured at amortised cost if it meets both of the following conditions (and is not designated as at FVTPL):

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group does not believe that the new classification requirements have had a significant impact upon the measurement bases for its financial assets. Loans to customers that are classified as loans and receivables and measured at amortised cost under IAS 39 are also measured at amortised cost under IFRS 9.

1.2.3.2. Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. IFRS 9 requires an impairment provision to be recognised on origination of a loan, based on its anticipated credit loss. Under IAS39, a provision is made where there has been objective evidence of impairment, such as a borrower falling into arrears. Additionally, the IAS39 methodology included a provision against up to date loans for losses where the loss has been incurred but not yet reported and is likely to be reported during a short emergence period. Under IFRS9, a provision will be made against all stage 1 (see note 1.2.3.2.1) loans to reflect the probability that they will default within the next 12 months, which is longer than the emergence period used under IAS39, thus accelerating the recognition of impairment charges. The application of lifetime expected credit losses to assets which have experienced a significant increase in credit risk also results in an uplift in impairment versus IAS39. IFRS 9 only changes the timing of impairment losses with earlier recognition of impairment provisions on a growing loan book; the Group's cash flows are unaffected by the change in accounting standard and the lifetime losses are the same under both IAS 39 and IFRS 9.

1.2.3.2.1. Measurement of ECLs

Under IFRS 9 financial assets fall into one of three categories:

Stage 1—Financial assets which have not experienced a 'significant' increase in credit risk since initial recognition.

Stage 2—Financial assets that are considered to have experienced a 'significant' increase in credit risk since initial recognition.

Stage 3—Financial assets which are in default or otherwise credit impaired.

Loss allowances for Stage 1 financial assets are based on 12-month ECLs, that is the portion of ECLs that result from default events that are estimated within 12 months of the reporting date and are recognised from the date of initial recognition. Loss allowances for stage 2 and 3 financial assets are based on lifetime ECLs, which are the ECLs that result from all estimated default events over the expected life of a financial instrument.

The Group has adopted a collective basis of measurement for calculating ECLs. The loan book is divided into portfolios of assets with shared risk characteristics and further divided by quarterly origination vintages. The Group's ECL methodology considers the collective estimated cash shortfalls for each credit risk portfolio based on forecast loss curves. Forecast loss curves are prepared on a risk segment basis for annual vintages and combine the Groups historical trends, current credit loss behaviour and management judgements.

The impairment requirements of IFRS 9 are complex and require management judgements, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

• assessing whether the credit risk of an instrument has increased significantly since initial recognition;

• incorporating forward-looking information into the measurement of ECLs; and

• incorporating a probability weighted estimate of external macroeconomic factors into the measurement of ECLs.

The Group performs separate credit and affordability assessments on both the borrower and guarantor. When a borrower misses a payment, both parties are kept informed regarding the remediation of the arrears. If a missed payment is not remediated within a certain timeframe, collection efforts are automatically switched to the guarantor and if arrears are cleared the loan is considered as performing. In substance the Group treats the borrower and the guarantor as having equivalent contractual responsibilities. This dual borrower nature of the product is a key consideration in determining the staging and the recoverability of financial assets.

1.2.3.2.2. Assessment of significant change in credit risk

In determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis. The qualitative customer data available both on an ongoing basis and without undue cost or effort is payment status flags, which occur in specific circumstances such as a short-term payment plan, bankruptcy, deceased or other indicators of significant change.

To determine whether there has been a significant increase in credit risk the following 2 step approach has been taken:

1) The primary indicator of whether a significant increase in credit risk has occurred for an asset is determined by considering the performance of each payment status flag on a collective basis (see note 1.2.3.2.1.). The Group considers the credit risk of an asset to have increased significantly since initial recognition if a payment flag has been placed on a specific account indicating the remaining lifetime probability of default has increased significantly since initial recognition.

The Group reassesses the flag status of all loans at each month end on a collective basis and remeasures the proportion of the book which has demonstrated a significant increase in credit risk based on the latest payment flag data. An account transitions from stage 2 to stage 1 when a payment flag is removed from the account.

