amigo

Moving forward responsibly

Amigo Holdings PLC

Annual report and accounts 2022

amigo

Approaching our future responsibly

A lot has changed at Amigo. We, as a Board and management team, joined Amigo to fix the issues that had arisen from its historical lending practices. It's been a difficult journey and we have had to make difficult choices, but we are now in a position to move forward, and we will do so responsibly, with a culture that puts customers first and is focused on achieving positive outcomes for all our stakeholders.

The Amigo of the future will get it right.

Gary Jennison
Chief Executive Officer

Our purpose

We're here to provide those with few options to borrow the opportunity to achieve financial mobility.

Our vision

To break down the barriers to financial inclusion, creating a community where people are rewarded and empowered to achieve financial mobility.

Our values

1

We put customers first

We are passionate about making borrowing possible. We help each other to thrive.

2

We are human

We are welcoming and embrace diversity. We respect and listen to each other.

3

We act with integrity

We are open and honest. We aim to do what is right and fair. Always.

4

We own the outcome

We find solutions and deliver excellence. We question and challenge the status quo.

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Our business vision

We believe in breaking down the barriers to financial inclusion and creating a community where people are rewarded and empowered to achieve financial mobility.

We have spent the past year embedding a new management team and culture that brings fresh thinking, processes, skills and values to the business. The new team has transformed Amigo's culture and is singularly focused on delivering the best possible outcomes for both existing and future customers. The new Amigo is very different to the Amigo of the past.

We have developed a lending proposition that provides those with few or no options to borrow access to fairly priced and well designed products that meet their needs. This will enable us to serve a large section of society that is in real need of better access to affordable finance.

Over the course of the last twelve months Amigo has had extensive interaction with our regulator, the Financial Conduct Authority ("FCA") and we are confident that we explicitly understand its objectives and are well poised to return to lending as a vital component of the UK credit system:

- We accept responsibility for the failures of the past and we have learnt from these mistakes.
- We understand the needs of the c. twelve million people who are not served by mainstream lenders. We are certain that our new products will provide real benefit for a section of this demographic.
- We believe that our plans will meet customers' needs in a market where there is limited inflow of capital and many firms have left the market.
- We are launching a new proposition under a new brand, RewardRate, designed to enable customers to pursue their financial objectives.

Our target market

We help customers who would otherwise find it difficult to access financial services. In all the examples below, evidence of income sufficiency and stability helps us to lend successfully to customers who other lenders decline.

Rehabilitation
Customers who have credit impairment in their past and who are re-finding their financial feet.

Life event
Typical reasons include divorce or separation, illness, time out of work to care for family, redundancy, or a significant unexpected shock.

The young
Borrowers under 32 who may have lived at home or been credit invisible and can't provide sufficient weight of evidence for a traditional scorecard to accept them.

Non-UK nationals
On the UK Electoral Roll, but little if any credit bureau data. The accounts that they have are typically under three years old and may be limited to telco, utilities and rent.

c.12m[1]

adults in the UK who cannot obtain a loan from a mainstream lender

Read more on our markets on page 16

1 This is a conservative estimate. A recent PWC survey concluded that the number of financially underserved was much higher at 20.2m. www.pwc.co.uk/industries/financial-services/insights/overlooked-and-financially-underserved.html

Our products

We have historically offered only guarantor loans, where a family member or friend supports the borrower to achieve their financial goals. Our return to lending is subject to FCA approval (see Focus Area on page 5). We are preparing to return to lending in the financial year ended March 2023, under our new brand RewardRate, with two unique products which will include both guarantor and non-guarantor loans. Every aspect of the brand, customer journey and customer experience of our innovative new products must enable the customer to make this statement: "My RewardRate loan worked for me because..."

rewardrate®

"The rewarding way to borrow."

Personal loans and guarantor loans

- £2,000-£5,000.
- 2-4 year terms.
- Dynamic APR starting at 49.9%/39.9% with the ability to drop rate and monthly repayments if payments are made on time.
- Annual, interest-free, payment holiday.
- Digital application with open banking technology.

Read more on pages 23 and 25

Our customer-focused outcomes

Everything we do is designed with customer outcomes in mind.

Opportunity

Customers with few or no options to borrow have access to fair, affordable and responsible loans that meet their needs.

Financial wellness

Customers are empowered and provided with tools and education to help improve their financial wellbeing.

Flexibility

Customers are provided with flexibility and enhanced support that meet their individual needs and accounts for any potential vulnerability.

Customer experience

Customers are provided with an exceptional customer experience and are assured their needs are put first.

Read more on page 24

Headlines

Revenue

£89.5m

2021: £170.8m

Net loan book

£138.0m

2021: £340.9m

Profit before tax

£167.9m

2021: (£283.6m) loss

Number of customers

73,000

2021: 136,000

Impairment:revenue ratio

41.3%

2021: 35.5%

Net cash

£83.9m

2021: (£118.6m) net debt

Operational headlines

- Throughout the year, the Board pursued a Scheme of Arrangement ("Scheme") to deliver the best possible outcome to Scheme creditors as it sought to address Amigo's historical lending complaints liability. The Board's preferred Scheme, the New Business Scheme ("NBS"), was sanctioned by the High Court in May 2022, after year end.
- The "preferred" outcome under the NBS is contingent on lending restarting within nine months of the Scheme effective date, 26 May 2022, and Amigo completing a successful equity raise within twelve months.
- Subject to FCA consent, Amigo will return to lending with a new guarantor loan as well as an unsecured loan product which will both feature dynamic pricing to encourage and reward on-time payment with lower rates and penalty-free annual payment holidays. The new products will be released under the RewardRate brand, representing a new start for the business.
- Under the terms of the "preferred" outcome under the NBS, Amigo will make a cash contribution of at least £97m from internally generated resources, of which £60m was paid into the Scheme fund in June 2022 and £37m is due to be paid by 26 February 2023. A further contribution of at least £15m has been committed, being part of the proceeds from a new equity and capital raise.
- Details of a new capital raise are expected to be announced in the second half of the current calendar year. The "preferred" outcome of the NBS requires Amigo to issue at least 19 new shares for every existing share in issue, resulting in a significant dilution for existing shareholders who are unable or do not want to take up their rights entitlements or sell their entitlements in the market.
- Whilst the quantum of the fundraising has not yet been determined, we are cognisant that minimising the equity raised by utilising higher gearing will make it more feasible for existing shareholders to participate in any rights issue. Amigo will publish equity raise specifics as well as detail of its future business plan and new lending performance ahead of a shareholder vote to approve the raise.
- The FCA investigations initiated in 2020 and 2021, into Amigo's creditworthiness assessment and complaints handling respectively, are ongoing.
- Following year end, on 6 June 2022, Danny Malone was appointed Chief Financial Officer, having performed the role on an interim basis since February 2022.

Financial headlines

Despite the sanctioning of the Scheme, the Board has concluded that a material uncertainty over going concern remains (see note 1 to the financial statements for further information). However, the Board considers that it is appropriate to prepare these financial statements on a going concern basis, as the sanction of the Scheme and the potential to successfully meet the conditions of the "preferred" outcome under the NBS provide a realistic alternative to a managed wind-down or insolvency.

- Reported statutory profit before tax for the year ended 31 March 2022 was £167.9m (FY 2021: loss of £283.6m) driven by a credit of £156.6m from the complaints provision following Scheme sanction. Adjusted profit after tax of £13.3m (FY 2021: loss of £279.8m).
- Complaints provision down 47.8% at £179.8m (FY 2021: £344.6m). The complaints provision release resulted in a credit in the income statement of £156.6m (FY 2021: debit of £318.8m).
- Net loan book reduction of 59.5% to £138.0m (FY 2021: £340.9m) due to the run-off of the back book and the continued pause in new lending throughout the period as well as an increase in impairment coverage to 25.6% (FY 2021: 19.4%).
- Revenue reduction of 47.6% to £89.5m (FY 2021: £170.8m) due to the ongoing pause in lending throughout the year.
- Despite an increasing trend in delinquency, overall collections, including early repayments and recoveries from written-off accounts, have remained robust.
- Continued strong focus on controlling costs.
- £133.6m of unrestricted cash and cash equivalents as at 31 March 2022 (FY 2021: £177.9m) reflects continued strong cash generation. Current unrestricted cash balance of over £100m, following payment of £60m initial Scheme contribution to the Scheme fund in June 2022.
- Net assets of £47.9m as at 31 March 2022 (FY 2021: net liabilities of £121.4m). Substantially all of the Group's net assets, excluding c.£8m of working capital, are committed to Scheme creditors.
- In September 2021, Amigo's securitisation facility was repaid in full, from internal resources. The facility structure is now in the process of being closed.
- In January 2022, Amigo redeemed £184.1m of the £234.1m outstanding 7.625% senior secured notes due in 2024. The remaining £50.0m gross principal amount outstanding is due in January 2024. The resulting interest saving will form part of the Scheme contribution.
- Positive net cash/(debt) of £83.9m at 31 March 2022 (FY 2021: (£118.6m)) driven by the continued collection of the back book while originations remained suspended.
- While all Covid-19 payment holidays had concluded by July 2021, we continue to assist customers experiencing financial difficulty with alternative payment arrangements.

