amigo

Amigo Holdings PLC
Annual report and accounts 2019

Simple.
Human.
Honest.
We are Amigo.

Forward-looking statements

This Annual Report and Amigo Holdings PLC's (the "Company") website may contain certain "forward-looking statements" with respect to the Company and the Group's financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "could", "may", "should", "will", "would", "expects", "believes", "intends", "plans", "targets", "goal" or "estimates" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the political conditions, economies and markets in which the Group operates (including the outcome of the negotiations to leave the EU); changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS; and changes in interest and exchange rates.

Any forward-looking statements made in this Annual Report or the Company's website, or made subsequently, which are attributable to the Company or any other member of the Group, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by legal or statutory obligations, the Company does not intend to update any forward-looking statements.

Nothing in this Annual Report or the Company's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

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Amigo's beauty is its simplicity. We offer one product at one rate.

Amigo is not a new company. Having established our guarantor lending business in 2005, we are proud to have accumulated 14 years of experience that we are using to push forward our growth.

Amigo was the first direct-to-customer brand in the UK guarantor lending sector and the first standalone guarantor lender to obtain full Financial Conduct Authority (FCA) authorisation. Our position as a first-mover has provided us with significant competitive advantages, including our established brand, high-quality customer service, bespoke proprietary scorecards, specialist collections expertise, loyal customer base and a purpose-built IT platform.

Amigo's product is simple and transparent – we offer guarantor loans to customers who typically have a poor or thin credit file, with an APR of 49.9%. There are no other fees, early redemption penalties or any other charges.

Leading company in the UK guarantor loan space

Customer numbers
224,000

Staff
345

Net loan book
£707.6m

Financial highlights

- Significant growth in revenue to £270.7m, an increase of 28.4% (2018: £210.8m)
- Impairment charge as a percentage of revenue (impairment:revenue ratio) at year end of 23.7% on an IFRS 9 basis
- 95% of balances are fully up to date or within 31 days overdue, reflecting the underlying credit quality of the loan book
- Low cost:income ratio maintained, reducing from 21.9% in the prior year to 17.5% in 2019
- Adjusted profit after tax of £100.1m, an increase of 38.3% compared to the previous year (2018: £72.4m)
- Statutory profit after tax of £88.6m, an increase of 75.1% compared to the previous year (2018: £50.6m)
- Basic earnings per share (EPS) increased 52.8% to 19.4p, and adjusted basic EPS rose by 21.5% to 22.0p
- Final proposed dividend of 7.45p per share payable on 31 July 2019, bringing total annual dividend per share to 9.32p, 50% of the last twelve months' statutory profit
- Gross loan book of £783.0m, a 17.2% increase on prior year (2018: £668.1m)
- Net loan book of £707.6m, a 17.4% increase year on year when the opening loan book is restated with the IFRS 9 transitional adjustment
- Net borrowings/adjusted tangible equity stayed within expectations at 1.9x
- Customer base of 224,000 (2018: 182,000), an increase of 23.1% year on year

The above highlights include a number of alternative performance measures (APMs). See the APMs section on pages 125 to 129 for detailed calculations.

Revenue
£270.7m

Profit after tax
£88.6m

Adjusted profit after tax
£100.1m

Our key strengths are:

Operational highlights

Business development

- Initial public offering (IPO) completed in July 2018 and joined the FTSE 250 in September 2018
- Increased customer interaction through the Amigo app
- Amigo Ireland made its first loans to customers in the Republic of Ireland in February 2019, the first step in testing the transferability of the "Amigo in a box" concept
- Surpassed 200,000 customers

Funding

- £150m securitisation in November 2018 with facility increased to £200m, providing greater balance sheet flexibility
- Executed opportunistic bond repurchases in the open market of £80m in the year, reducing Amigo's average cost of funding

Strengthening the team

- Added strength to the Board through the appointment of Clare Salmon as an Independent Non-Executive Director and Chair of the Remuneration Committee in November 2018 and appointment of Nayan Kisnadwala as new Chief Financial Officer in January 2019
- Appointment of Deborah Green as Chief Operations Officer in March 2019
- Appointment of Hamish Paton as CEO Designate in May 2019

Industry recognition

- "Treating Customers Fairly Champion" at the Consumer Credit Awards in July 2018
- "UK Contact Centre of the Year" at the UK Contact Centre Forum Awards in November 2018
- "Best Credit Builder" winner at the Moneynet Awards in January 2019 for the sixth year running
- Fairer Finance named us the highest rated lender for transparency of information on personal loans in 2019

Our core values

Our core values are more than words on a wall. They guide all of our decisions and provide a bedrock for how we do business. We commit to always being **simple**, **human** and **honest** in everything we do. Internally, these are further supported by values that promote **ownership** and **focus**.

Delivering on our promises

Stephan Wilcke
Chairman

Dear Shareholder,
It is a great pleasure to submit to you our first Annual Report as a public limited company (PLC).

The initial public offering (IPO) and subsequent entry into the FTSE 250 Index were major milestones in Amigo's development. I am pleased to report that the business has been able to deliver on our principal IPO commitments this year, as well as being able to recommend a larger than expected full year dividend of 9.32p due to our increased balance sheet flexibility. This was all delivered against a challenging external environment and much internal change.

Amigo exists to help provide financial inclusion to those potential borrowers excluded by mainstream lenders. The involvement of a third-party guarantor helps both the borrower and the lender, allowing this service to be delivered as a mid-cost rather than high-cost solution.

Amigo exists to provide financial inclusion to those excluded by mainstream lenders."

Strong customer-centric culture

At the very heart of Amigo is a strong customer-centric culture, which is what first stood out to me when I joined almost four years ago and has remained constant since then.

We continue to evolve from an Office of Fair Trading (OFT) regulated, entrepreneur-led company into a Financial Conduct Authority (FCA) regulated PLC. The great culture and conduct have naturally become more procedurally driven, with embedded risk and management controls. I am a firm believer in the three lines of defence approach to risk management, an approach we have adopted and will continue to develop.

We will continue to strengthen processes around human resources (HR), through the implementation of the Senior Managers and Certification Regime in 2019 and the legally required overhaul of our remuneration policy at our upcoming Annual General Meeting (AGM).

Amigo provides great service to our customers, currently encapsulated in one very simple product, based on four pillars:

1. Customer-focused culture, delivered by our people, who are engaged throughout Amigo, led by capable management and overseen by strong governance from the Board
2. A conservative approach to risk management which means having diligent regulatory discipline, a solid conduct risk framework and robust credit risk (our impairment:revenue ratio was 23.7% at year end)
3. Efficiency achieved through operating at scale with a simple product
4. A strong balance sheet which means low leverage, high liquidity and sound provisioning

I believe we have strengthened each one of our four pillars during the year.

Investing in our people and deepening our bench strength

We have invested significantly in strengthening our management team in general, with two senior appointments at Board level. Nayan Kisnadwala joined the Board in January 2019 as our new Chief Financial Officer (CFO) and Clare Salmon joined the Board as a Non-Executive Director and new Chair of the Remuneration Committee in November 2018. I am also very pleased with the increase in bench strength in key functions such as Operations and Decision Science (our analytics team).

Conservative risk management

Our conduct risk framework was further strengthened this year by embedding new affordability check processes for higher-risk customers as well as formally embedding culture and conduct into our senior management remuneration policy, in line with the UK Corporate Governance Code and FCA guidance. It was also very pleasing that after several years of rising impairment:revenue ratios, as we trialled new initiatives in pilot lending, we were able to, as planned, keep our impairment:revenue ratio within our guidance at IPO. We maintained a cautious attitude to credit risk during the year especially in the latter half due to the economic uncertainty surrounding Brexit. Unfortunately, there is still no end in sight. Our attitude and outlook remain cautious.

Efficiency

Our efficiency as evidenced by our cost:income ratio remains in line with expectations despite significant investment in people and processes, together with the ongoing costs of being a listed company. By creating an efficient “Amigo in a box” concept and trialling it via international expansion in the Republic of Ireland, we have started to seek further scalable growth opportunities outside of the UK. Funding costs have also improved due to our successful securitisation and partial buyback of £80m of our senior secured notes in the form of high yield bonds.

Strong customer-centric culture… first stood out to me when I joined.”

James, you built a great business that you should be very proud of."

Strong balance sheet

Our balance sheet and funding flexibility have improved during the year, a direct consequence of which is our ability to propose to pay a dividend at a higher rate than expected at IPO. Our improved funding flexibility has principally been achieved through the completion of the first securitisation of a guarantor consumer credit asset in the UK, and repurchase of £80m high yield bonds in the year, reducing the cost of funding.

CEO succession

It was with great sadness that the Board recently received the news that Glen Crawford, our Chief Executive Officer (CEO) since 2015, would be unable to continue for health reasons. Glen has led Amigo through a succession of achievements, from FCA authorisation, to IPO and numerous funding deals. We wish him well and look forward to having him as an engaged shareholder on our register for a long time to come. We welcome Hamish Paton as CEO Designate and we are confident that with him at the helm, Amigo will continue to go from strength to strength.

Increased profile

Looking outside Amigo, we saw an increasing level of competitors in our product space with more new entrants trying to copy our model, but our brand and operational strength have enabled us to maintain our leading position. At the same time, our IPO seems to have raised the profile of our product, leading to more attention from the media, anti-debt campaigners, and our principal regulator. While we continue to believe that we offer a valuable product to our customers, we have learned this year that we must become more active about telling our story to our evolving stakeholder universe. Finally, as previously mentioned, Brexit-related economic uncertainty remains a challenge.

We remain cautiously optimistic about the future

It was during this financial year that Amigo's founder, James Benamor, left our Board to concentrate on his other private ventures. While the Board appreciates his vote of confidence that Amigo can continue to thrive without him, he is greatly missed. James, you built a great business that you should be very proud of.

Looking forward, we believe that the market sentiment will remain receptive to our product and will continue to evolve, our four internal pillars will continue to strengthen and our strong culture and simple product will continue to set us apart. Therefore we remain cautiously optimistic about the future of your company.

Stephan Wilcke
Chairman
6 June 2019

Most significant year in our history

Glen Crawford
Chief Executive Officer

The year in review

The year to 31 March 2019 has been perhaps the most significant in the history of our business. In July 2018, Amigo Holdings PLC was admitted to the Premium List of the London Stock Exchange, and in September gained a place in the FTSE 250 Index. No small achievement for a business started from nothing in Bournemouth in 2005 by our founder, James Benamor.

Stephan Wilcke, our Chairman, and I joined the business at the same time, in October 2015. We were both attracted by the beautiful simplicity and transparency of Amigo's product and business model, with a focus on serving the needs of people excluded from mainstream finance who deserved a second chance, and the opportunity to start to rehabilitate their credit profiles.

Doing the right thing by the customers."

Displayed by our staff throughout the business at every level was the core value of ownership, treating the money to be lent as if it was your own, and doing the right thing by the customers (borrowers and guarantors) in a compliant manner. This ensured that the right customer outcomes were achieved based on a rigorous affordability and underwriting process, and an ethical collections methodology based on a detailed understanding of individual customer circumstances.

So, in many ways, not much has changed. Those principles remain at the heart of Amigo's business model and are the foundations of our continued success. We continue to lead the provision of the guarantor product, which is a niche offering within the wider mid-cost credit sector, at a time when the demand for guarantor loans, as well as other mid-cost products, is growing. We believe we retain approximately an 88% share of the guarantor loan segment, processing over 1.4 million loan applications in the year and lending to around 13% of those applicants who sign an application with us.

A culture of robust regulatory compliance and discipline."

Revenue
£270.7m

Customer numbers
224,000

Profit after tax
£88.6m

The year in review continued

Our proprietary world-class credit risk and analytics capabilities have allowed us to provide loans to more customers while meeting our goal of maintaining a steady impairment level across the loan book (the impairment:revenue ratio at year end was 23.7% on an IFRS 9 basis). At the same time, we have enhanced our affordability assessments. We now have over 224,000 borrowers, having added a net 42,000 new customers during the year, and our aggregate net loan book has grown by 9.4% in the year to £707.6m (2018: £646.9m)[1]. When the opening balance sheet is rebased for the transition to IFRS 9, year-on-year growth stands at 17.4%, well within our IPO guidance growth aim of mid-teens % in the near term and low-teens % in the medium term.

We continue to benefit from significant operational leverage in the business. Despite increasing overall staff numbers during the year by some 14.8%, and adding considerable bench strength to the senior team, our cost:income ratio stands at 17.5%. This level of embedded efficiency, based on the scale and maturity of our operation, provides Amigo with a material competitive advantage within our product segment. This has not been achieved by cutting back on our level of service. We now have over 200 people (agents and operational managers) helping and supporting customers within a truly customer-centric environment.

Amigo remains the most customer-reviewed guarantor lender in the UK on the independent review site Trustpilot. We are very proud of the feedback we receive and strive for constant improvement in all areas based on what our customers tell us. We are rated as "Excellent", averaging 9.2 out of 10 based on over 21,000 individual customer reviews as at March 2019.

Our team of in-house engineers are constantly developing and refining our bespoke proprietary workflow system with an eye to improving the customer journey. We remain excited about the potential to expand the use of the Amigo app, launched at the beginning of 2018, and anticipate further efficiency improvements flowing through from an increasing level of self-service in the business.

Funding

We completed our inaugural securitisation in November 2018 with a £150m warehouse facility provided by Royal Bank of Canada at a cost of funds some 500 basis points below the coupon payable on our corporate high yield bonds, maturing in 2024. This line was increased by a further £50m to a facility of £200m in December 2018. The additional facility may be used from time to time to buyback outstanding high yield bonds. Throughout Q3 and Q4, the business purchased and redeemed £80m of the outstanding high yield bonds at an average price of 101.6% of par, thereby resulting in a material saving in the interest cost incurred by the business going forward. We anticipate increased use of securitisation as a means of further reducing our funding cost in the future and diversifying our investor base.

Regulatory landscape

Amigo's UK business is fully authorised by the Financial Conduct Authority (FCA) and we support the FCA's efforts to ensure that consumers are protected from undue harm, that there is effective competition and that the consumer finance market operates effectively.

A culture of robust regulatory compliance and discipline is embedded within Amigo's end-to-end operations and we have taken appropriate steps to comply with the spirit, as well as the letter, of all the FCA's rules and guidance on an ongoing basis.

1 These are alternative performance measures (APMs), not statutory measures. For full definitions and calculations see the APMs section on pages 125 to 129.

The FCA will introduce its Senior Managers and Certification Regime for credit firms in December 2019. We are working with an external advisory firm to ensure that we are fully prepared for the new regime ahead of the deadline.

The FCA recently commented on the growth of the guarantor loans segment within the consumer finance market, the number of payments being made by guarantors, and the work that the FCA will be undertaking to ensure that guarantors are fully aware of their responsibilities before they assume any obligations.

We support this approach by the FCA as Amigo has always gone to significant lengths to obtain the informed consent of every customer. In this regard, we are delighted that Fairer Finance named us the highest rated lender for transparency of information on personal loans as at 31 March 2019. Other firms alongside Amigo in the assessment included Lloyds Bank, Barclays, First Direct, Tesco Bank and Nationwide.

With Amigo, the proportion of payments made by a guarantor has remained broadly constant during the last year at just under 10%. The number of loans where the guarantor makes one or more payments in a given year also remained broadly constant over the same period.

We are therefore satisfied that we are already in line with the direction of travel suggested by the recent FCA statements but will continue to engage with the FCA to ensure that our overall approach, systems and processes remain compliant.

Strategy

Amigo has the benefit of 14 years of offering a single, simple, transparent guarantor loan product and has established itself as a leading player within the mid-cost segment of the non-standard finance sector. The success of our product is based on the four key pillars which Stephan has referred to already in his opening Chairman's statement; namely, our customer focused culture, our conservative approach to risk management and solid conduct risk framework, efficiency achieved through operating at scale with a simple product and a strong balance sheet.

Our intention is to continue to develop this core strategy, and to provide financial solutions to even more customers, within the group of 8-10 million adults in the UK excluded by mainstream lenders, who could benefit from our service.

Our product is often a first step along the road to financial rehabilitation for our borrowers and we are proud to have been awarded Credit Builder of the Year 2019, an award we have now received for the sixth consecutive year from Moneynet Awards.

Future diversification may come from cautious exploration of other jurisdictions beyond the Republic of Ireland, based on a careful assessment of the model rolled out in Ireland as we get more data.

Regardless of where we deploy our product, the same focus on disciplined underwriting and ethical collections will be maintained as part of Amigo's fundamental customer-centric approach.

Amigo in a box

We have been developing our "Amigo in a box" concept for some time, being a new, simplified version of our proprietary systems, which can be used to deliver our guarantor loan product in other jurisdictions. The system was rolled out in the Republic of Ireland on a test basis towards the end of 2018 and we made our first loans in Ireland at the beginning of February 2019, after obtaining the appropriate lending licence from the Central Bank of Ireland.

Our approach to Ireland is one of cautious growth, aimed at building a sufficient book of loans during stage one to enable us to obtain meaningful data to enhance our proprietary scorecards, which have been adapted for use in this new jurisdiction.

We remain confident of the growth opportunity for the guarantor product within the UK, which will remain our core geography and key area of focus. However, the "Amigo in a box" system has been built to be fully customisable for the different legal and regulatory regimes of other jurisdictions we may choose to target.

Possible implications of Brexit

There has been a significant amount of debate around lending and what the future holds with macroeconomic and political uncertainty as possible implications of Brexit. While we continue to monitor trends, we have not seen any notable effect on our business to date and past recessions have demonstrated the resilient character of our business. Employment in the UK remains at an all-time high and real earnings growth is recovering, albeit slowly. These are factors that bode well for our customer base (approximately 95% of accounts are either up to date or within 31 days overdue). However, our business model has low fixed overheads to provide flexibility and agility to protect against any changes in the macroeconomic environment.

Final dividend

Amigo has a substantial market opportunity and we intend to focus our financial resources on realising our potential in full. However, we continue to be highly cash generative and the increased balance sheet flexibility caused by our securitisation means that having declared a half year dividend of 1.87p per share in November 2018, the Board is recommending a final dividend of 7.45p per share, making a total of 9.32p for the year as a whole.

If approved at the Annual General Meeting (AGM), the final dividend will be paid to those shareholders on the Company's share register on 19 July 2019, with payment being made on 31 July 2019. As we progress our strategy and our financial performance, we will look to move to increase the dividend in future years.

CEO succession and the year ahead

As you will be aware from our announcement to the market in April 2019, I will be leaving my role as CEO with Amigo during the summer in order to get medical treatment for a spinal condition which requires an extensive period of rehabilitation.

It was a difficult decision for me to take and one that I did not take lightly. I am grateful to the Board for its understanding and support in this situation.

The decision was made possible, and easier on my conscience, as a result of the success we have had in achieving one of our IPO goals, adding bench strength to the leadership team, reducing key man dependencies within the business and providing for future succession.

Nayan Kisnadwala joined us as Chief Financial Officer (CFO) in December and brings with him extensive experience in financial services within a number of household name lenders. Deborah Green joined us in March in the new role of Chief Operations Officer (COO) having previously been Customer Operations Director at one of the leading UK debt purchase and management groups. I have known Deborah for over 20 years and I am confident that she will play a very big part in the future success of Amigo. We recruited Hamish Paton, who agreed to join us as Chief Commercial Officer, to work closely with me to develop the business and ultimately to succeed me as CEO some way in the future. Hamish will step up to his new role sooner than anticipated when I leave in a few months for treatment but I have no doubt that he will be a very capable leader who will bring renewed drive and energy to the role. I intend to remain close to the business as a very interested and supportive shareholder going forward.

We have had a solid start to the year itself, despite the mood of uncertainty around Brexit, and we will continue to move forward prudently and cautiously as we progress through Q1. We remain cautiously optimistic around the prospects for the full year.

Thank you

I would like to thank all of our people at Amigo for their hard work, commitment to the business and constant focus on doing the right thing for our customers. It was the great work that goes on every day in Bournemouth that provided us with this beautiful unique business that we were able to bring to the market so successfully in July 2018.

I would also like to thank our advisors for their help in achieving our IPO and for their subsequent guidance as we get used to life on the public market.

Finally, a big thank you to our shareholders both new and old. To those that invested at, or subsequent to, the IPO, we thank you for your support and the confidence you have shown in us. To our founder, James Benamor, we will all be forever grateful for your vision, your challenge and your insights during the period leading up to the IPO, and for the opportunity you have afforded us to continue where you left off and develop the business going forward.

Glen Crawford
Chief Executive Officer
6 June 2019

I would like to thank all of our staff at Amigo for their hard work, commitment to the business and constant focus on doing the right thing for our customers."

Why I joined Amigo...

Hamish joined Amigo as designate Chief Executive Officer in May 2019. This was sooner than expected due to Glen Crawford's need to receive medical treatment for a degenerative spinal condition. However, Hamish had already been recruited as Chief Commercial Officer with succession in mind – one of Amigo's stated objectives at IPO. Fresh into his new role, Hamish has been spending his time getting to know the business, our people and our customers. Hamish has shared his first impression of Amigo and why he joined us.

Q What attracted you to Amigo?

Amigo plays an important role in the lives of its customers and it does that really well. It's a growing business and its track record speaks for itself.

For the short time I've been at Amigo it is evident that it is a truly unique place and not just another business which simply says it does things differently. The culture is special and you cannot help but feel motivated by the sense of ownership among teams and individuals. The people who work at Amigo care deeply about the business and its customers. The atmosphere is unlike most financial organisations; it is energetic, exciting and fast moving yet professional, humble and grounded. Amigo has managed to retain its entrepreneurial essence while benefiting from the experience gathered from providing guarantor loans for over 14 years.

I would not be here if I did not firmly believe that Amigo provides a much needed product and occupies a space in society that is making a real difference to its customers' lives.

Q What most excites you most about this role?

We are still early on in the next exciting phase of Amigo's journey. While Amigo has been around for 14 years, it has been a public company for less than twelve months and is already part of the FTSE 250 Index. That is a phenomenal achievement and I must credit Glen and the team for what they have done to take Amigo to where it is today.

But the opportunities are plentiful, and I believe Amigo has huge potential to help many more customers.

Q Tell us why Amigo is different?

Amigo spends time to understand its customers and their needs. It appreciates the way they live their lives and takes into account their individual situations. Amigo takes its responsibility seriously and its priority is always ensuring the best outcome for customers – get this right and the rest will follow. This is all driven by the culture where simple, human and honest values are more than words on the wall or on the website. Our values mean something to everybody and influence all of the decisions made at Amigo.

Q What is so good about guarantor loans?

The guarantor loan model is an innovative way to help people find the money they need to get on with their lives. Of course, guarantors are not a new concept – it is an old fashioned idea that has been given a 21st century makeover. It means we can lend to customers at one of the lowest rates in the mid-cost sector, for considered purchases; these are typically to help finance a new car, move home or consolidate other expensive credit. The appeal of Amigo's product is its simplicity and that guarantors can see the benefit they are providing by giving the borrower the opportunity to rebuild their credit score.

Q What kind of leader are you?

My role is to empower people in their roles. I want everyone to be the best they can be, enjoy the work they do and be proud of the company they work for. I believe ownership is the key to success, and it is my job to create an environment where our employees are valued, listened to and trusted.

Of course as CEO I can set the agenda, lay out our strategy and point people in the direction of travel, but it is also my responsibility to ensure our teams believe in what we are doing, are supported in their jobs and feel motivated to succeed.

Q What's your strategy for Amigo?

I am incredibly fortunate to be walking into a very successful, stable and well-run business, where Glen has left big shoes to fill. However, this is my opportunity to take Amigo forward and make sure it is the best company it can be for all of our stakeholders.

Amigo has had an exceptional year delivering against all of its targets and I intend to take the opportunity to understand the foundations of this success. I am keen to get to know our employees, spend time listening to our customers and really understand what's important to all of our stakeholders. Longer term the focus will be on how we can enhance the customer experience, maintain operational efficiency, continue to meet regulatory expectations, enhance our employee commitment and continue to deliver value for our shareholders.

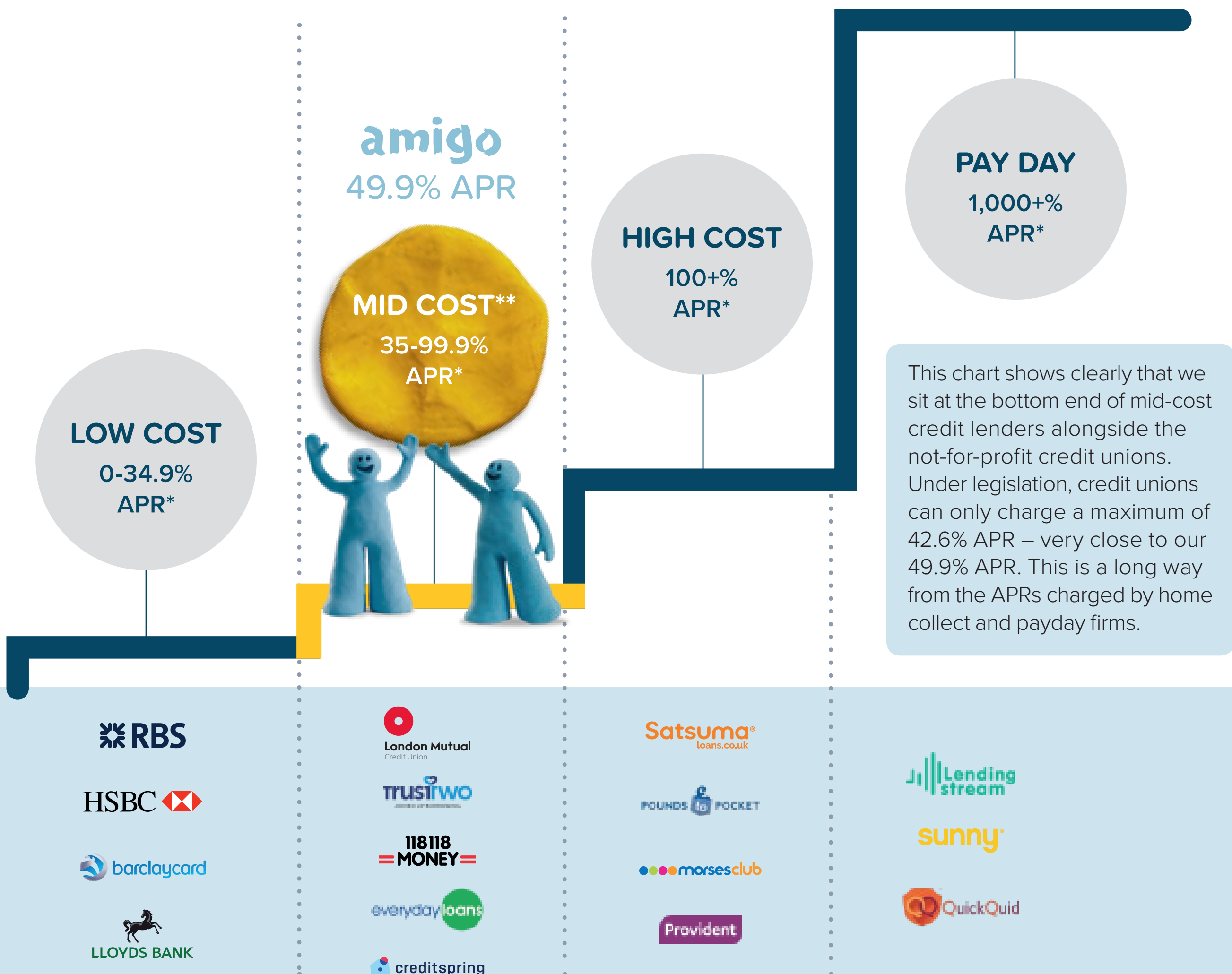
It is a very exciting time for me personally and for Amigo. I look forward to telling you all about it in next year's Annual Report.

+ For further information on Hamish and his experience, see his biography on page 47

Market review
Opportunities for growth

Amigo operates in the “mid-cost” segment of the consumer credit sector. With banks retrenching into prime lending and high cost credit providers being regulated ever more tightly in the consumer finance market, there is significant opportunity for mid-cost credit providers to fill the gap, meeting the needs of the significant addressable non-standard finance sector in the UK. We believe Amigo should be the first choice for customers who find it difficult to obtain, or are refused, finance from mainstream credit providers.

The UK consumer credit landscape



This chart shows clearly that we sit at the bottom end of mid-cost credit lenders alongside the not-for-profit credit unions. Under legislation, credit unions can only charge a maximum of 42.6% APR – very close to our 49.9% APR. This is a long way from the APRs charged by home collect and payday firms.

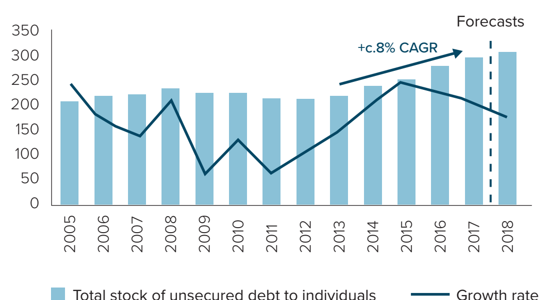
* Not to scale — all figures advertised on Company website at time of collation (as at 20 August 2018).

** The FCA has categorised mid-cost credit as “credit which may be above prime borrowing rates, but below the HCSTC cap level” (source: High-cost Credit Review – update, January 2018).

Unsecured credit sector

Over the last few years, demand for unsecured lending has been growing due to population growth, economic growth, low interest rates, falling levels of unemployment and a recovery of consumer confidence. Despite Brexit concerns, levels of employment have remained strong, and consumers have shown a willingness to spend. As a result, unsecured consumer credit balances have recovered from their lows during 2013 and have grown by approximately 8% per year between 2013 and November 2017.

Total amount (£bn) of outstanding unsecured debt in the UK



Total stock of unsecured debt to individuals — Growth rate

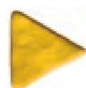
Source: Bank of England, Office for Budget Responsibility

Non-standard sector

224,000

borrowers

as of 31 March 2019



8-10m

potential additional customers

in the UK non-standard finance sector

We estimate this is comprised of approximately 5.0 million credit impaired adults, approximately 7.5 million adults with low credit status or no credit history and approximately 2.0 million highly indebted adults. Allowing for some overlap between these groups, the UK non-standard finance sector is comprised of a total of approximately 10–12 million adults. After eliminating those who are highly indebted (who the Group does not target) and the Group's approximately 224,000 borrowers as of 31 March 2019, the Group has approximately 8–10 million potential additional customers in the UK non-standard finance sector. Of those potential additional customers, 4.2 million individuals have previously expressed an interest in the Group, compared to the Group's approximately 224,000 borrowers as of 31 March 2019.

The non-standard finance sector has many distinct sub-sectors, some of which use collateral as security but most of which are unsecured. The largest sectors include non-standard credit cards, mail order credit/catalogue, unsecured personal loans, guarantor loans, home collected credit, credit unions and payday loans. Guarantor loans are positioned differently from other types of unsecured non-standard finance as they can offer lower annual percentage rates (APRs), longer loan terms, higher loan sizes and additional reliability for the lender from having a guarantor.

The non-standard finance landscape has evolved over the past decade with regulation as well as technology and innovation instigating a move away from the traditional models and face to face lending, towards online and digital platforms. The Group's early adoption of digital e-signatures and latterly online credit decisions, as well as the development of an app, has enabled it to maintain its growth, while the more traditional home collected credit, rent to buy and pawnbroking sectors have stagnated or even declined over recent years.

The Board believes that the trends identified in the non-standard finance sector will continue over the coming years and provide further opportunities for growth. The Group's mid-cost offering makes it attractive to a range of different consumers, many of whom previously may not have considered a guarantor loan product.

Our product

Since Amigo's inception in 2005, we have focused exclusively on developing and refining our simple and transparent guarantor loan concept.

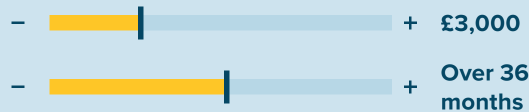
A guarantor loan is a personal loan for which interest and principal payments are guaranteed by a second individual, typically a family member or friend. We offer a single, simple product: a guarantor loan under which individuals are currently able to borrow between £500 and £15,000 over a term of between twelve months and 60 months at a standard annual percentage rate of 49.9% with no fees, hidden charges or redemption penalties charged by Amigo.

With a guarantor loan product, payments are guaranteed by a guarantor, meaning that Amigo has recourse to a second individual. A guarantor loan also enables a relationship-driven loan arrangement which we believe provides potential benefits to all parties. The majority of our borrowers are not able to access mainstream finance due to having a thin or poor credit record with credit reference agencies. Similarly guarantors often share similar socio-demographic characteristics and may not have access to capital themselves.

With a guarantor loan product, borrowers benefit from access to finance which would not otherwise be available to them and a means of building or rehabilitating their credit scores. The guarantor benefits by assisting the borrower, with whom they typically have a close existing relationship. This mutually beneficial relationship between lender, borrower and guarantor is at the core of our business.

"Abigail"

Amigo Customer 1



Abigail wanted to consolidate all her debt into one affordable monthly repayment.

Her loan was for £3,000 over three years.

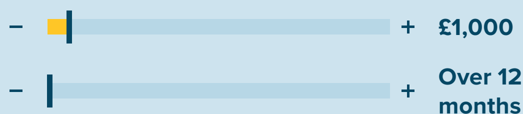
Overall interest for her loan would be £2,269, with total repayments therefore equalling £5,269.

Abigail got a bonus at work two years into her loan, and repaid her loan in full early, saving herself £336 of interest. Amigo does not charge early repayment fees.

Note: these are purely illustrative examples.

"Bob"

Amigo Customer 2

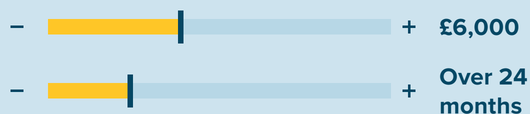


Bob's loan was for £1,000 over twelve months. In simple terms, this means that overall interest for the year would be £237, with total repayments equalling £1,237.

As Bob paid all monthly instalments on time, his credit rating has improved over the course of his loan, increasing his chances of getting a loan with lower cost banks and building societies in the future.

"Carlton"

Amigo Customer 3



Carlton was a self-employed window cleaner who needed a replacement work van. He was referred to Amigo by a car finance broker and was looking to borrow £6,000 over 24 months.

Monthly payments of £371 were affordable for Carlton. The overall interest on the loan was £2,902 with total repayments equalling £8,902.

Some lenders won't offer finance to self-employed borrowers or for commercial vehicles, however Amigo were able to help. The loan from Amigo has enabled Carlton to continue his business by accessing the finance he needed.

Business model

We are a mid-cost lender, categorised by the FCA as credit above prime borrowing rates but below the high cost short-term credit (HCSTC) cap level. Our guarantor loan product is distinct from more expensive or less flexible forms of non-standard finance, such as payday loans, in that it offers a significantly lower interest rate, larger loan amounts and longer loan terms.

Our UK business is based at a single site in Bournemouth with a further site in Dublin supporting our fledgling Irish operation. The UK site houses our central services and operational teams. The operational teams are split between underwriting, collections and customer support. These teams are supported by a number of central services such as compliance monitoring, IT, legal, finance and analytics. Amigo's focus on building proprietary systems and processes means we have significant in-house resource across our engineering, marketing and decision science teams.

Amigo acquires customers through various different sources, typically via our direct channel or through our third party channel. Direct customers often come to Amigo based on our above the line marketing activity and brand, which is supplemented by a strong digital presence. The third party channel is a mix of more than thirty different partners who are typically credit brokers or credit intermediaries who match prospective customers with Amigo. Amigo's longevity in the sector and overall proposition make us the best solution for many customers who have thin or impaired credit files.

The third and final channel is repeat business or top-up lending. This is existing customers that are looking for additional finance and who have displayed a good repayment history with Amigo. The FCA has highlighted concerns more generally in the consumer credit sector around customers being in persistent debt. Our product requires customers to repay both capital and interest from the start of the loan. Top-up lending is only available to our best customers whose payments are up to date.

Our 14 year presence in the guarantor loan space has enabled us to acquire and develop significant depth in customer data and credit scorecards. We believe we have collected the largest amount of customer data from past loans and applications of any UK guarantor lender. We are able to use this data in our scorecards, loan performance analysis and underwriting decisions.

We have worked to build our brand recognition through targeted advertising and marketing. Since launching the Amigo brand in 2012, we have invested significantly in building our profile through highly visible TV, radio and online advertising campaigns, with the result that we are now one of the most recognised non-standard finance brands in the UK. 98% of UK adults have seen an Amigo TV advert.

We have established customer-facing processes that ensure that there is a clear and unambiguous agreement with full understanding between all parties. Our lending decisions are made responsibly (see our Corporate and Social Responsibility section on pages 36 to 42 for further information).

Our bespoke IT and operational platforms have been purpose built to support our guarantor lending activities, enabling consistent operational performance and speed to market, as well as what we believe to be a high level of customer service.

Compliance and treating customers fairly are at the heart of our business and our culture is implemented through our customer service processes and our underwriting and collection procedures. Amigo seeks to treat all of our customers fairly and offers customers in financial difficulty a number of payment options tailored to their individual circumstances. For example, our policies include never seeking possession or an order for sale of a customer's home.

We review all of our customer-facing employees at least fortnightly and operate ongoing refresher training to ensure that ethical behaviour and the principles of treating customers fairly are embedded in our culture.

The Group had only 390 cases referred to the Financial Ombudsman Service (FOS) in total during the period 1 April 2018 to 31 March 2019, which is a relatively low number given that the Group had, in total, approximately 448,000 borrowers and guarantors as of 31 March 2019. Of these, as at 20 May 2019 we have so far received an outcome on 124 cases, with the FOS finding in our favour in 88 of the cases.

Business review

The Group is authorised by the FCA. Over time, we have invested in a number of areas to build our standing with the FCA, such as enhancing our forbearance policy and increasing the detail of our affordability checks. We believe that our relationship and ongoing dialogue with the FCA ensures we are well placed to anticipate and adapt to any changes in regulatory requirements. The FCA has announced that its supervision team will be reviewing the guarantor loan product following the rapid growth of guarantor lending to around £1bn of lending. HM Treasury is planning to introduce a breathing space for all credit firms to help those who are in financial difficulty. Until the detail of this is published, we cannot be sure of the impact on our business.

Compliance and treating customers fairly are at the heart of our business."