2) As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is two contractual payments past due (31 days), which is aligned to the rebuttable presumption of 30 days past due.

1.2.3.2.2.1 Derecognition

The Group offers, to certain borrowers, the option top up existing loans subject to internal eligibility criteria. The Group pays out the difference between the customer's remaining outstanding balance and the new loan amount at the date of top up. The Group considers a top up to be a derecognition event for the purposes of IFRS 9 on the basis that a new contractual agreement is entered into by the customer replacing the legacy agreement, the borrower and guarantor are both fully underwritten at the point of top up and the borrower may use a different guarantor from the original agreement when topping up.

1.2.3.2.3. Definition of default

The Group considers an account in default if it is more than three contractual payments past due, i.e. greater than 61 days, this a more prudent approach than the rebuttable presumption of 90 days and has been adopted to align internal operational procedures. The Group reassesses the status of loans at each month end on a collective basis. When the arrears status of an asset improves so that it no longer meets the default criteria for that portfolio it is cured and transitions back from stage 3.

1.2.3.2.4. Forward looking information

The Group assesses the impact of forward-looking information on its measurement of ECLs. The Group has analysed the effect of a range of economic factors and identified the most significant macroeconomic factor that is likely to impact credit losses as the rate of unemployment. Forecast unemployment rates have been factored into the credit loss models utilising four scenarios based on independent forecasts of future economic conditions and applying a probability weighted approach.

These weighted scenarios include a base (60%), an upside (6.6%) and two downside scenarios (20.2% and 13.2%). The forward looking scenarios have been reviewed regularly as part of a working group, with the selections of scenarios and scenario weightings consistent since the date of transition. The scenarios are weighted according to management judgement of each scenario's likelihood. The base case attracts 60% weighting and is driven by unemployment changes, as estimated by the Office of Budget Responsibility. The probability weighting applied to each remaining scenario is calculated based on the period of time that the unemployment rate has been above each threshold since 1971.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

1.2.3.3. Transition

The Group has taken advantage of the exemption and not restated comparative information for periods up to 31 March 2018. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. The estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Group's equity at 1 April 2018 is approximately £38m. This represents:

- £nil related to the classification requirements;

- An expected reduction of approximately 7% of the carrying value of the loan book related to increased IFRS 9 impairment charge;

- An increase of approximately 17% of the additional IFRS 9 impairment provision in the carrying value of the deferred tax asset; and

- An expected reduction of approximately £38m of net assets related to increased IFRS 9 impairment charge. The above are estimates and will not be finalised until all transition work has been completed. The impact is the Group's best estimate pending finalisation of the transition work. The Group continues to refine, monitor and validate certain elements of the impairment models and related controls ahead of full reporting of IFRS 9 impacts later in the financial year.

1.2.3.4. Disclosure

IFRS 9 requires additional disclosures, in particular with regards to credit risk and ECLs. The Group's implementation project included assessing the disclosure requirements, identifying data gaps and implementing the necessary system and controls changes to enable the required disclosure.

2. Revenue

Revenue consists of interest revenue and is derived from a single segment in the UK. This is consistent with the reporting to the Chief Operating Decision Maker, which the Group considers is the Board. No segmental analysis is therefore provided.

3. Interest payable and funding facility

	Period to 30-Sep-18 Unaudited £m	Period to 30-Sep-17 Unaudited £m	Year to 31-Mar-18 Audited £m
Bank interest payable	**1.7**	0.9	2.9
Senior secured notes interest payable	**14.9**	12.0	25.0
Funding facility fees	**1.6**	0.5	2.5
	18.2	13.4	30.4
Shareholder loan note interest	**6.0**	10.2	21.2
Total interest payable	**24.2**	23.6	51.6

Funding facility fees include non-utilisation fees associated with the undrawn portion of the Group's revolving credit facility and amortisation of the initial costs of the Group's revolving credit facility and senior secured notes.