Focus area:
Scheme of Arrangement update

Why is Amigo using a Scheme of Arrangement ("Scheme")?

A Scheme of Arrangement ("Scheme") is a Court-approved process which allows a company to enter into a compromise or arrangement with its creditors.

Customers have made complaints about Amigo's past lending practices, including that we did not assess affordability for borrowers and/or guarantors adequately at the time the loan was taken out or when the guarantee was provided. By using a Scheme, Amigo believes it will be able to provide more cash compensation to these customers for their valid claims than they would get in an insolvency process, which is the alternative to the Scheme.

What is now required for the New Business Scheme to deliver?

The New Business Scheme was approved by creditors in a vote on 12 May 2022 and subsequently sanctioned by the High Court, and became effective, on 26 May 2022. There are two important conditions that need to be met for our New Business Scheme to proceed.

The conditions are as follows:

1. **Amigo resumes lending within nine months of the Scheme effective date, subject to FCA approval; and**
2. **Amigo completes a 19:1 capital raise within twelve months of the Scheme effective date.**

If these conditions are not met:

In these circumstances, Amigo will revert to a Wind-Down Scheme, in which the Amigo Loans Ltd business will be wound down. Cash payments to creditors will be distributed from the remaining assets after operating costs and repayment of existing debt financing arrangements.

Read more on our investment case overleaf →

Foundations for future success

Amigo pioneered the guarantor loan product in the UK in 2005 and built a leading position in our niche segment of the specialist lending market. We have faced challenges which the Board moved quickly to address. A Scheme of Arrangement was sanctioned at the High Court in May 2022 to address complaints associated with lending practices which took place under previous management. While material uncertainties remain, as outlined in our Going Concern Statement on page 48, we are focused on implementing the Scheme of Arrangement, which is conditional on a return to lending and a future capital raise (for more information, please see our Scheme Focus on page 5). It is important to note that substantially all net assets related to the existing loan book are committed to the creditors of the Scheme. New investment in Amigo Holdings PLC will fund future lending as well as a further minimum £15m Scheme contribution. Our return to lending in the short term will be funded by Amigo's remaining £50m of bonds. Amigo is unrecognisable from the Amigo of old in terms of culture and process and with innovative new products, Amigo is well positioned to meet the growing demand for specialist credit, to deliver positive outcomes for our customers and create sustainable value for our investors over the long term.

1

Strength of leadership with extensive sector expertise

The Board and executive team, experienced in successfully transforming business performance, joined Amigo from 2020 to address the issues which had arisen under previous management. New skills, values and knowledge which span specialist lending, risk, regulation, compliance and digital transformation, all with a central customer focus, have meshed with existing capabilities to create an enterprise uniquely placed to succeed in an underserved sector.

Read more on our Board and leadership on pages 52 to 55

2

Enhanced governance and culture framework

We have robust new policies and procedures in place to ensure the issues of the past do not reoccur. Integral to our new lending proposition are enhanced borrower and guarantor credit and affordability checks, alongside a deeper underwriting process that includes the use of open banking. Principles and practices of conduct risk are embedded in Amigo's culture framework and values.

An employee-led Responsible Business Council has been formed to advise the Board as we define and implement our environmental, social and governance ("ESG") strategy.

We are supporting the UN Sustainable Development Goals and will be setting targets to tackle the goals where we can make the greatest contribution.

Read more in our risks section on pages 42 to 46 and in our sustainability section on pages 24 to 35

3

Social purpose and customer-centric approach

Amigo's purpose is a social one – aimed at providing those with few options to borrow the opportunity to achieve financial mobility. Our new and enhanced products are focused on delivering positive customer outcomes and designed to serve a large section of society that is in real need of better access to affordable credit. If it works for our customers, it works for Amigo. For example, rewarding better financial behaviours by dropping the effective APR customers pay if payments are consistently made on time will lead not only to greater financial resilience in our customers, but also to lower credit losses and reduced account management costs for Amigo.

Read more on our strategy on pages 14 to 15

4

We will grow responsibly to meet increasing demand

Amigo has a large, and growing, addressable market with around twelve million people unable to access mainstream credit. Of these, we estimate that around five million customers meet Amigo's target customer profile. Building on our previously established leading position, with tighter eligibility criteria and robust affordability and credit checks, we will prioritise long-term growth and controlled scalability over short-term results as we meet this increasing demand.

Read more on our markets on pages 16 and 17

5

Product innovation will position Amigo for the long term

Amigo's enhanced guarantor loan and new personal loan products, incorporating innovative features unique to the sector, will be launched under a new brand, RewardRate, and will position Amigo well to meet the significant demand for affordable, mid-cost, responsible credit focused on customer needs and outcomes. Investment in our digital platform will support growth as we build a sustainable business for the long term.

Read more in our At a Glance on pages 2 and 3

6

With strong cash generation and a low capex model

Our business model generates significant positive cash flow. The online or by-phone customer journey, coupled with our focus on driving efficiency throughout our processes, will help keep cost ratios at best-in-class levels.

Read more on our business model on pages 18 to 19

Moving forward responsibly

Jonathan Roe
Chair

I am pleased to introduce this year's financial results at what is an important juncture in our business' trajectory. After a significant effort, for which I would like to thank all my colleagues, our customers and our regulator, the Financial Conduct Authority ("FCA"), our preferred Scheme of Arrangement, the New Business Scheme, was sanctioned by the High Court on 26 May 2022. The sanctioning of the Scheme will enable Amigo to redress creditors in the fullest way possible and paves the way for Amigo to return to providing a much-needed service to those underserved by mainstream lenders.

Culture and conduct

The governance of our business is fundamentally important, and we are committed to delivering the highest standards of corporate oversight with diligence and integrity. To ensure the issues of the past are not repeated, we undertook a thorough root cause analysis and have used the results of that analysis to inform initiatives to transform our culture and the way that we work.

Our focus has been on creating a culture of open and constructive feedback, both downwards and upwards, to allow for responsible and transparent decision making. Employees are encouraged to speak out through regular surveys and a programme of engagement implemented this year from Board level down.

We have developed a new culture framework to allow Amigo to measure, monitor and improve its internal culture. Coupled with this, we have taken some important steps towards formulating our environmental, social and governance ("ESG") strategy. In May 2022, we established our employee-led Responsible Business Council. This is part of our ongoing mission to improve inclusivity and to create a forum that encourages diversity of thought, creating a workplace where people feel empowered to ask questions, be curious and share their views, enabling innovation, fresh thinking and creativity to flourish. The Council will meet monthly and report quarterly to the Board, advising on key ESG matters as we define and execute Amigo's ESG strategy. We have also selected four priority UN Sustainable Development Goals ("UN SDGs"), following a materiality assessment and review by the Responsible Business Council, which align to our strategic pillars, our values and our purpose. Over the coming year, we will be setting targets and metrics against each goal and will report on these in next year's Annual Report. One of our priority goals is "Climate Action" and this year we have reported against the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations for the first time. We are early in this journey and as such, do not yet comply with all the recommendations but we have set out a roadmap of the steps we plan to take to achieve full disclosure.

There are increased and improved opportunities for employees to learn the "right way of working". Initiatives include Lean Six Sigma training, apprenticeships, conduct training for all employees and continual development of online learning, including the launch this year of risk management awareness and mandatory conduct risk training.

It is critical that, as we prepare to return to lending, we are confident that our products and processes will deliver the best outcomes for our customers. We are mindful of the adverse impact of increasing inflation and the cost of living upon borrowers. This is being factored into affordability assessments in both current forbearance and our future lending approach. We will be returning to lending with new products, built to serve the needs of a clearly defined set of customer profiles for whom having the loan will allow them to meet their financial goals. The ability to be able to afford repayments and meet other commitments is a key part of the definition of the target customer groups. A distribution strategy using real-time quotations and soft credit and income verification, as well as open banking technology and tighter eligibility criteria, will drive lending decisions so that our products are only presented and sold to customers whose needs they meet.