Productivity

We assess productivity based on customer numbers per full time employee. Throughout the financial year, Amigo increased staff numbers across the lending and collections departments, as well as central and support services. This increase in staff numbers was necessary to support the ongoing servicing of our growing loan book as well as supporting future growth and regulatory changes. Amigo's investment in additional staff is to support a best in class level of customer outcomes to complement our product. This means productivity has been rebased to achieve appropriate customer outcomes. The business will continue to seek productivity gains throughout its workforce by investing in training and development. Ongoing investment into our bespoke IT systems will allow for greater automation and self-servicing by customers and support future productivity gains. The key challenge that we face in this regard is how we can marry our business ethos with automated solutions to help serve our customers.

Engagement with stakeholders

Amigo has a proactive engagement strategy with its stakeholders and we regularly engage with our shareholders, the media, politicians, consumer groups and the FCA. We are committed to driving standards in the industry and protecting customers and so we have developed a robust engagement strategy to educate and inform stakeholders regarding our product and the sector we operate in. This involves a calendar of PR activity, regular briefings, visits to our offices and the dissemination of information packs.

Amigo also regularly contributes to round-table discussions and meetings with consumer groups and regulators to ensure we are driving best practice in the industry. In the past we have commissioned independent research in partnership with Cranfield University. Dr John Glen's report, "An Appraisal of the Guarantor Lending Model" in 2016, assessed the rehabilitation benefit of guarantor loans, and was presented to MPs, consumer groups and the media. Amigo is currently in the field with new research to understand the impact on consumers who are disenfranchised from mainstream lending.

The Amigo customer journey

Our key differentiators

Affordability

We are confident that we are only providing credit to customers who can afford the repayments. We have developed our assessments to ensure we are capturing all areas of income and expenditure, cross-checking information with third parties and allowing a buffer for emergencies. Over 85% of applications do not proceed to a paid-out loan.

No fees or charges

We believe that if someone's circumstances change and they are unable to make their repayment, the last thing they need is a late repayment charge. We also believe it is unfair to punish a customer for paying off early with a redemption fee. We prefer instead to offer one, clear rate to everyone to keep our product simple and fair. We have no fees for letters, processing or any charges for ancillary services.

Interest capped

Although it is not a regulatory requirement, we "cap" the total amount repayable and interest charged. This means that even if a customer does hit a bump in the road and is offered one of our payment plans, which could extend the term of the loan, they will never pay back a penny more than they originally agreed to.

In case of missed payment...

Amigo has a proven process in place to collect and recover late payments. Our collections, customer service and recoveries team is comprised of over 130 people, divided into six teams. The collections and customer service teams are responsible for the management of customer accounts which have fallen into arrears. The typical customer journey through the Amigo collections process is as follows:

1. **Payment is missed: regular text and email updates commence**
2. **A collections agent engages with customer**
3. **The guarantor is given the opportunity to pay**
4. **The case officer looks to agree a new payment plan**
5. **After 63 days: the loan is passed onto recoveries**

Credit restorative

Unlike payday loans and some other high interest products, Amigo repayments are recorded positively on customers' credit files. This means that, assuming any other credit is also managed positively, an Amigo loan may contribute to improving or building a customer's credit file and score, giving them greater access to mainstream finance, including personal loans and mortgages, in the future.

Our ten promises:

If your loan falls into arrears we make the following ten promises on how we will deal with it:

1. We will treat you with respect and courtesy at all times.
2. We recognise that you don't want to be in arrears and we will always work with you to get you back on track as quickly as possible.
3. We will only collect on cards or direct debits where we have an agreement with you to do so.
4. We will do everything we can to respect your reasonable requests on how and when you wish to be contacted.
5. We will always keep you informed and give you advanced warning before we take any action.
6. We will never contact you more than necessary to come to the best possible solution.
7. We will always attempt to collect from and contact the borrower first before approaching a guarantor for payment. We will continue to make every reasonable attempt to collect from the borrower as long as the account remains in arrears.
8. We will never charge you for late or missed payments, letters, texts, phone calls or any of the work we do.
9. We will only use courts to enforce a debt as a last resort, when all other possible alternatives have been exhausted.
10. We will never repossess or force you to sell your home.

The role of the guarantor

The guarantor is as much of a valued customer to Amigo as the borrower. They are providing a crucial role in supporting the borrower. Here we address some of the most common questions asked regarding the role of a guarantor.

Why wouldn't the guarantor just borrow the money themselves at a cheaper rate?

Some guarantors will do this and, if this works for them, that is great.

But we know there are a few key good reasons why thousands of guarantors chose Amigo:

- They do not want to shop around and apply for a loan themselves.
- They do not wish to process the administration involved in applying for a loan themselves.
- They would prefer not to have to "collect" the repayments or have to ask the borrower for repayments.
- They may only be able to borrow at higher rates.
- They do not wish to impact their own credit file (being a guarantor does not impact their credit file. The only exception is if they are asked to fulfil their obligation, they refuse and we submit the case to court where a judgement may be made against them).
- Lending the money directly to the borrower prevents the borrower from being able to rebuild or build their own credit file.

But guarantors don't understand their responsibilities, do they?

We believe it is almost impossible for a guarantor not to understand what they are agreeing to, and have rarely seen a case where this was found to be true. There are at least ten instances in the application and pay-out process where guarantors are told of their responsibilities. We also speak to every guarantor and ask them to confirm they understand what they are agreeing to.

Keeping guarantors informed

Take a look at what our guarantors go through.

Thinking of becoming a guarantor? We give you all the information you need.

1. You can visit our website, which explains how being a guarantor works and what your obligations will be if a loan is approved.

You have agreed it with the borrower and decided to go through the guarantor approval process. What next?

2. You fill in your details online and are asked to read some key documents that explain what you are agreeing to and your responsibilities as a guarantor. Amigo will suggest you seek external advice before progressing with your application.
3. You tell Amigo about your finances so we can be sure you can comfortably afford it should you be asked to step in and make a payment.

You've signed the relevant agreements; how do we let you know the process is underway?

4. Amigo sends you a text telling you the application has been received and that we'll be calling you to talk through the guarantor role.
5. Amigo sends you a letter as a fraud prevention tool, ensuring it was you who signed the agreement online and reminding you of your responsibilities as a guarantor.
6. Amigo sends you an email with a copy of the guarantee and other signed documents.

Amigo wants to absolutely confirm you understand what it means to be a guarantor. How does this happen?

7. Amigo has a recorded phone call with you to double-check you understand the loan process, the role of the guarantor and to check we have the right financial information. If Amigo or you are unhappy on any issue, the loan is not paid out.

So, the loan has been approved. As the guarantor, what happens now as the loan is paid out?

8. Amigo sends you a text letting you know that the funds have been paid into your account – not that of the borrower.
9. Amigo sends you a letter with full copies of the agreements you have signed.
10. Amigo sends you an email telling you the funds have been paid into your account and explaining how you can track the progress of loan repayments online.

How often does a guarantor step in though?

Over 90% of repayments are made by borrowers. Amigo works on a payment by payment basis. This means that, even if the guarantor makes a payment, in most cases we look to the borrower to make subsequent payments.

Is the number of guarantors having to make a repayment increasing?

We have not seen a sharp rise in the numbers of guarantors having to step in. Our level of less than 10% of repayments being made by guarantors has remained consistent over the last year.

Don't take our word for it!
Meet some of our customers

Carolyn Lipczynski

A dream come true

Carolyn Lipczynski used her Amigo loan to fund her fifth and final attempt at IVF. Carolyn and her husband Michal decided to give it one last shot and went to Harley Street. Carolyn is now a mum to her daughter Kayleigh. "If it wasn't for Amigo accepting me, I would never have my dream. I wasn't ready to give up. I don't regret a thing; nothing will compare to this feeling. Amigo changed my life."

I don't regret a thing; nothing will compare to this feeling. Amigo changed my life."

Rebecca O'Brian

Rebuilding her credit score

Rebecca O'Brian found her herself in a difficult position after accumulating expensive credit card and other debts. She chose Amigo to consolidate her debt, and says now that "life is so much better". Because the loan is a fixed term, unlike credit cards, Rebecca felt that she had a clear plan. She consolidated her debt and saw an improvement in her credit score. Rebecca is now finishing her degree and potentially doing a Master's degree.

James King

A multi-million-pound business built on alternative finance

James King used his Amigo loan to fund his business start-up, Sparkings Personnel, a recruitment company specialising in mechanical and electrical engineering. He needed money to secure a new office to start his business and turned to Amigo after the banks said it would take a number of weeks with a complicated process that James did not want to do. James recorded a £6.8m turnover last year and now employs 16 directly employed staff and 200 employed operatives on sites in London. He has just secured a new 20 person office in Central London.

Caroline Wilson

Financing a career change

Caroline Wilson turned to her sister to be her guarantor after deciding to change her career and complete a nursing degree. When researching nursing courses, she discovered one potential study option which also happened to have a special offer on at the time – usually £4,000 reduced to £1,700. Whilst she had always planned to save up for the fees, she decided that the potential to save on fee expenses was an opportunity not to be missed. As she did not have the funds immediately available, Caroline went onto Clear Score, which recommended Amigo. Now having completed her degree, Caroline has chosen to specialise in aesthetics and is using her Amigo loan to start an aesthetics company to complement her nursing qualification.

With the help from Amigo, I have now finished my nursing and my aesthetics company is going great!”

Our key performance indicators

Reviewing our performance to drive excellent customer outcomes and deliver for all of our stakeholders.

The KPIs presented here are helpful in assessing the Group's progress against its strategy and are the KPIs which are closely monitored internally. However, they are not exhaustive as management also takes account of a wide range of other measures in assessing underlying performance.

Primary key performance indicators

	Figures in £m, unless otherwise stated	**Year to 31 March 2019 IFRS 9[1]**	Year to 31 March 2018 IAS 39[1]	Change %
Number of customers[2]	'000	**224.0**	182.0	23.1%
Revenue		**270.7**	210.8	28.4%
Net loan book[3]		**707.6**	602.7	17.4%
Impairment:revenue ratio		**23.7%**	21.3%	11.3%
Cost:income ratio		**17.5%**	21.9%	20.1%
Adjusted profit after tax[4]		**100.1**	72.4	38.3%
Profit after tax		**88.6**	50.6	75.1%
EPS (basic, adjusted)[5]	pence	**22.0**	18.1	21.5%
Basic EPS	pence	**19.4**	12.7	52.8%
Net borrowings/adjusted tangible equity[6]		**1.9x**	2.3x	17.4%

1 Please note, in the above KPI table, all 2019 figures show the full impact of IFRS 9 implementation. All prior figures are under IAS 39 accounting and have not been restated.

2 Number of customers represents accounts with a balance greater than zero.

3 Net loan book represents total outstanding loans less provision for impairment excluding deferred broker costs. The opening loan book is restated with the IFRS 9 transitional adjustment to show true like-for-like growth figures.

4 Adjusted profit after tax is a non-IFRS measure. It adjusts for (a) the IPO-related costs, (b) bond buyback-related costs and (c) shareholder loan notes. For the full reconciliation see APMs section on pages 125 to 129.

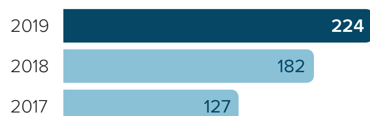
5 This is a non-IFRS measure and the calculation is shown in note 10. Shareholder loan note interest is excluded as the loan notes were converted to equity immediately before admission while IPO costs and bond buyback costs are not underlying in nature. By excluding these items from the adjusted profit and EPS metrics, the Directors are of the opinion that these measures give a better understanding of the underlying performance of the business.

6 Net borrowings is defined as borrowings, excluding shareholder loan notes, less cash at bank and in hand. Adjusted tangible equity is defined as shareholder equity less intangible assets plus shareholder loan notes.

Our primary KPIs

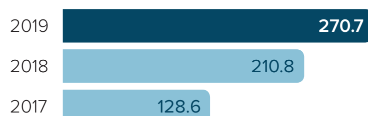
Number of customers ('000)

↑ 23.1%



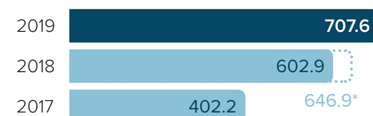
Revenue (£m)

↑ 28.4%



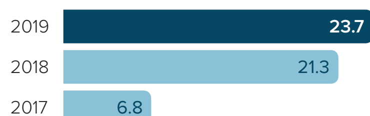
Net loan book (£m)

↑ 17.4%



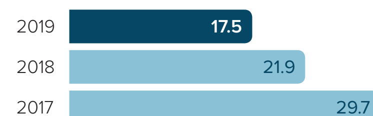
Impairment:revenue ratio (%)

↑ 11.3%



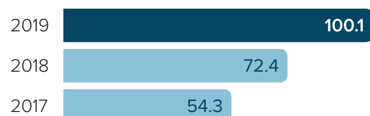
Cost:income ratio (%)

↓ 20.1%



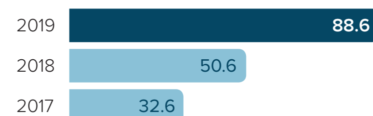
Adjusted profit after tax (£m)

↑ 38.3%



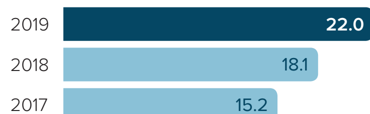
Profit after tax (£m)

↑ 75.1%



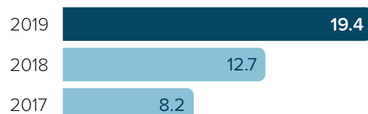
Adjusted basic EPS (pence)

↑ 21.5%



Basic EPS (pence)

↑ 52.8%



Net borrowings/adjusted tangible equity (£m)

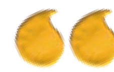
↓ 17.4%

The current year numbers take into account full implementation of IFRS 9. Comparatives have not been restated.

* IFRS 9 transitional adjustment. Prior year statutory net loan book.

Delivering growth

Nayan Kisnadwala
Chief Financial Officer



The strong results lay a solid foundation in the first year of Amigo becoming a public company.”

Introduction

Amigo has delivered strong results for the twelve months ended 31 March 2019. These results lay a solid foundation during Amigo's first year as a public company, while meeting or beating all five measures of the guidance set out during the IPO process (*Figure 1*). We increased our proposed dividend pay-out ratio to 50% of statutory profit, underlining our confidence in the long-term prospects for Amigo.

Profit after tax (PAT) increased 75.1% year on year to £88.6m (2018: £50.6m). When adjusting for items that are not business-as-usual in nature, we achieved adjusted PAT of £100.1m for the financial year ended 31 March 2019, an improvement of 38.3% from the prior year (2018: £72.4m).

The 2019 and 2018 results are not strictly comparable; from 1 April 2018 the Group adopted IFRS 9, a new accounting standard covering financial instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement. Comparatives have not been restated.

For detailed definitions and calculations of all alternative performance measures (APMs) mentioned, please see the APMs section on pages 125 to 129.

Our adjusted profit rose 38.3% to £100.1m.”

Figure 1: Five measures

Guidance	2019[1]	Achieved?	2018[1]
Net loan book Target a high-teens loan book annual growth rate in the near term easing to the low-teens in the medium term	**17.4%[2]**	✔	60.8%
Impairments ratio Mid-20%	**23.7%**	✔	21.3%
Cost:income ratio Less than 20%	**17.5%**	✔	21.9%
Net borrowings/adjusted tangible equity Operate in the range of 1.5 to 3.0x	**1.9**	✔	2.3
Dividend 35% of year-to-date adjusted profit after tax initially, progressive thereafter	**50%[3]**	✔	N/A

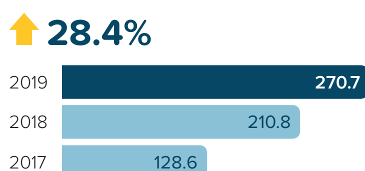
1 2019 figures have been calculated under IFRS 9, whereas 2018 figures are calculated under IAS 39.
2 This figure is calculated when taking the IFRS 9 transitional adjustment, which occurred on 1 April 2018, into account, to show true like-for-like growth figures.
3 2019 proposed dividend assumes 50% pay-out ratio of financial year 2019 statutory profit after tax for the financial year to 31 March 2019.

Top line growth

We delivered revenue of £270.7m (*Figure 2*) for the year which is 28.4% above the previous year (2018: £210.8m). The growth is driven by the increase in the number of customers we serve and the corresponding growth of the loan book.

Figure 2: Revenue growth (£m)

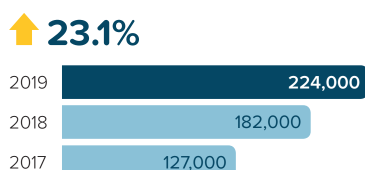
28.4%



Borrower growth (*Figure 3*): we ended the year with 224,000 borrowers, each with a unique guarantor. We increased the number of borrowers we serve by a net of 42,000 customers or 23.1% up from the end of prior year (2018: 182,000). We take excellent care of our customers throughout the process powered by our proprietary customer-friendly technology platform, but more importantly by an engaged workforce which takes pride in serving our customers.

Figure 3: Borrower growth

23.1%



49.5% of our customers return to us, we believe, because of our transparent business model and ease of doing business. Our approach to customer care adheres not just the letter of regulation, but also the spirit of regulation. This helps us fulfil our purpose in serving an underserved community of customers in UK.

Originations (*Figures 4a and 4b*): we originated £426.1m of new loans, a reduction of £44.0m compared to the prior year (2018: £470.1m). This was primarily driven by reduced pilot lending.

Pilot lending in the prior year focused on testing new scorecards to identify new pools of applicants that we could lend to, who previously would not have been accepted. Once a pilot scorecard performs according to our risk appetite standards, it is transferred to "core" lending. We have discontinued a number of trials that did not deliver as we expected. We transferred one "pilot" late in the prior year to the non-homeowner (NHO) segment which was performing in line with the core book. This explains the reduction of pilot lending year on year and the increase in the NHO segment.

We are managing our growth to ensure that our impairment:income ratio is within the guidance range of mid-20s as a percentage of revenue. This parameter is based on our Board approved risk appetite.

Figure 4a: Originations by channel (£m)

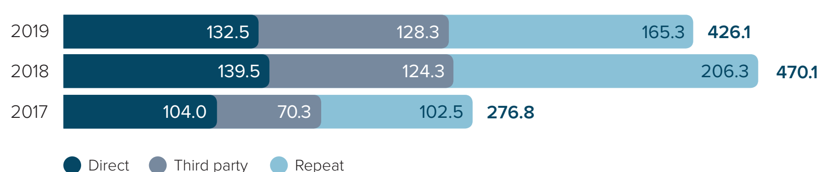
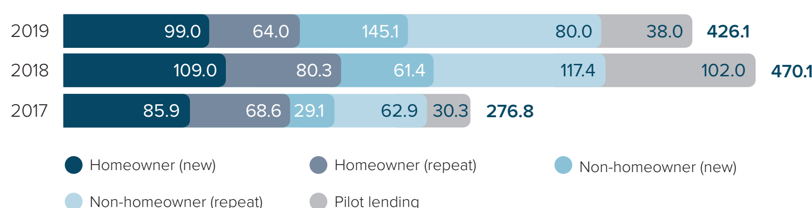


Figure 4b: Originations by risk category (£m)

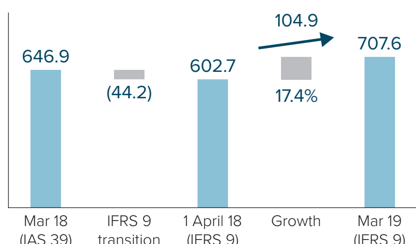


Top line growth continued

We ended the year with a gross loan book (excluding broker fees) of £783.0m, an increase of £114.9m or 17.2% from the prior year end (2018: £668.1m), with an average loan size of £4,000, consistent with the prior year. This is calculated as the total outstanding live balance of loans divided by number of agreements with a balance greater than £nil.

Net loan book growth (*Figure 5*) is 9.4% year on year moving from £646.9m to £707.6m, demonstrating significant progress notwithstanding annual increases in impairment provisions following IFRS 9 implementation. When the opening loan book is restated with the IFRS 9 transitional adjustment of £44.2m, year-on-year growth is 17.4%, within IPO guidance of high-teens growth in 2018/19.

Figure 5: Net loan book growth (£m)



Margin management

We have a simple business model with one APR (49.9%) for all customers and no other fees. This translates into an effective interest rate of 41.2% which remains unchanged from the prior year end.

Revenue yield is defined by the Group as annualised revenue over the average gross loan book for the period. Yield was 37.3% compared to 39.1% in the prior period. We believe adjusting for the impact of IFRS 9 accounting, yield is unchanged from the prior year.

Cost of funds is defined as interest payable as a percentage of average loan book over the financial year. Our cost of funds was 6.1%, an improvement of over 350 bps from the year before (2018: 9.6%), due to the conversion of the shareholder loan notes, and the introduction of our securitisation funding facility. We have diversified our capital structure to include senior secured notes in the form of high yield bonds, a super senior revolving credit facility (RCF) and securitisation facility, in addition to cash generated from our operations (*Figure 6*).

Figure 6: Funding (£m)

Current funding facilities (£m)	31-Mar-18	31-Mar-19
RCF (2022)	109.8	159.5
Bond (2024)	400.0	320.0
Shareholder loan notes	201.1	—
Securitisation (2025)	—	200.0
	710.9	**679.5**

We have available undrawn facilities of £195.0m from our current funding sources at 31 March 2019, which, combined with strong cash flows, covers over twelve months of growth capacity. We will continue to have diversified sources of funding from an instrument, counterparty and tenor perspective, while we aim to lower the cost of funds over the next few years. We began this process in Q3 of the last financial year with the bond buyback programme, under which we bought back and cancelled £80.0m of bonds. From time to time the Group may opportunistically continue to buyback outstanding high yield bonds.

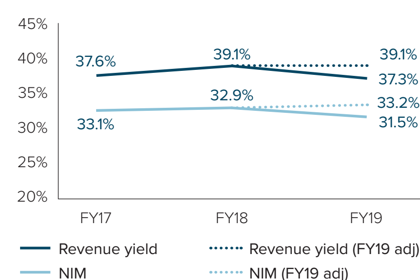
We are committed to further optimisation of our funding sources to reduce the cost of funds.

Net interest margin (NIM)

Given that we have a stable gross margin and improving cost of funds, our net interest margin (NIM) was 31.5% for the period under IFRS 9, slightly better than prior year at 33.2% on a like-for-like basis (2018: 32.9% under IAS 39).

Figure 7 summarises movements in margin measures discussed.

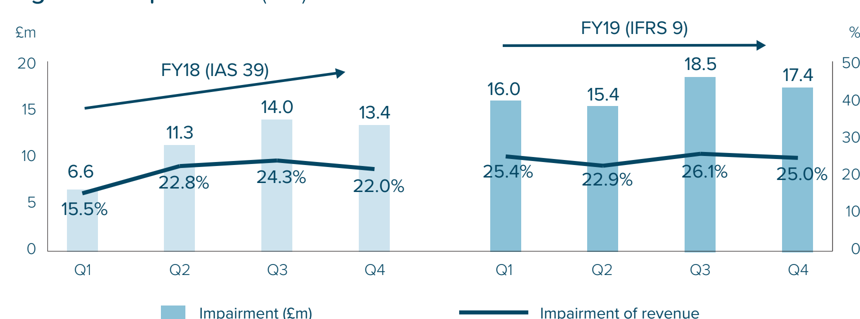
Figure 7: Margin



Impairments

We have a Board approved risk appetite for impairment set at the mid-20s as a percentage of revenue. We achieved an impairment:revenue ratio of 23.7% for the financial year (2018: 21.3%), well within our target range (*Figure 8*). This gives us scope to systematically and carefully increase the size and risk profile of our originations run rate in the near term, should we wish to do so. The impairment numbers include the positive impact of recovery of written-off debt of £1.1m and £2.0m in Q2 and Q4 respectively. We will continue to pursue debt sale arrangements with FCA approved third parties.

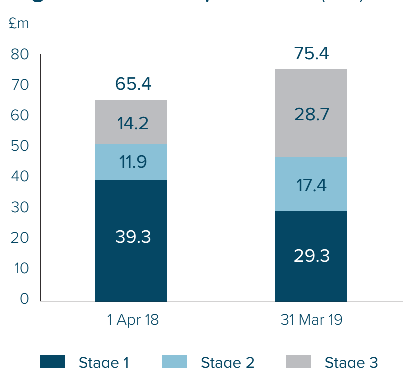
Figure 8: Impairment (£m)



Note: Figure 8 removes the impact of aforementioned debt sales. When excluding debt sales, the impairment:revenue ratio was broadly stable over the course of the financial year, being 25.4% in Q1 and 25.0% in Q4.

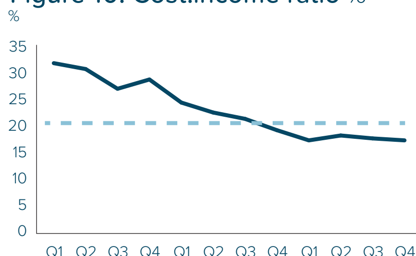
We have an impairment provision balance of £75.4m at year end (*Figure 9*), which is over two times the balance of receivables which are 60 days past due or more. In fact, our proportion of receivables which are current or less than 31 days past due remains within our expectations at 95%.

Figure 9: IFRS 9 provision (£m)



Cost management

Figure 10: Cost:income ratio %



Cost:income ratio represents operating costs as a percentage over revenue. Our overall operating costs at £47.4m were almost flat year on year, which gave us a cost:income ratio of 17.5% (2018: 21.9%), an improvement of over 440 bps on prior year (*Figure 10*). This is within our guidance of less than 20%.

We will continue to look for efficiency gains in all our processes which will also allow us to reinvest in improving the tools and processes for our customers and colleagues. We are investing in our people, which will help us to achieve the next phase of growth. We are also investing in improving operating resilience, and enhancing our technology.

Figure 11: Operating expenses

Operating expenses are reported by category (see note 5), but alternatively are internally reviewed as follows:

	31-Mar-19 £m	31-Mar-18 £m
Alternative category		
Sales and marketing	**20.5**	23.6
Customer servicing	**15.8**	14.3
Back office expenses	**11.1**	8.3
	47.4	**46.2**

43.3% of our operating costs are in sales and marketing (2018: 51.1%). We source our customers via the internet, both independently or via a network of brokers. We have an ongoing advertising campaign to maintain a high level of brand awareness.

33.3% of our costs are in customer servicing which includes originations, collections and complaints (2018: 30.9%). We are totally focused on customer care through all of our processes and ensure that we adhere to the spirit and not just the letter of regulation. We consistently receive good feedback from our customers.

23.4% of our costs are in overhead/back office functions which include the Executive Committee, Legal and Compliance, Public Affairs, Human Resources (HR), Facilities and Finance (2018: 18.0%).

Our overall average headcount rose from 264 to 303 over the financial year.

Overall, our simple business model, our simple online customer journey and our technology allow us to have a very low cost:income ratio, with excellent operating leverage to scale up.

Profitability

Our statutory profit after tax (PAT) was £88.6m or 75.1% higher than the prior year (2018: £50.6m), adjusting our statutory PAT for (a) the IPO-related costs, (b) bond buyback-related costs and (c) shareholder loan notes, which gives us our adjusted PAT of £100.1m (*Figure 12*), which is 38.3% higher than the prior year (2018: £72.4m).

Our adjusted return on equity (ROE) for the financial year was 45.6%, flat versus the prior year. This is defined as adjusted profit after tax over average adjusted tangible equity. Statutory profit after tax over tangible equity was 36.2% for the financial year.

Our adjusted return on assets (ROA) was 14.0% after tax (compared to 13.1% in the prior year). This is defined as adjusted PAT over average revenue-generating assets in the year (being customer loans, other receivables and cash).

Figure 12: Adjusted PAT to PAT reconciliation (£m)

	31-Mar-19 £m	31-Mar-18 £m
Reported PAT	**88.6**	50.6
Senior secured note buyback	**2.0**	—
Shareholder loan note interest	**5.6**	19.7
IPO and related financing costs	**3.9**	2.1
Adjusted PAT	**100.1**	72.4

Explanations of all adjustments are detailed in the APMs section on pages 125 to 129.

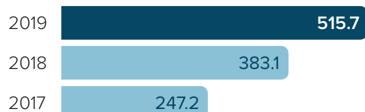
Final expected annual dividend of 9.32p.”

Cash flows

Free cash flow is defined as collections less non-direct costs (being operating expenses not relating to exceptional items or cost of acquisition). We generated £515.7m in free cash flow in the last financial year (2018: £383.1m), which is equivalent to 1.2 times current year originations of £426.1m and 1.1 times current borrowings at year end.

Figure 13: Free cash flow (£m)

↑ 34.6%



Gearing

Net borrowings/adjusted tangible equity at 1.9 times (2018: 2.3 times) is on the lower side of our guidance of between 1.5 to 3 times, due to continued generation of cash from operations. As cash flow generation continues to improve, we will look to return more capital to our shareholders (after meeting our investment requirements) while keeping this measure within the guided range.

Figure 14:
Net borrowings/adjusted tangible equity (x)

Dividends and earnings per share

Our adjusted basic EPS for the year was 22.0p up 21.5% year on year whilst basic EPS increased 52.8% year on year to 19.4p.

We paid an interim dividend of 1.87p per share, with an expected final dividend of 7.45p subject to approval at this year’s Annual General Meeting (AGM). This will give a final expected annual dividend of 9.32p, equivalent to a 50% pay-out ratio of statutory profit after tax for the year ended 31 March 2019. Our aim is to progressively increase the value of our dividends.

Summary

We have strong economic fundamentals – good risk adjusted margin, low financial leverage, best in class operating leverage and strong cash flow generation – and we are part of the growing non-standard finance sector.

Good risk adjusted margin, low financial leverage, best in class operating leverage and strong cash flow generation.

We will continue to target delivering within our guidance.”

Our targets remain largely unchanged, and we will continue to drive the business to deliver on these. Whilst largely unchanged, a few clarifications are necessary:

- As guided before, we will now target low-teen net loan book growth.
- We will target for our dividends to be at least 50% of statutory profits.

Principal risks to the business are closely monitored, and discussed in more detail on pages 31 to 34. We are mindful of the underlying macroeconomic factors that might impact our business, including, for example, a change in unemployment following Brexit.
We believe any impact from this will be manageable given our customer base, which is less likely to be impacted by recession. Our agile business model will allow us to quickly adapt our scorecards to reflect any dramatic macroeconomic changes.

We are also mindful of the evolving regulatory environment. We will continue to engage with the FCA to ensure that our overall conduct framework and supporting systems and processes remain compliant.

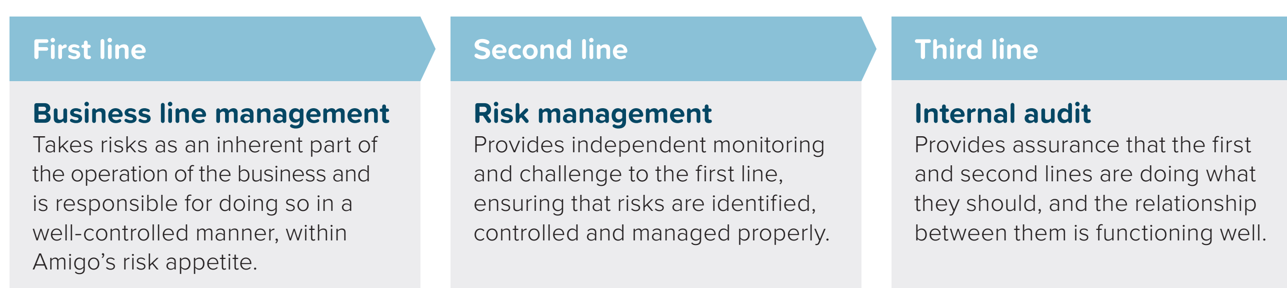
On balance, we remain cautiously optimistic about the future of your Company.

Nayan Kisnadwala
Chief Financial Officer
6 June 2019

A Group-wide risk management framework

Overview

Amigo has always seen good risk management – particularly around customer and conduct risk and credit risk – as a key driver of our success. But in the past year, with Amigo's growth, listing as a public company and entry to the FTSE 250, we have also broadened and formalised our risk governance. This includes enhancing the "three lines of defence" model, as set out below:



Management, the Risk Committee, and the Board regularly review our risk profile. We consider the risks currently faced by the business as well as scanning the horizon for emerging risks. The summary below covers the principal risks and uncertainties that we think could have a significant impact on the business, but it should not be taken as a complete list of potential issues.

Overall statement of risk appetite

Amigo recognises that taking risk is necessary, but we seek at all times to ensure that the risk we take is well informed and deliberate, and that controls are in place to mitigate its impact. We apply this principle to ourselves and support our customers in doing the same.

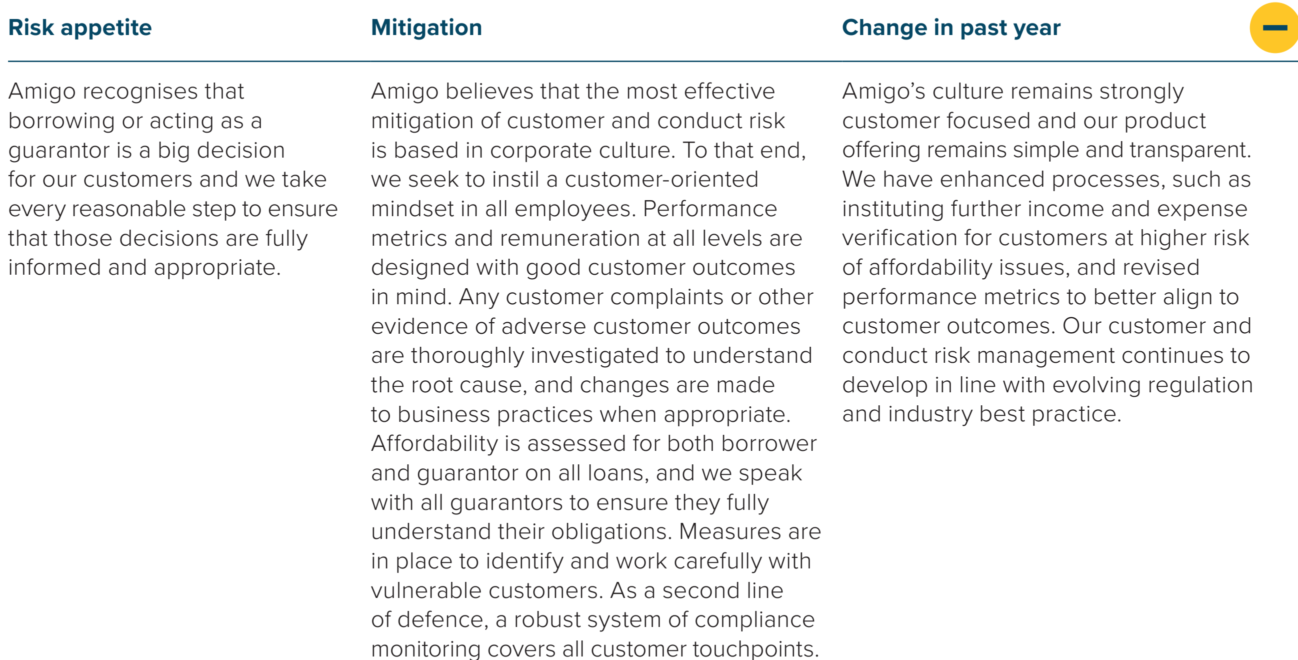
Principal risks and uncertainties

Credit risk

The risk that a counterparty will not repay a debt in full and on time. This includes idiosyncratic lending risk, macroeconomic risk and new lending pilot risk.

Risk appetite	Mitigation	Change in past year –
Amigo is a mid-cost lender and we take a degree of credit risk that is consistent with our pricing. Core lending, the bulk of our business, is to customer segments we understand well. We also engage on a controlled basis in pilot lending, testing new segments that we think are appropriate for our product. Amigo does not have an appetite for material wholesale credit risk or other credit risk outside its lending business.	The guarantor nature of our product significantly mitigates the credit risk of our lending, and our decision science (analytics) team uses available data to identify lending that is within our risk appetite. We explore new lending segments on a controlled basis through our pilot lending programme. Our collections team works with customers who fall behind on payments to assist them in coming back up to date on their obligations.	Origination through the year has focused on well-understood segments, with older lending pilots either being promoted to core lending or terminated and fewer new pilots pursued. Performance has generally been better than initially forecast. At the same time, higher risk lending from earlier lending pilots has led to slightly increased arrears as the debts have matured, and the persistent uncertainty in the macroeconomic environment, including due to Brexit, has been a drag on performance. The overall result has been broadly stable.

Principal risks and uncertainties



Customer and conduct risk

The risk that Amigo's actions will lead to poor outcomes for our customers. This includes affordability risk, the risk of customer misunderstanding and the risk of persistent debt.

Risk appetite	Mitigation	Change in past year
Amigo recognises that borrowing or acting as a guarantor is a big decision for our customers and we take every reasonable step to ensure that those decisions are fully informed and appropriate.	Amigo believes that the most effective mitigation of customer and conduct risk is based in corporate culture. To that end, we seek to instil a customer-oriented mindset in all employees. Performance metrics and remuneration at all levels are designed with good customer outcomes in mind. Any customer complaints or other evidence of adverse customer outcomes are thoroughly investigated to understand the root cause, and changes are made to business practices when appropriate. Affordability is assessed for both borrower and guarantor on all loans, and we speak with all guarantors to ensure they fully understand their obligations. Measures are in place to identify and work carefully with vulnerable customers. As a second line of defence, a robust system of compliance monitoring covers all customer touchpoints.	Amigo's culture remains strongly customer focused and our product offering remains simple and transparent. We have enhanced processes, such as instituting further income and expense verification for customers at higher risk of affordability issues, and revised performance metrics to better align to customer outcomes. Our customer and conduct risk management continues to develop in line with evolving regulation and industry best practice.