4. IPO and related financing costs

IPO and related financing costs are disclosed separately in the financial statements because the Directors consider it necessary to do so to provide further understanding of the financial performance of the Group. They are material items of expense that have been shown separately due to the significance of their nature and amount.

	Period to 30-Sep-18 Unaudited £m	Period to 30-Sep-17 Unaudited £m	Year to 31-Mar-18 Audited £m
IPO and related financing costs	**3.9**	-	2.1

IPO costs
IPO costs relate to advisor, legal fees, and financing fees in respect of the listing of the Group in July 2018.

5. Taxation

The applicable corporation tax rate for the period to 30 September 2018 was 19% and the effective tax rate is 22.1%. The Group's effective tax rate for the period to 30 September 2017 was 20.0%. The current period effective tax rate is reflective of the applicable corporate tax rate for the year and reconciling items, recognising an element of the IPO and related financing costs as disallowable.

6. Earnings per share

	30-Sep-18 Unaudited Pence	30-Sep-17 Unaudited Pence	31-Mar-18 Audited Pence
Basic and Diluted EPS	**8.6**	6.1	12.7
Adjusted Basic EPS*	**10.8**	8.5	18.1

The Directors are of the opinion that the publication of the adjusted earnings per share is useful as it gives a better indication of ongoing business performance.

Reconciliations of the earnings used in the calculations are set out below:

	30-Sep-18 Unaudited £m	30-Sep-17 Unaudited £m	31-Mar-18 Audited £m
Earnings for basic EPS	**37.7**	24.2	50.6
Shareholder loan note interest	**6.0**	10.2	21.2
IPO and related financing costs	**3.9**	-	2.1
Less: tax on Shareholder loan note interest and IPO and related financing costs	**(0.4)**	(0.6)	(1.5)
Earnings for adjusted basic EPS*	**47.2**	33.8	72.4
Weighted average number of shares (m)	**436.6**	400.0	400.0

*Adjusted basic EPS and Earnings for adjusted basic EPS are a non-GAAP measures and are unaudited, please see alternative performance measures section of appendix for further detail.

There were 1,000,000 ordinary shares in issue at 31 March 2018. As a result of the IPO, on 28 June 2018 the 1,000,000 ordinary shares in issue were sub-divided, with each existing ordinary share split into 400 ordinary shares. The weighted average number of shares has been retrospectively adjusted for 31 March 2018 and 30 September 2017 as a result of the change in the number of shares without a corresponding change in resources.

7. Customer loans and receivables

The below table is prepared on an IFRS 9 basis, in accordance with the transitional provisions of the standard.

	30-Sep-18	01-Apr-18
	Unaudited	Unaudited
Customer loans and receivables	**£m**	£m
Stage 1	**633.3**	584.5
Stage 2	**87.0**	69.1
Stage 3	**22.8**	14.5
Gross Loan Book	**743.1**	668.1
Provision	**(71.4)**	(65.4)
Deferred broker costs[1]	**19.1**	18.0
Customer loans and receivables	**690.8**	620.7

A reconciliation of the 01 April 2018 opening amounts receivable from customers is presented in note 1.2.

[1] Deferred broker costs are recognised within customer loans and receivables and are amortised over the expected life of those assets using the effective interest rate ("EIR") method.

Impairment provisions

	£m
Total impairment provisions at 31 March 2018 (under IAS 39)	21.2
IFRS 9 adjustment to opening provision for loan impairments	44.2
Total impairment provisions at 1 April 2018 (under IFRS 9)	65.4
Comprising:	
Stage 1	36.9
Stage 2	14.3
Stage 3	14.2
	65.4
Stage 1	
At 1 April 2018	36.9
Charge for period	(5.9)
At 30 September 2018	31.0
Stage 2	
At 1 April 2018	14.3
Charge for period	3.8
At 30 September 2018	18.1

Stage 3	
At 1 April 2018	14.2
Charge for period	8.1
At 30 September 2018	22.3
Total impairment provisions	71.4

A reconciliation of the 01 April 2018 opening amounts receivable from customers is presented in note 1.2.