The FCA's proposed new Consumer Duty will underpin our customer outcomes. New lending products have been designed, built and are being tested to ensure customers have the very best possible likelihood of being able to attest: "My loan worked for me because..." The new RewardRate products will contain in-built payment holiday features enabling customers to freeze their loan and interest for one month each year without question if they, for instance, experience an income or expense shock. This is in addition to a range of more traditional forbearance options.

Business performance will be measured against metrics designed to drive good organisational conduct and alignment of interests with the customers who we serve. These will be embedded from the top down and include Net Promoter Score ("NPS") surveys and reviews and will measure the difference in the financial health of customers at the outset and end of their journey with us.

A new Customer Outcome Committee chaired by the Chief Customer Officer with representation from across the business will undertake an ongoing review of products and markets, and the management of relationships with distribution partners to ensure Amigo products are represented accurately in a way that is clear, fair and not misleading. It will ensure governance arrangements are in place to oversee the design, approval, distribution and management of products, journeys, tools and features throughout the product life cycle and that systems and controls are in place to ensure that products are sold responsibly and deliver appropriate customer and market outcomes.

This is a turning point for Amigo and I am confident that we can move forward responsibly, creating value for all our stakeholders.

Board

I joined Amigo in August 2020 and have built a strong team who I would like to thank for their tireless work over the last year. I am deeply grateful to our Board who have committed a significant amount of time to resolving the issues of the past and who bring a considerable amount of expertise to the table.

On 24 January, Amigo announced that Chief Financial Officer ("CFO"), Mike Corcoran would leave the business with immediate effect. Mike formally stepped down as a Director on 19 February 2022. The Board wishes to thank Mike for his significant contribution to the development of the Scheme proposals and for leading the Finance team through a challenging period.

I am pleased to announce that Danny Malone, who joined us in February as Interim CFO, has taken up the role permanently, subject to approval under the FCA's Senior Managers and Certification Regime. Danny joined the Board on 6 June 2022. Danny is a Chartered Accountant and has extensive business and regulatory experience gained from working predominantly in the specialist consumer finance sector and having co-founded Everyday Loans in 2006.

This is a turning point for Amigo and I am confident that we can move forward responsibly, creating value for all our stakeholders.

Maria Darby-Walker, who joined the Board in October 2020, was appointed Senior Independent Director, subject to approval under the FCA's Senior Managers and Certification Regime on 6 June 2022.

Looking ahead

With a challenging economic backdrop and credit availability tightening as a result, it is now, more than ever, critical that companies like Amigo are able to fulfil an increasing need for mid-cost financial products for those underserved by mainstream lenders. With financial vulnerability increasing, we must move forward responsibly. As a Board we are committed to driving a culture of strong governance and fair treatment of customers. We seek to deliver positive outcomes for all stakeholders as we pursue our purpose of providing those with few options to borrow the opportunity to achieve financial mobility.

Jonathan Roe
Chair
8 July 2022

We're supporting the UN Sustainable Development Goals

We will be setting ourselves targets to tackle the goals where we can make the greatest contribution.

Rebuilding a business we can all be proud of

Gary Jennison
Chief Executive Officer

On 26 May 2022, after the reporting period end, the High Court sanctioned our preferred New Business Scheme of Arrangement ("NBS"). This is an important step in addressing the liabilities that arose from historical lending practices under previous management and towards our business surviving. The approval of the Scheme will deliver the best possible outcome for creditors and enable us to continue to play an important role in the specialist lending sector, at a time when the UK is facing an unprecedented rise in the cost of living and a further tightening of credit availability. This would not have been possible without the hard work of all our people who have shown remarkable resilience and commitment to both our business and our customers. For this I would like to, wholeheartedly, thank each and every one of our Amigos. This would also not have been possible without the hard work and understanding of the FCA. I would like to reinforce to our customers our commitment to delivering the best possible outcome to them as we implement the NBS and to assure all our stakeholders that the mistakes of the past will not be repeated as we move forward responsibly to rebuild a business we can all be proud of.

Performance

The sanctioning of our Scheme means that £164.8m of the provision for complaints held on our balance sheet at 31 December 2021 has been released. This has resulted in a write back to the income statement of £156.6m and a reported profit before tax for the period ended 31 March 2022 of £167.9m. It is important to note that, while the release of the provision has resulted in a significant profit, this must be viewed alongside our Shareholder Equity position; although we have returned to balance sheet solvency, substantially all of the Shareholder Equity from the business, excluding a small working capital amount of c.£8m, is committed to Scheme creditors under the agreed NBS. Statutory profit after tax was £169.6m owing to a £1.7m tax credit in the period. This statutory profit is also put in context when viewed against last year, when we posted a loss before tax of £283.6m. Adjusted profit after tax for the year was £13.3m (FY 2021: loss of £279.8m).

Whilst we pursued Scheme sanction, which continued throughout the financial year ended 31 March 2022, Amigo's pause in lending was maintained. This led to a 46.3% decline in customer numbers over the period and a corresponding reduction in revenue of 47.6%. The net loan book fell 59.5% to £138.0m reflecting both the pause in lending and higher impairment charge and coverage ratio. Despite an increasing trend in delinquency, overall collections, which have included early repayments and recoveries from written-off accounts, have remained robust.

Scheme of Arrangement

The sanction of our preferred Scheme of Arrangement is the culmination of a huge amount of hard work from all at Amigo. I would also like to thank both the FCA, for the considerable amount of time that was afforded to us as we worked to present a new and much improved solution to our customers, and our customers for their patience and the trust they have put in us to complete the Scheme, which will enable us to return to providing a much-needed service to those underserved by mainstream lenders.

Over the last year, we took many steps to address the concerns highlighted by the Judge at the first Scheme sanction hearing, including forming an Independent Customer Committee (“ICC”) to provide redress creditors with the opportunity to help shape the new Scheme. As a result of this communication, we were able to put two Scheme options to the Court: a New Business Scheme and a Wind-Down Scheme. The “preferred” outcome under the NBS is contingent on new lending restarting and Amigo completing a successful equity raise. The Wind-Down Scheme was a managed wind-down of the Amigo Loans Ltd business under a Scheme framework. Both options were submitted to the Court for sanction. If the Judge had not sanctioned the NBS, the Judge would have been asked to sanction the Wind-Down Scheme at the same hearing.

The proposed new Schemes, as recognised by the FCA in its letter of 8 April 2022, were significantly improved compared with the first Scheme considered by the Court in May 2021. While the Scheme is not expected to satisfy the liability owed to redress creditors with valid claims in full, the contribution to the new Scheme has been significantly increased from that of the original Scheme. Under the “preferred” outcome, Amigo will make an initial cash contribution of £97m to the NBS. A further contribution of at least £15m will be made from the proceeds of a new equity raise. In order to secure the best result for redress creditors possible in the circumstances, the NBS will also include a mechanism for additional monies to be paid to redress creditors to be made in the event that the existing loan book generates a better return than currently anticipated. The initial cash contribution compares to an amount of up to £35m in the previous Scheme proposal. A number of factors, including the greater clarity the business now has on the impact of Covid-19, contributed to our ability to significantly raise the initial cash contribution. The initial cash contribution also reflects the lower expected balance adjustments resulting from continued collections on the loan book compared with last year and interest savings of £28m from the early redemption, in January 2022, of a significant proportion of our outstanding senior secured notes.

A Scheme creditors meeting was convened and creditors were asked to vote on both Scheme options. To ensure that creditors fully understood the Schemes presented, we contacted via SMS and email all past and present borrowers and guarantors for whom we had contact details. We created a dedicated website, www.amigoscheme.co.uk, for all legal documents, explainer videos and FAQ, and we held frequent Q&A sessions on social media. As a result, we were able to double the number of creditors that took part in the vote. Of the creditors who chose to vote, 88.8% by number representing 90.0% by value, voted in favour of the NBS. In total, the Company received 145,532 votes in favour of and 18,401 votes against the NBS, with values of £459,526,003 in favour and £50,894,131 against. And, of the creditors who chose to vote, 83.1% by number representing 81.7% by value, voted in favour of the Wind-Down Scheme.

I am extremely grateful to all our people who have continued to believe in our purpose and have supported the Board and our customers throughout the year.

In total, the Company received 134,677 votes in favour of the Wind-down Scheme and 27,363 votes against the Wind-Down Scheme, with values of £411,849,382 in favour and £92,231,859 against. Consequently, both Schemes were presented to the Court at the sanction hearing on 23 May 2022. The Court order sanctioning the NBS became effective on 26 May 2022 and the judgement, passed down to Amigo on 30 May 2022, is available on www.amigoscheme.co.uk.