Regulatory and political risk

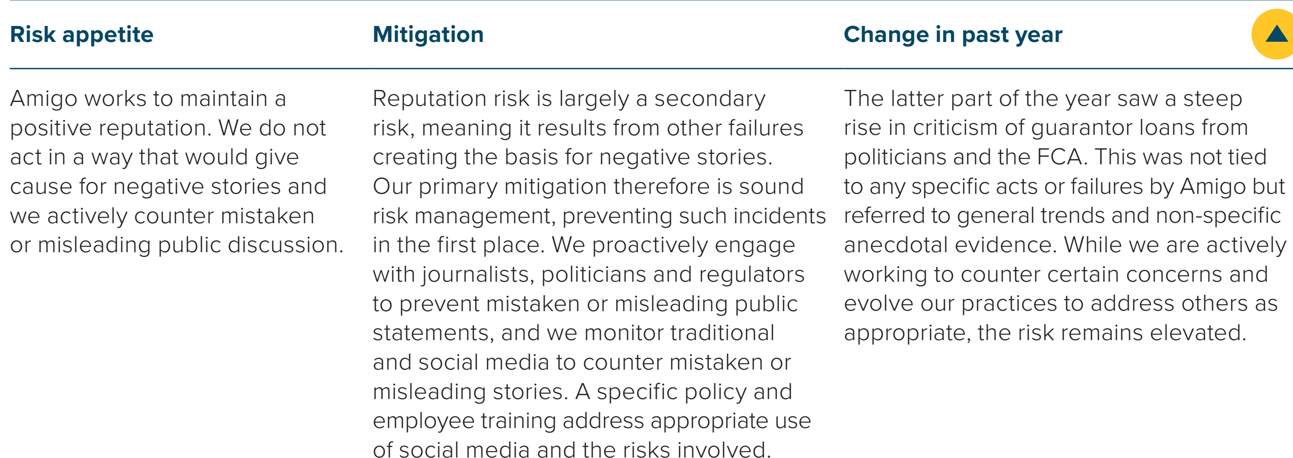
The risk that the regulatory or political environment will change in a way adverse to our business. This may be explicit changes in regulation or legislation or changes in interpretation. It includes regulation or legislation specific to our product, applying to financial services more generally, or not specific to our business at all.

Risk appetite	Mitigation	Change in past year
Amigo is in a sector (financial services) and a sub-sector (alternative finance) that are inherently subject to significant regulatory and political risk, but we take all reasonable steps to reduce that risk as it applies to us.	Amigo proactively engages with regulators and politicians to ensure they understand our business model and the value of the service we provide to our customers. We support sensible regulation and legislation that enhances the functioning of the consumer finance market. We actively scan the horizon for any potential changes that may impact our business so that we can be ready for them well before they are implemented.	In the latter part of the year, the FCA stated that it would look specifically at the guarantor loan segment. While we are confident that we can address the specific concerns they have raised, the risk remains elevated.

Principal risks and uncertainties

Reputation risk

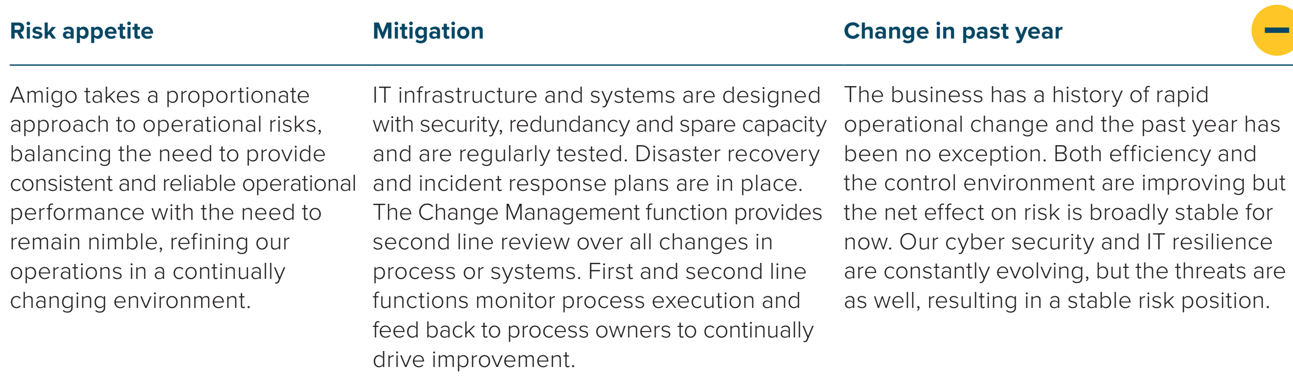
The risk of negative stories impacting the way customers, employees, investors, media, politicians, regulators or other stakeholders view Amigo and our brand and affecting their business relationship with us, whether linked to us specifically or not, and whether fair or unfair. This includes both event-driven and non-event-driven risks.



Risk appetite	Mitigation	Change in past year
Amigo works to maintain a positive reputation. We do not act in a way that would give cause for negative stories and we actively counter mistaken or misleading public discussion.	Reputation risk is largely a secondary risk, meaning it results from other failures creating the basis for negative stories. Our primary mitigation therefore is sound risk management, preventing such incidents in the first place. We proactively engage with journalists, politicians and regulators to prevent mistaken or misleading public statements, and we monitor traditional and social media to counter mistaken or misleading stories. A specific policy and employee training address appropriate use of social media and the risks involved.	The latter part of the year saw a steep rise in criticism of guarantor loans from politicians and the FCA. This was not tied to any specific acts or failures by Amigo but referred to general trends and non-specific anecdotal evidence. While we are actively working to counter certain concerns and evolve our practices to address others as appropriate, the risk remains elevated.

Operational risk

The risk of a loss or negative impact due to inadequate or failed internal policies, processes or systems or from external events. This includes data security and cyber risk, system availability, Senior Managers and Certification Regime (SMCR) implementation and legal risk.

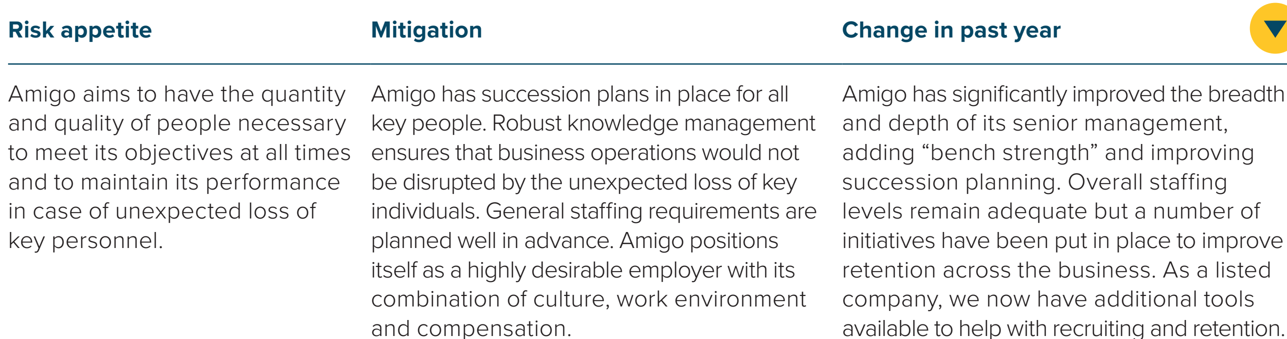


Risk appetite	Mitigation	Change in past year
Amigo takes a proportionate approach to operational risks, balancing the need to provide consistent and reliable operational performance with the need to remain nimble, refining our operations in a continually changing environment.	IT infrastructure and systems are designed with security, redundancy and spare capacity and are regularly tested. Disaster recovery and incident response plans are in place. The Change Management function provides second line review over all changes in process or systems. First and second line functions monitor process execution and feed back to process owners to continually drive improvement.	The business has a history of rapid operational change and the past year has been no exception. Both efficiency and the control environment are improving but the net effect on risk is broadly stable for now. Our cyber security and IT resilience are constantly evolving, but the threats are as well, resulting in a stable risk position.

Principal risks and uncertainties

People risk

The risk that Amigo will not have the number and quality of people necessary to deliver on its strategy.



Risk appetite	Mitigation	Change in past year ▼
Amigo aims to have the quantity and quality of people necessary to meet its objectives at all times and to maintain its performance in case of unexpected loss of key personnel.	Amigo has succession plans in place for all key people. Robust knowledge management ensures that business operations would not be disrupted by the unexpected loss of key individuals. General staffing requirements are planned well in advance. Amigo positions itself as a highly desirable employer with its combination of culture, work environment and compensation.	Amigo has significantly improved the breadth and depth of its senior management, adding "bench strength" and improving succession planning. Overall staffing levels remain adequate but a number of initiatives have been put in place to improve retention across the business. As a listed company, we now have additional tools available to help with recruiting and retention.

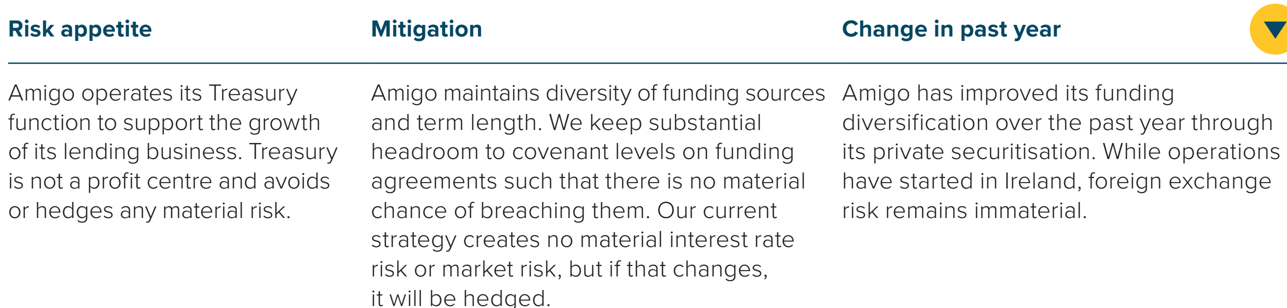
Strategic and competitive risk

The risk that Amigo fails to achieve its objectives, either due to actively poor decisions or a passive failure to adapt to changes in the competitive environment. This includes the risk of new competitors and the risks in entering a new geography.

Risk appetite	Mitigation	Change in past year –
Amigo maintains a simple strategy, focusing on maintaining its dominant position and leading execution in the guarantor loans space while exploring adjacent niches which can be developed using our specialised capabilities if they prove promising.	Amigo keeps our strategic focus on our guarantor loan product, doing one thing and doing it extremely well. We do not extend ourselves into barely related product areas. We closely monitor developing competition and counter it with our strong brand and operational excellence.	Amigo launched our first international business this year in Ireland. While this is being done on a controlled and phased basis, it is a significant step for us. A number of new competitors have entered the guarantor loan space and are growing, though from a very small base. Our position remains dominant across many dimensions – brand, product share and operational efficiency – though we have to work to maintain that.

Treasury risk

The risk arising from the core actions of the Treasury function. This is principally liquidity risk.

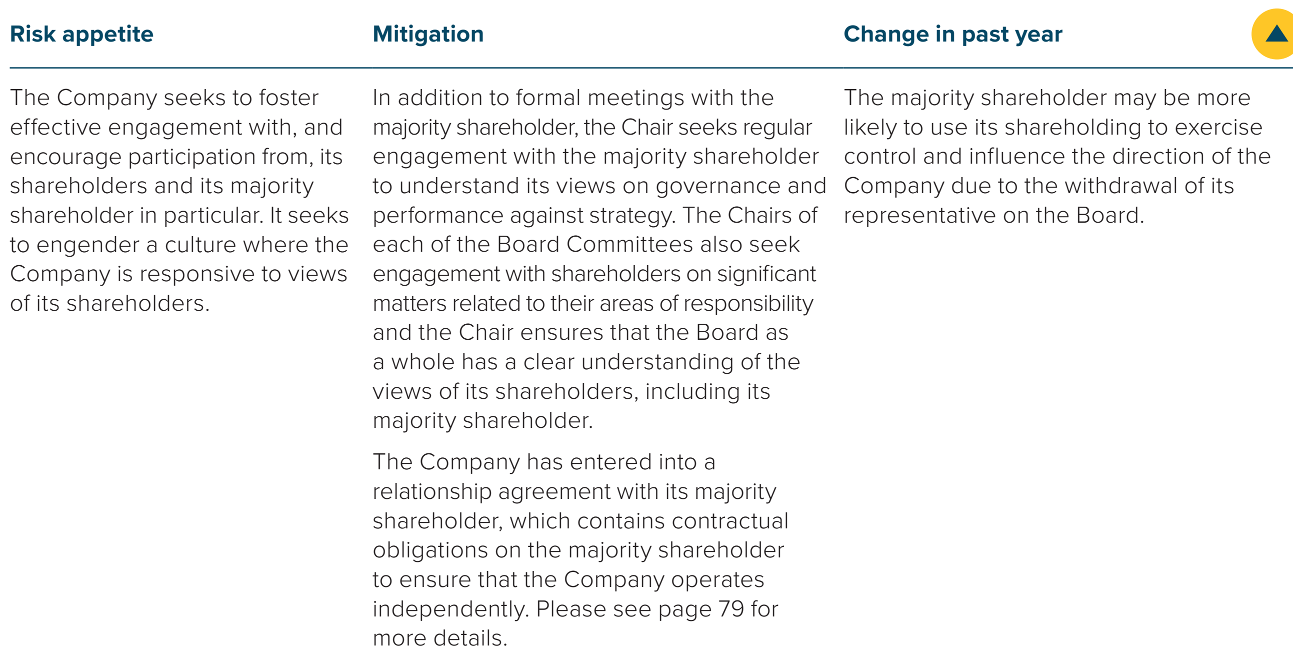


Risk appetite	Mitigation	Change in past year ▼
Amigo operates its Treasury function to support the growth of its lending business. Treasury is not a profit centre and avoids or hedges any material risk.	Amigo maintains diversity of funding sources and term length. We keep substantial headroom to covenant levels on funding agreements such that there is no material chance of breaching them. Our current strategy creates no material interest rate risk or market risk, but if that changes, it will be hedged.	Amigo has improved its funding diversification over the past year through its private securitisation. While operations have started in Ireland, foreign exchange risk remains immaterial.

Principal risks and uncertainties

Risk of Shareholders with significant influence

The Company has a majority shareholder which possesses sufficient voting power to have a significant influence over certain matters requiring shareholder approval, including the election of Directors, dividend policy, remuneration policy and approval of significant corporate transactions. The position of the majority shareholder may not always be aligned with the opinion and interests of management, the Company or the Company's minority shareholders. For more information on the majority shareholders of the Company please see page 79.



Risk appetite	Mitigation	Change in past year ▲
The Company seeks to foster effective engagement with, and encourage participation from, its shareholders and its majority shareholder in particular. It seeks to engender a culture where the Company is responsive to views of its shareholders.	In addition to formal meetings with the majority shareholder, the Chair seeks regular engagement with the majority shareholder to understand its views on governance and performance against strategy. The Chairs of each of the Board Committees also seek engagement with shareholders on significant matters related to their areas of responsibility and the Chair ensures that the Board as a whole has a clear understanding of the views of its shareholders, including its majority shareholder. The Company has entered into a relationship agreement with its majority shareholder, which contains contractual obligations on the majority shareholder to ensure that the Company operates independently. Please see page 79 for more details.	The majority shareholder may be more likely to use its shareholding to exercise control and influence the direction of the Company due to the withdrawal of its representative on the Board.

GOING CONCERN AND VIABILITY STATEMENT

Going concern statement

The Directors have made an assessment in preparing these financial statements as to whether the Group is a going concern.

The Group meets its funding requirements through cash generated from operations, a securitisation facility which expires in November 2021, followed by a four year amortisation period, a revolving credit facility which expires in January 2022 and senior secured notes which expire in January 2024. The Group's forecasts and projections, which cover a period of more than twelve months from the date of approval of these financial statements, taking into account reasonably possible changes in normal trading performance, show that the Group should be able to operate within its currently available facilities. The Group has sufficient financial resources together with assets that are expected to generate cash flow in the normal course of business. The forecasts and projections contain no material uncertainties that would impact on the going concern basis for the Group.

As at the date of signing, the nature and timing of the UK's probable exit from the EU remains uncertain. The potential impact of Brexit on the UK economy may impact arrears and thus impairment levels. However, the dual counterparty aspect of Amigo's product, along with Amigo's scorecard processes implemented to manage arrears risk, is expected to maintain the performance of customer loans. Therefore, management does not expect the impact of Brexit to be significant on the Group, but potential impacts are continually monitored.

We have considered the impact to the Group including conducting scenario analysis of the impact on our ability to refinance in this scenario. Considering the net asset position being reported in the Consolidated Statement of Financial Position as well as the operating cash outflow disclosed within the Consolidated Statement of Cash Flows and after reviewing the Group's forecasts and projections, along with the potential impact of Brexit where relevant and our current funding position, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months. The Group therefore adopts the going concern basis in preparing these financial statements.

Long-term viability

In accordance with provision C.2.2 of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over the three years to March 2022 and confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the next three years. The Directors' assessment has been made with reference to the Group's current position and strategy, as laid out in the Strategic Report (see pages 1 to 42) and the Group's principal risks and uncertainties and how these are managed (see pages 31 to 34).

In making their assessment, the Directors took account of the Group's current financial and operational positions, macroeconomic risks, cyber threats, the regulatory environment and the availability of capital. The Directors' assessment is aligned to the Group's three year strategic plan which encompasses the three years to March 2022. The plan is built on a bottom-up, granular basis and makes specific assumptions in respect of future credit losses, impairments and the Group's future capital structure. The plan was stress tested to consider the impact of the principal risks which were assessed as having the highest probability of occurrence or the severest impact, crystallising contemporaneously.

The assessment considers the following events:

- a downturn in the UK economy as a result of a disorderly Brexit, which results in an increased UK unemployment rate and thus increased credit losses and impairment. UK unemployment is identified as the key factor in the macroeconomic considerations of IFRS 9 and reflects a principal risk faced by the business;
- a regulatory sensitivity, which considers both the impact of recent and potential changes in regulatory and political environments; and
- a cyber sensitivity, which considers the risk that a cyber event outside the control of management results in a temporary disruption to the Group's operations and potentially to its customers.

In addition, the Directors considered the risk that the Group is unable to renew or procure new external funding facilities. They noted that the facility with the shortest tenor, the Group's securitisation facility, is committed on a revolving basis until November 2021 and committed on an amortising basis for a further four years. The Group's other debt facilities are committed for the duration of the period of assessment.

The Directors considered the likely effectiveness of the current and available mitigating actions, which include the ability to restrict originations, reductions in discretionary costs and the ability to restrict future dividend payments. In extremis, the Group has substantial mitigating actions at its disposal, in particular the ability to restrict loan originations and future dividend payments, either of which could be used to combat the crystallisation of the Group's principal risks.

The Directors have concluded, based on the extent of the strategic planning process and strong financial position, that there is a reasonable expectation that the Company and the Group have adequate resources and will continue to operate and meet their liabilities as they fall due over the period of their assessment.

A responsible commitment

Amigo stepped in more than a decade ago, to offer a fair and responsible alternative for these people in desperate need of more choice and a better product."

Our place in society

In the 1970s the first credit score was invented; it was the beginning of the end for community banking. Over time, relationships became less important, computers took over and pretty soon a number on your file was all that mattered. Customers with high numbers were good and customers with low numbers were no longer welcome.

Amigo's business was conceived when its founder, James Benamor, was setting up his first company. James was turned down by the banks and mainstream lending because he had a poor credit score. He turned to a family member for financial support to lease a computer. Without that help, James would never have been able to start his own business.

As his first business progressed, James was inspired by his experience and identified this was a huge problem in the UK that required a solution. Good, honest, ordinary and hard-working people were being unfairly shunned by the banks because a credit score said they were not good enough. In fact, 8–10 million people are unable to borrow from banks because of their credit score. But things were not always this way. For hundreds of years borrowing was based on your reputation. Bank managers were a part of the local community and personal relationships counted.

It is still very difficult for people in the UK who do not have much of a credit history, or have a few black marks on their credit file to obtain the much needed finance to help their lives. Often unfairly shunned by the banks, because they do not have a suitable credit score, many can be forced to turn to high cost lenders or even worse loan sharks – with exorbitant interest rates and terms which are not suitable for their needs.

Amigo stepped in more than a decade ago, to offer a fair and responsible alternative for these people in desperate need of more choice and a better product. Our guarantor-based loans work on the basis of trust and a human approach, where friends or family will vouch for the borrower and support their application – paying if the borrower does not.

Responsible lending

Amigo is a responsible lender; we will only lend money to people who demonstrate they can comfortably afford the repayments and our robust affordability processes mean that less than 15% of applications proceed to pay-out.

Responsible lending continued

We believe this demonstrates a responsible corporate approach which ensures we are only lending to people who will not be further significantly disadvantaged by using more credit. If we suspect financial vulnerability, customers are signposted to specialist debt counselling experts.

We take our responsibility to customers very seriously. We have a duty to always ensure we are only lending money to people who can afford it and who it is right for. Our diligence, high standards and commitment to treating customers fairly mean we are able to enrich their lives and give them the financial mobility they need to achieve their life goals.

Vulnerable customers

Amigo is committed to ensuring our product is available to all members of society and will not discriminate against customers with mental health conditions. If we suspect, or are told, that a customer suffers from a mental health condition, they will be referred to our specialist mental health team, which will further assess the personal circumstances, capacity and cognition of the customer, to ensure that our product is in their best interests before proceeding.

Our guarantor model provides a further social underwriting aspect. The majority of guarantors are family and close friends, and it is rare for a guarantor to commit to the agreement if they believe it is not in the best interests of the borrower.

Enabling financial freedom

Amigo is a credit restorative product. We report back to the main three credit reference agencies, which creates the opportunity for credit-impaired customers to rehabilitate their credit files, through a pattern of successful payments. This vehicle for improvement is a gateway for our customers to access a broader range of mainstream products in the future, including non-guaranteed high street personal loans and mortgages.

Our societal function is to provide financial inclusion to those who have been locked out of the high street banks. In doing so, we seek to help people improve their credit scores and move towards prime borrower status, improving their lives and financial prospects in the longer term.

We go the extra mile to make sure our employees work in the best environment, with the greatest support and all the tools they need to make their jobs simple, human and honest."

What's important to us as an employer?

Our people are our greatest asset. That is why we go the extra mile to make sure our employees work in the best environment, with the greatest support, and have all the tools they need to make their jobs simple, human and honest.

Amigo believes that engaged employees are key to our success and the key to ensuring that our customers are at the heart of what we do. We are committed to making sure we have the right skills and capabilities in our workforce and our talent strategy is to grow talent from within as well as hire great capabilities. Amigo understands the importance of having flexible options available to all employees to both attract and retain great talent. We are continuing to improve our policies and our employee proposition to appeal to a diverse range of candidates, including all age demographics, to support talent diversity within the workforce.

Given Amigo's size and single site status, communication is both agile and interactive. Amigo fosters a culture where employees feel confident raising issues, challenging ideas and being able to influence decisions.

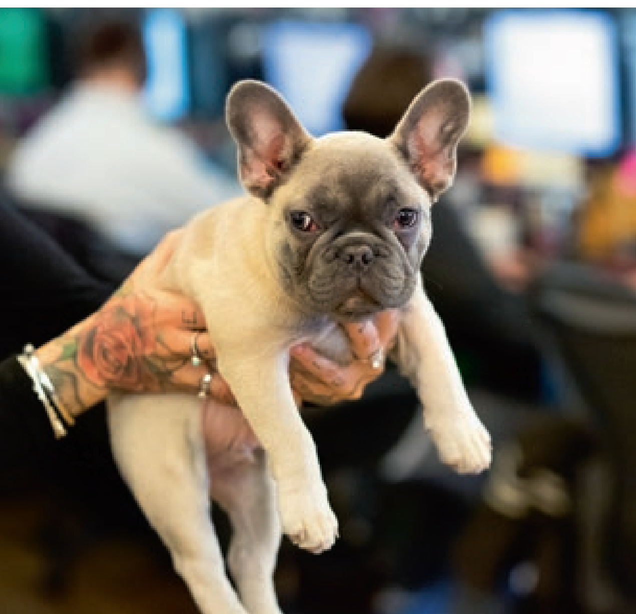
We run a quarterly anonymous employee engagement survey which showed an overall employee engagement score of 71.5% in February 2019.

We provide employees with information on matters of concern to them via Company-wide emails and face to face team meetings. For example, over the past year our CEO has sent emails to all employees on a number of occasions, to share messages about our financial results and performance, and explain the reason that he is stepping down as CEO. The CEO also meets with different teams on a quarterly basis.

We regularly use online surveys to consult with employees, for example to gather views on matters such as food choices for the cafe and charities that employees wish to support.

Given the regular participation of our employees in relation to environmental, social and community issues, we consider that our policies are effective.

Subject to shareholder approval, we will be putting in place two employee share schemes in 2019 to further encourage employee involvement in Amigo's performance. For more details please see the AGM Notice of Meeting on our website.



Diversity and inclusion

Diversity

Amigo has always championed the idea of our employees feeling free and comfortable to be who they are, in an open and respectful environment. Our culture recognises the importance of valuing individual differences. At Amigo, an individual's attitude and approach to our customers and our business matters more than how they look, where they are from or what their background is.

Promoting a diverse and inclusive workforce starts at the top. We are committed to ensuring that our Board and senior management team embrace and represent an attitude of diversity.

Over the last year we have broadened the diversity of our senior management team, in terms of gender and ethnic diversity, as well as diversity of skills. This has enabled us to recruit talented and experienced individuals who will bring a huge amount of value to our business. Going forward, we are actively looking to enhance our processes around employee performance metrics and performance-related pay, as part of our continuously improving Human Resource function.

We set out in Figure 1 below a breakdown of our employees at year end, split by gender. In preparing these figures we have used the definition of senior managers used in the Hampton-Alexander Review[1], namely the most senior level of management below the Board (our Executive Committee) plus its direct reports, to the extent that those direct reports are carrying out senior manager functions in their roles.

Figure 1

Role	Male	Female	Total
Directors	5	1	6
Senior managers	13	4	17
Other employees	177	145	322
	195	**150**	**345**

Supporting those with disabilities

Our equal opportunities policy makes clear that we will give full and fair consideration to applications for employment made by disabled persons, for example by making reasonable adjustments to our recruitment and selection procedures. In addition, where appropriate, we make reasonable adjustments to working arrangements and practices for employees who disclose disabilities to us.

As a further step to ensure that we adopt a fully inclusive policy for our employees and ensure that we make the most of the opportunities provided by employing disabled people, this year Amigo signed up to the government's Disability Confident scheme, becoming a disability approved employer. As part of this all our managers will complete disability awareness training in 2019.

1 Hampton-Alexander Review – Improving gender balance in FTSE leadership, November 2018.

Human rights and modern slavery

Amigo respects and supports human rights. Amigo is committed to the highest level of ethical standards and sound governance arrangements. Accordingly, we set high standards of impartiality, integrity and objectivity in relation to the management of our activities. We adopt a zero-tolerance approach to modern slavery and are committed to acting ethically and with integrity in all of our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. In accordance with the UK Modern Slavery Act, our Modern Slavery Statement is approved by the Board and is published on our website and will be updated annually.

Amigo has always championed the idea of our employees feeling free and comfortable to be who they are.”

Amigo HUG (Helping U Grow)

We have a number of schemes and initiatives in place to help our employees lead happy, healthy lives, delivered by our dedicated Health and Wellbeing Manager. We have our own in-house Amigo cafe, in-house massage therapists, gym membership and yoga, pilates and meditation classes, as well as an employee assistance programme with a 24/7 confidential helpline to encourage our employees to eat well, be active and look after themselves.

This year we have placed a particular focus on the mental wellbeing of our employees and in February and March 2019 Dorset MIND provided mental health awareness training to all employees and we trained ten employees as "Mental Health First Aiders" to support their colleagues.

AmiGO Green

As a UK-based business with one main office and approximately 345 staff at the year end, the impact we have on the environment is relatively small; however, we are fully committed to ensuring that we operate in a sustainable and environmentally friendly way through our AmiGO Green initiative.

Over the past year we have made a difference by looking at how our on-site staff cafe operates, encouraging our employees to be as environmentally conscious as possible and reviewing the environmental impact of the products widely used by our employees.

We are proud of the steps we have taken this year to have a more positive impact on our environment, but 24% of our employees[2] feel there is more we could still do to help our planet and we agree. We plan to continue working towards our goal of delivering a cafe which is as plastic free as possible and we are looking to partner with local suppliers that can help encourage our employees to not only be environmentally friendly at work but also in their homes.

2 Employee engagement survey, February 2019.

Key statistics:

- **76%** of employees feel we do a good job of looking after our environment
- **48,400** plastic straws replaced with cardboard recyclable straws each year
- **82,000** plastic cups replaced with glass reusable options each year
- **108,000** non-recyclable hot cups replaced with fully recyclable version each year

AmiGO Give Something Back

Our values extend past the doors of our office

Being a positive part of our local community is important to us. Amigo is not just a guarantor loan company; we are also 345 "Amigos", the majority of whom live and have families in the local area. By playing an active role in our local community, our employees can assume responsibility for where they live and work, applying the same focus on ownership and being part of solutions as they do when they are in the office.

CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

AmiGO Give Something Back continued

Our values extend past the doors of our office continued

This year, employees have personally donated to various local, national and international charities, with Amigo matching donations in a number of instances. According to our employee engagement survey, 85.8% of employees feel we do a good job of encouraging charitable activities.

Over the next financial year we are aiming to develop new partnerships with both local and national charities, with a particular focus on supporting vulnerable adults. We will be giving our employees more of a say in which charities we work with, making it easier for them to support the charities that really matter to them.

We have also introduced a paid volunteering scheme for our employees, under which every employee will be encouraged to spend some time each year volunteering and getting paid for it.

Looking ahead

As we progress through our first year as a listed company, we will be formalising a comprehensive CSR strategy. Amigo is aware of environmental, social and governance (ESG) challenges and we take our responsibility to address ESG issues very seriously. We aim to review our approach to ESG risks during the financial year.

This Strategic Report of Amigo Holdings PLC was approved and authorised for issue by the Board and was signed on its behalf by:

Glen Crawford
Chief Executive Officer
6 June 2019

Chairman's introduction

Stephan Wilcke
Chairman

Strong oversight of risk management, alignment of remuneration policies with shareholder interests and sound shareholder relationships."

I am pleased to introduce this report on how the Board operates from a governance and control perspective to ensure that we comply with the main principles and relevant provisions of the UK Corporate Governance Code. As a Board we take corporate governance very seriously, and I will continue to ensure that we maintain high standards throughout my tenure.

In this Governance section we set out:

- our Board of Directors and Executive Committee of senior managers responsible for delivering the desired outcomes for our customers and stakeholders;
- the role of the Board, its operation and an assessment of the Board's effectiveness;
- the Report of the Audit Committee;
- the Report of the Nomination Committee;
- the Report of the Risk Committee;
- the Directors' Report; and
- the Directors' Remuneration Report.

During the 2018/19 financial year the business focus was very much on the performance of the business and maintaining an effective governance structure that was appropriate for the IPO and the continuing development of Amigo.

At Board level we continued to ensure that we have a well-balanced and effective Board, strong oversight of risk management, alignment of remuneration policies with shareholder interests and sound shareholder relationships.

At the start of the year and in anticipation of our IPO, we conducted a review of our Board composition and, aided by our external advisors determined that we should, in accordance with the UK Corporate Governance Code, strengthen our Board by appointing an independent Chair of the Remuneration Committee and also a third member of the Audit Committee, neither of whom could be me as Board Chairman. We therefore committed at IPO to appoint a further Independent Non-Executive Director and I am pleased to report that Clare Salmon has joined us as Chair of the Remuneration Committee and as a member of the Audit Committee.

I would like to thank my fellow Directors for their continued support and commitment to Amigo. I am confident that we can continue to maintain a strong and effective governance system to enable the business to deliver its strategy, generate shareholder value and safeguard our shareholders' long-term interests.

Stephan Wilcke
Chairman
6 June 2019

A trusted team

Stephan Wilcke
Independent Chairman

Age	Tenure	Committees
48	3 years	■●●

Stephan was appointed as Independent Chairman of the Company in April 2016 and was previously Non-Executive Chairman of Amigo Loans Ltd and Amigo Management Services Ltd between October 2015 and April 2016.

Background and external appointments
Stephan is currently a Director of the Supervisory Board of the Hamburg Commercial Bank AG and bimamobile.com (Milvik S.V.). Stephan was on the Board of Directors of OneSavings Bank plc from 2011 to 2016 (Executive Chairman from 2012 to 2014), having previously served as Chief Executive Officer of the Asset Protection Agency between 2009 and 2011, an executive arm of HM Treasury. He also held positions as Partner and Head of European Financial Services at private equity firm Apax Partners and management consultancy firm Oliver Wyman. He has served on the boards of the Jersey Financial Services Commission, the Helenic Financial Stability Fund, Nova Lubjankska Banka, TBC Bank PLC (and JSC), Travelex Group Ltd, Formafactoring Spa and Azimut Spa. He holds a Master of Arts (MA) in Politics, Philosophy and Economics from Oxford University.

Brings to the Board
Stephan has a broad based knowledge of the financial services sector in the UK and Europe, with particular emphasis on credit risk management, consumer financial services, regulation and M&A transactions. He has experience of leading organisations going through change and subject to public scrutiny, qualities required to act as chairman of a company operating in the mid-cost credit sector.

Roger Lovering
Senior Independent Non-Executive Director

Age	Tenure	Committees
59	3 years	●●■

Roger was appointed as a Non-Executive Director of the Company in April 2016 and was previously a Non-Executive Director of Amigo Loans Ltd and Amigo Management Services Ltd between December 2015 and April 2016.

Background and external appointments
He served as the Chief Executive Officer of Santander Cards UK Limited from March 2006 to June 2011, and was previously Head of European Cards at HSBC and Chief Operating Officer at HFC Bank and is an ex-Chairman of Harrods Bank. Roger is currently Chairman of Oodle Financial Services Limited and is also a Non-Executive Director with Shawbrook Group plc. Roger holds a degree in Accountancy and Financial Analysis from the University of Warwick and is a Chartered Accountant.

Brings to the Board
Roger has extensive knowledge, gained first hand, of operating at a senior level within world-leading consumer-focused finance companies and has direct experience of establishing consumer finance businesses in other jurisdictions. Roger's detailed operational knowledge means that he has the experience needed to act as Chair of the Risk Committee.

Richard Price
Independent Non-Executive Director

Age	Tenure	Committees
57	3 years	■●●●

Richard was appointed as a Non-Executive Director of the Company in April 2016 and was previously a Non-Executive Director of Amigo Loans Ltd and Amigo Management Services Ltd between December 2015 and April 2016.

Background and external appointments
Richard spent the majority of his career with KPMG where he was a partner from January 1997 to July 2012. He is currently also a Non-Executive Director of Hampshire Trust Bank Plc, Brooks Macdonald Group plc and Alpha Bank London Limited. Richard holds a BSc in Economics and Business Economics from the University of Southampton and is a Chartered Accountant.

Brings to the Board
Richard has wide and diverse experience gained from a variety of senior roles within one of the world's largest financial advisory companies. Richard has specialised in the financial services sector throughout his career and his financial and accounting expertise is particularly relevant in his role as Chair of the Audit Committee.

Clare Salmon
Independent
Non-Executive Director

Age	Tenure	Committees
56	<1 year	● ● ■ ●

Clare was appointed as a Non-Executive Director of the Company on 8 November 2018.

Background and external appointments
Clare has extensive listed company experience and a strong background in marketing, strategy and general management, having held international leadership roles at Royal London, RSA plc, Prudential, the AA, Vodafone and ITV. Clare is also an experienced Non-Executive Director and is currently also a Non-Executive Director at CMC Markets plc where she is Chair of the Remuneration Committee. Previous non-executive roles include six years on the Alliance Trust Board, four years on the Board of Codan Forsikring A/S in Denmark and most recently the Board of Swinton Group, prior to its sale to Ardonagh. Clare has an MA in English from Cambridge University and is a Fellow of the Marketing Society.

Brings to the Board
Clare has extensive knowledge of marketing, strategy and general management gained from many years operating at senior levels, for some of the world's best known brands. Her experience working with other retail financial services companies provides the experience needed to act as Chair of the Remuneration Committee.

Glen Crawford
Chief Executive Officer

Age	Tenure	Committees
50	3 years	

Glen was appointed Chief Executive Officer of the Company in February 2016 and of Amigo Loans Ltd and Amigo Management Services Ltd in October 2015. Glen is expecting to step down as Chief Executive Officer in July 2019, following a handover to and FCA approval of his successor, Hamish Paton (see page 47).

Background and external appointments
Prior to joining the Group, he was co-founder of Cabot Financial and served as its Managing Director for approximately 15 years. Previously, Glen qualified as a solicitor and worked as a corporate lawyer with Gouldens (now Jones Day) and later Mayer Brown. He holds a Bachelor of Laws (LLB) Honours degree from the University of Bristol.

Brings to the Board
Glen has in-depth knowledge of the UK consumer finance products and regulation through his experience of managing industry leading participants within the sector for over 20 years. He understands the credit marketplace and the requirement for the product to meet the needs of customers and regulators on an ongoing basis.

Nayan Kisnadwala
Chief Financial Officer

Age	Tenure	Committees
58	<1 year	

Nayan was appointed Chief Financial Officer (CFO) in January 2019.

Background and external appointments
Nayan has over three decades of global experience in financial services in the UK, Ireland, the USA and other international markets in strategic chief financial officer or other senior finance roles. His experience includes consumer lending in world-class companies including American Express, MBNA and Barclaycard. Before joining Amigo, he was the Group CFO of Premium Credit Limited. Nayan holds an MBA from New York University. He is also a Chartered Accountant and a Chartered Financial Analyst.

Brings to the Board
Nayan has extensive experience of operating in a regulated, consumer based finance business which needs to maintain access to flexible, cost-effective capital on a prudent basis. His experience of working with world-class financial companies will ensure financial reporting meets the high standards expected of a Premium Listed issuer on the London Stock Exchange.

Other Directors holding office in the year
James Benamor was a Director of the Company for the period 1 April 2018 to 30 September 2018 and Simon Dighton was a Director of the Company for the period 1 April 2018 to 31 January 2019.

Key
● Member ■ Chair

●■ Audit
●■ Nomination
●■ Remuneration
●■ Risk

EXECUTIVE COMMITTEE (ExCo) MEMBERS

In addition to Glen Crawford and Nayan Kisnadwala, whose biographies are shown on page 45, the following senior managers sit on the Executive Committee:

Nicholas Beal
Chief Regulatory and Public Affairs Officer

Nick held the position of Director of Legal and Compliance for Amigo since February 2016 until March 2019, and has been Company Secretary for the Group since November 2013. He has served as Director of Legal and Compliance for various Group companies since September 2011. Nick became the Chief Regulatory and Public Affairs Officer on 1 April 2019 and will be stepping down as Company Secretary in June 2019. Prior to joining the Group, Nick was Head of Legal for UK Secured Lending at Barclays from 2007 to 2011 and before that was a Solicitor at Bradford & Bingley plc and Yorkshire Building Society. Nick is admitted as a Solicitor of England and Wales and holds an LLB from Nottingham Law School.