Ageing of gross loan book by days overdue

	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Audited
	£m	£m	£m
Current	**658.0**	513.4	605.6
1 - 30 days	**52.1**	29.8	40.3
31 to 60 days	**10.2**	5.2	7.7
>61 days	**22.8**	8.1	14.5
Gross Loan Book	**743.1**	556.5	668.1

	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Audited
Customer loans and receivables	**£m**	£m	£m
Due within one year	**387.9**	314.8	373.6
Due in more than one year	**283.8**	226.8	273.3
Net Loan book	**671.7**	541.6	646.9
Deferred broker costs[1]	**19.1**	16.4	19.4
Customer loans and receivables	**690.8**	558.0	666.3

[1] Deferred broker costs are recognised within customer loans and receivables and are amortised over the expected life of those assets using the effective interest rate ("EIR") method.

8. Financial instruments

The below tables show the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy. All financial assets fall within the IFRS 9 category of amortised cost. Further details of the assets and liabilities can be found within notes 7-11.

The tables below analyse financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	30-Sep-18 Carrying amount £m	30-Sep-18 Fair value £m
Financial assets not measured at fair value[1]		
Amounts receivable from customers (Level 3)[2]	**690.8**	749.0
Other receivables	**1.7**	1.7
Cash and cash equivalents	**19.5**	19.5
	712.0	770.2
Financial liabilities not measured at fair value[1]		
Amounts owed to parent Group entities	**(0.0)**	(0.0)
Other liabilities	**(17.3)**	(17.3)
Bond liability (Level 1)	**(393.5)**	(398.7)
Shareholder loan notes	**-**	-
Bank loans	**(90.4)**	(90.4)
	(501.2)	(506.4)

Maturity analysis of financial liabilities	
Analysed as	
- due within one year	
Amounts owed to parent Group entities	**(0.0)**
Other liabilities	**(17.3)**
- due in three to four years	
Bank Loans	**(90.4)**
- due in five or more years	
Bond liability	**(393.5)**
Shareholder loan notes	**-**
	(501.2)

	31-Mar-18 Carrying amount £m	31-Mar-18 Fair value £m
Financial assets not measured at fair value[1]		
Amounts receivable from customers (Level 3)[2]	**666.3**	685.9
Other receivables	**2.3**	2.3
Cash and cash equivalents	**12.2**	12.2
	680.8	700.4
Financial liabilities not measured at fair value[1]		
Amounts owed to parent group entities	**(0.4)**	(0.4)
Other liabilities	**(18.4)**	(18.4)
Bond liability (Level 1)	**(392.8)**	(410.5)
Shareholder loan notes	**(201.1)**	(201.1)
Bank loans	**(62.2)**	(62.2)
	(674.9)	(692.6)

Maturity analysis of financial liabilities	
Analysed as	
- due within one year	
Amounts owed to parent group entities	**(0.4)**
Other liabilities	**(18.4)**
- due in three to four years	
Bank Loans	**(62.2)**
- due in five or more years	
Bond liability	**(392.8)**
Shareholder loan notes	**(201.1)**
	(674.9)

All financial instruments are held at amortised cost.

[1] The Group has disclosed the fair values of financial instruments such as short-term trade receivables and payables at their carrying value because they consider this a reasonable approximation of fair value.

[2] The unobservable inputs in the fair value calculation of amounts receivable from customers are expected credit losses, forecast cash flows and discount rates.

Financial instruments not measured at fair value

The fair value of amounts receivable from customers has been estimated using a net present value calculculation using discount rates derived from contractual interest rates less acquisition and financing costs. As these loans are not traded on an active market and the fair value is therefore determined through future cash flows, they are classed as Level 3 under IFRS 13 *Fair Value Measurement*.