Chief Executive Officer's review continued

Scheme of Arrangement continued

The "preferred" option under the NBS is contingent on Amigo returning to lending, with FCA consent, within nine months of the Scheme effective date, 26 May 2022. It is also contingent on Amigo completing an equity raise within twelve months. If Amigo fails to meet these conditions, the Scheme will revert to a wind-down of the Amigo Loans Ltd business.

Equity raise

Amigo will be proposing an equity raise to fund both the minimum £15m additional Scheme contribution required under the "preferred" option under the NBS and future lending. In order to fulfil the expectations of the Judge who presided over our first Scheme and who provided clear direction to the design of our subsequent Scheme, the "preferred" outcome under the NBS requires Amigo to issue at least 19 new shares for every existing share in issue, resulting in a significant dilution of the existing shares. Market sentiment has undergone significant change since we made our announcement on 6 December 2021 that "the £15m contribution to the Scheme is expected to be funded from an equity raise and new capital commitments of between £120m and £300m, of which it is hoped to raise a minimum of £70m in new equity." Whilst the quantum of the fundraising has not yet been determined, we are cognisant that minimising the equity raised by utilising higher gearing will make it more feasible for existing shareholders to participate in any rights issue.

There is no doubt that the impact on our shareholders is significant for those who are not able or decide they do not want to participate in the equity raise associated with the proposed NBS. Given the legally binding priority ranking of all creditors over shareholders, we must deliver as much value as we can to our creditors before retaining any equity value. However, rather than see equity holders lose all economic interest, the NBS enables some economic value to remain with shareholders. It allows all existing shareholders to participate, if they choose and are able to do so, and leaves them with a maximum 5% equity holding if they do not take up their rights. While difficult, the alternative would be no value if Amigo fails to complete the equity raise and the NBS reverts to a managed wind-down of the business.

The decision in favour of a single equity raise to fund future lending alongside the minimum £15m additional Scheme contribution has been well considered. One reason for this approach is that without further funds supporting the business, we would not be able to provide evidence of sufficient working capital as required in an FCA-approved equity raise prospectus. As all the back-book run-off cash collected, net of the collection costs, will be paid to unsecured Scheme creditors, there would be no existing resources to sustain a new lending business in the longer term. As part of the NBS, we have agreed a £35m cap on new business lending before the Scheme funds are settled, designed to allow proof of concept of the new business model and to protect secured and unsecured creditors in the event that the required new equity funding cannot be raised and the fallback element of the NBS is triggered. The £35m of planned new lending will be funded by our existing bonds and does not, therefore, imply available equity resources. In addition, the complexity of completing two raises in short succession would significantly increase the cost of the transaction. We have not yet taken a decision with our advisors as to the exact amount of capital required, in a single raise, in order to maximise the success of both the raise and the business it will fund. This will be announced in due course.

Once we have presented our future business plan and provided details of the proposed equity raise, shareholders will be asked to approve the raise. We also recognise that it will be important to have a resolution to the ongoing FCA investigations into complaints handling and affordability processes before we seek shareholder approval for the raise. The FCA has stated that the levying of any fine would be considered in the context of the Scheme and its impact on creditors.

Strategy

A new brand to better meet customer needs

When we return to lending, we will do so with an attractive new product proposition designed to meet strong demand in a large and growing addressable market. Encouraging better money management and financial resilience, we want to help our customers improve their credit health and support their long-term financial wellbeing.

We will not return to lending with our Amigo brand. Instead, our revised guarantor loan product and new non-guarantor unsecured loan will be released under our new brand, RewardRate. This represents a new start for our business. Our innovative new products have been designed in collaboration with a respected charitable organisation and feature dynamic pricing to reward and encourage good payment behaviour with penalty-free annual payment holidays to provide customers with greater flexibility. We have invested in soft search application capability enabling targeted and accurate quotes to be presented to customers who match our target customer profile without impacting their credit file. Open banking, or an equivalent, will be used in all affordability assessments. Our products are designed to be inclusive, provide flexibility and help our customers build a brighter financial future.

> **When we return to lending, we will do so with an attractive new product proposition designed to meet strong demand in a large and growing addressable market.**

We are also ready to respond when needs change and ensuring borrowers get the right help and support, when they need it, is a priority.

Whilst regulatory Covid-19 support has ended, Amigo continues to offer a range of forbearance measures to customers facing financial difficulty.

Investing in our people

I continue to be immensely impressed with the quality of people that we have been able to attract and retain during what has been a significant period of uncertainty for the business. I am extremely grateful to all our people who have continued to believe in our purpose and have supported the Board and our customers throughout the year.

To ensure the issues of the past do not reoccur, we have invested in training to provide a thorough understanding of the root causes of past issues. The Board has collectively and individually spent a lot of time engaging with our employees to be transparent on the challenges we have faced and encourage employees to ask questions and challenge decisions. To understand better what affects our people and how we can improve their working life, we also perform monthly surveys. I am proud that, despite the difficulties we have experienced this year, we have been able to increase our engagement score, which measures sentiment based on questions on workplace and product, from 7.3 in March 2021 to 8.0 by the end of the financial year.

As we have emerged from the Covid-19 pandemic we have introduced hybrid working for all employees to provide the flexibility that best suits each individual. Employees are encouraged to attend the office at least twice in a working week. We have also halved the median gender pay gap from 10% to 5% and will continue to focus on creating a work environment that promotes diversity, equity and inclusion.

Enhance efficiencies

A continued focus on driving efficiencies through all areas of the business is delivering better customer outcomes and reducing costs. We have implemented initiatives designed to identify, quantify and evaluate what our customers need and want from us, leading to improvements in the customer journey and enhancing product and customer service. Teams across functions are trained in lean working practices to drive efficiency improvements by reducing waste and variation in processes, optimise resources and roll out best practice. Projects over the year have focused on driving operational efficiencies in Collections, Complaints, Quality Assurance and Customer Self-Service and on increasing awareness of vulnerability to improve the support available.

We are also designing, building and deploying a new technology environment to support a return to lending with new products. The new technologies are cloud-based and built around market-leading solutions. Third-party supporting services are being integrated using open application programming interfaces ("API") technologies which both speed up and simplify the build.

Operate responsibly

To move forward responsibly, we need to have understood where we have gone wrong in the past. We have therefore performed a thorough root cause analysis and held mandatory training for all employees to ensure past mistakes are not repeated. Policies, standards and practices have been rewritten ahead of our return to lending and a cultural assessment framework has been established to challenge and guide the right behaviours. In the coming year, we will undergo independent reviews of key controls to provide further assurance to our stakeholders.

Setting our ESG strategy

As a publicly listed company, Amigo understands its responsibility to drive forward positive change in society and has ambitions to go above and beyond what is expected in terms of corporate responsibility. The new Amigo is different from the Amigo of the past. This does not mean that we turn our back on everything that came before. We are hugely proud of charity initiatives this business has passionately pursued in the past. We have also taken steps to reduce waste in the office and minimise our carbon footprint.

The establishment of Amigo's Responsible Business Council, in May 2022, provides a real opportunity for our employees to shape the business we will be in the future. It will act as a sounding board, challenger, innovator and advisor to the Board and business leaders responsible for defining, planning and executing Amigo's ESG strategy. Priority areas include setting Amigo's ESG vision, goals and targets, driving diversity, equity and inclusion, climate-change related matters and our strategy for charity and community engagement. With these foundations in place, we are now moving towards formulating our ESG strategy and will be setting goals and targets aligned to our recently selected priority UN Sustainable Development Goals in the current financial year.

Summary and outlook

In summary, the sanctioning of our NBS represents a turning point for Amigo. The Board believes that the NBS provides the best outcome for redress creditors and I am pleased that we can now work towards bringing it to fruition. The Board is grateful to the FCA for the time it has afforded the business, to our customers and to our people who have all contributed to getting us to this position.

The current cash position remains strong at over £100m. Hurdles remain before we can finally secure the continuation of the business, including FCA agreement to restart lending, reaching a satisfactory resolution of the FCA investigations and the completion of a significant capital raise. We continue to work constructively to satisfy the FCA that we meet threshold conditions and are in a position to return to lending.

Amigo is a very different business to the business of the past. We will move forward responsibly, with a refreshed culture, focused on delivering positive outcomes for all stakeholders. The Board is confident that its future lending proposition meets a strong demand in the market for a competitively priced, mid-cost, specialist credit product and that Amigo can be a responsible and valuable contributor to the sector.