Roger Bennett
Company Secretary (Designate)

Roger joined Amigo in June 2018 in preparation for the Company joining the London Stock Exchange acting as Head of Company Secretariat. Roger will be taking on the role of Company Secretary in June 2019. Prior to joining the Group, Roger was Group Company Secretary and Head of Governance at Miton Group plc since 2007. Roger qualified as a Chartered Accountant in 1988 and has performed Board level roles, including that of Finance Director and Company Secretary at various investment management, wealth management, stock broking and Lloyds of London underwriting agencies. Roger is a qualified Chartered Accountant and has a BA (Hons) in Accountancy Studies from Exeter University.

Deborah Green
Chief Operations Officer

Deborah joined Amigo as Chief Operations Officer in March 2019, having worked for the previous 20 years at a senior level as a customer experience and operations professional in the financial services sector, most recently holding the role of Customer Operations Director at Cabot Credit Management.

Deborah brings to the role extensive experience gained from working with different leadership teams to create, by transformation, operational centres of excellence, which always place the customer at the heart of the business.

Stephen King
Chief Customer Officer

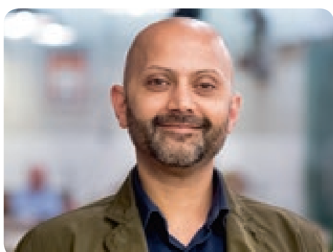
Steve joined Amigo in 2012 and is one of the longest-standing members of our senior management team Steve has progressed through a number of different business development and marketing roles to become our Chief Customer Officer, responsible for customer acquisition and growth initiatives. Prior to joining Amigo, Steve co-founded and established a successful consultancy business in London. Steve also has previous financial services experience from his time with Lloyds TSB Insurance.

Louise Musgrove
Chief People Officer (Interim)

Louise joined Amigo in February 2019 to help us to shape and enhance our employee proposition to support the next phase of our evolution as a maturing FTSE listed company. Before joining Amigo, Louise was the HR Director at Vanquis Bank, supporting the development of its people strategy and remuneration policy. Prior to that Louise held a number of senior HR leadership positions including divisional HR Director at Liverpool Victoria (LV=) during a phase of rapid growth and transformation and a number of strategic initiatives and leadership positions at J.P. Morgan Chase. Louise has a Bachelor of Science degree from Kings College, London, and a post-graduate Diploma accredited by the Chartered Institute of Personnel from Portsmouth University.

Mark Paskowitz
Chief Risk Officer

Mark joined Amigo as Chief Risk Officer in January 2019. After starting his career in aerospace engineering, he moved into financial services as a management consultant with Oliver Wyman, specialising in finance and risk for a range of UK, European, and global clients. He subsequently worked as a Risk Director at the Asset Protection Agency, an executive arm of HM Treasury, and most recently as CRO at OneSavings Bank. Mark holds an MBA from London Business School and is a Chartered Financial Analyst.



Naynesh Patel
Chief Analytics Officer

Naynesh is responsible for the decision science and analytics team which builds Amigo's scorecards, predictive models and MI. Prior to joining Amigo, Naynesh spent four years at Cabot Credit Management as its Director of Decision Science and Analytics, leading the decision science, analytics, strategy and insight teams. He played a key role in the sale of Cabot to JC Flowers and Encore Capital Group in 2013 as well as the purchase of Marlin Financial in 2014. Under Naynesh, the team grew from six full-time equivalent (FTE) members to 30+, developing models for pricing and operations as well as providing advanced analytics throughout the organisation. He has also held senior roles at SAV Credit and has a BA in Business Administration from the University of West London.

Hamish Paton
Chief Commercial Officer and CEO Designate

Hamish joined Amigo in May 2019 and has a strong background in consumer credit. He was CEO at BrightHouse Group Ltd between October 2016 and March 2019, having first joined the business in 2006. Prior to that, he held roles within Cable & Wireless and OC&C Strategy Consultants. Hamish has a MA in Economics from Cambridge University. Please see page 11 for an introduction to Hamish.

Corporate Governance Statement

Statement of compliance with the UK Corporate Governance Code (2016 version)

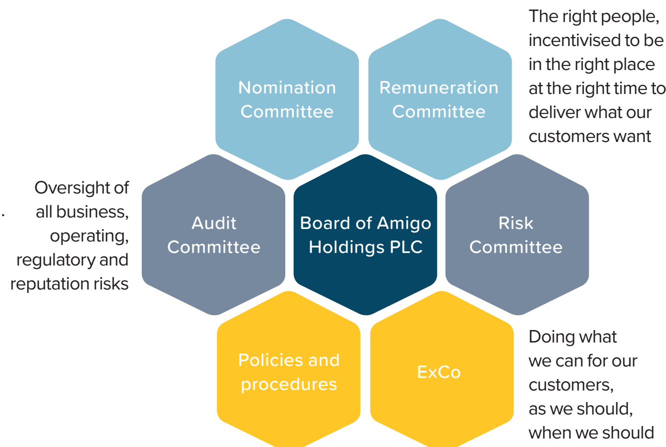
Amigo is subject to the UK Corporate Governance Code which is issued by the Financial Reporting Council and which is available at www.frc.org.uk. The UK Corporate Governance Code sets out guidance in the form of principles and provisions on how companies should be directed and controlled to follow good governance practice. Companies listed in the UK are required to disclose how they have applied the main principles and whether they have complied with its provisions throughout the financial year. Where the provisions have not been complied with, companies must provide an explanation. Amigo was accepted onto the Premium Listing of the London Stock Exchange on 4 July 2018 and, as per the prospectus for the IPO issued in June 2018, the Company has complied with the UK Corporate Governance Code since its listing, except as stated below:

- The Board is required to have a majority of Independent Non-Executive Directors, excluding the Chairman. As stated in the IPO prospectus, immediately after the IPO, the Board had six Directors, three of which were Independent Non-Executive Directors. Of the three Independent Directors, one was the Chairman. The Board came into compliance with the UK Corporate Governance Code following the resignation as Director, of James Benamor on 30 September 2018. The position was improved further by the appointment of Clare Salmon as an Independent Non-Executive Director on 8 November 2018.
- The Remuneration Committee is required to have three Independent Non-Executive Directors and the Chair of the Committee should not be the Chairman of the Board. As stated in the IPO prospectus, immediately after the IPO, the Committee was chaired by Stephan Wilcke, the Chairman of the Company. The Committee came into compliance with the UK Corporate Governance Code following the appointment of Clare Salmon as an Independent Non-Executive Director on 8 November 2018 and her appointment as Chair of the Committee on 22 November 2018.
- The Audit Committee is required to have three Independent Non-Executive Directors and the Chair of the Committee should not be the Chairman of the Board. As stated in the IPO prospectus, immediately after the IPO, Stephan Wilcke, the Chairman of the Company, stepped down from the Committee, leaving it with two Non-Executive Directors. The Committee came into compliance with the UK Corporate Governance Code following the appointment of Clare Salmon as an Independent Non-Executive Director on 8 November 2018.

The Board welcomes the introduction of the UK Corporate Governance Code 2018, which came into effect on 1 January 2019, and believes Amigo is well placed to comply with the provisions of the new code.

Leadership and effectiveness

Governance structure



Role of the Board

The Board has collective responsibility for the long-term success of Amigo and for its leadership, strategy, control and management. The offices of Chairman and Chief Executive Officer (CEO) are separate and distinct and the division of responsibilities between them has been clearly established, set out in writing and agreed by the Board. The Chairman is responsible for the leadership and effectiveness of the Board and for ensuring that each Non-Executive Director is able to make an effective contribution to the Board through debate and discussion with the Executive Directors. He is also responsible for setting the style and tone of Board discussions. The CEO's role is to develop Amigo's strategic direction and to lead senior management in executing Amigo's strategy and managing the operational requirements of the business.

The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are carefully examined and fully discussed, that the performance of the Group is monitored and challenged and that the financial information provided is comprehensive and accurate. They are also responsible for ensuring, through the Remuneration Committee, that appropriate remuneration arrangements are in place for the Executive Directors.

Operation of the Board

The Board has a formal schedule of matters which are reserved for its consideration, including approval of the long-term objectives and strategy, approval of budgets and financial statements including the production of the Annual Report and Accounts, acquisitions and disposals, changes to the structure of the Group and overall corporate governance issues. It reviews trading performance and considers major capital expenditure and the funding arrangements of the Group.

The Board has delegated certain responsibilities to formally constituted Committees, details of which are set out on pages 52 and 53. By delegating key responsibilities to these Committees, the Board is able to ensure that adequate time is devoted by Board members to the oversight of key areas within their responsibility.

Day-to-day management and control of the business is undertaken by the Executive Directors together with other senior managers, who sit on the Executive Committee (ExCo). The ExCo meets formally on a bi-weekly basis together with other senior managers as appropriate.

Board meetings are scheduled to be held ten times a year, with main meetings linked to key events in the Group's financial calendar, with the annual results and dividend being approved at the Annual General Meeting (AGM) in July. The Board meets to approve reports for the quarters ending in June and December, the half year ending in September and the full year ending in March, as well as approving the interim and final dividends payable in January and July.

Regular agenda items include an overview of the market and current trading, a detailed review of financial performance against agreed targets and detailed compliance reports and risk data, including information on complaints. The Board held a strategy day in October focusing on strategy which, together with the Board members, also included key senior managers from the business. The strategy session included an in-depth review of the current position of the market offering and considered options for meeting future customer demand. When considering the business of the Group, the Board takes account of the significance of environmental, social and governance (ESG) matters.

Budgets are prepared for the next financial year, which are reviewed and approved by the Board in January and April. The Board also has a programme to conduct more detailed reviews of different aspects of the business at each meeting, with the schedule of topics being regularly reviewed to ensure that it remains appropriate. The relevant functional head may be asked to attend such meetings to present relevant reports and deal with questions for Board members.

Key focus areas for the Board during the year included the IPO, ongoing business performance, enhanced regulatory interest in the product and the actions being taken by management to deal with the, at times, hostile media environment facing Amigo. The Board also reviewed the funding structure of the Group which resulted in Amigo becoming the first company to carry out a successful securitisation of consumer credit guarantor loans in the UK.

Between scheduled meetings the Board is in frequent contact to progress Amigo's business and, if necessary, ad hoc Board meetings are held at short notice. It is expected that all Directors attend Board and relevant Committee meetings, unless they are prevented from doing so by prior commitments. If Directors are unable to attend meetings in person, or by telephone, they are given the opportunity to be consulted and comment in advance of the meeting.

Papers are generally circulated in the week prior to each Board or Committee meeting to ensure that Directors have sufficient time to review them before the meeting. Documentation includes detailed management accounts, reports on current trading, reports from the main functional areas including regulation, corporate governance and matters where the Board is required to give its approval. The Chairman holds regular, informal meetings with the Non-Executive Directors without the Executive Directors being present and the Non-Executives also meet with the Chairman and the CEO on an informal basis several times a year. Although not a member of the Audit Committee, and therefore not recorded in the table above, the Chairman also on occasion attends these meetings at the invitation of the Committee Chair.

Board effectiveness

Board performance and evaluation

The UK Corporate Governance Code requires the Board to conduct an annual evaluation of its own performance and that of its Committees and Directors. Under the auspices of the Nominations Committee we initiated a high level evaluation of the performance of the Board during the year. The review process requires Board members to rate their own performance and the performance of the Board through completion of a questionnaire. The results from the questionnaire will be incorporated into recommendations to improve the way the Board and the Committees oversee Amigo. The Board will look to implement the recommendations and actions arising from the review.

Attendance at scheduled meetings held during the year is set out in the table below:

	Stephan Wilcke[5]	James Benamor[1]	Roger Lovering	Richard Price	Clare Salmon[2]	Glen Crawford	Simon Dighton[3]	Nayan Kisnadwala[4]
Board (scheduled and IPO related)	16 of 16	5 of 10	16 of 16	15 of 16	3 of 5	16 of 16	14 of 14	2 of 2
Nomination Committee	5 of 5	0 of 2	5 of 5	5 of 5	3 of 3	N/A	N/A	N/A
Audit Committee	1 of 1	N/A	5 of 5	5 of 5	0 of 1	N/A	N/A	N/A
Remuneration Committee	9 of 9	0 of 3	N/A	9 of 9	6 of 6	N/A	N/A	N/A
Risk Committee	5 of 5	N/A	5 of 5	5 of 5	1 of 2	N/A	N/A	N/A

1 James Benamor resigned as a Director of the Company on 30 September 2018.
2 Clare Salmon was appointed as a Director of the Company on 8 November 2018.
3 Simon Dighton resigned as a Director of the Company on 31 January 2019.
4 Nayan Kisnadwala was appointed as a Director of the Company on 31 January 2019.
5 Stephan Wilcke stood down from the Audit Committee prior to the IPO.

Leadership and effectiveness continued

Board effectiveness continued

Board performance and evaluation continued

Areas covered by the review included the composition and processes followed at the Board and Committee meetings, topics discussed, behaviours of Board members, diversity and challenge by members and effectiveness of the Board in stress situations. The Chairman has agreed to discuss findings with each of the Directors. Roger Lovering, the Senior Independent Director, is responsible for performance of the evaluation of the Chairman. In addition to the annual evaluation exercise there remains an ongoing dialogue within the Board to ensure that it operates effectively and that any matters raised are addressed in a timely manner.

The performance of the Executive Directors and senior managers is reviewed annually by the Remuneration Committee in conjunction with their annual pay review and the payment of bonuses.

Training and support

The training needs of the Board and its Committees are regularly reviewed and each Director is responsible for ensuring his or her skills and knowledge of the Group remains up to date. Particular emphasis is placed on ensuring that Directors are aware of proposed legislative and regulatory changes in areas such as corporate governance, financial reporting and consumer finance specific issues through the issue of briefing papers at Board meetings and through direct training undertaken by our corporate advisors. All Directors visit Amigo's main office on a regular basis and are encouraged to familiarise themselves in aspects of the day-to-day business.

Newly appointed Directors receive a tailored induction on joining the Board to acquaint them with the Group. This includes meetings with other Board members and senior management, and the provision of an induction pack containing general information on the Group, its policies and procedures, financial and operational information and a briefing on Directors' responsibilities. There is an agreed written procedure for Directors, in furtherance of their duties, to take independent professional advice at the Group's expense. Directors also have access to the services of the Company Secretary. The Group has in place directors' and officers' liability insurance.

Accountability

The Board has responsibility for determining, with the assistance of the Audit and Risk Committees, whether the Annual Report, taken as a whole, is fair, balanced and understandable to enable shareholders to assess the Group's performance, business model and strategy. In coming to its view, the Board took into account the views of the Audit and Risk Committees, as well as its own knowledge of the Group, its strategy and performance in the year, the guidance given to all contributors to the Annual Report and a detailed review by senior management of the overall content.

Board composition and structure (including diversity)

As at the year end the Board comprised the Independent Non-Executive Chairman, two Executive Directors and three Non-Executive Directors. The Chairman is Stephan Wilcke, the Chief Executive Officer is Glen Crawford and Roger Lovering is the Senior Independent Director. The Directors' biographies are on pages 44 and 45. During the year Amigo appointed Clare Salmon as a Non-Executive Director on 8 November 2018. Executive Director Simon Dighton resigned from the Board on 31 January 2019 and was succeeded as Chief Financial Officer by Nayan Kisnadwala, who was appointed to the Board on the same day.

The Board believes that the structure and size of the Board has been appropriate and that no single individual or group dominates the decision-making process. However, as discussed in the Nomination Committee Report, steps have been taken to start the process to recruit an additional Non-Executive Director in order to broaden the experience and diversity of the Board as a whole.

During the year each new appointment to the Board (and the Executive Committee too) increased its diversity in different ways (gender, ethnicity, nationality and skills). Amigo's policy and approach to diversity at the Board is described in the Nomination Committee Report on page 58, while Amigo's commitment to diversity and inclusion within the workforce, and how it has been implemented, can be found at page 40. The Board used an external executive recruitment agency (Lomond Consulting) to identify a suitably wide and diverse list of candidates for consideration for the positions on the Board.

Subsequent to the year end Glen Crawford announced his decision to step down as Chief Executive Officer and Director in order to deal with underlying health issues. Glen intends to formally step down as Chief Executive Officer in July 2019, following a handover and FCA approval of his successor, Hamish Paton.

Independence

In compliance with the UK Corporate Governance Code, more than half of the Board, excluding the Chairman, are Non-Executive Directors. The Board is confident that all of the Non-Executive Directors satisfied the independence criteria of the UK Corporate Governance Code on their appointment and continue to satisfy those criteria.

Stephan Wilcke, the Chairman, was independent on appointment, having never been employed by the Group and having diverse business interests beyond the Group, and in the opinion of the Board he remains independent. Roger Lovering was the Senior Independent Director during the year. He too has never been employed by the Group and has diverse business interests. As well as supporting the Chairman and acting as a sounding board for the Chairman and an intermediary for other Directors, a key responsibility for the Senior Independent Director is to be available for direct contact from shareholders should they require and he can be contacted via investors@amigo.me.

Board independence and Committee membership – current Directors at 31 March 2019

Name	Independent	Nomination Committee	Audit Committee	Remuneration Committee	Risk Committee
Stephan Wilcke	Yes	■		●	●
Roger Lovering	Yes	●	●		■
Richard Price	Yes	●	■	●	●
Clare Salmon	Yes	●	●	■	●
Glen Crawford	No				
Nayan Kisnadwala	No				

Key

● Member ■ Chair

Commitment and conflicts of interest

All significant commitments which the Directors have outside Amigo are disclosed prior to appointment and on an ongoing basis when there are any changes. The Board is satisfied that the Chairman and each of the Non-Executive Directors commits sufficient time to their duties and fulfils their obligations to Amigo. The Board has the right, under the Articles of Association, to approve potential situational conflicts of interest. A small number of such potential conflicts have been approved by the Board following disclosure by certain Directors, in each case with the relevant Director not taking part in any decision relating to their own position. Directors are also aware that the disclosure and authorisation of any potential conflict situation does not detract from their requirement to notify the Board separately of an actual or potential conflict in relation to a proposed transaction by the Group.

Relations with shareholders

The Board is keen to ensure that our shareholders have a good understanding of the business and its performance, and that the Directors are aware of any issues or concerns which shareholders may have. Communication with shareholders takes a variety of forms as set out below.

Institutional shareholders and analysts

There is a regular dialogue with institutional shareholders, including dial-in and individual meetings after the announcement of the year-end, half year and quarterly results. Analysts are also invited to presentations at our Bournemouth premises. The Board receives regular reports and feedback on the meetings held between the Executive Directors and shareholders, and internally circulates copies of analysts' reports on the Group. The Senior Independent Director, Roger Lovering, is available to shareholders if they have concerns about governance issues which the normal channels of contact fail to resolve. The Chairman and the Senior Independent Director meet major shareholders face to face from time to time, and the Chairman of the Remuneration Committee is in touch with major shareholders on remuneration matters.

Annual General Meeting (AGM)

Amigo intends to use its first AGM as a public company as a means of communicating directly with both institutional and private shareholders. Attendees at the AGM will receive a brief presentation on the business before the formal business of the meeting begins. Attendees will also have the opportunity to ask questions during the meeting and to meet Directors and senior management informally after the meeting.

The Board aims to ensure that all members of the Board, including in particular the Chairmen of the Board Committees, are available to answer questions at the AGM. The notice of the AGM is sent to shareholders at least 20 working days before the meeting. All substantive items of business at shareholders' meetings are dealt with under separate resolutions, including a resolution to adopt the "Annual Report and Accounts". The Company will also put before the members resolutions in relation to the agreement of a new Directors Remuneration Policy (the details of which are explained on pages 72 to 76) and the introduction of two employee share saving schemes; a Share Incentive Plan and a Save as You Earn scheme. In accordance with normal practice, the Chairman will announce the results of the proxy voting on each resolution after it has been dealt with on a show of hands.

The AGM will be held on Friday 12 July 2019 at the Hilton Hotel, Terrace Road, Bournemouth BH2 5EL. The notice of AGM has been distributed as a separate document and can be found on our website.

Website

The Group maintains a website (www.amigoplc.com) with a dedicated investor relations section. All Company announcements are available on this site, as are copies of slides used for presentations to investment analysts. We are happy to answer questions by telephone (01202 629125) or email at investors@amigo.me.

Relations with shareholders continued

Board Committees

The Board has delegated certain responsibilities to standing Committees, details of which are set out below. By delegating key responsibilities to these Committees, the Board is able to ensure that adequate time is devoted by Board members to the oversight of key areas within their responsibility.

Committee	Key function, responsibility and area of expertise
Audit	• Oversees the remit of, appoints, decides remuneration of, monitors and reviews the effectiveness of the Company's internal audit provider in the context of the Company's overall risk management system. Ensures findings are investigated and actioned appropriately. • Oversees the remit of, appoints, decides remuneration of, monitors and reviews the effectiveness of the Company's external audit provider in the context of the Company's overall audit plan. • Assists the Board in monitoring the Group's financial reporting process and the integrity of the Group's periodic financial statements, including reporting of financial performance to the market. • Advises the Board whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy. • In conjunction with the Risk Committee, reviews the effectiveness of the Group's system of internal controls and ensures adequate whistleblowing procedures are in place.
Nomination	• Regularly reviews the structure, size, composition and skill set of both the Executive and Non-Executive Directors. Considers succession planning, resignation and re-election at AGMs, including identification of appropriate candidates to fill vacant or new roles. • Develops, regularly reviews and makes recommendations on the Company's approach to governance practices including monitoring any conflicts of interest. • Considers ongoing educational and training needs of the Board in relation to changing requirements in the market.
Risk	• Advises the Board on the Company's overall risk appetite, tolerance and strategy taking into account the factors influencing the approach to risk. Considers the risk policies in place and ensures they form part of a robust assessment of the risks including those affecting our business model, future performance, solvency, liquidity, business continuity and business disaster recovery. • Regularly reviews and approves the parameters used in measuring risk and the methodology used to assess such risks. Considers procedures and in conjunction with the Audit Committee sets standards for accurate and timely reporting of large exposures and risks adjudged to be of critical importance. • Considers fraud matters and ensures procedures are in place to deal with applicable legal and regulatory requirements including consideration of anti-money laundering practices, customer and conduct risk. Reviews systems and controls for determining correct ethical behaviour and the prevention of bribery, corruption and modern slavery. • On an ad hoc basis, considers matters on behalf of the Board including acquisitions, disposals and new products. • Reviews the activities of the Chief Risk Officer including considering the appointment and removal of said officer. • In conjunction with the Audit Committee, reviews the effectiveness of the Group's system of internal controls and ensures the adequacy of the Group's compliance function.

Committee	Key function, responsibility and area of expertise
Remuneration	• Determines the terms and conditions of employment of each of the Board, Executive Directors, senior management and the Company Secretary. Determines the remuneration policy which includes termination and compensation payments and pension arrangements and expenses, taking into account relevant laws and regulations. • Determines all aspects of share incentive arrangements in consultation with shareholders. Sets and designs appropriate performance targets and criteria including determining when payments should be withheld or clawed back from an Executive Director. • Liaises with the Nomination Committee to ensure remuneration for newly appointed Executive Directors fits within the remuneration policy. • Oversees workforce policies and practices to make recommendations to the Board to promote the long-term success of the Group and align with strategies and values. • Responds to matters raised during the AGM by shareholders in relation to the remuneration policy.

Formal terms of reference for the Nomination Committee, Audit Committee, Risk Committee and Remuneration Committee have been approved by the Board, are available on request or to download from the Group's website and will be available for inspection at the AGM.

Disclosure Guidance and Transparency Rules disclosure

The information required by DTR 7.2 is set out in this report, the Nomination Committee Report and the Audit Committee Report, except for information required under DTR 7.2.6, which is set out in the Directors' Report.

Audit Committee

Richard Price
Committee Chairman

Member	Meetings	Attendance
Richard Price	●●●●●	100%
Roger Lovering	●●●●●	100%
Clare Salmon[1]	○	—
Stephan Wilcke[2]	●	100%

● Meetings attended
○ No meetings attended

1 Clare Salmon was appointed as a Director of the Company on 8 November 2018.
2 Stephan Wilcke stood down from the Audit Committee at the time of the IPO.

Chairman's overview

I am pleased to present the Audit Committee Report. The Committee's key responsibilities include monitoring the integrity of the Group's financial reporting, internal controls and overseeing the internal and external audit processes and a range of other corporate governance activities.

During the year, the Committee devoted particular attention to significant financial reporting areas including: financial reporting for the IPO; the Group's published financial statements, being the Quarterly, Interim and Annual Report and Accounts; and management and oversight of the relationship with the external auditor, KPMG.

The Committee has devoted much time to consideration of IFRS 9 issues and the implications for our continuing impairment rate calculations. This work has been undertaken in conjunction with the Risk Committee.

Another key role of the Committee has been the management of the Internal Audit function provided by PwC. Work undertaken has included the approval of the overall internal audit plan, consideration of individual areas of work and the review of findings from the reports undertaken, including agreed management actions.

The Committee has also exercised oversight over the evolving capital and liquidity position of the wider business and reviewed the plans for the longer-term funding structure.

The Committee has followed the deliberation on Brexit and, in conjunction with the Risk Committee, devoted time to the potential impact on impairment rates. Unfortunately, at the time of writing, the outcome on Brexit remains unknown but the Committee has devoted time to identify the potential impact on the impairment rates used within the Amigo model.

Moving forward, the Committee will continue to monitor the financial performance and position of Amigo ensuring reporting remains fair, balanced and understandable as well as reflective of the underlying evolving economic environment in which Amigo operates.

I would like to thank my colleagues and members of the Committee for their hard work and commitment over the last twelve months.

Richard Price
Chairman of the Audit Committee
6 June 2019

The Committee will continue to monitor the financial performance and position of Amigo ensuring reporting remains fair, balanced and understandable."

Committee composition, skills and experience

Richard Price chaired the Audit Committee throughout the year. The Board is satisfied that Richard Price has recent and relevant financial experience, as a former partner of KPMG. The other members of the Committee during the year were Roger Lovering, Clare Salmon and Stephan Wilcke. Stephan Wilcke stood down from the Committee at the time of the IPO. Clare Salmon joined the Committee following her appointment in November 2018. The Board considers all members to be independent and the Committee as a whole to have relevant sectoral competence. Please see committee member biographies on pages 44 and 45 for further information.

Roles and responsibilities

The principal duties of the Audit Committee include:

Financial reporting

- Monitor the integrity of the Annual, Interim and Quarterly Report and Accounts.
- Review and report to the Board on significant financial reporting issues, estimates and judgements, particularly in relation to accounting under IFRS 9.
- Review and approve the Viability Statement included in the Annual Report and the adoption of the going concern basis as the appropriate basis on which to prepare Amigo's financial statements.

Internal controls

- Keep Amigo's internal financial controls under review.
- Consider the effectiveness of internal control systems.
- Direct and review the activities of the Internal Audit function provided by PwC.

Whistleblowing

- Review the adequacy and security of Amigo's whistleblowing arrangements, ensuring appropriate arrangements are in place for employees to confidentially raise concerns, to have those concerns adequately investigated, without repercussion to them, and to ensure there is a mechanism in place to deal proportionately with outcomes from those investigations.

Financial crime and prevention

- Review Amigo's procedures for the prevention and detection of fraud and bribery.

External audit

- Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting (AGM) in relation to the appointment or re-appointment, Amigo's external auditor.
- Oversee the relationship with the external auditor. approve the remuneration for audit services and develop the policy governing the use of the external auditor to provide non-audit services.
- Approve the external auditor's terms of engagement.
- Assess annually the external auditor's independence and objectivity.
- Discuss with the external auditor the factors that could affect the audit quality and review and approve the annual audit plan.
- Review the findings of the external audit engagement.
- Provide the opportunity for the external auditor to meet with the Committee without executive management present in order to raise any concerns or discuss matters relating to the audit work.

The Committee receives regular updates on regulatory, accounting and reporting developments and their application to Amigo.

Meetings and attendance

The Committee held five meetings during the year. Attendance at these meetings by the Committee members is shown in the table on page 49. On each occasion the external auditor, Chief Financial Officer, Company Secretary and other senior members of the executive team attended, including the Chief Risk Officer. Attendance by representatives of Internal Audit occurred on an ad hoc basis when Internal Audit output was reviewed.

There is an opportunity at each meeting for the Committee to discuss matters privately with the internal and external auditors without management present. Outside of scheduled meeting times, the Chairman of the Committee is in regular contact with both the internal and external audit partners, to discuss matters relevant to Amigo. The Committee's terms of reference are available on Amigo's website and these are reviewed annually and updated to reflect changes in the responsibilities of the Committee. In addition, the Committee conducts a review of its own performance on an annual basis and considers steps for future improvement taking input from the members of the Committee, the internal and external auditors and senior members of the executive team.

Key priorities for the coming year are the ongoing maintenance of clear and concise financial reports that provide their users with relevant, up-to-date information about Amigo's financial performance and position; the continuation of the development of the Internal Audit programme, especially in relation to affordability and conduct risk; oversight of the impact of Brexit on financial modelling; the ongoing monitoring of IFRS 9.

Key activities of the Board Audit Committee in 2018/19

The Committee met five times during the period and the following activities were undertaken:

- reviewed and approved the internal audit plan from PwC and reviewed various reports throughout the year;
- assessed the effectiveness of the internal audit function by reference to the quality, experience and expertise of the team provided by PwC;
- reviewed and considered the external auditor's assessment on Amigo's implementation of IFRS 9;
- reviewed and considered significant issues relevant to the Annual Report and Accounts for the year ended 31 March 2018 including confirmation of the application of Amigo's accounting policies and any material changes to financial reporting requirements;
- reviewed documents in relation to the IPO in June 2018 including the Working Capital Report, the Long Form Report and the Financial Planning and Prospects Procedures Report;
- reviewed and considered significant issues relevant to the unaudited Quarterly Report and Accounts to 30 June 2018;
- reviewed and considered significant issues relevant to the unaudited Interim Report and Accounts to 30 September 2018;
- reviewed and considered significant issues relevant to the unaudited Quarterly Report and Accounts to 31 December 2018;
- reviewed the financial performance of Amigo against market consensus forecasts;
- reviewed and approved Amigo's method for the assessment of impairment provisions in accordance with IFRS 9;
- reviewed the external auditor's audit planning report for the year ended 31 March 2019 and findings from the 2018/19 interim audit work completed in the period;
- reviewed and approved the audit fee for the interim and final audit work;
- reviewed and approved the Amigo policy on non-audit services;
- in conjunction with the Risk Committee, reviewed the effectiveness of the Group's system of internal control (including financial and operational);
- reviewed the going concern and Viability Statements, focusing on key judgements, assumptions and estimates underlying the Group's plans. Concluded that inputs used and conclusions within these statements were appropriate;
- reviewed and considered significant issues relevant to the Annual Report and Accounts for the year ended 31 March 2019 including confirmation of the application of Amigo's accounting policies and any material changes to financial reporting requirements; and
- reviewed and updated the terms of reference for the Committee.

Auditor effectiveness and independence

The Committee considered KPMG's effectiveness by reference to the audit plan, including the key risks identified and the materiality adopted, their performance against that plan and their relevant experience of both the non-standard finance sector and Amigo's business and operations. KPMG's current internal quality control measures were also evaluated. Further details of the audit engagement partner, engagement date and length of tenure are provided in the Independent Auditor's report at page 83.

The Committee has also considered the objectivity and independence of the external audit, noting both the statement of independence provided by KPMG and the absence of any known conflict of interest between Amigo and KPMG. The Committee's policy is that KPMG will only be engaged to perform non-audit services in exceptional circumstances and, even then, only with the prior approval of the Committee. In the last financial year, the only non-audit work provided by KPMG was in relation to the IPO where the Committee considered that there were specific synergies and advantages to using the same firm for all accounting work. Details of audit and non-audit fees paid to KPMG are provided in note 5 to the Consolidated Financial Statements.

Financial reporting

The Committee reviewed and provided input into the audit scope and audit plan provided by KPMG. In evaluating key issues and areas of judgement relevant to the Consolidated Financial Statements, the Committee reviewed KPMG's audit findings and observations and considered the following significant issues:

Issue	Relevant action
IFRS 9	• Determination of a 'significant increase' in credit risk • Consideration of expected credit loss profiles • Development of forward looking economic scenarios
Effective Interest Rate method	• Assessment of completeness of fees and income • Consideration of expected behavioural life

Nomination Committee

Stephan Wilcke
Committee Chairman

Member	Meetings	Attendance
Stephan Wilcke	●●●●●	100%
Roger Lovering	●●●●●	100%
Richard Price	●●●●●	100%
Clare Salmon[1]	●●●	100%
James Benamor[2]	○○	—

● Meetings attended

○ No meetings attended

1 Clare Salmon was appointed as a Director of the Company on 8 November 2018.

2 James Benamor resigned as a Director of the Company on 30 September 2018.

Ensuring that the size, composition and structure of the Board are appropriate for the delivery of the Group's strategic objectives."

Chairman's overview

I am pleased to introduce our Nomination Committee Report for 2018/19, which explains the Committee's focus and activities during the year. The focus of the Committee has continued to be on ensuring that the size, composition and structure of the Board are appropriate for the delivery of the Group's strategic objectives, remaining reflective of the wider community and on succession planning. We have also worked to ensure that all relevant provisions of the UK Corporate Governance Code have been met since our IPO in July.

Committee composition, skills and experience

The Nomination Committee was chaired throughout the year by Stephan Wilcke. Roger Lovering and Richard Price were also members of the Committee throughout the year. Clare Salmon joined the Committee on her appointment as a Director in November 2018. James Benamor stood down as a member of the Committee when he resigned as a Director in September 2018. All current Committee members are considered by the Board to be independent.

Roles and responsibilities

The key responsibilities of the Nomination Committee are to identify, evaluate and nominate candidates for appointment to the Board, to review regularly the structure, size and composition (including skills, knowledge and experience) of the Board and to make recommendations to the Board with regard to any adjustments that are deemed necessary. The Committee is also responsible for considering the Company's succession plans for Board members and senior management, taking into account the challenges and opportunities facing the Company and the skills and expertise that are needed on the Board in the future. The Committee is responsible for reviewing membership of the Board's Committees to ensure that undue reliance is not placed upon any individuals.

Key activities of the Board Nomination Committee in the year

The Committee held five meetings during the year. Attendance at these meetings by the Committee members is shown in the table on page 49. Key identified activities included:

- delivered on the commitment made at the IPO to recruit and appoint an additional Non-Executive Director;
- reviewed the composition of the various Board Committees and determined that no changes were required to the composition of the Board Committees following Clare's appointment as Chair of the Remuneration Committee and member of the Audit Committee, which satisfied the UK Corporate Governance Code and IPO commitments;
- considered the training requirements of the Directors and initiated training to meet those requirements;
- supported the recruitment of Nayan Kisnadwala, in succession to Simon Dighton, as Chief Financial Officer;
- undertook long-term succession planning for Glen Crawford as CEO resulting in agreeing with Hamish Paton in January 2019 that he would join as Chief Commercial Officer as soon as his prior employer released him from his contract;
- initiated a programme to review the skill set of the existing Board and senior management to identify the requirement for an additional Board Director; and
- reviewed the Committee's terms of reference.

The issues of succession planning and Board structure will remain the ongoing focus of the Committee during the course of the forthcoming year.

On the recommendation of the Nomination Committee, taking into account the continuing effective performance of the Directors and best practice identified in the UK Corporate Governance Code, the Group has asked all Directors (excluding Glen Crawford, outgoing CEO) to stand for re-election at the forthcoming AGM.

The Committee has not yet undertaken an external evaluation of the Board during the financial year as the Company has only been listed since 4 July 2018.

Diversity

The Board approves of the principle and has a policy of trying to recruit more women into senior management and Director roles. There is currently one female Director on the Board, Clare Salmon, who is Chair of the Remuneration Committee. The Board currently consists of six people, which will expand with the appointment of an additional Non-Executive Director. The Board believes that Amigo would be best served by ensuring a suitable range of skills, experience and knowledge across all the Board members and that diversity (including gender and ethnicity) is just one consideration to be taken into account when filling any Board vacancies. Both new Board appointments increased diversity in different ways during the year and the same is true for all hires in the Executive Committee.

Stephan Wilcke
Chairman of the Nomination Committee
6 June 2019

Risk Committee

Roger Lovering
Committee Chairman

Member	Meetings	Attendance
Richard Price	●●●●●	100%
Roger Lovering	●●●●●	100%
Stephan Wilcke	●●●●●	100%
Clare Salmon[1]	○●	50%

● Meetings attended

○ No meetings attended

1 Clare Salmon was appointed as a Director of the Company on 8 November 2018.

Chairman's overview

I am pleased to present the Risk Committee Report. The Committee's key role is to provide oversight of and advice to the Board on the management of risk across the organisation, balancing the agenda between risk exposure and the future risk strategy of the Group.

The Committee had a full agenda in the year which involved oversight of ongoing risks associated with lending to Amigo customers, plus ensuring that future risks are identified and addressed. A key part of the Committee's work was in preparation for the Group's successful IPO in summer 2018. We also had a full regulatory agenda. Specifically, as a Committee we have taken a closer look at areas such as responsible lending (including affordability) and the treatment of vulnerable individuals. In relation to lending to customers we have continually monitored the performance of our pilot lending trials and where appropriate have scaled back some of the trials.

We have also monitored the Group's liquidity position during the year, as well as providing oversight for the launch of our new Irish lending operation.

We have continued to enhance and embed an appropriate risk culture as the Group evolves. Areas of focus have included business continuity planning and data and cyber risk.

The Committee reviewed and updated the Company's risk appetite statement for formal approval by the Board. The Committee oversaw regular reviews of the regular risk report and quarterly credit loss forecasts.

The Committee has kept under review the impacts and risks that may arise due to Brexit. In this regard, we have considered the appropriate scenarios and stress tests that should be applied and the potential impact on the business. We will continue to monitor the situation until the outcome of Brexit is known.

Moving forward, the Committee will continue to monitor and assess the risks facing the Group and provide valuable insight into what is looking to be a challenging operating environment. I would like to thank my colleagues and members of the Committee for their hard work and commitment over the last twelve months.

Roger Lovering
Chairman of the Risk Committee
6 June 2019

Moving forward, the Committee will continue to monitor and assess the risks facing the Group and provide valuable insight in what is looking to be a challenging operating environment."

Committee composition, skills and experience
The principal purpose of the Committee is to assist the Board in its oversight of risk within Amigo, with particular focus on risk appetite, risk profile and the effectiveness of Amigo's internal controls and risk management systems.