The fair value of Bond liabilities has been taken at the Bloomberg Valuation Service (BVAL) market price for the bonds

9. Other receivables

	30-Sep-18 Unaudited £m	30-Sep-17 Unaudited £m	31-Mar-18 Audited £m
Current			
Other receivables	**0.0**	0.9	0.9
Prepayments and accrued income	**1.7**	0.8	1.4
	1.7	1.7	2.3

10. Trade and other payables

	30-Sep-18 Unaudited £m	30-Sep-17 Unaudited £m	31-Mar-18 Audited £m
Current			
Accrued senior secured note interest	**6.3**	6.3	6.3
Trade payables	**0.5**	0.6	0.8
Amounts owed to Group undertakings	**-**	0.6	0.4
Taxation and social security	**0.7**	1.0	0.2
Accruals and deferred income	**9.8**	9.6	11.1
	17.3	18.1	18.8

11. Bank and other borrowings

	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Audited
	£m	£m	£m
Non-current liabilities			
Amounts falling due 3-4 years			
Bank loan	**90.5**	-	62.2
Amounts falling due > 5 years			
Senior secured notes	**393.5**	390.8	392.8
	484.0	390.8	455.0

The bank facility, and the senior secured notes are secured by a charge over the ALGL Group's assets and a cross guarantee given by other ALGL Group companies – see note 16 for detail.

12. Shareholder loan notes

	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Audited
	£m	£m	£m
Amounts falling due > 5 years			
Shareholder loan notes	-	190.1	201.1

On 4 July 2018 the shareholder loan notes were converted to equity upon the listing of the Group.

13. Share capital

On the 4 July 2018 the Company floated on the London Stock Exchange. Immediately prior to admission the shareholder loan notes were converted to equity increasing the share capital of the business to 475 million ordinary shares and increasing net assets by £207.2m. No additional shares issued subsequent to conversion of the shareholder loan notes.

Allotted and called up shares at par value	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	£'000	**£'000**	**£'000**
	Paid	Unpaid	Total
803,574 Ordinary A shares of £1 each	804	-	804
41,000 Ordinary B shares of £1.24 each	51	-	51
97,500 Ordinary C shares of £1 each	80	18	98
57,926 Ordinary D shares of £1 each	29	28	57
	964	**46**	**1,010**

Allotted and called up shares at par value	**30-Sep-18**	**30-Sep-18**	**30-Sep-18**
	£'000	**£'000**	**£'000**
	Paid	Unpaid	Total
41,000 Deferred Ordinary shares of £0.24 each	10	-	10
475,333,760 Ordinary shares of 0.25 pence	1,188	-	1,188
	1,198	**-**	**1,198**

	Ordinary A Number	Ordinary B Number	Ordinary C Number	Ordinary D Number	Ordinary Number	Total Number
At 31 March 2016	1	-	-	-	-	1
Shares issued	800,999	41,000	100,000	58,000	-	999,999
At 31 March 2017	**801,000**	**41,000**	**100,000**	**58,000**	**-**	**1,000,000**
Share reclassifications[1]	2,574	-	(2,500)	(74)	-	-
At 31 March 2018	**803,574**	**41,000**	**97,500**	**57,926**	**-**	**1,000,000**
Subdivision	(803,574)	(41,000)	(97,500)	(57,926)	400,000,000	**399,000,000**
SLN Conversion	-	-	-	-	75,333,760	**75,333,760**
At 30 September 2018	**-**	**-**	**-**	-	**475,333,760**	**475,333,760**

14. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Richmond Group Limited, a Company incorporated in the UK.

The Company and Group are included in the consolidated financial statements of Richmond Group Limited. The consolidated financial statements of Richmond Group Limited are available to the public and may be obtained from the registered office: Walton House, 56-58 Richmond Hill, Bournemouth.

15. Share based payment

Share based payment transactions in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity settled share based payments. At the grant date, the fair value of the share based payment is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employee becomes unconditionally entitled to the awards. The fair value of the awards granted is measured based on Company specific observable market data, taking into account the terms and conditions upon which the awards were granted.

16. Amigo Loans Group Limited ('ALGL')

ALGL is a wholly owned subsidiary of the Company and a reconciliation to its consolidated results is included in the presentation pack on the Company's website as part of ALGL's bond reporting requirements.