Gary Jennison
Chief Executive Officer
8 July 2022

Our strategic pillars

Link to risks

1 Credit risk
2 Conduct risk
3 Regulatory risk
4 Operational risk
5 Strategic risk
6 Treasury risk

Meet customer needs

Providing access to fair and affordable finance, we put customers first as we seek to identify what works for them, filling a gap in the market for mid-cost lending and delivering exceptional customer experience at every interaction. Encouraging better money management and financial resilience, we aim to help our customers improve their credit health and support their long-term financial mobility. With our customers at the core, our products are designed to be inclusive, provide flexibility and help them build a brighter financial future.

Link to risks

1 2 3 4 5 6

Activity in financial year

- Innovative new lending proposition developed to be launched under a new customer-focused brand, RewardRate.
- Collaboration with respected charitable organisation to stress-test and develop new proposition.
- Product features include dynamic pricing to reward and encourage good payment behaviour, and penalty-free annual payment holidays to provide customers with greater flexibility.
- Investment in soft search application capability enabling targeted and accurate quotes to be presented to customers who match our target customer without impacting their credit file.
- Metrics defined to measure customer conduct and customer outcomes.

Looking forward

- Focus on delivering the Scheme of Arrangement (sanctioned in May 2022) to provide an equitable solution to customers with redress claims.
- Open banking, or equivalent process, will be used in all affordability assessments and confirmation of payee.
- Customer-listening platform embedded throughout the full-customer journey to help drive customer satisfaction.
- Initial return to lending to be funded by existing resources. Capital raise to facilitate further lending.

Invest in our people

Our people make Amigo special. To ensure we attract and retain the best people, we invest in training to enhance employees' skills and to help them build long-term career success. We provide an inclusive and welcoming environment to support our teams' personal wellbeing, promoting fairness and equity to ensure everyone has the opportunity to succeed. Having happy, healthy and engaged employees who feel empowered to reach their full potential, and who share our values and sense of purpose, will enable us to deliver on our strategy and move forward in a responsible and sustainable way.

Link to risks

1 2 3 4 5 6

Activity in financial year

- Transforming our culture with in-house training, coaching and internal communication ensuring a thorough understanding of the root causes of past issues and the importance of delivering good customer outcomes.
- Focus on employee retention and engagement in the form of Board member interaction and regular engagement surveys. Despite the uncertainty around Amigo's future, the leadership team has increased the employee engagement score from 7.3 last year to 8.0 in March 2022.
- 9,868 hours of training delivered. Apprenticeship levy funds used to provide apprenticeships and upskill existing team members.
- Hybrid working introduced for all employees to provide the flexibility that best suits each individual.
- Median gender pay gap halved from 10% to 5%.

Looking forward

- High performance organisation ("HPO") approach to be introduced to drive organisation performance. Employees will be graded against set objectives and how they demonstrate Company values.
- Quarterly talent reviews to ensure a rich talent and succession pipeline.
- ESG initiatives to focus on diversity, equity and inclusion.
- Investment in employee development opportunities including further Lean Six Sigma and leadership development programmes.

Everything we do is designed to achieve positive customer outcomes and make a valued difference to all our stakeholders.

Opportunity | Financial wellness | Flexibility | Customer experience

Enhance efficiencies

8 DECENT WORK AND ECONOMIC GROWTH

A continuous improvement culture where each team is empowered to constantly raise the bar is improving our customer experience, delivering better customer outcomes and reducing costs. We have implemented initiatives designed to identify, quantify and evaluate what our customers need and want from us, known as Voice of the Customer ("VOC"), leading to improvements in the customer journey and enhancing product and customer service. Teams across functions are trained in lean working practices to drive efficiency improvements by reducing waste and variation in processes, optimise resources and roll out best practice.

Link to risks

2 3 4 5

Activity in financial year

- Eight projects focused on operational efficiencies in Collections, Complaints, Quality Assurance and Customer Self-Service and one on increasing awareness of vulnerability and improving the support available.
- In-house recoveries function established, increasing success of long-term payment plans.
- Outbound contact efficiency led to an increase in customers helped out of arrears.
- Efficiency savings from complaints reporting standardisation and customer self-service initiatives directly translated into more people available to support customers where needed.
- Better identification and tracking of vulnerable customers allow agents to provide bespoke support and aid creation of Servicing and Collection strategies to better support different types of customers.

Looking forward

- Business transformation focused on delivering new lending proposition to market and deploying iterated improvements based on user data and customer behaviour and feedback.
- New technology environment design, build and deployment to deliver at scale and respond to future changes in customer needs.
- Lean Six Sigma supported by the implementation of the Scaled Agile Framework ("SAFE"), utilising concepts of Lean and Agile to deliver projects at scale.
- A continued focus on VOC: user testing to ensure all features of the new products continue to align with customer needs and wants.

Operate responsibly

10 REDUCED INEQUALITIES

13 CLIMATE ACTION

Our conduct is founded upon a clear set of values, expressed through deliberate behaviours and management, overseen and challenged at every level by a robust conduct and risk framework. We work to understand different stakeholder perspectives and deliver balanced outcomes by encouraging two-way communication. Prioritising long-term value growth and controlled scalability over short-term results, and by seeking opportunities to make a positive impact on our environment and the communities in which we operate, we aim to build a sustainable and responsible business for the long term.

Link to risks

2 3 5

Activity in financial year

- A thorough root cause analysis of past issues completed.
- Policy, standards and practices rewritten for a positive return to lending.
- A cultural assessment framework established to challenge and guide desired behaviours.
- A new ESG framework developed.
- Conduct and risk awareness training for all employees.
- A refreshed second line of defence to challenge decision making at all levels.

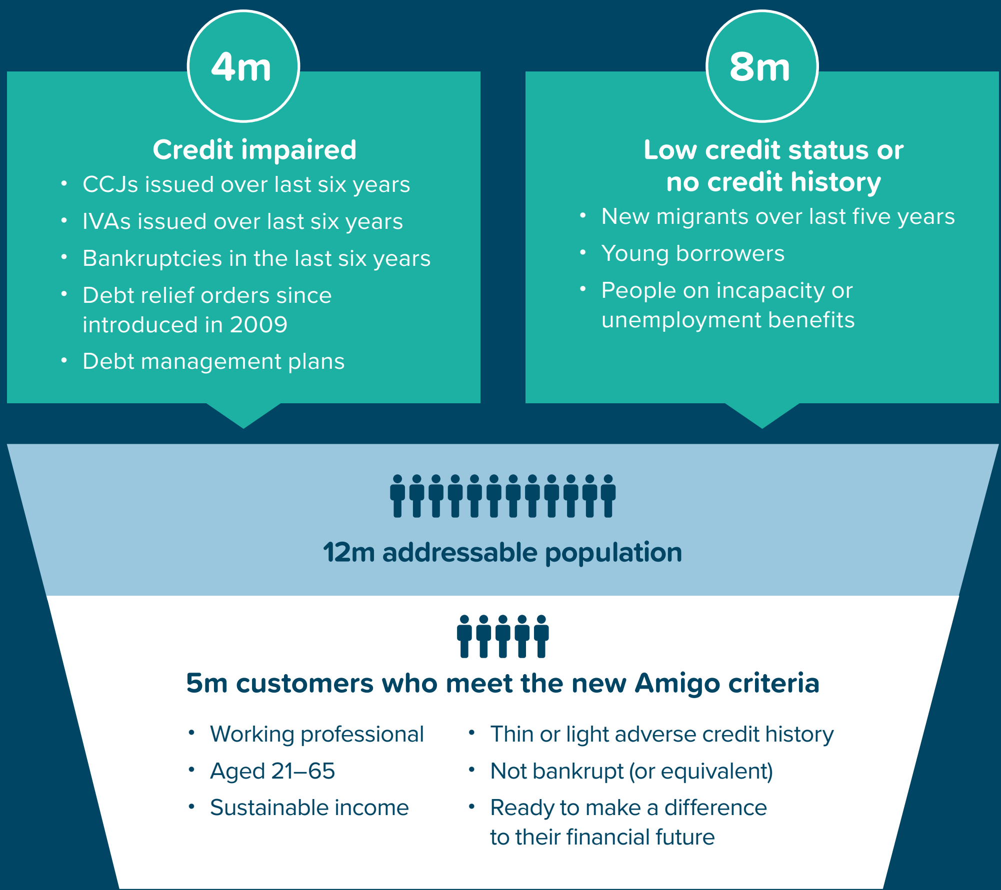
Looking forward

- Establishment of a Responsible Business Committee and Customer Outcome Committee to guide the firm's conduct and approach to key matters.
- Measured testing of policies and procedures as we return to lending.
- Independent reviews of key controls to provide valuable assurance to the Board and other stakeholders.
- Ongoing dialogue with all key stakeholders as we seek to reconcile needs and expectations.