Membership and attendance
The Committee consists of the Non-Executive Directors of the Company. The Chief Risk Officer, Chief Financial Officer and Company Secretary normally attend all Committee meetings. Subsequent to the year end it was agreed the Chief Financial Officer would be a full member of the Committee. Other interested parties are also invited to attend Committee meetings, as appropriate. Attendance at Risk Committee meetings is set out in the table on page 49.

Cross-membership between each of the Board's Committees ensures that all material risks and related issues are appropriately identified, communicated and taken into account in the decisions taken by each Committee and the Board. The Committee met five times during the year.

Role and responsibilities
The Board has delegated the oversight of risk management to the Committee, although the Board retains overall accountability for Amigo's risk profile.

The Committee's primary functions include:

- advising the Board on the Company's overall risk appetite, tolerance and strategy taking into account the factors influencing the approach to risk;
- considering the risk policies in place and ensuring they form part of a robust assessment of the risks including those affecting our business model, future performance, solvency, liquidity, business continuity and business disaster recovery;
- regularly reviewing and approving the parameters used in measuring risk and the methodology used to assess such risks;
- considering fraud matters and ensuring procedures are in place to deal with applicable legal and regulatory requirements including consideration of anti-money laundering practices, customer and conduct risk; and
- reviewing the activities of the Chief Risk Officer including considering appointment and removal.

Principal activities of the Committee during 2019
During the year, the Committee reviewed all material, financial, operational and compliance controls, identified key risks affecting the Company and reassessed and confirmed the Group's risk appetite statement and target residual ratings for each of the principal risks. The principal risks are set out on pages 31 to 34.

The Committee has focused on ensuring that appropriate risk management strategies were implemented, monitored and reported effectively within the overarching Group-wide risk management framework. The Committee continued to develop an effective enterprise risk management framework, improving the detailed analysis of the principal risks faced by the business.

During the period the Committee focused on the following matters:

- the ongoing review and identification of Group risks with action plans put in place to mitigate such risks, including strengthening the three lines of defence;
- a review of the risk appetite across the Group;
- oversight of the risk management system implementation and key reporting requirements;
- consideration of the changing regulatory environment, including the impact on reputational risk;
- oversight of quarterly credit risk reporting;
- enhanced monitoring of vulnerability, affordability, responsible lending and arrears management issues;
- preparation of a report considering the impacts and implications arising out of Brexit; that
- a regular review of the loss forecast data for input into provisioning under IFRS 9 for the impairment rate across the entire scope of the loan book.

Areas of focus in 2019/20
The Committee intends to continue to improve the Company's risk management framework during 2019/20. Key tasks include: a further review and enhancement of the Group risk management framework, oversight of the embedding of the Senior Manager and Certification Regime throughout Amigo, further work to consider cyber risks including business continuity planning, further development of the Group's risk register, further monitoring of Brexit implications including the impact on Irish operations and further enhancements to the newly implemented risk management system.

Remuneration Committee

Clare Salmon
Committee Chair

Member	Meetings	Attendance
Clare Salmon[1]	6 attended	100%
Richard Price	9 attended	100%
James Benamor[2]	3 not attended	–
Stephan Wilcke	9 attended	100%

Meetings attended

No meetings attended

1 Clare Salmon was appointed as a Director of the Company on 8 November 2018.

2 James Benamor resigned as a Director of the Company on 30 September 2018.

Our philosophy is to align our remuneration opportunities to good customer outcomes and provide sustainable and growing returns for shareholders."

Chair overview

I am pleased to present the Remuneration Committee report for the year ended 31 March 2019. This is the first (inaugural) report to be published following the successful IPO of Amigo in 2018 and my first as the Committee's Chair. The Committee has a number of accountabilities including responsibility for assessing and determining the Executive Director remuneration policy; reviewing and where appropriate endorsing senior management remuneration; and oversight of the evolving Group remuneration policy.

In light of the IPO, Executive Director changes and other factors as highlighted, this has been a very busy period for the Remuneration Committee and this report details how Executive Director remuneration has been implemented in the period since IPO; and the intended future remuneration policy which is being put to shareholders for approval at the forthcoming AGM.

In addition to this letter this report consists of three key sections which deal with the issues covered by the reporting regulations:

Section 1 – Summarises how the committee performed its role throughout the period.

Section 2 – Annual Report on Remuneration: this section details the remuneration receivable by our Executive and Non-Executive Directors in respect of 2018/19 since the IPO and how we intend to implement the new remuneration policy in 2019/20 further to its approval by our shareholders.

Section 3 – Remuneration policy: this section summarises how we intend to remunerate Executive and Non-Executive Directors over the life of the new policy which is to be put to shareholders for their approval at the AGM in 2019.

This Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Group (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). This Report meets the requirements of the UK Listing Rules and the Disclosure Guidance and Transparency Rules. The information set out below represents auditable disclosures referred to in the Auditor's Report on pages 83 to 88, as specified by the UK Listing Authority and the Regulations.

Remuneration policy review

Following my appointment, one of the first actions that the Committee embarked on was to consider whether the summary remuneration policy as outlined at the time of IPO remained aligned with the needs of the business, bearing in mind changes in the Executive Leadership team, Amigo's continued evolution from an entrepreneur-led company into a regulated PLC and corporate governance developments, relevant to a mid-FTSE 250 company.

Accordingly the Committee has undertaken a fundamental and comprehensive review of Executive Director remuneration, inclusive of consultation with its major shareholders, and concluded that changes should be incorporated into the policy that is being put to shareholders at the forthcoming AGM, along with a new Amigo Holdings PLC Long Term Incentive Plan.

The Directors are aware that Amigo's majority shareholder, Richmond Group Limited, is philosophically in favour of management remuneration schemes which combine below market rate cash compensation with significant long term share-based rewards which only create value for the individual if shareholder value has been increased substantially during a multi-year period. The Remuneration Committee has accommodated this desire as much as feasible by proposing initially to make all variable remuneration in the remuneration policy equity-based with minimum three year holding periods. Richmond Group Limited accepts that, as a newly listed public company, the Directors have chosen to align other elements of the remuneration policy in line with best practice for publicly listed companies and has therefore indicated that it plans to support the remuneration policy.

Our remuneration philosophy is aimed at providing Executive Directors and senior managers with remuneration opportunities strongly aligned to good customer outcomes which lead to growing and sustainable returns to shareholders. In developing the policy we aimed to deliver one that:

- is simple to understand and transparent;
- attracts, retains and motivates staff;
- is competitive but not excessive;
- aligns the interests of shareholders and Executives; and
- encourages management to do the right thing.

We were also mindful of the need to retain existing valuable employees, who in some cases had received transformational rewards as an outcome of the successful IPO; and also to strengthen Amigo's executive bench strength so that the business is fully prepared to continue to grow in a public company environment. We have reviewed market benchmarks to this end, to ensure that the policy delivers rewards that are attractive but not excessive.

In designing the proposed remuneration policy, we have sought to link increases in rewards to performance through variable pay, based on the achievement of stretching performance targets based on robust metrics. A material proportion of remuneration for senior executives will be delivered in shares over a period of 3 to 5 years. We have taken into account the feedback of our institutional shareholders to create an approach which will enable the business to separately focus on short term and long-term objectives, having regard not only to financial and strategic performance, but also to the customer and conduct measures which are vital to Amigo as a regulated business.

The full policy, which will be put to a vote at the AGM on 12 July 2019, is described on pages 72 to 76 but to highlight the key differences between the FY19 and FY20 policies are:

- the introduction of a Long Term Incentive Plan (LTIP) to augment the existing base salary and bonus, payable via a deferred bonus scheme, subject to a combined performance and holding period of five years and challenging performance metrics;
- a modified annual bonus scheme which requires Executive Directors to defer 100% of their annual bonus into company shares for 3 years until their individual shareholding guideline of 200% has been met. Once the shareholding guideline has been met, only 50% of the annual bonus will be deferred into shares for 3 years with the other 50% paid in cash following the year end. The bonus will be subject to a scorecard of measures incorporating those appropriate to a regulated business including customer and conduct metrics and a maximum award level of 150% of salary, which is 50% lower than current maximum for the CEO; and
- as highlighted, we have also been cognisant of the latest corporate governance developments, for example, the policy incorporates elements including pension contribution levels aligned with the wider workforce, shareholding guidelines of 200% and one year post exit shareholding period on the LTIP.

For the period of FY20 that the outgoing CEO Glen Crawford is in position, his incentive structure and opportunity will reflect those that were in place for 2018/19, as established at IPO. His base salary will be increased by 3% to £334,750 per annum for the time he remains in the role in respect of 2019, an annual salary increase in line with that of the wider workforce.

The Committee has sought to promote a remuneration environment that strongly aligns the commercial direction of Amigo with the interests of shareholders, whilst reflecting best practice developments and market trends.

Business context for FY19

The Group achieved all its core targets for FY19 including a successful IPO, delivery of performance against IPO objectives and the first securitisation of consumer credit guarantor loans in the UK.

Adjusted profit at £100.1m was up 38.3% year on year. The gross loan book was £783.0m at the year end showing 17.2% annual growth. Cash generation remained robust throughout the period and was helped by the successful securitisation of which, at the year end, £158.6m was drawn down. Operating costs continued to be tightly controlled, as evidenced by a cost: income ratio of 17.5%, despite increases in costs associated with being a publicly listed company and increased emphasis by the regulators on affordability and creditworthiness checks on our core customers. Overall, the return on equity to shareholders remains extremely robust, at 45.6%.

Remuneration outcomes for FY19

The annual bonus for Executive Directors is based on the assessment of performance outlined at the time of the IPO and subject to deferral into shares under the Deferred Bonus Plan. The CEO and CFO were eligible for consideration of a bonus award up to 200% and 75% of base salary respectively. In addition, Simon Dighton, the CFO at the time of the IPO, was entitled to a one-off performance-related bonus of up to £550,000 following the successful IPO. Nayan Kisnadwala, who replaced Simon on the Board in January 2019, became eligible for a bonus for up to 100% of base salary pro rated for the period in the 2018/19 performance period for which he was a Director.

The Company achieved the core threshold performance criteria for bonus payments under the arrangements laid out for FY19.

The Committee assessed Glen Crawford's key contribution to the business following the IPO against a stretching set of objectives, and in the light of challenging external circumstances. We also reviewed benchmark bonus rewards for comparable FTSE 250 CEO roles, and took into account the expectations of shareholders with regard to performance. With these points in mind, we have awarded a bonus of £240,909 to Glen. We are grateful to him for his continued perseverance given the medical issues he has faced. Simon Dighton, who resigned as a Director in January 2019, was considered eligible for a pro-rated bonus of £70,000. Following his resignation, Simon ceased to be eligible for any award under the IPO-related bonus scheme although he will participate in a special bonus arrangement. The terms of Simon's special arrangement are set out in the report.

Executive Director changes

During the year there were two changes in our Executive Directors. In considering the appointment and departure terms for these individuals, we have sought to act fairly and not pay any more than is necessary, while wishing to ensure a successful transition between individuals for the benefit of Amigo and our shareholders.

Remuneration principles

The Committee seeks to support the delivery of the Group's strategy through establishing appropriate remuneration arrangements. Our goal is to build a strong long-term sustainable business by delivering ongoing sales growth and sustainable shareholder returns through the delivery of a single transparent product to our customers, by colleagues exhibiting best practice and service excellence.

Consequently, the overall remuneration policy of the Committee, and of the Board, is to provide remuneration packages for Executive Directors and other senior managers within Amigo which:

- **Attract and retain:** enable Amigo to attract and retain management of a high calibre with the necessary customer service focus and financial and regulatory credentials required to deliver a sustainable business model and drive shareholder returns. Remuneration arrangements are set at levels appropriate to achieving this goal without paying more than is considered necessary. The Committee considers market data at appropriate intervals to inform the positioning of Executives' pay relative to companies of a similar size and in similar sectors, without seeking to "match the median", to identify and mitigate the risk of losing strong performers.
- **Link variable pay to performance and the delivery of the agreed strategy:** provide management with the opportunity to earn competitive remuneration through annual and long-term variable pay arrangements that are designed to support delivery against key strategic objectives. Performance measures are aligned with strategic goals so that remuneration arrangements are transparent to Executives, shareholders and other stakeholders. Different elements of executive pay are delivered over the short and longer term and are designed to ensure that a substantial proportion of the Executives' remuneration is variable, performance-related and shareholding based.
- **Align Executives with shareholders:** ensure management's interests are aligned with those of shareholders by incentivising management to deliver the Group's long-term strategy of a sustainable, growing business and thus enhance shareholder value. A significant portion of reward is delivered in shares to create alignment of interests.
- **Drive sustainable ethical performance:** remuneration arrangements are designed to support the sustainable delivery of ethical performance and to prevent excessive risk taking.

Please see Section 2 of the Annual Report on Remuneration on pages 66-68 for details of the recruitment and leaving arrangements in respect of these changes.

Clare Salmon
Chair of the Remuneration Committee
6 June 2019

Section 1 – Annual Report on the Remuneration Committee

1.1 Committee composition

During the year, the Committee comprised:

- Clare Salmon (Chair and member of the Committee from 22 November 2018);
- Stephan Wilcke (Chair for the period to 22 November 2018);
- Richard Price; and
- James Benamor (for period to 30 September 2018).

There were three scheduled Committee meetings held during the year. In addition, the Committee held six additional meetings in the year which were called to discuss and approve the exit remuneration arrangements of Simon Dighton, the remuneration packages for new Directors and senior managers and the development of the FY20 remuneration policy. Detail of Committee members' attendance at meetings is shown in the table on page 49.

The additional meetings were quorate and all Committee members received the relevant papers and provided the required approval. The Chairman of the Remuneration Committee reported to the Board on the key issues discussed. A number of informal discussions were also held between the Committee Chair and Committee members throughout the year as the need arose. Following the resignation of James Benamor from the Committee on 30 September 2018, all members are considered to be independent for the purposes of the UK Corporate Governance Code. The Company Secretary generally acts as secretary to the Committee unless a personal conflict of interest is apparent.

1.2 Activities during the year

During the year, the Committee has:

- consulted with shareholders in relation to the proposed Directors' remuneration policy;
- discussed feedback received from shareholder bodies on the proposed Directors' remuneration policy;
- reviewed and approved the Directors' Remuneration Report in the FY19 Annual Report and Accounts;
- considered the implementation of Company-wide Share Incentive Plan (SIP) and Save as You Earn schemes (SAYE);
- discussed and approved both financial and strategic annual bonus metrics and targets for FY20 and bonus out turns for FY19;
- reviewed the terms of reference of the Committee;
- discussed and recommended to the Amigo Board the terms of the remuneration package for the new CFO, the settlement arrangements with the leaving CFO and the changes to the remuneration of Non-Executive Director fees;
- reviewed the proposed Executive remuneration policy for FY20; and
- reviewed and approved appointment of remuneration advisors Willis Towers Watson.

1.3 Advisors and other attendees

During the year, the Committee has been supported by Louise Musgrove, Chief People Officer, and Roger Bennett, Head of Company Secretariat. The Chief Executive Officer and Chief Financial Officer also attend Committee meetings on occasion, at the request of the Committee; they are never present when their own remuneration is discussed. In carrying out its responsibilities, the Committee is authorised to obtain the advice of external independent remuneration consultants and is solely responsible for their appointment, retention and termination. During the year, the Committee has taken advice from Willis Towers Watson (WTW), which advised on the design of the proposed FY20 remuneration policy, appropriate measurement metrics and benchmarking of remuneration arrangements for the senior management team. Total fees paid to WTW were £55,000 in respect of advice provided to the Remuneration Committee in the year, charged on a time and materials basis.

The Committee considers WTW's advice independent and impartial, and is also satisfied that the members of the WTW team do not have connections with the Company that might impair their independence. The Committee considered the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. WTW is a signatory of the Remuneration Consultants Group Code of Conduct.

Section 1 – Annual Report on the Remuneration Committee continued

1.4.1 Executive Director service contracts

Contracts for Directors are designed to clearly lay out the responsibilities of the Directors to the Company, specific areas of expertise required to be demonstrated and the terms of their contractual entitlement.

The service contracts for current and future Executive Directors provide for a notice period of six months, from the Company or the individual.

Executive Directors' service contracts allow for termination with contractual notice from the Company or termination by payment in lieu of notice. Payment in lieu of notice is limited to base salary for the notice period. There is no contractual entitlement to bonus or LTIP awards in respect of the notice period. Copies of service contracts are available for inspection at the registered office.

1.4.2 Non-Executive Director letters of employment

Non-Executive Director appointments are for three years subject to annual review and notice. All Directors are required to seek annual re-election by shareholders at the Company's AGM.

Non-Executives are not entitled to compensation in relation to leaving the Board of Directors. Copies of service contracts are available for inspection at the registered office.

1.4.3 Table detailing unexpired term of service contract for Directors at AGM re-election:

	Months
Stephen Wilcke	12
Richard Price	12
Roger Lovering	12
Clare Salmon	12
Glen Crawford	0[1]
Nayan Kisnadwala	6

Note

1 Glen Crawford has agreed to waive his contractual notice period.

1.5 Statement of consideration of employment conditions elsewhere in the Company

When making decisions in relation to executive pay the Committee takes into consideration pay and conditions across the wider workforce.

The annual bonus plan is extended to the wider workforce. The performance measures and targets used at main Board level are extended to bonuses below Board. The weighting of the measures may differ depending on the responsibilities of the individual.

It is intended that the LTIP will be extended to members of the senior management team below the Board.

1.6 Statement of consideration of shareholder views

The Committee consulted with its largest shareholders prior to publication of the proposed remuneration policy. The Committee is interested in the views of all of its shareholders and intends to retain an open dialogue with shareholders on remuneration issues. The Committee welcomes any feedback from our shareholders on remuneration matters.

1.7 Outside appointments

Amigo recognises that its Executive Directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden experience and knowledge which can benefit Amigo. Subject to approval by the Board, Executive Directors are allowed to accept non-executive appointments and retain the fees received, provided that these appointments are not likely to lead to conflicts of interest. During the year no Executive Director held an external non-executive director role and accordingly no fees were received by Executive Directors in the year.

Section 2: Annual Report on remuneration

2.1 Single total figure of remuneration for Executive Directors (audited)

	Glen Crawford			Simon Dighton[6]		
	2018/19	2017/18	CEO % change 2017/18	2018/19	2017/18	Nayan Kisnadwala 2018/19
Base Salary[1]	£311,382	£262,650	+18.6%	£248,963	£87,500	£77,500
Bonus[2]	£240,909	£150,000	+60.6%	£70,000	—	£77,500
Benefits[3]	£165	£679	-75.7%	£17,490	£9,381	£9,049
Pension[4]	£19,627	£31,669	-38%	—	—	£302
Profit share[5]	—	—	—	£623,383	—	—
Share based payment[8]	—	—	—	£1,283,590	—	—
Total	£572,083	£444,998	—	£2,243,426	£96,881	£164,351
Legacy shares[9]	£106,366,199	—	—	—	—	—
Total	£106,938,282	£444,998	—	£2,243,426	£96,881	£164,351

1 This represents cash paid or receivable in respect of the period.
2 This is the total annual bonus in respect of the period.
3 This represents the taxable value of all benefits paid or receivable in respect of the period including: use of properties, use of hotels, etc.
4 This represents pension contributions paid by the Group on behalf of the individual, not inclusive of payments in lieu of pension.
5 This column relates to £623,383 of compensation generated from the profit share attributable to the early redemption of up to £80 million of the Company's Bonds.
6 Simon Dighton resigned as a director of the Company on 31 January 2019.
7 Nayan Kisnadwala was appointed as a Director of the Company on 31 January 2019.
8 Represents profit on exercise of option to acquire 666,800 shares, see 2.6.
9 Glen Crawford had previously subscribed for C Ordinary shares in the Company, the terms of which provided for their conversion into 0.25p ordinary shares as part of the IPO on a basis determined by reference to the IPO price. As a result of this conversion, Glen Crawford held 38,891,345 0.25p ordinary shares immediately following the IPO.
10 Simon Dighton became a director on 2 October 2017.

2.1.1 Chief Executive Officer relative pay

The table below sets out the percentage change in base salary and bonus for the CEO compared with the average percentage change for employees. The taxable benefits for the year ended 31 March 2019 are due to be processed and filed by 6 July 2019 and therefore we are not able to include this data.

	Annual percentage change from 2017/18	
	Salary	Annual bonus
CEO	+19%	+61%
UK employees	+20%	+165%

2.2 Pension (audited)

Pension payments represent contributions made either to defined contribution pension schemes or as a cash allowance.

2.3 Bonus (audited)

The bonus for Glen Crawford was calculated as 41.7% of his entitlement to bonus. The assessment took into account financial performance, people leadership and strategy. The bonus for Nayan Kisnadwala took into account his contribution to the business over the two months since he became a Director and represented 100% of the pro-rata opportunity in the period.

2.4 Appointment terms for Nayan Kisnadwala

Regular package

Nayan was appointed as Chief Financial Officer on an annual basic salary of £310,000. This was considered to be reasonable in light of his experience in the consumer finance industry and general management credentials. Nayan was entitled to receive a pension contribution of 5% of basic salary and standard benefits, in line with our remuneration policy (the "Policy").

Nayan's maximum annual bonus opportunity is 100% of salary, in line with the Policy, and this was pro-rated for the period of 2018/19 that he served. His annual bonus was deferred into Amigo shares for a period of three years. Nayan will also be eligible for reimbursement of costs incurred by him for a period up to two years or until he relocates his family to Bournemouth, from London.

Section 2: Annual Report on remuneration continued

2.5 Leaving arrangements for Simon Dighton (audited)

Simon resigned from his role as Chief Financial Officer and Director on 31 January 2019. Simon will remain as an employee until 30 June 2019 and will continue to receive his normal salary and associated benefits, until his leaving date.

Simon was eligible for £70,000 (37% of his eligible bonus entitlement) in relation for his work as CFO for the period until his resignation on 31 January 2019. Following his resignation, Simon ceased to be eligible for any award under the IPO-related bonus scheme although he participates in a special bonus arrangement reflecting his continuing contribution to ongoing projects which have the potential to enhance the Company's profitability. Under this arrangement, he was entitled to receive cash payments totalling up to a theoretical maximum of £680,000, generated from the profit improvement generated by the early redemption of the Company's Bonds. Under the agreement he is entitled as at 31 March 2019 to receive payments of £623,383. The payments of this amount will be made in stages over a period to 31 March 2020. Subsequent to the year end, the amount due to Simon under the agreement increased by c.£56,000 to the maximum total of £680,000, which represents c.10% of the benefit to the Company from this performance.

2.6 Share option agreement exercised during the year (audited)

2018/19	Fair value per award £
Simon Dighton	£1,283,590

The charge to the income statement in 2019 for equity settled schemes was £1.4m inclusive of social security costs (2018: £nil), as was the corresponding increase in equity. The share-based payment relates to a call-option agreement exercised by Simon Dighton following the IPO in June 2018.

Analysis of awards (audited)

	Date of grant	Exercise date	Exercise price	**Number of shares 2019**[1]	Number of shares 2018
At 31 March 2019	13 June 2018	4 July 2018	£0.83	**666,800**	—

1 The number of shares disclosed assumes the ordinary share conversion, discussed in note 19, was in place since the start of the period. This is equivalent to an exercise price of £330 for 1,667 shares prior to conversion.

The weighted average exercise prices (WEAP) over the year were as follows:

At 1 April 2018	Number of shares[1]	WAEP (£)
Granted during the year	666,800	0.83
Forfeited during the year	—	—
Exercised during the year	(666,800)	0.83
Lapsed during the year	—	—
Expired during the year	—	—
At 31 March 2019	**—**	**0.83**

1 The number of shares disclosed assumes the ordinary share conversion, discussed in note 19, was in place since the start of the period. This is equivalent to an exercise price of £330 for 1,667 shares prior to conversion.

The fair value per award, calculated based on initial price of shares at the IPO in June 2018, in the year was as follows:

Date of grant	Exercise price	Nominal value	Fair value per award
13 June 2018	£0.83	£0.25	£2.75

Section 2: Annual Report on remuneration continued

2.7 Shareholding guidelines

The Committee believes that it is important that Executive Directors' interests are aligned with those of our shareholders. Executive Directors are encouraged to acquire and retain shares with a value equal to 200% of their annual base salary. The table below provides the details of shares held by the Executive Directors at the year end.

	Glen Crawford	Nayan Kisnadwala
Shareholding guideline	200%	200%
Shareholding as at 31 March 2019	28,190,450	Nil
Current value (based on share price on 29 March 2019[1])	£50,816,105	Nil
Current % of salary	15,636%	Nil

1 This being the last trading day of the financial year 2019. Mid price 180.26p per ordinary share of 0.25p in Amigo Holdings PLC.

These figures include those of their spouse or civil partner and infant children, or stepchildren, as required by section 822 of the Companies Act 2006. There were no changes in these beneficial interests between 31 March 2019 and 24 May 2019.

Director	Class of share	**2019**	2018
Glen Crawford	Ordinary shares of 0.25p each C ordinary shares of £1 each	**28,190,450** **N/a**	N/a 97,500
Simon Dighton[1]	Ordinary shares of 0.25p each	**243,304**	N/a
Nayan Kisnadwala	Ordinary shares of 0.25p each	**Nil**	Nil

1 Simon Dighton resigned as a director on 31 January 2019.

2.8 Loss of office payments (audited)

No loss of office payment was made to a Director during the year. Simon Dighton is due a loss of office payment of £30,000 which will be payable following his termination date on 30 June 2019.

2.9 Payments to former directors (audited)

No payments were made to former Directors during the year.

2.10 Single total figure of remuneration for Non-Executive Directors

Non-Executive Director single figure comparison (audited)

2018/19	Stephan Wilcke	Richard Price	Roger Lovering	James Benamor	Clare Salmon[2]
Fees[1]	£75,000	£51,471	£53,542	—	£23,427
Bonus	—	—	—	—	—
Benefits	—	—	—	—	—
Pension	—	—	—	—	—
Total	£75,000	£51,471	£53,542	—	£23,427
Legacy shares[3]	£44,914,497	£1,209,500	£1,209,500	—	—
Total	£44,989,497	£1,260,971	£1,263,042	—	£23,427

2017/18	Stephan Wilcke	Richard Price	Roger Lovering	James Benamor
Fees	£75,000	£47,500	£47,500	—
Bonus	—	—	—	—
Benefits	—	—	—	—
Pension	—	—	—	—
Total	£75,000	£47,500	£47,500	—

1 This represents cash paid or receivable in respect of the period.

2 Clare Salmon was appointed as a Director of the Company on 8 November 2018.

3 Stephan Wilcke, Roger Lovering and Richard Price had previously subscribed for C and D Ordinary shares in the Company, the terms of which provided for their conversion into 0.25p ordinary shares as part of the IPO on a basis determined by reference to the IPO price. As a result of this conversion, Stephan Wilcke, Roger Lovering and Richard Price held 16,493,879, 460,000 and 460,000 ordinary shares respectively immediately following the IPO.

Section 2: Annual Report on remuneration continued

2.11 Non-Executive Director shareholding (audited)

Non-Executive Directors are not required to own shares in the Company. The table below provides the details of shares held by the Non-Executive Directors at the year end.

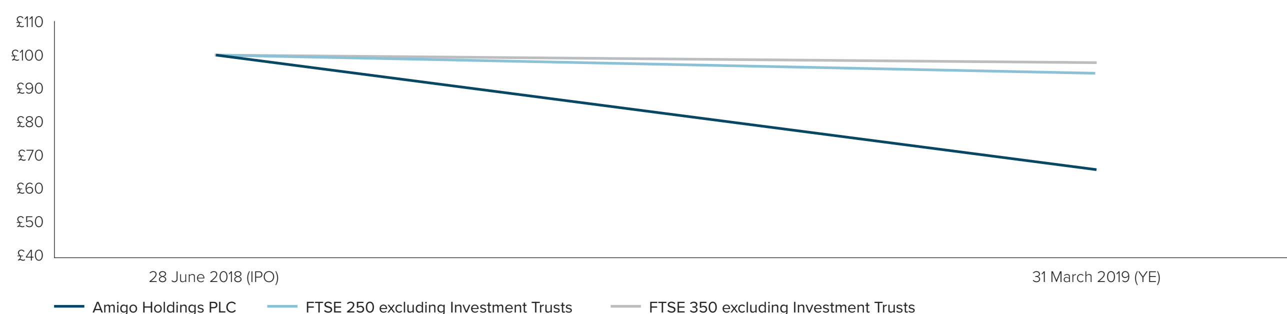
Director	Class of share	2019	2018[1]
Stephan Wilcke	Ordinary share of 0.25p each	11,955,613	N/A
	B ordinary share of £1.24 each	N/A	41,000
	D ordinary share of £1.00 each	N/A	599
Roger Lovering	Ordinary share of 0.25p each	333,431	N/A
	D ordinary share of £1.00 each	N/A	1,150
Richard Price	Ordinary share of 0.25p each	333,431	N/A
	D ordinary share of £1.00 each	N/A	1,150
James Benamor[2]	Ordinary share of 0.25p each	291,646,884	N/A
	A ordinary share of £1.00 each	N/A	803,574
	D ordinary share of £1.00 each	N/A	14,000
Clare Salmon	Ordinary share of 0.25p each	Nil	N/A

1 Shareholding in Amigo Holdings Limited, prior to the IPO. See note 21 for details of the share split as part of the IPO process.
2 James Benamor holds his shares through Richmond Group Ltd. He resigned as a director on 30 September 2018.

These figures include those of their spouses, civil partners and infant children, or stepchildren, as required by section 822 of the Companies Act 2006. There was no change in these beneficial interests between 31 March 2019 and 24 May 2019. Non-Executive Directors do not have a shareholding guideline but they are encouraged to buy shares in the Company.

2.12 Performance graph and table

The chart below tracks the hypothetical return on a £100 investment in Amigo Holdings PLC made on listing in June 2018 and measured as of 31 March 2019. TSR has been measured against the FTSE 250 excluding Investment Trusts and the FTSE 350 excluding Investment Trusts as the Company is a constituent of both Indices.



2.13 The table below sets out the CEO's total remuneration and incentive plan outcomes for the financial year to 31 March 2019:

Year	CEO	Total single figure of remuneration excluding value of legacy shares	Total single figure of remuneration	Annual bonus outturn as a % of maximum[1]	LTIP outturn as a % of maximum
2018/19	Glen Crawford	£572,083	£106,938,282	41.7%	N/A

1 Since IPO.

Section 2: Annual Report on remuneration continued

2.14 Statement of implementation of remuneration policy in 2019/20

The table below sets out the detail of how we propose to implement the executive remuneration policy in 2019/20:

Unless otherwise stated, the implementation of each element will be in line with the policy.

Element	Summary of policy implementation in 2019/20
Base salary	Outgoing CEO: £334,750[1] Incoming CEO: TBA[2] CFO: £319,300
Annual bonus	Maximum: • Outgoing CEO: 200% of salary • Incoming CEO: TBA and subject to approval of the Remuneration Policy • CFO: 100% of salary Performance measures and weightings: • 50% Group financial • 25% Group customer, people and culture • 15% Group strategic • 10% individual Bonus pay-outs will be subject to satisfactory Company and regulatory performance over the period. Targets will be disclosed retrospectively.
Long-term incentive	Maximum • Outgoing CEO: N/A • Incoming CEO: TBA and subject to approval of the Remuneration Policy • CFO: 110% of salary Performance measures and weightings: (see table below) All measures will vest on a straight-line basis from threshold (25% of maximum) to maximum (100% of maximum).
Pension	5% defined contribution pension and/or cash in lieu.

Long-term incentive performance measures and weightings:

Measure	Weighting	Target range
EPS growth p.a.	50%	8%–16% growth p.a.
Relative TSR vs FTSE 250 excluding ITs	25%	Median to upper quartile of the peer group
Absolute TSR	25%	6%–12% growth p.a.

Note

1 A rise of 3% in base salary for the year. All employees who had passed probation received a minimum of a 3% rise with effect from the annual review date of 1/4/19.

2 Hamish Paton agreed to the commitment that his CEO compensation would be finalised following the approval of the proposed Remuneration Policy to be agreed at the AGM.

Section 2: Annual Report on remuneration continued

2.14 Statement of implementation of remuneration policy in 2019/20 continued

Element	Summary of policy implementation in 2019/20
Benefits	Private medical insurance (individual and family), life insurance (death in service) of 4x basic salary, critical illness cover for £100,000 and income protection, in event of incapacity up to 66% of base salary, after 13 weeks, for the lesser of five years or state statutory pension age. The CFO is also in receipt of a two-year relocation allowance which ceases at the end of 2020/21. £29,400 of this allowance relates to 2019/20.

Other key policy features: Shareholding guidelines and post-exit shareholding requirements will operate in 2019/20 as per the proposed remuneration policy.

2.15 The table below sets out the detail of how we propose to remunerate the Non-Executive Directors in 2019/20:

NED fees	• Non-executive Chairman:	£75,000
	• Basic fee:	£45,000
	• Senior Independent Director fee:	£5,000
	• Audit Committee Chair:	£12,500
	• Remuneration Committee Chair:	£12,500
	• Risk Committee Chair:	£12,500

2.16 Relative importance of the spend on employee pay

The table below shows the Company's total employee remuneration (including the Directors) compared to distributions to shareholders and profit before tax for the year under review and the prior year.

	Year to 31 March 2019	Year to 31 March 2018
Total employee costs	**£13.6m**	£9.8m
Distributions to shareholders	**£8.9m**	£0.0m
Profit before tax	**£111.0m**	£66.1m
Total employee cost as % of profit before tax	**12.25%**	14.83%
Average headcount	**303**	264
Average Profit before tax per employee	**£366,337**	£250,379

Section 3 – Remuneration policy for 2019/20

3.1 Future policy table for Executive Directors

Element	Summary of remuneration policy
Salary	**Operation** Base salaries are set taking into account: • The individual's skills, experience and current remuneration package • The size and scope of the role • Salary and total remuneration levels at similar sized companies • Remuneration of other Executives and Group employees Salary increases will generally be effective from 1 April. **Opportunity** There is no set maximum salary; however, increases will generally be in line with or below the average salary increase awarded to employees. Increases may be made above this level in exceptional circumstances, such as: • Where an individual is brought in on a lower salary with the intention of increasing the salary level gradually dependent on performance in the role • There is a material increase in the size and scope of the role • Market practice has evolved to mean that the salary is no longer considered to be competitive **Performance assessment** Personal performance will be taken into account when considering base salary increases.
Annual bonus	**Operation** Performance is assessed over one year. 100% of the annual bonus will be deferred into company shares for three years until the shareholding guideline of 200% has been met. Once the shareholding guideline has been met, only 50% of the annual bonus will be deferred into shares for three years with the other 50% paid in cash following the year end. **Opportunity** Maximum bonus: • The ongoing maximum annual bonus policy will be limited to 150% of base salary excluding the current CEO • Existing CEO: 200% of base salary Threshold bonus will pay out from 25% of maximum. On-target bonus will pay out at 50% of maximum. **Performance assessment** Performance measures, weightings and targets will be set annually. At least 50% of the bonus will be based on financial performance measures. The Committee retains discretion to reduce pay-outs (including to nil) based on an assessment of regulatory conduct and general Company performance over the performance period. Clawback and malus conditions apply.

Section 3 – Remuneration policy for 2019/20 continued

3.1 Future policy table for Executive Directors continued

Element	Summary of remuneration policy
Long-term incentive	**Operation** Annual awards of performance shares. Performance period of three years with a two year post-vesting holding period. **Opportunity** Maximum ongoing award: • 200% of salary, excluding the current CEO The exceptional award limit is 250% of salary. This may be used in one-off exceptional circumstances such as the year in which a new Executive is recruited, if the Committee considers it necessary. The LTIP will vest at 25% of maximum for threshold performance. **Performance assessment** Performance measures, weightings and targets are set annually. At least 70% of the LTIP will be based on financial and TSR measures. The Committee retains discretion to reduce vesting (including to nil) based on an assessment of regulatory conduct and general Company performance over the performance period. Clawback and malus conditions apply.
All-employee share plans	To the extent that an all-employee share plan is operated during the life of the policy, Executive Directors would be eligible to participate on the same terms as other employees.
Pension	**Operation** Defined contribution scheme or cash award at the Committee's discretion. **Opportunity** Pension contributions aligned to majority of wider UK workforce, which is currently at 5% of base salary, and/or cash in lieu in event of contribution in excess of agreed HMRC contribution rates or Lifetime Allowance agreements reached.
Benefits	**Operation** Benefits are determined by taking into account the circumstances of the individual and benefits provided to the rest of the executive team and the wider Group. The Committee retains the discretion to add or remove benefits from the current benefits in operation as it considers appropriate (e.g. to include relocation payments). **Opportunity** There is no limit to the value of benefits provided. The value is dependent on the cost to the Company of providing the benefit.
Shareholding guidelines	200% of base salary to be accumulated over a five year period.
Post-exit shareholding requirement	One year post-cessation shareholding requirement of up to 200% of salary for all Executive Directors.

Section 3 – Remuneration policy for 2019/20 continued

3.1 Future policy table for Executive Directors continued

Notes to the policy table

Each year the Committee gives careful consideration to the performance metrics that should apply to incentives.

- For the annual bonus, the Committee considers that a combination of Group financial; customer, people and culture; Group strategic; and individual measures is most appropriate for assessing performance over the short to medium term. The Committee will take into account poor behaviours inadvertently caused by performance metrics in relation to ESG activities.
- For the LTIP, the Committee considers that a combination of financial and total shareholder return metrics provide the optimum balance to assess the long-term financial performance of the Group and growth in shareholder returns on an absolute and relative basis.

The Committee reserves the right to be able to amend, introduce and/or remove incentive plan performance measures for future awards each year as it considers appropriate.

The Remuneration Policy will be effective from the date of the AGM, if the policy is approved.