The following are subsidiary undertakings of the Company at 30 September 2018 and includes undertakings registered or incorporated up to the date of the directors' report as indicated. Unless otherwise indicated all Group owned shares are ordinary.

Name	Country of incorporation	Interest	Principal activity
Direct holding			
Amigo Loans Holdings Ltd[1]	United Kingdom	100%	Holding company
Indirect holdings			
Amigo Loans Ltd[1]	United Kingdom	100%	Trading company
Amigo Management Services Ltd[1]	United Kingdom	100%	Trading company
RG Catering Services Ltd[1]	United Kingdom	100%	Trading company
Amigo Luxembourg SA[2]	Luxembourg	100%	Financing company
Amigo Car Loans Limited[1*]	United Kingdom	100%	Dormant company
Amigo Motor Finance Limited[1*]	United Kingdom	100%	Dormant company
Amigo Car Finance Limited[1*]	United Kingdom	100%	Dormant company
Amigo Store Limited[1]	United Kingdom	100%	Dormant company
Amigo Group Limited[1]	United Kingdom	100%	Dormant company
Amigo Finance Limited[1]	United Kingdom	100%	Dormant company
Amigo Loans International Limited[3**]	Ireland	100%	Holding company
Amigo Loans Ireland Limited[3***]	Ireland	100%	Trading company

[1] registered at 118-128 Nova Building, Commercial Road, Bournemouth, BH2 5LT.
[2] registered at 19, Rue de Bitbourg, L-1273 Luxembourg.
[3] registered at Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2.
* incorporated 7 June 2017.
** registered 22 September 2017.
*** registered 2 August 2017 – this business has applied for a lending licence and has not commenced lending operations.

17. Related Party Transactions

The Group had no related party transactions during the six month period to 30 September 2018 that would materially affect the performance of the Group. Details of the transactions for the year ended 31 March 2018 can be found in note 21 of the Amigo Holdings Limited 2018 financial statements.

18. Post Balance Sheet Events

The business has been successful in obtaining a new funding line through a £150m securitisation of some of its assets. The securitisation is a key part in the Group's strategic initiative in diversifying its sources of funding, maintaining strong liquidity and lowering overall cost of capital.

Appendix: Alternative performance measures

This financial report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards. We believe these APMs provide readers with important additional information on our business. To support this we have included a reconciliation of the APMs we use, how they are calculated and why we use them.

Key Performance Indicators

The Group incurred costs on the Initial Public Offering in July 2018. These costs, included as IPO and related financing costs, are not considered to be part of the underlying operating expenses of the Group as they relate to a specific one-off activity. As a result, KPIs exclude these costs.

(1) "**Net Loan Book**" is a subset of customer loans and receivables, comprised of:

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Gross Loan Book[a]	**743.1**	556.5	668.1
Provision[b]	**(71.4)**	(14.9)	(21.2)
Net Loan Book[c]	**671.7**	541.6	646.9

(a) Gross Loan Book represents total outstanding loans and excludes deferred broker costs.
(b) Provision for impairment represents the Group's estimate of the portion of loan accounts that are not in arrears or are up to five payments in arrears for which the Group will not ultimately be able to collect payment. Provision for impairment excludes loans that are six or more payments in arrears, which are charged off of the Statement of Financial Position and are therefore no longer included in the Loan Book.
(c) Net Loan Book represents Gross Loan Book less provision for impairment.

(2) "**Net borrowings**" is comprised of:

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Borrowings	**(484.0)**	(390.8)	(455.0)
Cash at bank and in hand	**19.5**	9.7	12.2
Net Borrowings	**(464.5)**	(381.1)	(442.8)

(3) The Group defines loan to value ("LTV") as net borrowings divided by gross loan book

	30-Sep-18	30-Sep-17	31-Mar-18
Net Borrowings (£m)	**(464.5)**	(381.1)	(442.8)
Gross Loan Book (£m)	**743.1**	556.5	668.1
Net borrowings / gross loan book	**62.5%**	68.5%	66.3%

(4) The Group defines "**Adjusted Tangible Equity**" as shareholder equity less intangible assets plus shareholder loan notes. The following table sets forth a reconciliation of Adjusted Tangible Equity to shareholder equity at 30 September 2018, 2017 and 31 March 2018.