Helping customers achieve financial mobility

Large underserved market

Demand for credit is high in this segment and the market is relatively fluid over time with around two million consumers moving in and out each year. Of the twelve million in our addressable market, there are an estimated five million people who meet our criteria.



Based on data from LEK Consulting and Amigo's own calculations.
All figures are approximations.

A need for financial inclusion

Financial inclusion is one of the biggest challenges facing the UK today. With the exit of many providers in the specialist lending sector over the past two years, and the failure of many credit unions, there is a growing need for lenders which offer fair, affordable and responsible products. Without a functioning regulated market, there is a danger that unregulated loan sharks will move in to exploit the financially vulnerable. As highlighted in a report[1] published by the Centre for Social Justice in March 2022, the combination of pressures on household budgets, low financial resilience and increasingly limited credit options is liable to create a perfect storm in which people are driven towards exploitation.

Our response

Amigo is well placed to tackle the issue of financial inclusion. With extensive knowledge of the specialist lending sector, gained from over 17 years serving more than one million customers, we can offer a mid-cost solution to those who pass our redesigned underwriting and affordability checks. For those for whom a loan is not the right solution, we will provide customers with information on debt charities and details of advisors who can give further guidance. Our newly developed products are designed to increase the financial resilience and mobility of people underserved by mainstream financial services.

Rising pressure on consumers

FCA data[2] suggests that over a quarter of UK adults have low financial resilience. With inflation at a 40 year high, the impact of Covid-19 still materialising and the economic impact of the war in Ukraine, the UK population is facing increasing pressure on its finances. All this at a time when Covid-19 related government support has ended and interest rates are rising. While unemployment remains low, inflationary pressures tend to hit the demographic we serve the hardest as wages fail to rise in line with the increase in the cost of goods. Higher demand for credit is expected but there is also likely to be increased pressure on borrowers' ability to repay existing debts.

Our response

Amigo has a deep knowledge of our customer base and our innovative new lending proposition is designed to meet customers' needs, introducing a transparent and easy to comprehend mechanism for reducing monthly payments and the ability to take an annual, interest-free, payment holiday. We are also ready to respond when needs change. Ensuring borrowers get the right help and support when they need it is a priority. Whilst regulatory Covid-19 support has ended, Amigo continues to offer a range of forbearance measures to customers facing financial difficulty. Specialists have reviewed our product designs and helped shape how we support our customers. As a result, we have enhanced training in place to identify, support and understand the needs of vulnerable customers.

The regulatory environment

Amigo, as part of the UK finance sector, is regulated by the Financial Conduct Authority ("FCA"). Key areas of focus for the FCA include affordability, supporting borrowers in financial difficulty and improving diversity, inclusion and operational resilience in regulated firms. New Consumer Duty guidelines expected in July 2022 will seek to ensure that firms take account of product suitability and the impact of their services on customers. The FCA envisages that its Consumer Duty will result in fewer future rule changes, lowering costs to regulated firms. Another focus area is the financial impact of climate change and in January 2022 new rules and guidance came into force for listed companies to publish climate-related risks and financial disclosures as set out by the Task Force on Climate-related Financial Disclosures ("TCFD").

Our response

Mandatory training for all employees is undertaken to ensure regulatory compliance at all levels of the business with new conduct and risk awareness modules introduced this year. Amigo supports regulation that protects consumers and maintains a fair and effective market. We are committed to maintaining a constructive relationship with our regulator to understand and meet regulatory requirements as well as promote a good understanding of our business and the important role we play in society. For detail of our response to the TCFD disclosure requirements, please see the dedicated section on pages 28 to 31.

1 https://www.centreforsocialjustice.org.uk/library/swimming-with-sharks
2 https://www.fca.org.uk/news/speeches/critical-issues-financial-regulation-fca-perspective

To provide those with few options to borrow the opportunity to achieve financial mobility.

We aim to return to lending in 2022 with a new brand and innovative new lending proposition, significantly improved processes and a culture of operating responsibly to drive positive outcomes for all our stakeholders. Driven by our purpose and guided by our values, we will play a valuable role in society by providing accessible and affordable loans to customers who have limited access to mainstream finance. With well-designed products that meet their needs, we will support our customers to improve their financial mobility by offering a pathway to cheaper credit.

Strong foundations

Customer-first approach
Our new lending proposition consists of new and enhanced guarantor and unsecured loan products which are feature rich and designed to meet specific customer needs by being adaptive, flexible and rewarding.

The right people in place
Engaged, committed and talented people at all levels, focused on delivering the best customer experience and outcomes, passionate about our purpose and values.

Digital platform
We are investing in our digital platform, decisioning processes and customer experience, integrating leading third-party internal operating systems with open banking.

Significant sector expertise
Depth of knowledge and data developed over 17 years serving more than one million customers, including both borrowers and guarantors.

Strong partner relationships
Some of the best companies in the industry will be working alongside us as we bring our new brand and innovative new lending proposition to market.

Robust conduct and risk framework
Reinforced internal systems and controls, with strong product governance, focused on customer outcomes.

Read more on pages 42 to 47

The value we create

Our customers
Leaving customers in a stronger financial position. Providing a pathway towards prime lending as they build or repair their credit history.

Investors
Building a sustainable business for the long term, growing responsibly and ultimately generating a good return for our investors.

Regulator
Engaging regularly and constructively to ensure regulatory compliance. Operating with integrity, treating customers fairly and supporting a healthy, sustainable credit market by providing access to regulated credit to an underserved segment of society.

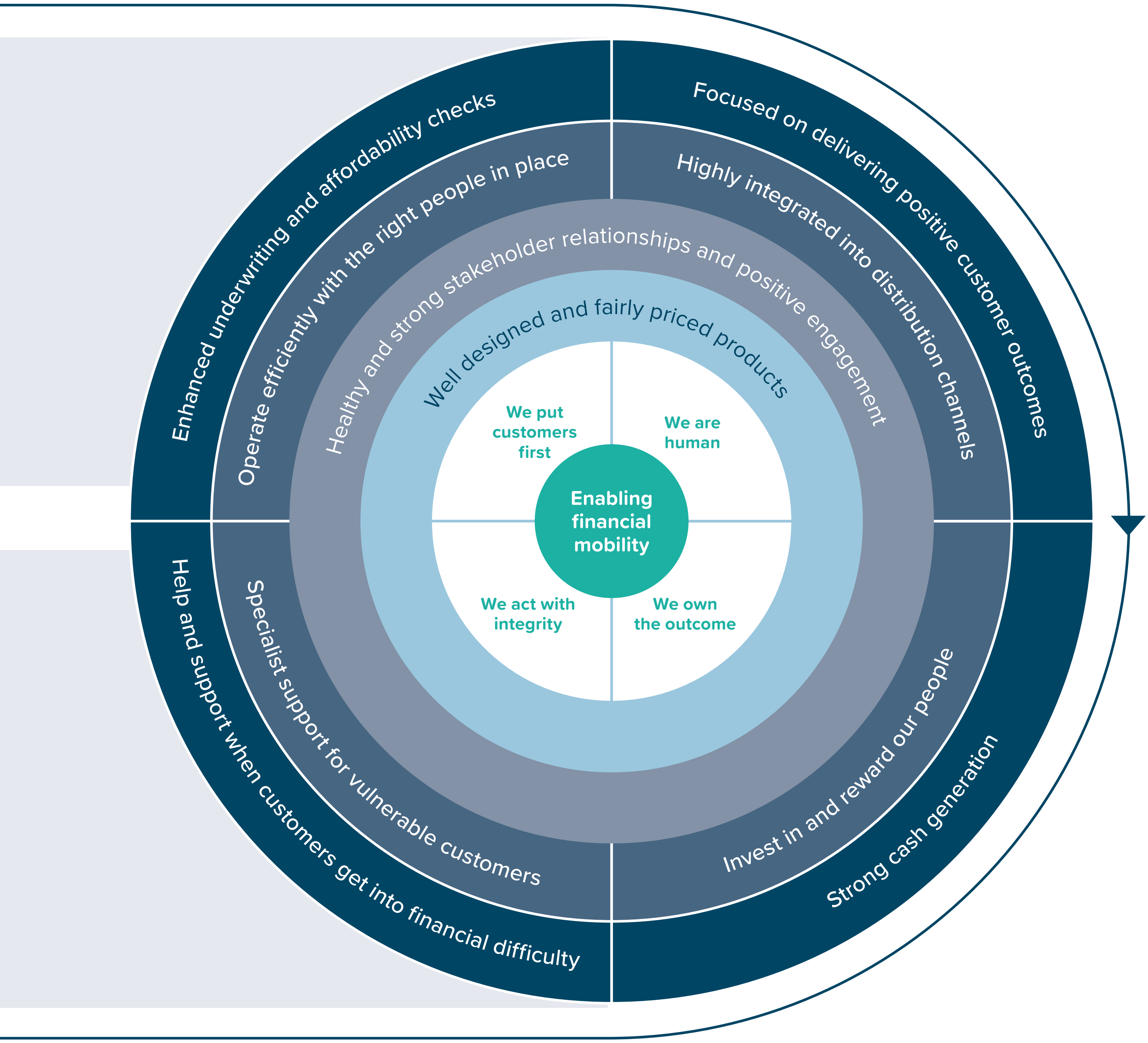
Our people
Providing an inclusive environment where our people are well trained and motivated to make a positive difference to our customers and our community and empowered to excel, developing rewarding careers that they can be proud of.