3.2 Recruitment policy

We have set out below a summary of the remuneration policy as it relates to new Executive Directors:

Element	Summary of recruitment policy
Salary	Base salary will be set in line with the remuneration policy.
Annual bonus	Annual bonus quantum and performance measures will generally will be line with the ongoing remuneration policy as implemented for other executives during the year. However, the Committee reserves the right to vary the performance measures and targets for the year of recruitment if it considers appropriate (e.g. where a large portion of the year has already elapsed), subject to at least 50% of the bonus being subject to financial performance. The annual bonus maximum will generally reflect the ongoing policy for current Executives. The annual bonus maximum for a new Executive shall not exceed 150% of base salary.
Long-term incentive	LTIP award quantum, performance measures and targets will be line with the ongoing remuneration policy as implemented for other Executives during the year. The LTIP award maximum for new Executives will generally reflect the ongoing policy for current Executives. The Committee may award an exceptional LTIP of up to 250% of base salary on recruitment if it considers this is necessary.
Incentive maxima	The total incentive maxima for the year of recruitment is 400% of base salary. This limit excludes buy-out awards.
Buy-out awards	The Committee retains discretion to buy out awards forfeited by Executives on departure from their previous role. Buy-out awards will be made on a similar basis to those forfeited, taking into account performance likely to be achieved, the proportion of the performance period remaining and the form of award. Where possible buy-out awards will be made using existing incentive plans; however, the Committee may use the Listing Rules exemption 9.4.2 in order to make a buy-out award on recruitment.
Pension	Pension will be in line with the remuneration policy.
Benefits	Benefits will be in line with the remuneration policy. Additional benefits may be offered for new Executives, such as relocation benefits.

Section 3 – Remuneration policy for 2019/20 continued

3.3 Leaver policy

We have set out below a summary of the remuneration policy as it relates to executive directors leaving the Board:

Element	Summary of leaver policy
Salary	The Company may terminate employment by providing payment in lieu of notice of base salary as per contractual terms (six months). Any new Executive Director contracts shall stipulate that payments in lieu of notice be subject to mitigation.
Annual bonus	**Bonus for year of cessation** Executives may at the discretion of the Committee be eligible for a bonus for the year of cessation. Any bonus would be pro-rated for time and subject to performance assessment. Good leavers: death, ill health or disability (as determined by the Committee), sale of the employing company and any other reason at the discretion of the Committee. **Deferred bonus awards** Unvested deferred awards will lapse unless the Executive is a good leaver. For good leavers (see definitions above), awards will generally continue and vest at the normal time. The Committee has the discretion to allow earlier vesting where it considers this is appropriate, for example in cases of death, ill health, disability. On a takeover, change of control or other corporate reorganisation awards will generally vest early or be exchanged for new awards.
Long-term incentive	Unvested LTIP awards will lapse unless the Executive is a good leaver. Good leavers: death, ill health or disability (as determined by the Committee), sale of the employing company and any other reason at the discretion of the Committee. For good leavers, awards will continue and vest at the normal time subject to an assessment of performance to the end of the performance period, time-pro-rated for the proportion of the performance period that has elapsed on cessation. The Committee may allow awards to vest earlier in cases of death, ill health, retirement or disability. Where vesting is before the end of the performance period, an assessment of performance to the date of testing will be taken by the Committee. On a takeover, change of control or other corporate reorganisation awards will generally vest early subject to pro-rating for the time elapsed and be assessed for performance. For vested awards that are subject to a holding period, the awards will continue and be released at the normal time. The Committee has the discretion to allow earlier release in cases of death, ill health or disability. Awards would generally be released early in the event of a takeover, change of control or other corporate reorganisation.
Pension	Not included in payment in lieu of notice.
Benefits	Not included in payment in lieu of notice.

3.4 Comparison of remuneration structure at IPO and the proposed remuneration policy

Key changes:

- Alignment to listed company market practice including:
  - Introduction of a Long Term Incentive Plan with two year holding period in order to reward and incentivise sustainable long-term growth and shareholder returns;
  - Introduction of shareholding guidelines and post-cessation shareholding requirements; and
  - Deferral of 100% of the annual bonus into company shares for three years until the shareholding guideline of 200% has been met. Once the shareholding guideline has been met, only 50% of the annual bonus will be deferred into shares for 3 years with the other 50% paid in cash following the year end.
- Adjustment to overall incentive opportunity towards market levels in order to attract and retain a talented new executive team.

Section 3 – Remuneration policy for 2019/20 continued

3.5 Future policy table for Non-Executive Directors

Summary of remuneration policy for Non-Executives

Operation

Non-Executive Directors receive a basic fee for their Board services.

Additional fees are paid in relation to additional responsibilities including:

- The role of Senior Independent Director.
- Chairing the Audit, Remuneration and Risk Committees.

The Company Chairman receives a separate fee for this role (inclusive).

The fee for the Chairman is set by the Remuneration Committee excluding the Chairman. Fees for Non-Executive Directors are set by the CEO and Chairman.

Fees are reviewed annually. As noted in the IPO prospectus, the Non-Executive Directors' remuneration (excluding the Chairman's remuneration) was reviewed by the Chairman and CEO prior to the recruitment of Clare Salmon as a new Non-Executive Director.

Expenses incurred in the course of duties may be reimbursed by the Company.

Opportunity

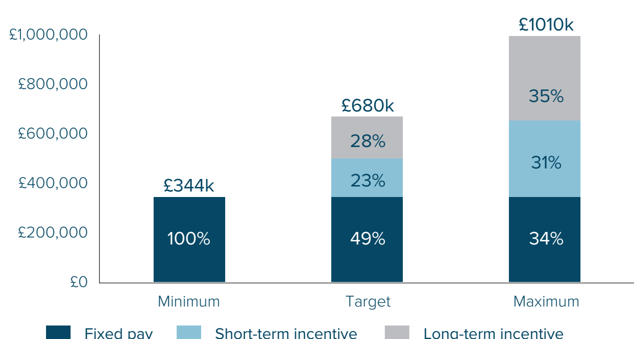
- Current fee levels are set out in the Annual Report on Remuneration.
- Non-Executive Director fees are set taking into account market practice levels.
- The fee of the Chairman is set taking into account the individual's circumstances, skills and experience.
- Director fees are limited to an aggregate of £1,000,000 in the Company's Articles of Association.

Performance assessment

- N/A

3.6 Illustration of application of remuneration policy

Chief Financial Officer – Nayan Kisnadwala



In light of the CEO transition and arrangements for the incoming CEO which are yet to be confirmed it is not possible to provide an illustration of the future policy for the CEO this year.

Assumptions used in illustrations of policy:

	CFO – Nayan Kisnadwala
Fixed pay	Salary: £319,300 Benefits: 4 x Life cover, Private Medical & Critical illness Pension: 5% of salary
Annual bonus	Minimum: N/A Target: 50% of maximum Maximum: 100% of salary
Long-term incentive	Minimum: N/A Target: 50% of maximum Maximum: 110% of salary

Directors' report

The Directors present their report and audited accounts for the year ended 31 March 2019.

Additional disclosures

The Strategic Report is a requirement of the UK Companies Act 2006 and can be found on pages 1 to 42 of this Annual Report.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include details of the following matter in its Strategic Report that would otherwise be disclosed in this Directors' Report:

Detail	Page
Likely future developments in the business	12–17

The Company is required to disclose certain information under Listing Rule 9.8.4R in the Directors' Report, or advise where such relevant information is contained. Information required to be disclosed by the Listing Rules, and which is not included in this Directors' Report, can be located as follows:

Listing Rule	Detail	Page
LR 9.8.4R	Employee engagement	39–42
LR 9.8.4R (1)	Capitalised interest	103
LR 9.8.4R (4)	Long-term incentive schemes	70
LR 9.8.4R (10) and (11)	Related party contracts	117

Other information that is relevant to this report, and which is also incorporated by reference, can be located as follows:

Detail	Page
Going Concern and Viability Statement	35
Governance	43–82
Credit, market and liquidity risks	31–34

Corporate details

The Company was incorporated and registered in England and Wales on 24 February 2016 as a private company limited by shares under the Companies Act 2006 with the name Amigo Holdings Limited and with the registered number 10024479.

On 8 June 2018, the Company re-registered as a public company under the name Amigo Holdings PLC.

The Company has a Premium Listing on the London Stock Exchange Main Market for listed securities (LON:AMGO) and is a constituent member of the FTSE 250 Index.
The principal activity of the Company is to act as a holding company for the Amigo Loans Group of companies.

Disclaimer

The purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for, and only for, the members of the Company as a body and no other persons. The Company, its Directors and employees, agents and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report is set out on the inside front cover.

Results and dividends

The results for the year are set out in the financial statements on pages 89 to 119.

The Company paid a half year dividend of 1.87p per share in November 2018. The Board has recommended a final dividend of 7.45p per share, making a total dividend for the year of 9.32p per share. Subject to shareholders' approval, the final dividend will be paid to those shareholders on the Company's share register on 19 July 2019 with payment being made on 31 July 2019.

Dividend policy

The Directors have adopted a progressive dividend policy that focuses on providing increasing returns to shareholders, while also ensuring that the Group retains the flexibility to continue to deploy capital towards profitable growth. In the short to medium term, the Directors expect to maintain dividend payments of at least 50% of retained profit. The Directors intend that the Company will pay an interim dividend in respect of each financial year in the approximate proportions of one-third and two-thirds respectively, of the total annual expected dividend (if any).

Events since the balance sheet date

To date, the Company has repurchased £105m of its 7.625% senior secured notes due in 2024 in the open market (£80m during the financial year and £25m post year end), thereby reducing the Company's average cost of capital going forward and providing greater balance sheet flexibility.

Directors

The names and biographical details of the current Directors and the Board Committees of which they are members are set out on pages 44 and 45. It was announced on 24 April 2019 that Hamish Paton would succeed Glen Crawford as a Director and CEO following FCA authorisation (which is expected to be granted before the end of July 2019).

In respect of the period between 31 March 2018 and 6 June 2019, the following persons were Directors of the Company:

Name	Role	Appointment date
Stephan Wilcke	Independent Chairman	20 April 2016
Glen Paul Crawford	Chief Executive Officer	24 February 2016
Nayan Vithaldas Kisnadwala	Chief Financial Officer	31 January 2019
Roger Vincent Lovering	Senior Independent Non-Executive Director	20 April 2016
Richard Stanley Price	Independent Non-Executive Director	20 April 2016
Clare Leslie Salmon	Independent Non-Executive Director	8 November 2018
James Rachid Benamor[1]	Non-Executive Director	20 April 2016
Simon Gerald Dighton[2]	Chief Financial Officer	2 October 2017

1 Resigned as a Director on 30 September 2018.
2 Resigned as a Director on 31 January 2019.

The Service Agreements of the current Executive Directors and the Letters of Appointments of the Non-Executive Directors are available for inspection at the Company's registered office.

Appointment and removal of directors

The appointment and removal of Directors is governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. There is no maximum number of Directors who can serve on the Board, but the number of Directors cannot be less than two.

Directors may be appointed by ordinary resolution of the shareholders or by the Board. The Company may from time to time by ordinary resolution appoint a person who is willing to act to be a Director either to fill a casual vacancy or as an additional Director. The Board may appoint a Director to either fill a casual vacancy or as an addition to the Board. If the Director is appointed by the Board, the Director will hold office until the next Annual General Meeting and shall then be eligible for re-appointment at that meeting.

In accordance with the UK Corporate Governance Code, each of the Directors being eligible will offer themselves for election at this year's AGM. The Company may by ordinary resolution, of which special notice has been given, remove any Director before their expiry of their period of office and may, subject to the Articles of Association, by ordinary resolution appoint another person who is willing to act as a Director in their place.

For so long as the Company has a controlling shareholder, any election or re-election of any Director determined by the Company to be independent under the UK Corporate Governance Code must be approved by separate majority resolutions of the shareholders of the Company and shareholders entitled to vote on the election of Directors who are not a controlling shareholder.

Articles of Association

The Articles of Association of the Company were adopted by special resolution on 28 June 2018.

Any amendment to the Articles of Association may be made in accordance with the provisions of the Companies Act 2006, by way of special resolution.

Powers of Directors

The powers of the Directors are described in the formal schedule of matters reserved for the Board which is available on request from the Company Secretary and are summarised in the Corporate Governance Report on pages 48 to 53.

Directors' interests

Save as disclosed in the Director's Remuneration Report, none of the Directors, nor any person connected with them, has any interest in the share or loan capital of the Company or any of its subsidiaries.

At no time during the year ended 31 March 2019, did any Director hold a material interest, directly or indirectly, in any contract of significance with the Company or any subsidiary undertaking other than the Executive Directors in relation to their Service Agreements.

In connection with the reorganisation of the Group prior to the IPO, Richmond Group Limited, Stephan Wilcke and Glen Crawford each held shareholder loan notes which were converted to shares on admission.

As disclosed on page 44, Roger Lovering is a non-executive director of Shawbrook Group plc. Shawbrook Bank Limited, part of the Shawbrook group, was one of the original lenders under the revolving credit facility and Roger Lovering has declared the nature and extent of his interest in matters relating to the revolving credit facility in accordance with the requirements of Section 177 of the Companies Act 2006 and the Articles of Association. Roger Lovering abstains from voting on such matters.

Director's indemnities and insurance
The Directors have the benefit of a qualifying third-party indemnity from the Company in the Company's Articles of Association (the terms of which are in accordance with the Companies Act 2006). The Company has in place appropriate directors' and officers' liability insurance.

Share capital
The Company has share capital which is divided into ordinary shares of nominal value of 0.25p each all ranking pari passu. At 31 March 2019, there were 475,333,760 shares in issue fully paid. The Company also has 41,000 deferred nil-value ordinary shares which will be cancelled for nil value.

Shareholder voting rights, the restrictions on voting rights and the restrictions on the transfer of shares
All of the issued and outstanding ordinary shares of the Company have equal voting rights with one vote per share. The deferred ordinary shares have no voting rights.

Pursuant to an underwriting agreement entered into between the Company, certain Directors, the Richmond Group Limited, (i) J.P. Morgan Securities plc, (ii) RBC Europe Limited and (iii) Macquarie Capital (Europe) Limited (each as underwriters), Glen Crawford, Stephan Wilcke, Nicholas Beal and certain employees of the Company (the "Selling Shareholders") are restricted from the sale or transfer of their shares until the expiry of a 365 day lock-up period on 4 July 2019.

Richmond Group Limited was subject to a lock-in over its entire shareholding for a period of six months. This lock-in lapsed on 4 January 2019. For a period of three years following the date of admission, the Selling Shareholders (excluding Richmond Group Limited) are restricted from transferring their shares without the consent of the Company, save that after the first anniversary of the date of admission, the Selling Shareholders may elect to transfer up to one-third of their shares by notifying the Company in writing. On any time after the second anniversary, the Selling Shareholders may elect to transfer in aggregate: (i) up to one-third of their shares; and (ii) any of the one-third shares permitted to be but not transferred on or at any time after the first anniversary of the date of admission, in each case, by notifying the Company in writing. On the third anniversary of admission, all restrictions on remaining Selling Shareholders lapse.

The Directors are not aware of any other agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Substantial shareholders
As at 31 March 2019, the Company has been notified under the Disclosure and Transparency Rules (DTR 5) of the following holdings of voting rights in its issued share capital:

Shareholders holding 3% or more of the Company's issued share capital

Shareholder name	Number of ordinary shares	Percentage of total voting rights attaching to issued share capital
Richmond Group Limited	291,646,884	61.36%
Various funds managed by Invesco Ltd	46,528,676	9.79%
Various funds managed by Woodford Investment Management Ltd	45,128,877	9.49%
Glen Crawford	28,190,450	5.93%

On 6 June 2019, the Company was notified by Woodford Investment Management Ltd that its cumulative interest in shares of the Company was 26,484,967 ordinary shares (5.57%).

Relationship with Richmond Group Limited
In advance of the IPO, the Company entered into a relationship agreement with its most significant shareholder to ensure that the Company is capable of operating and making decisions independently and for the benefit of shareholders as a whole.

On 29 June 2018, the Company entered into a relationship agreement with Richmond Group Limited, a company controlled by James Benamor (the founder of the business) and certain Directors, senior managers and employees (the "Relationship Agreement"). Pursuant to the terms of the Relationship Agreement, amongst other things, Richmond Group Limited has undertaken not to operate in the guarantor loan sector in the UK and/or Ireland or offer products or services which compete with such products or services as are offered or marketed by the Group.

Additionally, Richmond Group Limited is entitled to appoint: one natural person to be a Non-Executive Director of the Company for so long as it and/or its associates hold in aggregate 10% or more of the voting rights attaching to the issued share capital of the Company; and an additional natural person to be a Non-Executive Director for so long as Richmond Group Limited and/or its associates hold 30% or more of the voting rights attaching to the issued share capital of the Company.

The Board confirms that throughout the period, the Company has complied with its independence provisions of the Relationship Agreement.

As far as the Company is aware, Richmond Group Limited and its respective associates have complied with the Relationship Agreement's independence provisions.

Relationship with Richmond Group Limited continued

As far as the Company is aware, Richmond Group Limited has procured the compliance of non-signing controlling shareholders with the Relationship Agreement's independence provisions.

In December 2018, Amigo Management Services Ltd and Richmond Group Limited entered into an arm's length services agreement under which Amigo employees are able to use certain cars and properties owned by Richmond Group Limited.

Restriction on the transfer of shares

Save as outlined above, there are no specific restrictions on the transfer of the Company's shares, although pursuant to the Articles of Association the Board may refuse to register any transfer of shares which is not a fully paid share provided that such discretion may not be exercised in a way which the Financial Conduct Authority or the London Stock Exchange regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis.

The Board may also refuse to register a transfer where the instrument of transfer is: (i) in favour of more than four persons jointly; (ii) not left at the registered office of the Company, or at such other place as the Board may from time to time determine, accompanied by the certificate(s) of the shares to which the instrument relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and (iii) the instrument of transfer is in respect of more than one class of share.

In addition, pursuant to the Listing Rules of the Financial Conduct Authority, the Directors of the Company and persons discharging managerial responsibility are required to obtain prior approval from the Company to deal in the Company's securities, and are prohibited from dealing during close periods.

Voting rights

On a poll, votes may be given personally or by proxy. Subject to any rights or restrictions attached to any class or classes of shares and to any other provisions of the Articles of Association: if a vote is taken on a show of hands, every member or proxy present in person shall have one vote; and if a vote is taken on a poll, every member present in person or by proxy shall have one vote for each share held by him.

All resolutions put to the members at electronic general meetings will be voted on by a poll. All resolutions put to the members at a physical general meeting will be voted on a show of hands unless a poll is demanded: by the Chairman of the meeting; or by at least five members present in person or by proxy and having the right to vote on the resolution; or by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or by a member or members present in person or by proxy holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Authority to purchase its own shares

The Company is permitted pursuant to the terms of its Articles of Association to purchase its own shares subject to shareholder approval. At a general meeting on 28 June 2018, the Company was authorised by shareholders to make market purchases of up to 10% of its ordinary shares. This authority will expire at the end of the AGM to be held on 12 July 2019. The Company did not repurchase any of its shares during the financial year 2018/2019.

Authority to issue shares

The Company is permitted pursuant to the terms of its Articles of Association to allot, grant options over, offer or otherwise deal with or dispose of shares in the Company to such persons at such times and generally on such terms and conditions as they may determine.

At a general meeting on 28 June 2018, the Company was given authority to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

(i) up to an aggregate nominal amount of £396,111 (such amount to be reduced by the nominal amount of any shares in the Company or rights to subscribe for or convert any security into shares in the Company granted under sub-paragraph (ii) below in excess of such sum); and

(ii) comprising equity securities (as defined in section 560(1) of the United Kingdom Companies Act 2006) up to an aggregate nominal amount of £792,222 (such amount to be reduced by any allotments of any shares in the Company or grants of rights to subscribe for or convert any security into shares in the Company made under sub-paragraph (i) above) in connection with an offer by way of a rights issue.

This authority will expire at the end of the AGM to be held on 12 July 2019. The Company did not allot any new shares following its IPO.

Employee participation in share schemes

As part of our total reward package the Company is, subject to shareholder approval, looking to implement a Company-wide Share Incentive Plan (SIP) and a Save as You Earn scheme (SAYE). See the AGM Notice of Meeting on the Amigo plc website for more details.

Going concern

As described on page 36, the Directors have reviewed the projected cash flow and other relevant information and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern assumption in preparing the consolidated financial statements.

Financial risk management

Details of financial risk management and financial instruments are disclosed in note 15 of the Group financial statements.

Significant agreements and change of control

There are a number of agreements that take effect, alter or terminate upon change of control of the Company following a takeover. None of these are considered significant.

Pursuant to the terms of the 7.625% senior secured notes due 2024, issued by Amigo Luxembourg S.A. (the "Issuer"), a wholly owned subsidiary of the Company, the Issuer is obliged under the bond indenture to make an offer to repurchase the Bonds at a price of 101%.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment or otherwise that occurs specifically because of a takeover.

Political donations

The Group did not make any political donations, or incur any political expenditure (each as defined by the Companies Act 2006) in the EU or elsewhere in the year ended 31 March 2019.

Shareholder with significant influence

The Company has a majority shareholder, Richmond Group Limited, which possesses sufficient voting power to have a significant influence over certain matters requiring shareholder approval, including the election of Directors, dividend policy, remuneration policy and approval of significant corporate transactions. The position of the majority shareholder may not always be aligned with the opinion and interests of management, the Company or the Company's minority shareholders.

The Company seeks to foster effective engagement with, and encourage participation from, its shareholders and its majority shareholder in particular. It seeks to engender a culture where the Company is responsive to views of its shareholders. The Chairman and Senior Independent Director seek regular engagement with the majority shareholder to understand its views on governance and performance against strategy. The Chair of each of the Board Committees will also seek engagement with shareholders on significant matters related to their areas of responsibility as appropriate.

The Company has entered into a relationship agreement with its majority shareholder as described on page 79.

Equal opportunities

The Company has an equal opportunities policy which is followed by all Directors, Executive Committee and employees, and which ensures the Company employs a diverse workforce with regards to aspects such as age, gender, educational and professional backgrounds. The objectives of the policy include ensuring that: recruitment criteria and procedures are designed to ensure that individuals are selected solely based on their merits and abilities; employment practices are regularly reviewed in order to avoid unlawful discrimination; and training is provided to ensure compliance with the policy.

Greenhouse gas emissions

As a newly listed company, this is the first year that Amigo has been required to calculate and report on its greenhouse gas emissions (GHG). The Company looks forward to developing our capabilities in order to report on GHG data in accordance with the Greenhouse Gas Protocol Corporate Standard in the near future.

Disclosure of information to the auditor

The Directors in office at the date of this report have each confirmed that:

- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

The Board is recommending to shareholders the appointment of KPMG LLP as auditor of the Company and a resolution authorising the Directors to set KPMG LLP's remuneration will be proposed at the forthcoming AGM.

For the purposes of compliance with DTR 4.1.5 R(2) and DTR 4.1.8R, the required content of the management report can be found in the Strategic Report and these regulatory disclosures including the sections of the Annual Report and Accounts incorporated by reference.

The Directors' Report was approved by the Board on 6 June 2019.

By Order of the Board

Nicholas Beal
Company Secretary
Amigo Holdings PLC

10024479

DIRECTORS' RESPONSIBILITIES STATEMENT

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs as adopted by the EU") and applicable law and have elected to prepare the parent company financial statements on the same basis.

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 Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable, relevant and reliable;
3. state whether they have been prepared in accordance with IFRSs as adopted by the EU;
4. assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
5. use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

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

Responsibility statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

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

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Nayan Kisnadwala
Director
6 June 2019

1. Our opinion is unmodified

We have audited the financial statements of Amigo Holdings PLC ("the Company") for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statement of Cash Flows, and the related notes, including the accounting policies in Note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the Directors on 27 February 2017. The period of total uninterrupted engagement is for the three financial years ended 31 March 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality Group financial statements as a whole	£4.6m (2018:£3.0m) 4.0% (2018: 4.5%) of Group adjusted profit before tax	
Coverage	100.0% (2018: 100.0%) of Group profit before tax	
Key audit matters		**vs 2018**
Event driven	**New:** The impact of uncertainties due to Britain exiting the European Union on our audit	▲
Recurring risks	**New:** Expected credit losses on customer loans and receivables	▲
	Recoverability of parent Company's investment in subsidiary	◀▶

INDEPENDENT AUDITOR'S REPORT CONTINUED
To the members of Amigo Holdings PLC

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Key audit matter	The risk	Our response
The impact of uncertainties due to Britain exiting the European Union on our audit *Refer to page 54 (Audit Committee Report), and page 36 (Going Concern and Viability Statement).*	**Unprecedented levels of uncertainty:** All audits assess and challenge the reasonableness of estimates, in particular as described in expected credit losses on customer loans and receivables and the recoverability of the parent Company's investment in subsidiary overleaf, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance. In addition, we are required to consider the other information presented in the Annual Report including the principal risks disclosure and the Viability Statement and to consider the Directors' statement that the Annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Brexit is one of the most significant economic events for the UK and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown.	We developed a standardised firm-wide approach to the consideration of the uncertainties arising from Brexit in planning and performing our audits. Our procedures included: – **Our Brexit knowledge** – We considered the Directors' assessment of Brexit-related sources of risk for the Group's business and financial resources compared with our own understanding of the risks. We considered the Directors' plans to take action to mitigate the risks; – **Sensitivity analysis** – When addressing expected credit losses on customer loans and receivables and other areas that depend on forecasts, we compared the Directors' analysis to our assessment of the full range of reasonably possible scenarios resulting from Brexit uncertainty and, where forecast cash flows are required to be discounted, considered adjustments to discount rates for the level of remaining uncertainty; and – **Assessing transparency** – As well as assessing individual disclosures as part of our procedures on expected credit losses on customer loans and receivables and the recoverability of the parent Company's investment in subsidiary, we considered all of the Brexit related disclosures together, including those in the strategic report, comparing the overall picture against our understanding of the risks. **Our results** As reported under expected credit losses on customer loans and receivables and the recoverability of the parent Company's investment in subsidiary, we found the resulting estimates and related disclosures of sensitivity and disclosures in relation to going concern to be acceptable. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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2. Key audit matters: including our assessment of risks of material misstatement (continued)

Key audit matter	The risk	Our response
Expected credit losses on customer loans and receivables (£75.4 million; 1 April 2018 £65.4 million) *Refer to page 54 (Audit Committee Report), page 95 (accounting policy) and page 107 (financial disclosures).*	**Subjective estimate:** Under IFRS 9, the Group's incurred loan impairment models used under IAS 39 are replaced as at 1 April 2018 with forward-looking expected credit loss ('ECL') models. Given the subjectivity inherent in estimating the recoverability of loan balances on a forward-looking basis, the assessment of ECLs becomes highly judgemental. In particular, there is subjectivity in the following key assumptions and judgements: – The determination of a 'significant increase in credit risk'; – Forward-looking economic scenarios; and – Expected credit loss profiles. The effect of these matters is that, as part of our risk assessment, we determined that the expected credit loss on amounts receivable from customers has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 14) disclose the sensitivity estimated by the Group.	Our procedures included: – **Our sector experience:** We critically assessed the assumptions and judgements inherent in the model against our understanding of the customer profiles and their recent performance; – **Our modelling expertise:** Our modelling specialists re-performed and assessed the Group's modelling methodology for key assumptions and evaluated the ongoing performance of the portfolio based on Company's monitoring; – **Our economic expertise:** Our economist specialists evaluated the Group's forward economic guidance and the associated probabilities attached to the alternative scenarios against market data, our own independent assumptions; – **Sensitivity analysis:** We evaluated the sensitivity of changes to judgemental assumptions, to critically assess the impact of alternative assumptions and identify those assumptions most significant to the estimate; and – **Assessing transparency:** We critically assessed the adequacy of the disclosures regarding the degree of estimation uncertainty involved in arriving at the valuation and the accounting judgements made in determining the measurement basis and valuation. **Our results** We found the resulting estimate of the expected credit losses on customer loans and receivables to be acceptable.
Recoverability of parent Company's investment in subsidiary (£302.0 million; 2018: £302.0 million) *Refer to page 54 (Audit Committee Report), page 93 (accounting policy) and page 123 (financial disclosures).*	**Low risk, high value:** The carrying amount of the parent Company's investment in its' subsidiary represents 100.0% (2018: 98.6%) of the parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to the materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	Our procedures included: – **Tests of detail:** We compared the carrying amount of 100% of the investment with the relevant subsidiary's draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether that subsidiary has historically been profit-making. **Our results** We found the Company's assessment of the recoverability of the investment in subsidiaries to be acceptable.

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INDEPENDENT AUDITOR'S REPORT CONTINUED
To the members of Amigo Holdings PLC

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £4.6m (2018: £3.0m), determined with reference to a benchmark of Group profit before tax, normalised to exclude this year's initial public offering costs as disclosed in note 8 (of which it represents 4.0% (2018: 4.5%). The Group team performed procedures on the items excluded from normalised Group profit before tax.

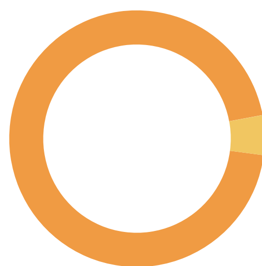
Materiality for the parent Company financial statements as a whole was set at £2.6m (2018: £2.9m). This is lower than the materiality we would otherwise have determined by reference to the Company net assets, and represents 0.9% of the Company's net assets.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.23m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's nine (2018: nine) statutory entities, we subjected six (2018: six) to full scope audits by the Group audit team at the Group's head office in Bournemouth and one entity was subject to specific audit procedures. Out of the six entities determined under scope for the Group audit, these were divided for reporting purposes into two components, Amigo Holdings PLC Company only results and the remaining Group entities.

The audit was performed using component materialities, which were £2.6m for the Company and £4.3m for the remaining entities.

Profit before tax (excluding IPO costs)
£114.9m (2018: £66.1m)



Group Materiality
£4.6m (2018: £3.0m)

£4.6m
Whole financial statements materiality (2018: £3.0m)

£4.3m
Range of materiality at two components (£2.6m to £4.3m)

£0.23m
Misstatements reported to the audit committee (2018: £0.21m)

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease its operations, and as they have concluded that the Group's and Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this Audit Report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's available financial resources over this period was the impact of Brexit.

As these were risks that could potentially cast significant doubt on the Company's and Group's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Company's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts.

Based on this work, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' statement in note 1.1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the Going Concern and Viability Statement under the Listing Rules set out on page 64 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Going Concern and Viability Statement (page 36) that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Going Concern and Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Going Concern and Viability Statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the Annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the Annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Amigo Holdings PLC

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 82, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's regulatory permissions. We identified the following areas as those most likely to have such an effect: conduct risk, anti-bribery, anti-money laundering and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Through these limited procedures, we did not become aware of actual or suspected noncompliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Walker
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
6 June 2019

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Notes	Year to 31 Mar 19[1] £m	Year to 31 Mar 18[1] £m
Revenue	3	**270.7**	210.8
Interest payable and funding facility fees	4	**(38.2)**	(30.4)
Shareholder loan note interest	4	**(6.0)**	(21.2)
Total interest payable	4	**(44.2)**	(51.6)
Impairment of amounts receivable from customers		**(64.2)**	(44.8)
Administrative and operating expenses	5	**(47.4)**	(46.2)
IPO and related financing costs	8	**(3.9)**	(2.1)
Profit before tax		**111.0**	66.1
Tax on profit	9	**(22.4)**	(15.5)
Profit and total comprehensive income attributable to equity shareholders of the Group		**88.6**	50.6

The profit is derived from continuing activities.

Earnings per share			
Basic EPS (pence)	10	**19.4**	12.7
Diluted EPS (pence)	10	**19.4**	12.7
Dividend per share[2] (pence)	21	**1.87**	—

The notes on pages 93 to 119 form part of these financial statements.

1 IFRS 9 was adopted on 1 April 2018; comparatives have not been restated.

2 Total cost of dividends paid in the year was £8.9m (2018: £nil). Dividend per share represents the interim dividend paid and not the final proposed dividend for the year as this is subject for approval at this year's Annual General Meeting (AGM).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Notes	31 Mar 19[1] £m	31 Mar 18[1] £m
Non-current assets			
Customer loans and receivables	14	**302.5**	280.0
Property, plant and equipment	11	**0.7**	0.6
Intangible assets	12	**0.1**	0.1
Deferred tax asset	13	**6.8**	—
		310.1	280.7
Current assets			
Customer loans and receivables	14	**426.0**	386.3
Other receivables	16	**1.2**	2.3
Derivative asset		**0.1**	—
Cash at bank and in hand		**15.2**	12.2
		442.5	400.8
Total assets		**752.6**	681.5
Current liabilities			
Trade and other payables	17	**(15.4)**	(18.8)
Current tax liabilities		**(16.0)**	(12.7)
		(31.4)	(31.5)
Non-current liabilities			
Borrowings	18	**(476.7)**	(455.0)
Shareholder loan notes	19	**—**	(201.1)
Deferred tax liability		**—**	(0.2)
		(476.7)	(656.3)
Total liabilities		**(508.1)**	(687.8)
Net assets/(liabilities)		**244.5**	(6.3)
Equity			
Share capital	21	**1.2**	1.0
Share premium		**207.9**	0.9
Merger reserve		**(295.2)**	(295.2)
Retained earnings		**330.6**	287.0
Shareholder equity		**244.5**	(6.3)

The financial statements of Amigo Holdings PLC were approved and authorised for issue by the Board and were signed on its behalf by:

Nayan Kisnadwala
Director
6 June 2019

Company no. 10024479

1 IFRS 9 was adopted on 1 April 2018; comparatives have not been restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019

	Share capital £m	Share premium £m	Merger reserve[1] £m	Retained earnings £m	Total equity £m
At 31 March 2017	1.0	0.9	(295.2)	236.4	(56.9)
Total comprehensive income	—	—	—	50.6	50.6
At 31 March 2018	1.0	0.9	(295.2)	287.0	(6.3)
IFRS 9 opening balance sheet adjustment[2]	—	—	—	(37.5)	(37.5)
At 1 April 2018	1.0	0.9	(295.2)	249.5	(43.8)
Total comprehensive income	—	—	—	88.6	88.6
Share-based payments	—	—	—	1.4	1.4
IPO[3]	0.2	207.0	—	—	207.2
Dividends paid	—	—	—	(8.9)	(8.9)
At 31 March 2019	**1.2**	**207.9**	**(295.2)**	**330.6**	**244.5**

The notes on pages 93 to 119 form part of these financial statements.

1 The merger reserve was created as a result of a Group reorganisation in 2017 to create an appropriate holding company structure. The restructure was within a wholly owned group, constituting a common control transaction.

2 Refer to IFRS 9 note 1.2 – IFRS 9 was adopted on 1 April 2018; comparatives have not been restated.

3 On 4 July 2018 the shareholder loan notes were converted to equity upon the listing of the Group (see note 19).

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Profit for the period	**88.6**	50.6
Adjustments for:		
Impairment provision	**64.2**	44.8
Income tax expense	**22.4**	15.5
Shareholder loan note interest accrued	**6.0**	21.2
Interest expense	**38.2**	30.4
Interest receivable	**(286.3)**	(222.1)
Share-based payment	**1.3**	—
Depreciation of property, plant and equipment	**0.3**	0.2
Operating cash flows before movements in working capital[1]	**(65.3)**	(59.4)
Increase in receivables	**(2.8)**	(8.8)
(Decrease)/increase in payables	**(0.4)**	7.5
Tax paid	**(18.3)**	(7.2)
Interest paid	**(35.8)**	(28.2)
Proceeds from intercompany funding	**0.4**	3.1
Repayment of intercompany funding	**(0.6)**	(5.0)
Net cash used in operating activities before loans issued and collections on loans	**(122.8)**	(98.0)
Loans issued	**(426.1)**	(470.1)
Collections	**543.5**	404.4
Net cash used in operating activities	**(5.4)**	(163.7)
Investing activities		
Purchases of property, plant, equipment	**(0.4)**	(0.1)
Net cash used in investing activities	**(0.4)**	(0.1)
Financing activities		
Purchase of senior secured notes	**(81.3)**	—
Dividends paid	**(8.9)**	—
Proceeds from bank borrowings	**266.5**	276.6
Repayment of bank borrowings	**(167.5)**	(105.0)
Net cash from financing activities	**8.8**	171.6
Net increase/(decrease) in cash and cash equivalents	**3.0**	7.8
Cash and cash equivalents at beginning of period	**12.2**	4.4
Cash and cash equivalents at end of period	**15.2**	12.2

1 The IPO is not included in financing activities (as no new capital was raised). IPO and related financing costs are included within operating cash flows; see note 8 for detail. On 4 July 2018 the Company's shares were admitted to trading 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 were issued subsequent to conversion of the shareholder loan notes. There were no cash transactions involved in this conversion – all related transaction costs are immaterial.

1. Accounting policies

1.1 Basis of preparation of financial statements

Amigo Holdings PLC is a public company limited by shares (following IPO on 4 July 2018), listed upon the London Stock Exchange (LSE: AMGO). On listing the Company changed its name from Amigo Holdings Limited to Amigo Holdings PLC and re-registered in the period as a public company. The Company is incorporated and domiciled in the United Kingdom and its registered office is Nova Building, 118-128 Commercial Road, Bournemouth, United Kingdom BH2 5LT.

The consolidated and Company financial statements have been prepared on a going concern basis and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements are prepared under the historical cost convention except for financial instruments measured at amortised cost or fair value.

The presentation currency of the Group is GBP, the functional currency of the Company is GBP and these financial statements are presented in GBP. All values are stated in £ million (£m) except where otherwise stated.

The Group and Company's principal accounting policies under EU-IFRS, which have been consistently applied to all years presented unless otherwise stated, are set out below:

Going concern

The Directors have made an assessment in preparing these financial statements as to whether the Group is a going concern.

The Group meets its funding requirements through cash generated from operations, a revolving credit facility which expires in January 2022, senior secured notes which expire in January 2024 and a securitisation facility with a three year tenor to November 2021 and subsequent four year amortisation period to November 2025. The Group's forecasts and projections, which cover a period of more than twelve months from the date of approval of these financial statements, taking into account reasonably possible changes in normal trading performance, show that the Group should be able to operate within its currently available facilities. The Group has sufficient financial resources together with assets that are expected to generate cash flow in the normal course of business. The forecasts and projections contain no material uncertainties that would impact on the going concern basis for the Group.

As at date of signing, the nature and timing of the UK's probable exit from the EU remains uncertain. The potential impact of Brexit on the UK economy may impact arrears and thus impairment levels. However, the dual counterparty aspect of Amigo's product, along with Amigo's scorecard processes implemented to manage arrears risk, is expected to maintain the performance of customer loans. Therefore, management does not expect the impact of Brexit to be significant on the Group, but potential impacts are continually monitored.

We have considered the impact to the Group including conducting scenario analysis of the impact on our ability to refinance in this scenario. Considering the net asset position being reported in the Consolidated Statement of Financial Position as well as the operating cash outflow disclosed within the Consolidated Statement of Cash Flows and after reviewing the Group's forecasts and projections, along with the potential impact of Brexit where relevant and our current funding position, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months. The Group therefore adopts the going concern basis in preparing these financial statements.