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Shareholder equity*	**202.3**	(32.8)	(44.0)
Intangible assets	**(0.1)**	(0.1)	(0.1)
Shareholder loan notes	**-**	190.1	201.1
Adjusted Tangible Equity	**202.2**	157.2	157.0
Net borrowings / Adjusted Tangible Equity	**2.3**	2.4	2.8

Opening balance adjustment on IFRS 9 adoption*	31-Mar-18	Adjustment	01-Apr-18
			£m
Shareholder equity	(6.3)	(37.7)	(44.0)
Intangible assets	(0.1)	-	(0.1)
Shareholder loan notes	201.1	-	201.1
Adjusted Tangible Equity	194.7	(37.7)	157.0
Net borrowings / Adjusted Tangible Equity	2.3	0.5	2.8

*See note 1.2 for impact of IFRS 9 adoption on 01 April 2018.

Adjusted Tangible Equity is not a measurement of performance under IFRS, and you should not consider Adjusted Tangible Equity as an alternative to shareholder equity as a measure of the Group's equity or any other measures of performance under IFRS.

(5) The Group defines "**Risk Adjusted Revenue**" as revenue less impairment charge. The following table sets forth a reconciliation of Risk Adjusted Revenue to revenue for the six month period ended 30 September 2018, 2017 and full year 31 March 2018.

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Revenue	**130.1**	92.6	210.8
Impairment charge	**(30.3)**	(17.4)	(44.8)
Risk Adjusted Revenue	**99.8**	75.2	166.0

Risk Adjusted Revenue is not a measurement of performance under IFRS, and you should not consider Risk Adjusted Revenue as an alternative to profit before tax as a measure of the Group's operating performance, as a measure of the Group's ability to meet its cash needs or any other measures of performance under IFRS.

(6) The Group defines "**Risk Adjusted Margin**" as Risk Adjusted Revenue* divided by the average of Gross Loan Book.

	30-Sep-18	30-Sep-17	31-Mar-18
Risk Adjusted Revenue*	**99.8**	75.2	166
Average Gross Loan Book[(a)]	**705.6**	483.4	539.3
Risk Adjusted Margin	**28.3%**	31.1%	30.8%

(a) Average Gross Loan Book	**£m**	£m	£m
Opening Gross Loan Book	**668.1**	410.4	410.4
Closing Gross Loan Book	**743.1**	556.5	668.1
Average Gross Loan Book	**705.6**	**483.4**	**539.3**

*For six month periods the Risk Adjusted Revenue is annualised by dividing by 6 months and multiplying by 12 months.

(7) The Group defines "**Net Interest Margin**" as net interest income* divided by the average of Gross Loan Book.

Net Interest Margin

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Revenue	**130.1**	92.6	210.8
Interest payable and funding facility fees	**(18.2)**	(13.4)	(30.4)
Net Interest Income	**111.9**	79.2	180.4
Net Interest Margin	**31.7%**	**32.8%**	**33.5%**

*For six month periods the Net Interest Income is annualised by dividing by 6 months and multiplying by 12 months. Comparatives adjusted to exclude cash.

(8) The Group defines "**Cost:Income Ratio**" as operating expenses excluding IPO costs and related financing divided by revenue.

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Revenue	**130.1**	92.6	210.8
Operating expenses	**23.3**	21.8	46.2
Cost Income Ratio	**17.9%**	23.5%	21.9%

(9) Impairment charge as a percentage of Revenue represents the Group's impairment charge for the period divided by Revenue for the period.

	30-Sep-18	30-Sep-17	31-Mar-18
	£m	£m	£m
Revenue	**130.1**	92.6	210.8
Impairment of amounts receivable from customers	**30.3**	17.4	44.8
Impairment charge as a percentage of Revenue	**23.3%**	18.8%	21.3%