Community
Enabling financial mobility and supporting our local communities through charitable donations, employee volunteer programmes and career opportunities.

Distribution network
By building a sustainable business for the long term with an ethical culture and innovative products, we can provide trusted partnerships and reliable business streams to our broking partners.

Read more on page 21

How we create value



Stakeholder engagement and section 172

Our section 172 statement

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

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

Our customers

Why they are important

- By understanding what's important to our customers, their needs remain at the forefront of all that we do.

Our priorities

- To meet customer needs and, this past year, to ensure that they fully understand the Scheme of Arrangement process.
- To understand how customers' needs evolve over time.
- To have the right support in place throughout the customer journey.

How we engage

- An Independent Customer Committee was set up this year to consult on our Scheme process. We also held Q&A sessions on Facebook and provided information via video, SMS, email and social media.
- The relaunch will include offline and online journeys to serve the widest possible cross-section of customers and achieve high conversion.

Our people

Why they are important

- The skill and commitment of our employees are key to our success, creating sustainable value and delivering an outstanding customer experience.

Our priorities

- To engage talented and passionate employees.
- To provide an inclusive and welcoming environment.
- To encourage challenge and diversity of thought.

How we engage

- Monthly engagement surveys to gauge sentiment and better understand our teams.
- Regular e-training modules.
- Board members hold informal meetings with employees from across business functions.
- The Board receives regular employee updates from the Head of HR.

Investors

Why they are important

- Our investors provide funding in the form of debt and equity.
- Attracting new investors will support our funding requirements as those needs evolve.

Our priorities

- To provide clear, timely and transparent updates on our business to all investors in line with regulatory requirements.
- To manage expectations and foster a good understanding of our business, purpose and prospects.

How we engage

- We have regular dialogue with investors and provide a dedicated email for investors' enquiries.
- Financial results are reported quarterly and presentations webcast to enable access to all.
- Board members attend periodic investor meetings and receive regular updates from our Head of Investor Relations.

Outcomes

Our customers

- Customers are empowered to achieve their financial goals, and provided with affordable products that meet their needs and flexibility when their circumstances change.

Our people

- We have retained key people through a period of significant uncertainty for the business.
- Our employees are engaged and empowered to reach their full potential, and have a solid understanding of our purpose and values.

Investors

- Investors are able to make informed investment decisions.
- The business has a pool of investors it can draw on for future funding.

The Directors consider these factors in discharging their duties under section 172. The key stakeholders we consider in this regard are our customers, our employees, our shareholders and creditors, the regulators, our brokers and suppliers and the local communities in which we are located.

The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Regulators

Why they are important

- Regulatory approvals enable us to provide fair and responsible finance to the growing population of people who are unable to access credit through mainstream lenders.

Our priorities

- To ensure we meet regulatory standards at all times.
- To promote a good understanding of our purpose and the need in the market for our services.
- To maintain a constructive relationship with the teams in all areas of the FCA.

How we engage

- We have maintained an open and regular dialogue with our regulator, particularly as we have progressed through our Scheme of Arrangement process.
- We have participated in FCA consultations to provide our views on the industry and proposed regulation change.

- A thorough understanding of all regulatory requirements.
- Recognition of the need for companies in the specialist lending sector to provide financial services to the millions excluded by mainstream lenders.

Suppliers

Why they are important

- Our suppliers support our operation, enabling us to deliver our service and meet customer needs.
- A strong relationship with our distribution network promotes a robust understanding of, and efficient route to, our target market.

Our priorities

- Develop strong partnerships with the best companies in the industry to deliver an outstanding customer experience.
- Work collaboratively to foster mutually beneficial relationships.

How we engage

- Our Chief Customer Officer manages the relationship with our distribution network.
- The Board receives updates on any issues or proposals concerning suppliers, for example where outsourcing is considered.

- Trusted partnerships developed with leading businesses in the industry.
- We aim to provide reliable business streams to our introducing partners.

Communities

Why they are important

- By playing an active role in our community, we can have a positive impact on our community and the environment.

Our priorities

- To help the most vulnerable in our society.
- To minimise the impact we have on the environment.

How we engage

- We have strengthened our relationship with local charities and built new relationships as needs, such as the Ukrainian crisis, have arisen.
- Our employees have raised money for various charities and events.
- The Amigo Volunteer Scheme provides employees with paid leave to volunteer.
- Employees have provided food and sanitary products to local food banks to help those in need.

- Through fundraising and business donations we raised over £8,300 this year.
- Amigo’s total emissions have reduced significantly over the year.

Principal Board decisions taken during FY22

Decision to continue with the sanctioning of a Scheme of Arrangement after the first Scheme was not sanctioned

At the time the first Scheme of Arrangement was not sanctioned by the Court in May 2021 the Board had to decide if it was in the interest of all Amigo stakeholders to continue with the cost and time commitment to develop a second more robust Scheme of Arrangement or to immediately place the Company into administration.

Stakeholders	Considerations
Our customers	The failure of the original proposed Scheme of Arrangement to be sanctioned by the Court in May 2021 left our customers who had, or were likely to raise a complaint against Amigo, without a mechanism to settle their claims equitably. An orderly Scheme of Arrangement was judged to be the best solution to finding a way to settle equitably all liabilities for past lending activities by Amigo. It was deemed an orderly Scheme of Arrangement would maximise the return to claimants and be preferable to customers than administration. A Scheme of Arrangement would potentially allow Amigo to return to lending.
Investors	Whilst Amigo remained insolvent the Board was required to operate the Amigo business for the benefit of creditors. Agreement on a Scheme of Arrangement would allow the Board to operate the business for all stakeholders. Investors would have the opportunity to make a contribution to the future compensation pool from an equity raise. The purpose of the new Scheme of Arrangement being to facilitate some equity participation by the existing shareholders in any surviving entity, albeit with significant dilution, to increase available compensation.
Regulators	The FCA wished to ensure that the interests of customers were upheld and that future customer harm, from past actions of Amigo, could be resolved in the best manner possible for customers. An orderly Scheme of Arrangement would likely increase the likelihood that the settlement of claims by Amigo customers would be dealt with in the most equitable fashion.
Our people	In the event that a Scheme of Arrangement could not be arranged Amigo would be insolvent. As such, a failure to sanction a new Scheme of Arrangement would mean all Amigo employees, contractors and sub-contractors would be given immediate notice of termination of employment.

Formation of a new Customers' Committee to help deliver a fairer outcome to creditors

The Committee was established to represent the interests and views of customers through the process of finding a way forward for Amigo. An independent Chair, Jamie Drummond-Smith was appointed on 3 August 2021. Mr Drummond-Smith is an experienced financial services sector professional; he had never worked for Amigo and had his own legal advisor. To set up the Committee, Amigo emailed customers in July 2021 to ask for self-nominations to be a part of the Committee. From these self-nominations, Mr Drummond-Smith randomly selected eight past and present borrowers and guarantors, some of whom, depending on the status of their current balance, would benefit from a balance reduction if they had a valid claim in either of the New Schemes, and some of whom would not. This provided a cross-section of Amigo's customer population from the self-nominations received, each of whom were also required to confirm that they were not shareholders of Amigo as part of the self-nomination process. See table on the next page.