Basis of consolidation

The accounts have been consolidated using the merger accounting method on the basis that the Company acquired its interest in its subsidiaries from Richmond Group Limited, the Company's ultimate parent, in 2017. The ultimate beneficial owner of the Company, who has control as defined by IFRS 10, and its subsidiaries, did not change as a result of the reorganisation of the Group structure. As a consequence, this transaction was not treated as a business combination and assets were acquired at book value using common control accounting.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns through its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's inaugural securitisation facility was established in November 2018 and was subsequently upsized to a £200m facility. The entity AMGO Funding (No. 1) Limited was set up in this process; the Group has both power and control over that structured entity, as well as exposure to variable returns from the special purpose vehicle (SPV); hence, this is included in the consolidated financial statements.

The financial statements consolidate the Company and all its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation. The accounting policies of subsidiaries are consistent with the accounting policies of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2019

1. Accounting policies continued

1.2 New and amended standards adopted by the Group and Company

During the period a number of new standards and amendments to IFRS became effective and were adopted by the Group.

a) IFRS 9 Financial Instruments

The impact of IFRS 9 is described below; otherwise, none of the other changes between IAS 39 and IFRS 9 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	1 Apr 18 IFRS 9 impact £m	1 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
Deferred broker fees	19.4	(1.2)	18.2
Loss allowance	(21.2)	(44.2)	(65.4)
Customer loans and receivables	666.3	(45.4)	620.9
Other receivables	2.3	—	2.3
Cash at bank and in hand	12.2	—	12.2
	680.8	(45.4)	635.4
Total assets	681.5	(37.5)	644.0
Total liabilities	(687.8)	—	(687.8)
Net assets/(liabilities)	(6.3)	(37.5)	(43.8)
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	(37.5)	249.5
Shareholder equity	(6.3)	(37.5)	(43.8)

Reconciliation of estimate of IFRS 9 impairment provision as at 31 March 2018 to actuals as at 1 April 2018:

Provision	Estimated impact of IFRS 9 transition 1 Apr 18 £m	Actual impact of IFRS 9 transition 1 Apr 18 £m	Difference £m
Stage 1	36.9	39.3	2.4
Stage 2	14.3	11.9	(2.4)
Stage 3	14.2	14.2	—
Total	65.4	65.4	—

Gross loan book	Estimated impact of IFRS 9 transition 1 Apr 18 £m	Actual impact of IFRS 9 transition 1 Apr 18 £m	Difference £m
Stage 1	584.5	607.2	22.7
Stage 2	69.1	46.4	(22.7)
Stage 3	14.5	14.5	—
Total	668.1	668.1	—

1. Accounting policies continued

1.2 New and amended standards adopted by the Group and Company continued

a) IFRS 9 Financial Instruments continued

Note the above changes between estimated impact and actual impact have occurred due to refinement of application of operational flags in our staging assessments, and further refinements of the IFRS 9 model. The net impact on the opening provision was £nil.

Upon adoption of IFRS 9, classification has changed from loans and receivables to amortised cost.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and was adopted on 1 April 2018. The key changes to the Group's accounting policies resulting from the adoption of IFRS 9 are summarised below.

In applying the accounting policies, management has made appropriate estimates in many areas, and the actual outcome may differ from those calculated, particularly with regard to forward-looking assumptions. Key judgements and estimates in the Group's accounting policies are displayed in section 2.

i) Classification

IFRS 9 requires 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.

ii) Impairment

IFRS 9 replaces the "incurred loss" model of 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. Under IAS 39, a provision is made where there has been objective evidence of impairment, such as a borrower falling into arrears. Additionally, the IAS 39 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 IFRS 9, a provision will be made against all stage 1 (defined below) loans to reflect the probability that they will default within the next twelve months, which is longer than the emergence period used under IAS 39, 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 IAS 39. 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.

iii) 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 twelve month ECLs, that is the portion of ECLs that result from default events that are estimated within twelve months of the reporting date and are recognised from the date of asset origination. 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.

In substance the Group treats the borrower and the guarantor as having equivalent responsibilities. Hence for each loan there are two obligors to which the entity has equal recourse. This dual borrower nature of the product is a key consideration in determining the staging and the recoverability of financial assets. The Group performs separate credit and affordability assessments on both the borrower and guarantor. After having passed an initial credit check, most borrowers and all guarantors are contacted by phone and each is assessed for their creditworthiness and ability to afford the loan. In addition, the guarantor's roles and responsibilities are clearly explained and recorded. This is to ensure that, while the borrower is primarily responsible for making the repayments, both the borrower and the guarantor are clear about their obligations and are also capable of repaying the loan. 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.

1. Accounting policies continued

1.2. New and amended standards adopted by the Group and Company continued

a) IFRS 9 Financial Instruments continued

iv) Assessment of significant change in 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 a change in a customer's circumstances. See note 2.1.2 for details of how payment status flags are linked with customer arrears, and judgements on what signifies a significant change in risk.

v) Derecognition

The Group offers, to certain borrowers, the option to 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.

vi) Modification

Aside from top-ups, no formal modifications are offered to customers. In some instances, forbearance measures are offered to customers. These are not permanent measures, meaning there are no changes to the customers' contract and so do not meet derecognition or modification requirements.

vii) 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, which is a more prudent approach than the rebuttable presumption of 90 days and has been adopted to align with 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.

viii) Forbearance

Where the borrower indicates to the Group that they are unable to bring the account up to date, informal, temporary forbearance measures may be offered. There are no changes to the customers' contract at any stage. Hence, these changes are neither modification or derecognition events. Depending on the forbearance measure offered, an operational flag will be added to the account, which may suggest a significant increase in credit risk and trigger movement of this balance from stage 1 to stage 2 in impairment calculations. See note 2.1.2 for further details.

ix) 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 control changes to enable the required disclosure.

Whilst IAS 39 is not applicable for the current year, 2018 figures were in accordance with IAS 39 and hence the Group's policies for IAS 39 are listed below.

Loans were measured initially at fair value less transaction costs. The Group assessed at each reporting date whether there was any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets was deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an "incurred loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment was triggered by default or delinquency in interest or principal payments. If objective evidence of impairment was found, an impairment loss is recognised in the statement of income. Loans that are six or more payments in arrears are charged off the statement of financial position and are no longer included in the loan book.

For financial assets measured at amortised cost, the impairment loss was measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

b) IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers provides a single principles-based model to be applied to all sales contracts. IFRS 15 has not impacted the results of the Group as revenue is derived from interest and is therefore accounted for in accordance with IFRS 9 (see note 1.2).

1. Accounting policies continued

1.3 Revenue

Revenue comprises interest income on amounts receivable from customers. Loans are initially measured at fair value (which is equal to cost at inception) plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Revenue is presented net of amortised broker fees which are spread over the expected behavioural lifetime of the loan as part of the effective interest rate method (see note 2.2 for further details).

The effective interest rate (EIR) is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument (or a shorter period where appropriate) to the net carrying value of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument, but not future credit losses.

1.4 Operating expenses

Operating expenses include all direct and indirect costs. Where loan origination and acquisition costs can be referenced directly back to individual transactions (e.g. broker commission), they are included in the effective interest rate in revenue and amortised over the behavioural life of the loan rather than recognised in full at the time of acquisition.

1.5 Interest payable and funding facilities

Interest payable and funding facility fees are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument, and recognised over the behavioural life of the liability. Amortised facility fees are charged to the Consolidated Statement of Comprehensive Income over the term of the facility using the effective interest rate method. Non-utilisation fees are charged to the Consolidated Statement of Comprehensive Income as incurred.

Senior secured note premiums and discounts are part of the instrument's carrying amount and therefore are amortised over the expected life of the notes. Upon Board approval for opportunistic open market note buybacks and thus debt extinguishment, the difference between the carrying amount of the liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Comprehensive Income.

Shareholder loan note interest is charged to the Consolidated Statement of Comprehensive Income as accrued and is shown separately on the face of the Consolidated Statement of Comprehensive Income due to its nature and size. The Directors feel that this presentation gives the user of these financial statements a clearer view of the different interest balances charged to the Consolidated Statement of Comprehensive Income.

1.6 Dividends

Equity dividends payable are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

1.7.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Consolidated Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

1.7.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Consolidated Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1. Accounting policies continued

1.8 Property, plant and equipment (PPE)

PPE is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where parts of an item of PPE have different useful lives, they are accounted for as separate items of property, plant and equipment. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements 10% straight line
- Fixtures and fittings 25% straight line
- Computer equipment 50% straight line

Depreciation methods, useful lives and residual values are reviewed at each Consolidated Statement of Financial Position date.

1.9 Intangible assets

Intangible assets are recognised at historical cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised from the date they are available for use. Amortisation is charged to the Consolidated Statement of Comprehensive Income.

Acquired software costs incurred are capitalised and amortised on a straight-line basis over the anticipated useful life, which is normally four years.

Amortisation methods, useful lives and residual values are reviewed at each Consolidated Statement of Financial Position date.

1.10 Financial instruments

The Group primarily enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, the most significant being amounts receivable from customers, senior secured notes in the form of high yield Bonds, loans from banks and other third parties, and loans to related parties.

1.10.1 Financial assets

a) Other receivables

Other receivables relating to loans and amounts owed by parent and subsidiary undertakings are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value plus transaction costs and are measured subsequently at amortised cost using the effective interest method, less any impairment. Loans and amounts owed by parent and subsidiary undertakings are unsecured, have no fixed repayment date and are repayable on demand and interest on such balances is accrued on an arm's length basis. The impact of ECLs on other receivables has been evaluated and it is immaterial.

b) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The impact of ECLs on cash has been evaluated and it is immaterial.

c) Derivative assets

Derivative assets held for risk management purposes are recognised on a fair value through profit and loss (FVTPL) basis, with movement in fair value being included under interest expenses in the Consolidated Statement of Comprehensive Income.

d) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - the Group has transferred substantially all the risks and rewards of the asset; or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. Accounting policies continued
1.10 Financial instruments continued
1.10.1 Financial assets continued
e) Write-off

Loans are written off the balance sheet when an account is six contractual payments past due, as at this point it is deemed that there is no reasonable expectation of recovery. When there is recovery on written-off debts or when cash is received from the third-party purchaser on the purchase date, recoveries are charged to the income statement and net off the annual impairment charge. When assets are legally transferred to the third-party purchaser, they are removed from our listing of off-balance sheet charged off accounts.

1.10.2 Financial liabilities
Debt instruments (other than those wholly repayable or receivable within one year), i.e. borrowings, are initially measured at fair value less transaction costs and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. See section 1.5 for details of treatment of premiums/discounts on borrowings.

Short-term payables 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.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Consolidated Statement of Comprehensive Income.

1.11 Shareholder loan notes
Shareholder loan note interest is charged to the Consolidated Statement of Comprehensive Income as accrued and is shown separately on the face of the Consolidated Statement of Comprehensive Income due to it nature and size (see note 1.18).

Shareholder loans notes are initially measured at fair value less attributable transaction costs and subsequently at amortised cost using the effective interest method.

The financial liability of the shareholder loan notes is derecognised when the obligation under the liability is discharged. On 4 July 2018 the Company's shares were admitted to trading on the London Stock Exchange. Immediately prior to admission the shareholder loan notes were converted to equity, increasing the share capital of the business by 75,333,760 to 475,333,760 ordinary shares and increasing net assets by £207.2m (see note 19).

1.12 Securitisation
The Group securitises its own financial assets via the sale of these assets to a special purpose entity, which in turn issues securities to investors. All financial assets continue to be held on the Group's Consolidated Balance Sheet, together with debt securities in issue recognised for the funding. See note 15 for further details.

1.13 Merger reserve
The merger reserve was created as a result of a Group reorganisation in 2017 to create an appropriate holding company structure. With the merger accounting method, the carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value, although appropriate adjustments shall be made through equity to achieve uniformity of accounting policies in the combining entities. The restructure was within a wholly owned group, constituting a common control transaction.

1.14 Foreign currency translation
Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The Group's subsidiaries primarily operate in the UK and Republic of Ireland, with Amigo Loans Ireland Limited's first loans paid out in February 2019. The consolidated and the Company financial statements are presented in Sterling, which is the Group and Company's functional and presentational currency.

1. Accounting policies continued

1.14 Foreign currency translation continued

Transactions that are not denominated in the Group's functional currency are recorded at average exchange rate for the month. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the exchange rates ruling at the balance sheet date. Differences arising on translation are charged or credited to the income statement.

If a foreign operation were to be disposed of, the cumulative amount of the differences arising on translation recognised in other comprehensive income would be recognised in the income statement when the gain or loss on disposal is recognised.

1.15 Defined contribution pension scheme

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

1.16 Leases

Rental costs under operating leases are charged to the statement of other comprehensive income on a straight-line basis over the term of the lease.

1.17 Share-based payments

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. The fair value of the share-based payment is estimated at the grant date. The fair value 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 Group-specific observable market data, taking into account the terms and conditions upon which the awards were granted.

1.18 Items presented separately within the Consolidated Statement of Comprehensive Income

Shareholder loan notes and IPO and financing costs are presented separately on the face of the Consolidated Statement of Comprehensive Income. These are items that are unusual because of their size, nature or incidence and which the Directors consider should be disclosed separately to enable a full understanding of the Group's results.

2. Critical accounting assumptions and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are:

Judgements

Management considers the following areas to be the judgements that have the most significant effect on the amounts recognised in the financial statements. They are explained in more detail in the following sections:

- IFRS 9 – Measurement of ECLs
  - Assessing whether the credit risk of an instrument has increased significantly since initial recognition (note 2.1.2)
  - Definition of default is considered by the Group to be when an account is three contractual payments past due (note 1.2a.vii)

Estimates

Areas which include a degree of estimation uncertainty are:

- IFRS 9 – Measurement of ECLs
  - Adopting a collective basis for measurement in calculation of ECLs in IFRS 9 calculations (note 2.1.1)
  - Incorporation of forecast loss curves, prepared on a risk segment basis, in the calculation of ECLs (note 2.1.1)
  - Forward-looking information incorporated into the measurement of ECLs (note 2.1.3)
  - Incorporating a probability weighted estimate of external macroeconomic factors into the measurement of ECLs (note 2.1.3)
- IFRS 9 – Probability of default
  - Probability of default (PD) is an estimate of the likelihood of default over a given time horizon, the calculation of which includes internal historical data, assumptions and expectations of future conditions
- Effective interest rate – determination of the average behavioural life of cohorts of loans acquired via third-party brokers (note 2.2)

2. Critical accounting assumptions and key sources of estimation uncertainty continued

2.1 Credit impairment

2.1.1 Measurement of ECLs

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. ECLs are calculated on a collective asset basis, and hence apply on a combined borrower/guarantor basis (see note 1.2a.iii for further details over the borrower/guarantor relationship). 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 Group's historical trends, current credit loss behaviour and management judgements. Internal Group trends are reviewed over 60 months for equivalent cohorts of assets, being the maximum contractual term for the product. No external information is used, aside from in consideration of economic adjustments (see 2.1.3). Loss curves are reviewed and approved by the Risk Committee and Audit Committee prior to use in IFRS 9 calculations.

2.1.2 Assessment of significant change in credit risk

To determine whether there has been a significant increase in credit risk the following two 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 (see note 2.1.1). If the specific operational flag placed on an account is deemed a trigger indicating the remaining lifetime probability of default has increased significantly, the Group considers the credit risk of an asset to have increased significantly since initial recognition.

   The Group reassesses the flag status of all loans at each month end 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 immediately when a payment flag is removed from the account. Each quarter a Flag Governance meeting is held, to review operational changes which may impact the use of operational flags in the assessment of significant increase in credit risk.

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 (equivalent to 30 days), which is aligned to the rebuttable presumption of more than 30 days past due.

See note 1.2a.iv for further details on the assessment of change in credit risk.

The following table details the movement in the ECL provision for changes in modelling judgements and estimates, being increasing or decreasing underlying data used in loss curves by 10%.

Group	31 Mar 19 £m
+/-10% relative change in data underlying loss curves	**+/-3.4**

2.1.3 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 built into the credit loss forecasts utilising four scenarios based on and independent forecast of future economic conditions and applying a probability weighting to each scenario. Economic assumptions included in IFRS 9 calculations are approved by the Board.

These weighted scenarios include a base (50.0%), an upside (5.1%) and two downside scenarios (26.4% and 18.5%). The forward-looking scenarios have been reviewed regularly and updated where deemed necessary. The scenarios are weighted according to management judgement of each scenario's likelihood. The base case attracts 50% 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 management's best estimate of future unemployment scenarios.

2. Critical accounting assumptions and key sources of estimation uncertainty continued

2.1 Credit impairment continued

2.1.3 Forward-looking information continued

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.

Scenario	Derivation	Weighting
Base case	Underpinned by external consensus forecasts of unemployment changes, as estimated by the Office of Budget Responsibility, and used in the Group's strategic planning and budgeting processes. Assumes unemployment rises in line with OBR's forecast (4% by 2023)	50.0%
Upside case	Assumes unemployment rates continue to decline to 3% by 2023 (1% below the base case)	5.1%
Stressed case	Assumes unemployment rises to 6% by 2023 (2% in excess of base case)	26.4%
Deeper stress	Assumes unemployment rises to 9% by 2023 (5% in excess of the base case)	18.5%

2.2 Effective interest rates

Revenue comprises interest income on amounts receivable from customers. Loans are initially measured at fair value (which is equal to cost at inception) plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Revenue is presented net of amortised broker fees which are capitalised and spread over the expected behavioural lifetime of the loan as part of the effective interest rate method. The key judgement applied in the effective interest rate calculation is the behavioural life of the loan and, to a lesser extent, the profile of loan payments over this period.

The historical settlement profile of loans acquired from third-party brokers is used to estimate the average behavioural life of each monthly cohort of loans. Settlements included both early settlements and top-ups as they are considered derecognition events (see note 1.2av). The average behavioural life is then used to estimate the effective interest on broker originations and thus the amortisation profile of the deferred costs. As Amigo has only one APR, once the behavioural life is determined, the amortisation profile is identical for all loan terms and amounts and thus the application is accurate for all assets in each monthly cohort.

Broker commissions are incurred as a percentage of amounts paid out and not as a fixed fee per loan. Therefore, in determining the settlement profile of historical cohorts, settlement rates are pay-out weighted to accurately match the value of deferred costs with the settlement of loans.

The following table details the movement in the year-end EIR asset when sensitivity analysis is performed. In the analysis, it has been assumed that the amortisation rate of the fastest amortising cohort of loans is applicable to all cohorts.

Group	**31 Mar 19 £m**
Fastest amortisation cohort rate applied to all cohorts	**(0.8)**

3. Revenue

Revenue consists of interest accrued on loans to customers 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.

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Interest under amortised cost method	**270.0**	210.3
Other revenue	**0.7**	0.5
	270.7	210.8

Other income includes refunds and income from courts.

4. Interest payable and funding facility fees

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Bank interest payable	**3.8**	2.9
Senior secured notes interest payable	**29.1**	25.0
Securitisation interest payable	**1.8**	—
Funding facility fees	**3.5**	2.5
	38.2	30.4
Shareholder loan note interest	**6.0**	21.2
Total interest payable	**44.2**	51.6

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

Interest payable represents the total amount of interest expense calculated using the effective interest method for financial liabilities that are not treated as fair value through the profit or loss. Non-utilisation fees within this figure are immaterial. No interest was capitalised by the Group during the period.

5. Operating expenses

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Advertising and marketing	**17.3**	21.1
Employee costs (note 6)	**13.6**	9.8
Print, post and stationery	**4.4**	4.1
Credit scoring costs	**2.3**	2.9
Communication costs	**2.4**	2.3
Other	**7.4**	6.0
	47.4	46.2

Other operating expenses include:	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Fees payable to the Company's auditor and its associates for:		
– audit of these financial statements	**0.1**	—
– audit of financial statements of subsidiaries	**0.2**	0.2
– audit-related assurance services[1]	**0.1**	—
– corporate finance transactions[2]	**0.1**	0.6
Depreciation of PPE	**0.3**	0.2
Operating lease expense – property	**0.3**	0.2
Defined contribution pension cost	**0.2**	0.2

1 Other assurance services include interim reviews of quarterly financial statements.

2 Services relating to corporate finance transactions include fees incurred as part of the IPO process. Note, upon review there has been a non-material restatement of £0.1m in the prior year, from £0.7m to £0.6m.

6. Employees

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Employee costs		
Wages and salaries	**12.2**	8.7
Social security costs	**1.2**	0.9
Cost of defined contribution pension scheme (note 23)	**0.2**	0.2
	13.6	9.8

Financial statements

6. Employees continued

The average monthly number of employees employed by the Group (including the Directors) during the year, analysed by category, was as follows:

	Year to 31 Mar 19	Year to 31 Mar 18
Employee numbers		
Sales	**206**	156
Administration	**97**	108
	303	264

7. Key management remuneration

The remuneration of the Executive and Non-Executive Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Details of the remuneration, shareholdings and pension contributions of the Executive Directors are included in the Directors' Remuneration Report on pages 61 to 76.

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Key management emoluments including social security costs	**2.2**	0.9
Company contributions to defined contribution pension schemes	**—**	—
Share-based payments	**1.3**	—
	3.5	0.9

During the year retirement benefits were accruing for three Directors (2018: two) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £2,457,115 inclusive of national insurance payments (2018: £500,817). Of this, £21,241 was in relation to payment in lieu of notice. £30,000 is in relation to payment for loss of office. This Director was in receipt of an equity settled share-based payment award in the year (2018: nil). In total the award amounted to £1.4m including social security costs (see note 22) and was £1.3m net of social security costs (see note 22).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil due to an election being made for payment in lieu of pension (2018: £31,669).

8. IPO and related financing costs

These items 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.

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
IPO and related financing costs	**3.9**	2.1
	3.9	2.1

IPO and related financing costs relate to the advisor, legal fees and financing fees in respect of the listing of the Group in July 2018. Included within these costs are a £1.4m share based payment expense (see note 22 for further details).

9. Taxation

The applicable corporation tax rate for the period to 31 March 2019 was 19.0% (2018: 19.0%) and the effective tax rate is 20.2% (2018: 23.4%). 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.

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Corporation tax		
Current tax on profits for the year	**21.4**	15.6
Adjustments in respect of previous periods	**—**	(0.4)
Total current tax	**21.4**	15.2
Deferred tax		
Origination and reversal of temporary differences	**1.0**	(0.1)
Adjustments in respect of prior periods	**—**	0.4
Taxation on profit	**22.4**	15.5

A reconciliation of the actual tax charge, shown above, and the profit before tax multiplied by the standard rate of tax, is as follows:

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Profit before tax	**111.0**	66.1
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	**21.1**	12.5
Effects of:		
Expenses not deductible for tax purposes	**0.4**	2.9
Transfer pricing adjustments	**0.8**	—
Adjustments to tax charge in respect of prior periods	**0.1**	0.1
Total tax charge for the year	**22.4**	15.5

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's tax charge accordingly in the future.

10. Earnings per share

	31 Mar 19 Pence	31 Mar 18 Pence
Basic and diluted EPS	**19.4**	12.7
Adjusted basic EPS[1]	**22.0**	18.1

1 Adjusted basic EPS and earnings for adjusted basic EPS are non-GAAP measures.

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. Note figures are presented net of tax:

	31 Mar 19 £m	31 Mar 18 £m
Earnings for basic EPS	**88.6**	50.6
Senior secured note buyback	**2.0**	—
Shareholder loan note interest	**5.6**	19.7
IPO and related financing costs	**3.9**	2.1
Earnings for adjusted basic EPS[1]	**100.1**	72.4
Weighted average number of shares (m)	**455.9**	400.0

1 Adjusted basic EPS and earnings for adjusted basic EPS are non-GAAP measures.

10. Earnings per share continued

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 subdivided, 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.

11. Property, plant and equipment

	Long leasehold property £m	Fixtures and fittings £m	Office equipment £m	Computer equipment £m	Total £m
Cost or valuation					
At 1 April 2018	0.8	0.5	—	0.6	1.9
Additions	—	—	—	0.4	0.4
Disposals	—	—	—	—	—
At 31 March 2019	**0.8**	**0.5**	**—**	**1.0**	**2.3**
Depreciation					
At 1 April 2018	0.3	0.5	—	0.5	1.3
Charge for the period	0.1	—	—	0.2	0.3
Disposals	—	—	—	—	—
At 31 March 2019	**0.4**	**0.5**	**—**	**0.7**	**1.6**
Net book value					
At 31 March 2019	**0.4**	**—**	**—**	**0.3**	**0.7**
At 31 March 2018	0.5	—	—	0.1	0.6

The Group has no material capital commitments as at 31 March 2019.

12. Intangible assets

	Acquired computer software £m	Total £m
Cost or valuation		
At 1 April 2018	0.2	0.2
Additions	—	—
At 31 March 2019	**0.2**	**0.2**
Amortisation		
At 1 April 2018	0.1	0.1
Charge for the period	—	—
At 31 March 2019	**0.1**	**0.1**
Net book value		
At 31 March 2019	**0.1**	**0.1**
At 31 March 2018	0.1	0.1

13. Deferred tax

	31 Mar 19 £m	31 Mar 18 £m
At 1 April 2018/1 April 2017	**(0.2)**	0.1
(Charge)/credit to equity re IFRS 9 transitional adjustment[1]	**7.9**	—
Restated opening at 1 April 2018	**7.7**	0.1
Charge to the consolidated statement of comprehensive income	**(0.9)**	(0.3)
At 31 March 2019/31 March 2018	**6.8**	(0.2)

The deferred tax (liability)/asset is made up as follows:

	31 Mar 19 £m	31 Mar 18 £m
Accelerated capital allowances	**—**	—
Previous FRS 102 transitional adjustments	**(0.3)**	—
Unpaid remuneration	**—**	0.1
IFRS 9 transitional adjustments	**7.1**	—
Other temporary differences	**—**	(0.3)
	6.8	(0.2)

1 The deferred tax asset arises from balance sheet adjustments to restate the IAS 39 balance sheet onto an IFRS 9 basis, for which tax deductions are available over ten years.

14. Customer loans and receivables

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

	31 Mar 19 £m	1 Apr 18 £m
Stage 1	**683.4**	607.2
Stage 2	**70.0**	46.4
Stage 3	**29.6**	14.5
Gross loan book	**783.0**	668.1
Deferred broker costs[1] – stage 1	**18.2**	16.4
Deferred broker costs[1] – stage 2	**1.9**	1.3
Deferred broker costs[1] – stage 3	**0.8**	0.3
Loan book inclusive of deferred broker costs	**803.9**	686.1
Provision	**(75.4)**	(65.4)
Customer loans and receivables	**728.5**	620.7

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.

As at 31 March 2019, £197.0m of the loans to customers had their beneficial interest assigned to the Group's special purpose vehicle (SPV) entity, namely AMGO Funding (No. 1) Limited, as collateral for securitisation transactions (2018: £nil). See note 25 for further details of this structured entity.

Ageing of gross loan book by days overdue:

	31 Mar 19 £m	31 Mar 18 £m
Current	**680.7**	605.6
1–30 days	**59.8**	40.3
31–60 days	**12.7**	7.7
>61 days	**29.8**	14.5
Gross loan book	**783.0**	668.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2019

14. Customer loans and receivables continued

The following table further explains changes in the gross carrying amount of loans receivable from customers to explain their significance to the changes in the loss allowance for the same portfolios.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross carrying amount as at 1 April 2018	607.2	46.4	14.5	668.1
Deferred broker fees	16.4	1.3	0.3	18.0
Loan book inclusive of deferred broker costs at 1 April 2018	623.6	47.7	14.8	686.1
Changes in gross carrying amount attributable to:				
Transfer to stage 1	5.6	(5.5)	(0.1)	—
Transfer to stage 2	(32.7)	32.9	(0.2)	—
Transfer to stage 3	(15.5)	(2.3)	17.8	—
Passage of time	(60.6)	(7.4)	0.1	(67.9)
Customer settlements	(87.6)	(7.0)	(1.0)	(95.6)
Loans charged off	(28.6)	(14.8)	(12.8)	(56.2)
Net new receivables originated	295.6	27.7	11.3	334.6
Net movement in deferred broker fees	1.8	0.6	0.5	2.9
Loan book inclusive of deferred broker costs as at 31 March 2019	**701.6**	**71.9**	**30.4**	**803.9**

The following tables explain the changes in the loan loss provision between the beginning and the end of the period:

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
IAS 39 gross provision as at 31 March 2018				21.2
Adjustment on initial application of IFRS 9				44.2
Loan loss provision as at 1 April 2018	39.3	11.9	14.2	65.4
Changes in loan loss provision attributable to:				
Transfer to stage 1	0.4	(1.4)	(0.1)	(1.1)
Transfer to stage 2	(2.1)	8.4	(0.2)	6.1
Transfer to stage 3	(1.0)	(0.6)	17.3	15.7
Passage of time	(3.9)	(1.9)	0.1	(5.7)
Customer settlements	(5.6)	(1.8)	(1.0)	(8.4)
Loans charged off	(1.8)	(3.8)	(12.5)	(18.1)
Net new receivables originated	9.6	6.9	11.0	27.5
Remeasurement of ECLs	(5.6)	(0.3)	(0.1)	(6.0)
Loan loss provision as at 31 March 2019	**29.3**	**17.4**	**28.7**	**75.4**

The following table splits the gross loan book by arrears status, and then by stage respectively.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Up to date	650.1	30.8	—	680.9
1-30 days	33.3	26.5	—	59.8
31-60 days	—	12.7	—	12.7
60 days +	—	—	29.6	29.6
	683.4	**70.0**	**29.6**	**783.0**

A reconciliation of the 1 April 2018 opening amounts receivable from customers is presented in note 1.2.

14. Customer loans and receivables continued

Customer loans and receivables	31 Mar 19 £m	31 Mar 18 £m
Due within one year	**412.9**	373.6
Due in more than one year	**294.7**	273.3
Net loan book	**707.6**	646.9
Deferred broker costs[1]		
Due within one year	**13.1**	12.7
Due in more than one year	**7.8**	6.7
Customer loans and receivables	**728.5**	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.

15. 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. The tables analyses financial instruments into a fair value hierarchy based on the valuation technique used to determine fair value:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) 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).

c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		31 Mar 19		31 Mar 18	
	Fair value hierarchy	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial assets not measured at fair value[1]					
Amounts receivable from customers[2]	Level 3	**728.5**	**758.2**	666.3	685.9
Other receivables	Level 3	**1.2**	**1.2**	2.3	2.3
Cash and cash equivalents	Level 1	**15.2**	**15.2**	12.2	12.2
		744.9	**774.6**	680.8	700.4
Financial assets measured at fair value					
Derivative asset	Level 2	**0.1**	**0.1**	—	—
		0.1	**0.1**	—	—
Financial liabilities not measured at fair value[1]					
Amounts owed to Group entities	Level 3	**(0.2)**	**(0.2)**	(0.4)	(0.4)
Other liabilities	Level 3	**(15.2)**	**(15.2)**	(18.4)	(18.4)
Senior secured notes	Level 1	**(315.3)**	**(316.8)**	(392.8)	(410.5)
Shareholder loan notes	Level 2	**—**	**—**	(201.1)	(201.1)
Securitisation facility	Level 2	**(158.6)**	**(160.5)**	—	—
Bank loans	Level 2	**(2.8)**	**(2.8)**	(62.2)	(62.2)
		(492.1)	**(495.5)**	(674.9)	(692.6)

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.

Derivative asset valuation at year end is obtained directly from the issuer of the instrument.

15. Financial instruments continued

Financial instruments not measured at fair value

The fair value of amounts receivable from customers has been estimated using a net present value calculation 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 senior secured notes has been taken at the Bloomberg Valuation Service (BVAL) market price.

All financial instruments are held at amortised cost, with the exception of the derivative asset which is held at FVTPL.

There are nil shareholder loan notes at year end, hence nil value. The fair value of the securitisation facility is estimated using a net present value calculation using discount rates derived from contractual interest rates, with cash flows assuming no principal repayments until maturity date.

Credit risk

a) Amounts receivable from customers

There is a limited concentration of risk to individual customers with an average customer balance outstanding of £4,035 (2018: £3,992) and a maximum of £13,335 at 31 March 2019, excluding charged off accounts (2018: £13,278). The carrying amount of the loans represents the Group's maximum exposure to credit risk.

The Group carries out an affordability assessment on both borrower and guarantor before a loan (or top-up) can be paid out. As a separate exercise using the knowledge and data from its 14 year presence in the guarantor loan sector each potential loan undergoes a creditworthiness assessment based on the applicants' and guarantors' credit history. No formal collateral or guarantees are held against loans on the basis that the borrower and guarantor are technically and in substance joint borrowers.

The Group manages credit risk by actively managing the blend of risk in its portfolio to achieve the desired impairment rates in the long term. The Group aims to achieve the desired risk in the portfolio by managing its scorecards and the maximum amount borrowers are able to borrow depending on their circumstance and credit history. Factors we consider in monitoring the overall impairment rates include the total value of the loan, the homeowner status of the guarantor, whether loans are new or repeat loans and whether these are lending pilot loans. Using the data and expected loss curves for the different scorecards the business can vary its origination levels to target an expected loss rate, impairment level and manage the Consolidated Statement of Financial Position risk.

Credit risk is also managed post origination via ongoing monitoring and collection activities. When payments are missed, regular communication with both the borrower and guarantor commences. After three days, a collection agent will engage with the borrower. After 14 days the guarantor is given the opportunity to pay. Following this, payment plan options are considered prior to the account being passed to the Group's litigation team. Throughout this whole process, operational flags will be added to the account to allow monitoring of the status of the account. Operational flags are used within the Group's impairment model in the assessment of whether there has been a significant increase in credit risk on an account (see note 2.1.2 for further details).

Lending pilots are designed to test new criteria and relationships that allow the Group to lend to applicants who would have been rejected under the core scorecards. By their nature credit loss history for each lending pilot is not limited. The Group monitors performance to determine which pilots perform at an acceptable risk level over time, with a view to integrating successful pilots into core lending or alternatively rejecting where performance of lending pilots is below the level required for the Group to meet its internal risk appetite.

The business monitors the proportion of the Consolidated Statement of Financial Position within the homeowner guarantor, non-homeowner guarantor and lending pilot categories. At 31 March 2019 and 31 March 2018, the mix of business within the categories was as follows:

Consolidated Statement of Financial Position	**31 Mar 19 £m**	31 Mar 18 £m
Gross book value arising from originations with homeowner	**348.7**	332.2
Gross book value arising from originations with non-homeowner	**330.2**	224.5
Gross book value arising from originations from lending pilots	**104.1**	111.4
	783.0	668.1

In assessing the level of impairment, the business makes provision for a percentage of loans that are currently up to date. The Group expects that at any time there will be an element of loans that are currently up to date but where the customer may have an unreported difficulty in repaying the loan and therefore the Group makes provision for the estimated effect.

15. Financial instruments continued

Credit risk continued

a) Amounts receivable from customers continued

In addition, should a customer enter into a repayment plan the Group does not reschedule the terms for its internal reporting. Instead the business calculates the arrears level with reference to the original terms. At 31 March 2019, on a volume basis 0.19%, 3.95% and 0.74% of the gross loan book were on breathing space, long term and short term payment plans respectively (2018: 0.29%, 4.56%, 0.97%). volume basis of the gross loan book under the Group's primary payment plans.

Originations relating to the circumstances monitored are as follows:

Lending originations	**31-Mar-19 £m**	31-Mar-18 £m
New origination with homeowner guarantor	**99.0**	109.0
New origination with non-homeowner guarantor	**145.1**	117.4
Repeat origination with homeowner guarantor	**64.0**	80.3
Repeat origination with non-homeowner guarantor	**80.0**	64.4
Lending pilots	**38.0**	99.0
	426.1	470.1

b) Bank counterparties

Counterparty credit risk arises as a result of cash deposits placed with banks and the use of derivative financial instruments with banks and other financial institutions which are used to hedge against interest rate risk.

This risk is managed by the Group's key management personnel. The Group is continually looking to diversify its sources of funding and obtains funding from high quality sources such as tier 1 bank institutions. Funding diversification has been demonstrated by the inaugural securitisation undertaken in the financial year. Funding is from a variety of sources, so exposure to credit risk on bank counterparties is deemed to be low.

Securitisation vehicles

In the ordinary course of business, the Group enters into transactions that result in the transfer of the right to receive repayments in respect of loans and advances to customers to securitisation vehicles. In accordance with the accounting policy set out in note 1.11, the transferred loans and advances to customers continue to be recognised in their entirety.

The Group transfers loans and advances to customers to a securitisation vehicle but retains substantially all the risks and rewards of ownership. The Group benefits to the extent that the surplus income generated by the transferred assets exceeds the administration costs of the special purpose vehicle (SPV), the cost of funding the assets and the cost of any losses associated with the assets and the administration costs of servicing the assets. Refer to note 25 for further details on the structure. Risks retained include credit risk, repayment risk and late payment risk.

The Group controls an entity when it is exposed to, or has rights to, variable returns through its involvement with the entity and has the ability to affect those returns through its power over the entity. The entity is an orphaned securitisation vehicle under full control of the Group – returns are impacted by Group funding decisions, and variable returns are impacted by changes in the amount of receivables transferred to the orphaned entity, the amount borrowed, etc. Hence control is held over the entity and the results are consolidated into the Group in full.

The following table shows the carrying value and fair value of the assets transferred to securitisation vehicles and the related carrying value and fair value of the associated liability. The difference between the value of assets and associated liabilities is due to subordinated funding provided to the SPV, increasing the value of assets. The collateral is not able to be sold or repurposed by the SPV; it can only be utilised to offset losses.

As at 31 March 2019	**Carrying value of transferred assets not derecognised £m**	**Carrying value of associated liabilities £m**	**Fair value of transferred assets not derecognised £m**	**Fair value of associated liabilities £m**	**Net fair value £m**
Amigo Funding (No. 1) Limited	**197.0**	**160.0**	**197.4**	**160.5**	**36.9**

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk – interest rate risk, currency risk and other prices risk. The Group's exposure is primarily to the risk of changes in interest rates.

15. Financial instruments continued

Credit risk continued

b) Bank counterparties continued

Interest rate risk

The senior secured loan note liability is set at a fixed interest rate of 7.625%.

The bank facility interest rate is set at a margin of 3.5% for utilised funds plus LIBOR and a total charge of 1.4% for non-utilised funds. A 1% movement in LIBOR based on the funds utilised at the year end (£5m gross of amortised fees) equates to an annual charge of £50,000.

The securitisation facility interest rate is 1.6% over LIBOR. A 1% increase in LIBOR based on the funds utilised at the year end (£156.8m) equates to an annual charge of £1,568,000.

In aggregate, a 1% increase in LIBOR would equate to an annual charge of £1,618,000 based on year-end borrowings.

Whilst variable rates are subject to change without notice, the Group has managed this risk through used of a derivative asset which caps the interest at 4.222%. This remains significantly below the remainder of the Group's borrowings which are at a fixed interest rate. Therefore, the Group considers there is no significant risk to the Group at 31 March 2019.

Amounts receivable from customers are charged at 49.9% APR over a period of one to five years.

Foreign exchange risk

There is no significant foreign exchange risk to the Group. The Group does incur some operating costs in USD and Euro, which it does not hedge as there would be minimal impact on reported profits and equity. Amigo Luxembourg S.A. is a GBP functional currency entity and gives no foreign exchange exposure upon consolidation. Amigo Ireland first lent to customers in February 2019; whilst its functional currency is Euro, operations are not material to the Group and so, foreign exchange risk is deemed minimal.

Liquidity risk

Liquidity risk is the risk that the Group will have insufficient liquid resources to fulfil its operational plans and/or meet its financial obligations as they fall due. Liquidity risk is managed by the Group's central finance department through daily monitoring of expected cash flows and ensuring sufficient funds are drawn against the Group's finance facilities to meet obligations as they fall due.

The Group's forecasts and projections, which cover a period of more than twelve months from the approval of these financial statements, take into account expected originations, collections and payments and allow the Group to plan for future liquidity needs.

	31 Mar 19 £m	31 Mar 18 £m
Maturity analysis of financial liabilities		
Analysed as:		
– due within one year		
Amounts owed to Group entities	**(0.2)**	(0.4)
Other liabilities	**(15.2)**	(18.4)
– due in three to four years		
Securitisation facility	**(158.6)**	—
Bank loans	**(2.8)**	(62.2)
– due in five or more years		
Senior secured notes	**(315.3)**	(392.8)
Shareholder loan notes	**—**	(201.1)
	(492.1)	(674.9)

15. Financial instruments continued

Maturity analysis of contractual cash flows of financial liabilities

As at 31 March 2019	0–1 year £m	2–5 years £m	Greater than 5 years £m	Total £m	Carrying amount £m
Amounts owed to:					
Group entities	**0.2**	**—**	**—**	**0.2**	**0.2**
Other liabilities	**15.2**	**—**	**—**	**15.2**	**15.2**
Bank loans	**—**	**5.0**	**—**	**5.0**	**2.8**
Senior secured notes	**24.4**	**73.2**	**344.4**	**442.0**	**315.3**
Securitisation facility	**—**	**160.0**	**—**	**160.0**	**158.6**
Shareholder loan notes	**—**	**—**	**—**	**—**	**—**
	39.8	**238.2**	**344.4**	**622.4**	**492.1**

As at 31 March 2018	0–1 year £m	2–5 years £m	Greater than 5 years £m	Total £m	Carrying amount £m
Amounts owed to:					
Group entities	0.4	—	—	0.4	0.4
Other liabilities	18.4	—	—	18.4	18.4
Bank loans	—	65.0	—	65.0	62.2
Senior secured notes	30.5	91.5	461.0	583.0	392.8
Shareholder loan notes	—	—	869.5	869.5	201.1
	49.3	156.5	1,330.5	1,536.3	674.9

Capital management

The Board seeks to maintain a strong capital base in order to maintain investor, customer and creditor confidence and to sustain future development of the business whilst satisfying the Group's senior secured note and banking covenants. The Group has no minimum capital requirements imposed on it by regulation.

See note 19 for further information on movement in shareholder loan notes in the year.

16. Other receivables

	31 Mar 19 £m	31 Mar 18 £m
Current		
Other receivables	**—**	0.9
Prepayments and accrued income	**1.2**	1.4
	1.2	2.3

17. Trade and other payables

	31 Mar 19 £m	31 Mar 18 £m
Current		
Accrued senior secured note interest	**5.0**	6.3
Trade payables	**1.2**	0.8
Amounts owed to Group undertakings	**0.2**	0.4
Taxation and social security	**0.6**	0.2
Accruals and deferred income	**8.4**	11.1
	15.4	18.8

18. Bank and other borrowings

	31 Mar 19 £m	31 Mar 18 £m
Non-current liabilities		
Amounts falling due 3–4 years		
Securitisation facility	**158.6**	—
Bank loan	**2.8**	62.2
Amounts falling due >5 years		
Senior secured notes	**315.3**	392.8
	476.7	455.0

The Group's facilities are:

- A £200m revolving securitisation facility, of which £158.6m was drawn down (net of amortised fees) at 31 March 2019 (2018: £nil). The facility has margin of 1.6% over LIBOR, matures in November 2021 and has a 0.7% charge on non-utilised funds. It is a three year revolving term with a four year amortisation period to 2025. The relevant floating interest rate is LIBOR, which was 0.84% at 31 March 2019 (2018: 0.47%). This relates to the structured entity discussed in note 25.
- A £159.5m bank loan (Sterling revolving credit facility), of which £2.8m had been drawn down (net of amortised fees) at 31 March 2019 (2018: £62.2m). The facility matures in January 2022. The bank facility interest rate is set at a margin of 3.5% for utilised funds plus LIBOR and a total charge of 1.4% for non-utilised funds. The relevant floating interest rate is LIBOR, which at year end was 0.84% (2018: 0.47%).
- Senior secured notes in the form of £320m high yield Bonds with a coupon rate of 7.625% which mature in January 2024. It is presented in the financial statements net of amortised fees. On 20 January 2017, £275m of notes were issued at an interest rate of 7.625%. The high yield bond was tapped for £50m in May 2017 and again for £75m in September 2017 at a premium of 3.8%. £80m of notes have been repurchased opportunistically in the open market in the financial year – this debt was extinguished in line with the accounting policy set out in note 1.5.

The bank facility and the senior secured notes are secured by a charge over the Group's assets and a cross-guarantee given by other subsidiaries – see note 28 for detail of subsidiaries.

19. Shareholder loan notes

	31 Mar 19 £m	31 Mar 18 £m
Amounts falling due >5 years		
Shareholder loan notes	**—**	201.1

The shareholder loan notes were split into three classes as follows:

	Class A £m	Class B £m	Class C £m	Total £m
Cost or valuation				
Initial amount	151.0	145.0	0.6	296.6
Interest accrued	6.5	16.8	—	23.3
Amounts repaid	(140.0)	—	—	(140.0)
At 31 March 2017	17.5	161.8	0.6	179.9
Interest accrued	1.7	19.4	0.1	21.2
At 31 March 2018	19.2	181.2	0.7	201.1

Interest on the shareholder loan notes was accrued but not paid. The loan notes were repayable in 2031. Interest was charged on the Class A loan notes at an annual rate of 8%, until October 2017, at which time it increased to 12%. Interest was charged on the Class B and C loan notes at an annual rate of 12%.

£0.7m of the Class C loan note balance as at 31 March 2018 is due to management of the Company.

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

20. Commitments under operating leases

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	31 Mar 19 £m	31 Mar 18 £m
Less than one year	**0.2**	0.2
Due between one and five years	**0.5**	0.3
Total	**0.7**	0.5

Operating lease commitments relate to the Amigo office in Bournemouth.

See note 26 for the Group's IFRS 16 assessment.

21. Share capital

On 4 July 2018 the Company's shares were admitted to trading 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 were issued subsequent to conversion of the shareholder loan notes.

Allotted and called up shares at par value

	31 Mar 19 £'000 Paid	**31 Mar 19 £'000 Unpaid**	**31 Mar 19 £'000 Total**
41,000 deferred ordinary shares of £0.24 each	**10**	**—**	**10**
475,333,760 ordinary shares of 0.25p each	**1,188**	**—**	**1,188**
	1,198	**—**	**1,198**

	31 Mar 18 £'000 Paid	31 Mar 18 £'000 Unpaid	31 Mar 18 £'000 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

	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	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 31 March 2019	**—**	**—**	**—**	**—**	**475,333,760**	**475,333,760**

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Each ordinary share in the capital of the Company ranks equally in all respects and no shareholder holds shares carrying special rights relating to the control of the Company. The nominal value of shares in issue is shown in share capital, with any additional consideration for those shares shown in share premium.

Deferred shares

At the time of the IPO and subdivision the 41,000 ordinary B shares were split into 16,400,000 ordinary shares of £0.25 and 41,000 deferred shares of £0.24.

The deferred shares do not carry any rights to receive any profits of the Company or any rights to vote at a general meeting. Prior to the subdivision the ordinary B shares had 1.24 votes per share; all other shares had one vote per share.

21. Share capital continued

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment.

	31 Mar 19 £m	31 Mar 18 £m
Interim dividend for twelve months ended 31 March 2019 of 1.87p per share	8.9	—
Total dividends paid	**8.9**	—

The Directors of the Company propose a final dividend of 7.45p per share for the year ended 31 March 2019 (2018: £nil) amounting to £35.4m (2018: £nil). The total dividend for the current year will be 9.32p per share (2018: £nil) subject to approval. If approved by the shareholders at the Annual General Meeting on 12 July 2019, this dividend will be paid on 31 July 2019 to shareholders who are on the register of members at 19 July 2019. This dividend is not reflected in the balance sheet as at 31 March 2019 as it is subject to shareholder approval.

22. 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.

The charge to the income statement in 2019 for equity settled schemes was £1.4m (2018: £nil), as was the corresponding increase in equity. No share-based payments were outstanding at year end. The share-based payment relates to a call-option agreement being exercised following the IPO in June 2018.

Analysis of awards

	Date of grant	Exercise date	Exercise price £	Number of shares 2019[1]	Number of shares 2018
At 31 March 2019	13 June 2018	4 July 2018	0.83	**666,800**	—

The weighted average exercise prices (WAEP) over the year were as follows:

	Number of shares[1]	WAEP £m
At 1 April 2018		
Granted during the year	666,800	0.83
Forfeited during the year	—	—
Exercised during the year	(666,800)	0.83
Lapsed during the year	—	—
Expired during the year	—	—
At 31 March 2019	**—**	**0.83**

The fair value per award, calculated based on initial price of shares at the IPO in June 2018, in the year was as follows:

Date of grant	Exercise price £	Nominal value £	Fair value per award £
13 June 2018	0.83	0.25	2.75

1 The number of shares disclosed assumes ordinary share conversion, discussed in note 19, was in place since the start of the period. This is equivalent to an exercise price of £330 for 1,667 shares prior to conversion.

The total value of the option at exercise was £1,833,700, being the fair value of the award at exercise date multiplied by number of shares held. The cost of this option exercise to the individual was £550,110. Hence, the total share-based payment equalled £1,283,590 net of national insurance payments (see note 7).

In the prior year, an arrangement existed between certain management and the Richmond Group, that in the case of an initial public offering (IPO), shares in the Company would vest. A put option existed whereby, in the event of no IPO, or transaction by which any person has acquired more than 50% of the equity share capital in the Company, has taken place within five years of the date of the Investment Agreement, each of the members of the Group's management party thereto had the right to require the Richmond Group to acquire that member of management's holding of shares, and shareholder loan notes if held, for the agreed fair value of those shares or shareholder loan notes, as further provided in the Investment Agreement.

22. Share-based payment continued

Due to the expectation that IPO would be successful, the arrangement was accounted for as an equity share based payment. The arrangement was settled in the period through the issue of shares. The put option was not exercised as the IPO was successful.

23. Pension commitments

The Group operates defined contribution pension schemes for the benefit of its employees. The assets of the scheme are administered by trustees in funds independent from those of the Group.

The total contributions charged during the year amounted to £0.2m (2018: £0.2m).

24. Related party transactions

Other than transfer of shareholder loan notes to equity in the period (see note 19), the Group had no related party transactions during the twelve month period to 31 March 2019 that would materially affect the performance of the Group. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

During the year the Group traded with the ultimate parent company, Richmond Group Limited, and its subsidiaries.

The Group receives charges from and makes charges to these related parties in relation to catering services, shared costs, staff costs and other costs incurred on their behalf. Balances related to corporation tax and VAT in relation to Group-wide registrations and payment arrangements are also passed through these related party balances. The charges and the outstanding balances at the year end are as below:

	Charged to £m	Charged from £m	Balance outstanding £m
Year to 31 March 2018			
Richmond Group Limited	0.5	(0.3)	(0.4)
Year to 31 March 2019			
Richmond Group Limited	**0.4**	**—**	**—**

Intra-group transactions between the Company and the fully consolidated subsidiaries or between fully consolidated subsidiaries are eliminated on consolidation.

Key management of the Group, being the Executive and Non-Executive Directors of the Board, the members of the Executive Committee and their immediate relatives, control 8.59% of the voting shares of the Company (2018: nil). The details of the remuneration, shareholdings and pension entitlements of individual Directors are included in the Directors' Remuneration Report on pages 61 to 76. The remuneration of key management is disclosed in note 7.

25. Structured entities

AMGO Funding (No. 1) Funding Limited (AMGO) is an entity formed as part as a private securitisation to fund the Group. The private securitisation has issued a senior variable funding note to a major bank which acts as a revolving facility.

The consolidated subsidiary and structured entities table in note 28 has further details of the structured entities consolidated into the Group's financial statements for the year ended 31 March 2019, on the basis that the Group has the power to direct relevant activities, is exposed to variable returns of the entities and is able to use its power to affect those returns. The results of AMGO are consolidated by the Group at year end.

26. New standards and interpretations

The following standards, amendments to standards and interpretations have been issued in the year in addition to the ones covered in note 1.1. There has been no significant impact to the Group as a result of their issue.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40 "Transfers of investment property"
- Amendments to IFRS 2 "Classification and measurement of share-based payment transactions"
- Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"
- Amendments to IAS 28 "Investments in associates and joint ventures"

EU endorsed IFRS and interpretations with effective dates after 31 December 2018 relevant to the Group will be implemented in the financial year when the standards become effective.

26. New standards and interpretations continued

IFRS 16 Leases

IFRS 16 Leases is effective for the Group's consolidated financial statements for the year ending 31 March 2020. It introduces significant changes to lessee accounting removing the distinction between operating and finance leases. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- the right to obtain substantially all of the economic benefits from the use of an identified asset; and
- the right to direct the use of that asset.

The new definition in IFRS 16 does not change the scope of contracts that meet the definition of a lease for the Group or have a material impact on the consolidated financial statements of the Group. The Group currently only has one significant operating lease (see note 20). IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

On initial application of IFRS 16, for all leases the Group will:

a) recognise right of use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;

b) recognise depreciation of right of use assets and interest on lease liabilities in the consolidated statement of comprehensive income; and

c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

On transition the Group will use an incremental borrowing rate as of the date of the initial application (1 April 2019) which incorporates the remaining lease term to calculate the lease liability; the right of use asset will be measured at an amount equal to the lease liability.

Lease payments are currently reported as an administrative expense. Under IFRS 16 interest expense on the lease liability will be presented as a finance cost and the depreciation charge for the right of use asset will be presented under administrative expenses. The expense profile of the consolidated statement of comprehensive income will change, with a higher finance cost in earlier years of the lease.

Under IFRS 16, right of use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. For short-term leases (lease term of twelve months or less), the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

On transition the Group will recognise a total lease liability of £0.7m and a corresponding right of use asset of £0.5m in respect of all leases. The impact on the consolidated statement of comprehensive income of the Group is not material.

Other standards

The IASB has also issued the following standards, amendments to standards and interpretations that will be effective for the Group as from 1 April 2019. These have not been early adopted by the Group. The Group does not expect any significant impact on its consolidated financial statements from these amendments.

- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 "Prepayment features with negative compensation"
- Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"
- Amendments to IAS 19 "Plan amendment, curtailment or settlement"
- Amendments to IAS 28 "Long-term interests in associates and joint ventures"
- Annual Improvements to IFRS 2015–2017 Cycle (issued in December 2017)

27. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party of the Company 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 BH2 6EX.

28. Investment in subsidiaries and structured entities

Amigo Loans Group Limited (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 senior secured note reporting requirements.

The following are subsidiary undertakings of the Company at 31 March 2019 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. All entities are subsidiaries on the basis of 100% ownership and shareholding, aside from AMGO Funding (No. 1) Limited which is an orphaned structured entity (see note 25).

Name	Country of incorporation	Class of shares held	Ownership 2019	Ownership 2018	Principal activity
Direct holding					
Amigo Loans Group Limited[1]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Loans Holdings Limited[1]	United Kingdom	Ordinary	100%	100%	Holding company
Indirect holdings					
Amigo Loans Limited[1]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Management Services Limited[1]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Canteen Limited[1*]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Luxembourg SA[2]	Luxembourg	Ordinary	100%	100%	Financing company
AMGO Funding (No.1) Limited[4**]	United Kingdom	N/A	SE	—	Securitisation vehicle
Amigo Car Loans Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Motor Finance Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Car Finance Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Store Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Group Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Finance Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Amigo Loans International Limited[3]	Ireland	Ordinary	100%	100%	Holding company
Amigo Loans Ireland Limited[3]	Ireland	Ordinary	100%	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.
4 Registered at Level 37, 25 Canada Square, London E14 5LQ.
* Previously RG Catering Services Limited.
** Incorporated on 4 October 2018.

29. Post balance sheet events

As at 6 June 2019, the Group repurchased an additional £25.0m of senior secured notes, reducing the nominal value of the notes from £320.0m to £295.0m. At this date, this is the Group's best estimate of the total amount of notes which will be repurchased in the open market.

On 17 May 2019 the available size of the revolving credit facility was reduced from £159.5m to £109.5m. The term has also been extended by five years to May 2024, the margin reduced to 2.9% and the number of banks in the syndicate has been reduced from four to three.

On 6 June 2019, the securitisation facility was upsized from £200m to £300m, in a move to further diversify sources of funding and reduce overall cost of funds.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Notes	31 Mar 19 £m	31 Mar 18 £m
(Loss)/profit for the period		**(8.5)**	(21.2)
Non-current assets			
Investments	2a	**302.0**	302.0
		302.0	302.0
Current assets			
Other receivables	3a	**1.1**	2.7
Current tax asset		**0.5**	1.5
Cash and cash equivalents		**0.1**	0.1
		1.7	4.3
Total assets		**303.7**	306.3
Current liabilities			
Other payables	4a	**(9.0)**	(1.7)
Non-current liabilities			
Shareholder loan notes	5a	**—**	(201.1)
Total liabilities		**(9.0)**	(202.8)
Net assets		**294.7**	103.5
Equity			
Share capital	6a	**1.2**	1.0
Share premium		**207.9**	0.9
Merger reserve		**4.7**	4.7
Retained earnings		**80.9**	96.9
		294.7	103.5

The parent company financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Nayan Kisnadwala
Director
6 June 2019

Company no. 10024479

The notes on pages 123 and 124 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019

	Share capital £m	Share premium £m	Merger reserve[1] £m	Retained earnings £m	Total equity £m
At 31 March 2017	1.0	0.9	4.7	118.1	124.7
Total comprehensive income	—	—	—	(21.2)	(21.2)
At 31 March 2018	1.0	0.9	4.7	96.9	103.5
Total comprehensive income	—	—	—	(8.5)	(8.5)
Share-based payments	—	—	—	1.4	1.4
IPO[2]	0.2	207.0	—	—	207.2
Dividends paid	—	—	—	(8.9)	(8.9)
At 31 March 2019	**1.2**	**207.9**	**4.7**	**80.9**	**294.7**

1 The merger reserve was created as a result of a Group reorganisation to create an appropriate holding company structure. The restructure was within a wholly owned group and so merger accounting applied under group reconstruction relief.

2 On 4 July 2018 the shareholder loan notes were converted to equity upon the listing of the Company (see note 19 in Group accounts).

The notes on pages 123 and 124 form part of these financial statements.

Financial statements

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Year to 31 Mar 19 £m	Year to 31 Mar 18 £m
Profit for the period	(8.5)	(21.2)
Adjustments for:		
Impairment provision	—	—
Income tax expense	(0.4)	(1.6)
Shareholder loan note interest accrued	6.0	21.2
Interest expense	—	(0.4)
Interest charged on loan book	—	—
Share-based payment	1.3	—
Depreciation of property, plant and equipment	—	—
Operating cash flows before movements in working capital	(1.6)	(2.0)
Decrease in receivables	1.9	0.1
Decrease in payables	(1.7)	1.3
Tax paid	—	1.8
Interest paid	—	0.4
Proceeds from intercompany funding	11.4	8.3
Repayment of intercompany funding	(1.1)	(10.1)
Net cash used in operating activities before loans issued and collections on loans	8.9	(0.2)
Loans issued	—	—
Collections	—	—
Net cash used in operating activities	8.9	(0.2)
Investing activities		
Purchase of senior secured notes	—	—
Purchases of property, plant, equipment	—	—
Net cash used in investing activities	—	—
Financing activities		
Dividends paid	(8.9)	—
Proceeds from bank borrowings	—	—
Repayment of bank borrowings	—	—
Net cash from financing activities	(8.9)	—
Net increase/(decrease) in cash and cash equivalents	—	(0.2)
Cash and cash equivalents at beginning of period	0.1	0.3
Cash and cash equivalents at end of period	0.1	0.1

1a. Accounting policies

i) Basis of preparation of financial statements

Amigo Holdings PLC (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The principal activity of the Company is to act as a holding company for the Amigo Loans Group of companies. The principal activity of the Amigo Loans Group is to provide individuals with guarantor loans of up to £10,000 over one to five years.

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and the Companies Act 2006.

In accordance with the exemption allowed by section 408 of the Companies Act 2006, the Company has not presented its own income statement or statement of other comprehensive income.

The functional currency of the Company is GBP. These financial statements are presented in GBP.

The following principal accounting policies have been applied:

ii) Going concern

The principal activity of the Company is to act as a holding company for the Amigo Loans Group of companies. The Directors have made an assessment in preparing the financial statements as to whether the Group is a going concern. After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements, as there are no indications that the carrying value of its investments are not appropriate.

iii) Investments

Investments are shown at cost less impairment.

iv) Financial instruments

See the Group accounting policy in note 1.10.

iv.i) Financial assets

Debtors and loans receivable

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment. Loans and amounts owed by parent and subsidiary undertakings are unsecured, have no fixed repayment date and are repayable on demand and interest on such balances is accrued on an arm's length basis.

2a. Investments

	£m
At 31 March 2018	302.0
Movements in the year	—
At 31 March 2019	**302.0**

For details of investments in Group companies, refer to the list of subsidiary companies within note 28 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS – COMPANY CONTINUED
for the year ended 31 March 2019

3a. Other receivables

	31 Mar 19 £m	31 Mar 18 £m
Due within one year		
Amounts owed by Group undertakings	**1.1**	1.8
Other receivables	**—**	0.9
	1.1	2.7

4a. Other payables

	31 Mar 19 £m	31 Mar 18 £m
Amounts owed to Group undertakings	**9.0**	—
Accruals and deferred income	**—**	1.7
	9.0	1.7

5a. Shareholder loan notes
For details of shareholder loan notes, see note 19 to the consolidated financial statements.

6a. Share capital
For details of share capital, see note 21 to the consolidated financial statements. This also has details of the £8.9m dividend paid.

7a. Share-based payment
For details of share-based payments in the year, see note 22 to the consolidated financial statements.

8a. Capital commitments
The Company had no capital commitments as at 31 March 2019.

9a. Related party transactions
The Company had no transactions with or amounts due to or from subsidiary undertakings that are not 100% owned either by the Company or by its subsidiaries. For details of transactions with Richmond Group Limited and its subsidiaries, see note 21 to the consolidated financial statements. No related party transactions in the year were through Amigo Holdings PLC itself.

For details of key management compensation, see note 21 to the consolidated financial statements.

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 (IPO) 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.

Other financial data

Figures in £m, unless otherwise stated

	Year to 31 March 2019	Year to 31 March 2018	Year to 31 March 2017
Adjusted profit after tax as a percentage of revenue	**37.0%**	34.3%	42.2%
Risk adjusted revenue	**206.5**	166.0	119.8
Risk adjusted margin	**37.9%**	30.8%	35.0%
Net interest margin	**31.4%**	32.9%	33.1%
Cost:income ratio	**17.5%**	21.9%	29.7%
Impairment charge as a percentage of loan book	**8.2%**	6.7%	2.1%
Adjusted return on assets	**14.0%**	13.1%	15.3%
Adjusted return on average adjusted tangible equity	**45.6%**	45.6%	33.2%
Adjusted free cash flow excluding loan originations	**515.7**	383.1	247.2
Gross loan book	**783.0**	668.1	410.4
Originations	**426.1**	470.1	276.8
Adjusted tangible equity	**244.4**	194.7	122.9
Net borrowings/adjusted tangible equity	**1.9x**	2.3x	2.3x
Net borrowings/gross loan book	**58.9%**	66.3%	68.0%
Borrowings/loan book	**60.9%**	68.1%	69.1%
Adjusted tangible equity/total assets	**0.33x**	0.29x	0.29x

1. "Net loan book" is a subset of customer loans and receivables and represents true loan book when the IFRS 9 impairment provision is accounted for, comprised of:

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Gross loan book[1]	**783.0**	668.1	410.4
Provision[2]	**(75.4)**	(21.2)	(8.2)
Net loan book[3]	**707.6**	646.9	402.2
On 1 April 18, IFRS 9 transitional adjustment		(44.2)	
1 April 18 net loan book, rebased under IFRS 9		602.7	

1 Gross loan book represents total outstanding loans and excludes deferred broker costs.

2 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.

3 Net loan book represents gross loan book less provision for impairment.

2. "Net borrowings" is comprised of:

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Borrowings	**(476.7)**	(455.0)	(283.4)
Cash at bank and in hand	**15.2**	12.2	4.4
Net borrowings	**(461.5)**	(442.8)	(279.0)

This is deemed useful to show total borrowings if cash available at year end was used to repay borrowing liabilities.

Key performance indicators continued

Other financial data continued

3. i) The Group defines loan to value (LTV) as net borrowings divided by gross loan book. This measure shows if the borrowings year-on-year movement is in line with loan book growth.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Net borrowings (£m)	**(461.5)**	(442.8)	(279.0)
Gross loan book (£m)	**783.0**	668.1	410.4
Net borrowings/gross loan book	**58.9%**	66.3%	68.0%

ii) The Group defines **"borrowings/loan book"** as borrowings (excluding cash) divided by gross loan book.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Borrowings (£m)	**(476.7)**	(455.0)	(283.4)
Gross loan book (£m)	**783.0**	668.1	410.4
Borrowings/gross loan book	**60.9%**	68.1%	69.1%

This is shown as a statutory alternative to net borrowings/gross loan book above.

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 31 March 2019, 2018 and 2017.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Shareholder equity[1]	**244.5**	(6.3)	(56.9)
Intangible assets	**(0.1)**	(0.1)	(0.1)
Shareholder loan notes	**—**	201.1	179.9
Adjusted tangible equity	**244.4**	194.7	122.9
Net borrowings/adjusted tangible equity	**1.9**	2.3	2.8

	31 Mar 18 £m	Adjustment £m	1 Apr 18 £m
Opening balance adjustment on IFRS 9 adoption[1]			
Shareholder equity	(6.3)	(37.5)	(43.8)
Intangible assets	(0.1)	—	(0.1)
Shareholder loan notes	201.1	—	201.1
Adjusted tangible equity	194.7	(37.5)	157.2
Net borrowings/adjusted tangible equity	2.3	0.5	2.8

1 See note 1.2 for impact of IFRS 9 adoption on 1 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.

This measure is used to monitor gearing of the Group.

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 years to 31 March 2019, 2018 and 2017.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Revenue	**270.7**	210.8	128.6
Impairment charge	**(64.2)**	(44.8)	(8.8)
Risk adjusted revenue	**206.5**	166.0	119.8

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 as any other measure of performance under IFRS.

Key performance indicators continued

Other financial data continued

6. The Group defines **"risk adjusted margin"** as risk adjusted revenue divided by the average of gross loan book.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Risk adjusted revenue	**206.5**	166.0	119.8
Average gross loan book	**725.5**	539.3	342.0
Risk adjusted margin	**28.5%**	30.8%	35.0%

Average gross loan book

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Opening gross loan book	**668.1**	410.4	273.6
Closing gross loan book	**783.0**	668.1	410.4
Average gross loan book	**725.5**	539.3	342.0

This measure is used internally to review an adjusted return on the Group's primary key assets.

7. The Group defines **"net interest margin"** as net interest income divided by average interest-bearing assets (being both gross loan book and cash) at the beginning of the period and end of the period.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Revenue	**270.7**	210.8	128.6
Interest payable and funding facility fees	**(38.2)**	(30.4)	(12.6)
Net interest income	**232.5**	180.4	116.0
Net interest margin	**31.5%**	32.9%	33.1%
IFRS 9 stage 3 revenue adjustment	**12.7**		
Adjusted net interest margin	**33.2%**		

8. The Group defines **"cost:income ratio"** as operating expenses excluding IPO costs and related financing divided by revenue.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Revenue	**270.7**	210.8	128.6
Operating expenses	**47.4**	46.2	38.2
Cost:income ratio	**17.5%**	21.9%	29.7%

This measure allows review of cost management.

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

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Revenue	**270.7**	210.8	128.6
Impairment of amounts receivable from customers	**64.2**	44.8	8.8
Impairment charge as a percentage of revenue	**23.7%**	21.3%	6.8%

This is a key measure for the Group in monitoring risk within the business.

Key performance indicators continued

Other financial data continued

10. Impairment charge as a percentage of loan book represents the Group's impairment charge for the period divided by closing gross loan book.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Impairment charge	**64.2**	44.8	8.8
Closing gross loan book	**783.0**	668.1	410.4
Impairment charge as a percentage of loan book	**8.2%**	6.7%	2.1%

This allows review of impairment level movements year on year.

11. The Group defines **"cost of funds"** as interest payable divided by the average of gross loan book.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Interest payable	**44.2**	51.6	36.0
Average book (see below)	**725.5**	539.3	342.0
Cost of funds percentage	**6.1%**	9.6%	10.5%

This measure is used by the Group to monitor the cost of funds and impact of diversification of funding.

12. "**Adjusted return on equity"** is calculated as adjusted profit after tax divided by the average of adjusted tangible equity at the beginning of the period and the end of the period.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Adjusted profit after tax	**100.1**	72.4	54.3
Adjusted tangible equity	**244.4**	194.7	122.9
Average adjusted tangible equity	**219.6**	158.8	163.3
Adjusted return on average adjusted tangible equity	**45.6%**	45.6%	33.2%

Deemed to give a useful representation of statutory return on equity by using average tangible equity.

13. The Group defines **"free cash flow"** as cash collections less non-direct costs (expenses excluding advertising and credit score costs). The following table sets forth the calculation of adjusted free cash flow excluding loan originations for the years ended 31 March 2017, 2018 and 2019.

	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Collections	**543.5**	404.4	265.5
Non-direct costs	**(27.8)**	(21.3)	(18.3)
Adjusted free cash flow excluding loan originations	**515.7**	383.1	247.2

This is used internally to review cash generation.

14. The Group defines **"adjusted profit after tax"** as profit after tax plus shareholder loan note interest and IPO costs and related financing and senior secured note buyback-related costs, less incremental tax expense. The following table sets forth a reconciliation of adjusted profit after tax to profit after tax for the years ended 31 March 2018 and 2019.

	31 Mar 19 £m	31 Mar 18 £m
Reported PAT	**88.6**	50.6
Senior secured note buyback	**2.0**	—
Shareholder loan note interest	**5.6**	19.7
IPO and related financing costs	**3.9**	2.1
Adjusted PAT	**100.1**	72.4

The above items were all excluded due to them being non business-as-usual transactions. IPO and related financing costs are one-off and related to the Group becoming a public listed company. Shareholder loan note interest will not continue in future years as this has all been converted to equity. Senior secured note buybacks are not underlying business-as-usual transactions. Hence, removing these items is deemed to give a fairer representation of profit within the financial year.

Key performance indicators continued
Other financial data continued

15. The Group defines **"revenue yield"** as annualised revenue over the average of the opening and closing gross loan book for the period.

Revenue yield	31 Mar 19 £m	31 Mar 18 £m	31 Mar 17 £m
Revenue	**270.7**	210.8	128.6
Opening loan book	**668.1**	410.4	273.6
Closing loan book	**783.0**	668.1	410.4
Average loan book	**725.5**	539.3	342.0
Revenue yield	**37.3%**	39.1%	37.6%
IFRS 9 stage 3 revenue adjustment	**12.7**		
Adjusted revenue yield	**39.1%**		

Deemed useful in assessing the gross return on the Group's loan book.

16. The percentage of balances fully up to date or within 31 days overdue is presented as this is useful in reviewing the quality of the loan book.

Ageing of gross loan book by days overdue:	31 Mar 19 £m IFRS 9	31 Mar 18 £m IAS 39
Current	**680.7**	605.6
1-30 days	**59.8**	40.3
31 - 60 days	**12.7**	7.7
> 61 days	**29.8**	14.5
Gross Loan Book	**783.0**	668.1
Percentage of book <31 days past due	**94.6%**	96.7%

17. Adjusted return on assets (ROA)

Adjusted return on assets	31 Mar 19	31 Mar 18	31 Mar 17
Adjusted profit after tax	**100.1**	72.4	54.3
Customer loans	**707.5**	646.9	402.2
Other receivables	**22.7**	21.7	14.6
Cash	**15.2**	12.2	4.4
Total Assets	**745.4**	680.8	421.2
Average Assets	**713.1**	551.0	353.4
Adjusted return on assets	**14.0%**	13.1%	15.3%

GLOSSARY

The following definitions apply throughout this Annual Report unless the context requires otherwise:

Adjusted EBITDA	adjusted earnings before interest, tax, depreciation, amortisation of bank facility fees, other operating income, shareholder loan note interest and IPO costs and related financing
Adjusted profit after tax	profit after tax plus shareholder loan note interest and IPO costs and related financing and senior secured note buy back related costs, less incremental tax expense
Adjusted tangible equity	shareholder equity less intangible assets plus shareholder loan notes
AGM	The annual general meeting of the Company
Amigo Loans Ireland Ltd	the Group's subsidiary in Ireland, registered in Ireland under company number 609066
Amigo Loans Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 04841153
Amigo Loans Group Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 10624393
Amigo Loans Holdings Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 10624542
Amigo Luxembourg S.A.	a wholly owned subsidiary of Amigo Loans Holdings, incorporated as a public limited liability company (société anonyme) under the laws of the Grand Duchy of Luxembourg, registered under company number B210134
Amigo Management Services Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 05391984
APR	annual percentage rate of charge
Articles of Association	the Articles of Association of the Company
Board	the Board of Directors of the Company
Bonds	7.625% senior secured notes due 2024
CAGR	compound annual growth rate
Charged off loans	loans for which the customers are at least six contractual payments past due that have been fully charged off of the Group's statement of financial position
Company	Amigo Holdings PLC, a public company limited by shares incorporated under the laws of England and Wales with company number 10024479
Cost:income ratio	operating expenses excluding IPO costs and related financing divided by revenue
Directors	the Executive Directors and the Non-Executive Directors
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules produced by the FCA and forming part of the FCA's handbook of rules and guidance as from time to time amended
ECL	expected credit losses. This is the expected loss recognised, on origination of loan assets, as an impairment provision. Loss allowances for stage 1 financial assets are based on twelve-month ECLs; that is the portion of ECLs that result from default events that are estimated within twelve months of the reporting date and are recognised from the date of asset origination. 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
Executive Directors	the executive directors of the Company
FCA	the UK Financial Conduct Authority, a regulatory body that regulates financial services in the United Kingdom
FOS	the UK Financial Ombudsman Service, a statutory dispute resolution scheme, set up under FSMA, to adjudicate complaints about financial services
Adjusted free cash flow excluding loan originations	cash collections less non-direct costs (expenses excluding advertising and credit score costs)
FSMA	the UK Financial Services and Markets Act 2000 (as amended) and related secondary legislation

Group	Amigo Holdings PLC and each of its consolidated subsidiaries and subsidiary undertakings from time to time
HMRC	HM Revenue and Customs
IFRS/EU-IFRS	International Financial Reporting Standards, as adopted by the European Union
Independent Non-Executive Directors	Non-Executive Directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement, and each an "Independent Non-Executive Director"
IT	information technology
KPIs	key performance indicators
Loan book	total outstanding loans in the Company's statement of financial position
Loans issued	total originations for the period; for loans made to borrowers where they are increasing an existing loan, only the incremental value is included
London Stock Exchange	London Stock Exchange plc
Net interest margin	net interest income divided by average interest-bearing assets at the beginning of the period and the end of the period
Net loan book	loan book less provision for impairment
Non-Executive Directors	the non-executive directors of the Company
Relationship Agreement	the relationship agreement entered into between the Company and Richmond Group Limited
Revolving credit facility (RCF)	a floating rate revolving credit facility (bank loan), utilised for working capital purposes. Please see note 29 and note 18 for further detail
Richmond Group Limited	Richmond Group Limited, a private company limited by shares, incorporated under the laws of England and Wales, with company number 05230353
Risk adjusted revenue	revenue less impairment charge
Risk adjusted margin	risk adjusted revenue divided by the average of loan book at the beginning of the period and the end of the period
Senior secured notes	Amigo Luxembourg's currently outstanding £320,000,000 aggregate principal amount of 7.625% senior secured notes due 2024. The initial bond had an aggregate value of £400,000,000, including £275,000,000 issued on 20 January 2017, £50,000,000 issued as additional notes on 10 May 2017 and £75,000,000 issued as additional notes on 18 September 2017 pursuant to the indenture. £80,000,000 worth of bonds were opportunistically bought back in the financial year. Post 31 March 2019, a further £25,000,000 of senior secured notes have been repurchased
Shareholders	the holders of shares in the capital of the Company
Shares	the ordinary shares of the Company, having the rights set out in the Articles of Association
SLN	Shareholder loan notes
SMCR	the FCA's Senior Managers and Certification Regime which will apply to the Company from 9 December 2019
UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time

INFORMATION FOR SHAREHOLDERS

Financial calendar

Dividend announcement	28 May 2019
Annual General Meeting	12 July 2019
Record date for the dividend	19 July 2019
Payment date for the dividend	31 July 2019

Share price

The Company's shares are listed on the London Stock Exchange under share code "AMGO".

Registrars

The Company's registrars are:

Link Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Telephone: 0871 664 0300

(Calls cost 12p per minute, plus your phone company's access charge.)

Email: enquiries@linkgroup.co.uk

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Thank you to all our team!

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