Stakeholders	Considerations
Our customers	The Committee was offered the opportunity to get independent advice paid for by Amigo, as was suggested by the Court and the FCA at the Court hearing for the Previous Scheme. The Committee had the opportunity to consider a wide range of issues that shaped the terms of the New Schemes. The input of the Committee included: (a) considering new Scheme proposals; (b) giving a preference on those proposals; (c) putting forward alternative proposals and (d) negotiating the New Schemes terms to ensure they maximised recoveries for creditors.
Investors	A criticism of the first Scheme of Arrangement was that shareholders had not been asked to contribute to the redress compensation pool for customers. The Customer Committee considered a number of factors and took into account that it would be mutually beneficial for shareholders and customers to reach agreement on a suitable financial contribution from shareholders.
Regulators	The Customer Committee provided the FCA with comfort that customers were receiving independent advice.
Our people	The Customer Committee provided challenge to the business about the propositions to be included in the Scheme of Arrangement. It provided comfort to the employees that the Scheme of Arrangement being put forward was realistic and provided a fair equitable offer to customers.

Decision to develop our new proposition, RewardRate, a path to financial mobility for those who have few options to borrow

The Board has been very clear that the new Amigo will be unrecognisable from its predecessor. Our vision is to break down the barriers to financial inclusion, creating a community where people are rewarded and empowered to achieve financial mobility. We are dedicated to constantly innovating and building ways to make sure our customers have access to fair and affordable finance so they can make their life plans possible. Our new proposition is designed to serve a large section of society that is in real need of better access to affordable credit. It's designed to be inclusive, provide flexibility and help our customers build a brighter financial future. Our mantra is 'if it works for you, it works for us'.

Stakeholders	Considerations
Our customers	Customers who used Amigo and similar products are not well served by the existing consumer credit propositions which typically do not include 'our' customers from accessing credit. The RewardRate product has been designed to responsibly meet the requirements of this demographic. The RewardRate proposition is designed to be flexible and help the financial mobility of the proposed customer base.
Investors	A condition precedent of the New Business Scheme is the requirement to raise additional capital to contribute to the compensation pool to redress customers with a valid complaint against Amigo for past lending practices. RewardRate is intended to provide a viable, new, product which it is hoped will allow Amigo to raise the necessary capital to meet the requirement. RewardRate provides Amigo with the opportunity to start relending, which it is intended will increase the size of the loan book, which in turn will facilitate a return to shareholders.
Regulators	RewardRate is a product that will help fill a gap in the market for customers who are underserved by existing lending propositions. The issue is made more impactful due to the withdrawal of many of the participants lending to this customer base.
Our people	RewardRate provides an opportunity for Amigo to return to lending. It will facilitate the continued employment of staff working for the business.
Distribution network	RewardRate will allow Amigo to restart lending again.

Our customers

We put customers first and firmly believe that if it works for them, it works for us. In the last twelve months we have worked tirelessly to build a new lending proposition that allows people to borrow when they need to in a way that is fair and inclusive and that improves their financial wellbeing.

Responsible lending

Our purpose is to provide those with few options to borrow the opportunity to achieve financial mobility. To do this we are focused on building well-designed products that increase the financial resilience and wellbeing of our customers. We provide a mid-cost alternative for the growing number of people who are unable to access credit through mainstream channels.

We have made changes to our affordability processes in line with FCA guidance. We will assess the income and expenditure of all applicants, both borrowers and guarantors, and have incorporated open banking technology into the process for all applications to ensure that we only lend to customers who can comfortably afford to repay the loan. We are committed to the fair treatment of customers, to achieving positive outcomes and to empowering our customers by giving them the financial mobility they need to achieve their goals.

Enabling financial mobility

Our new proposition, RewardRate, has been designed with tools, features and dynamic pricing mechanisms aimed at reversing the debt spiral, rehabilitating customers' credit reports and helping customers get closer to true prime rates.

Focused on positive customer outcomes

Financial inclusion doesn't just mean access to finance, it's about providing the right products to the right consumers at a fair and reasonable price. Our products have been designed to offer affordable and responsible finance options to consumers across the alternative lending landscape. We want all of our customers to be able to say "my loan worked for me because…" and our newly formed Customer Outcome Committee has been created to keep customer experiences and outcomes on track.

Tailored support that meets individual needs

Customers are assured that when life gets bumpy, they have dedicated support in place to help them. Our skilled teams will assess each customer's circumstances individually and put tailored, sustainable arrangements in place that meet their needs. We check in on a regular basis to ensure the support is still viable and that, if their circumstances have changed, we can help to get them back on track.

Vulnerable customers

It is our intention that every customer who experiences vulnerability is assured the best support throughout their journey with Amigo. Our teams are trained to recognise when a customer might be considered vulnerable, either through the conversations they have with them or because of an assessment of the information we attain on them. It could be for a range of reasons including a sudden change in circumstances such as recent unemployment or that they are experiencing mental health issues. The Covid-19 pandemic highlighted how easily circumstances can change. It could be that our customers need permanent help or just a little assistance during a particularly tricky time. Our dedicated specialist support team is on hand to provide tailored support and ensure each customer receives fair and appropriate treatment. Whatever a customer's situation, we want to give them the confidence that we are here to help.

Q&A

with Jake Ranson, Chief Customer Officer

Jake joined Amigo in June 2021 to lead the marketing, product and distribution strategies that deliver our goals of widening financial inclusion and bringing about positive customer outcomes.

Q Why is driving financial mobility important to you?

A Delivering financial mobility and meeting the needs of today's customers go hand in hand. At a conservative estimate there are twelve million British adults who cannot obtain a loan from a mainstream lender. Millions of UK consumers are caught in a "debt trap" where the products they either hold or can't access predetermine their financial outcomes. In addition, the supply of products has shrunk with many specialist providers exiting over the last two years, so the availability of mid-cost options for non-prime customers is worsening. We believe that there are millions of target customers for our new proposition, who can be lent to responsibly and for whom a RewardRate loan will be the best product available to improve their financial health. Delivering our new proposition to market with this purpose offers the best outcome for customers, redress creditors, shareholders and employees of Amigo.

Q How have you tested the new product range?

A I strongly believe that the way to change the financial services industry is by ensuring that the voices of people who face the biggest barriers to accessing finance and credit are heard and listened to as new products are developed. In designing and testing RewardRate we worked with communities which have experienced financial challenges and faced barriers such as access to credit or high cost products. Our new products and services have been co-designed with input from people with lived experience of credit exclusion and as a result will lead to more positive outcomes for such customers when using RewardRate products as intended.

Our return to lending is subject to FCA approval.

Q What is the role of the new Customer Outcome Committee you have formed?

A Treating Customers Fairly ("TCF") is a regulatory requirement. It goes hand in hand with protecting customers from detriment, increasing consumer trust, gaining brand advocacy and Amigo meeting its commercial goals. Our new proposition has been built under the precept that "if it works for you, it works for us" so the Customer Outcome Committee's overarching mission is to ensure that our commitment to selling loans which work for our customers is upheld. By performing outcomes testing at each stage of the customer journey we can evidence the extent to which drivers such as product features, pricing, decision making and staff incentive structures are delivering good outcomes for customers.

Q What is different about RewardRate?

A The RewardRate product suite has been designed to fill a gap in the market for a mid-cost proposition that can underwrite customers in the non-prime sector and through incentive, flexibility and adaptation become a vital contributor to the customer's financial progress. Every product feature and journey has been designed to enable a customer to attest: "My RewardRate loan worked for me because..." RewardRate is a customer-focused brand that proved popular in our consumer testing. It will in due course provide an expanded range of lending products and tools that can help customers boost their financial health and understanding. At the heart of the proposition are two powerful USPs that testing has proven have strong appeal to customers.

The first is a completely transparent price reduction mechanism which rewards customers with decreasing monthly repayments simply for staying up to date. The second is a "freeze my loan" feature. This gives customers an optional payment and interest holiday once a year should they need it. We are incredibly proud of the new proposition and cannot wait to put it in the hands of customers once we receive FCA approval.

Environment

Amigo has always nurtured a culture that does its best to look after the planet, as well as one another. We want to support our people in making decisions that minimise their impact on the environment with the aim of doing what we do in the most sustainable and environmentally friendly way possible. Data provided on these pages summarises the energy usage, associated emissions, energy efficiency actions and energy performance of our two offices, both based in the UK, in line with government guidelines for Streamlined Energy and Carbon Reporting ("SECR").

Energy efficiency

To help our employees as they return to the office following the Covid-19 pandemic and the associated national lockdowns, we have introduced a hybrid way of working. We will therefore be educating and supporting our employees to make environmentally friendly decisions both in the office and at home. As a result of the hybrid working policy, we have seen a reduction in employees coming into the office, which has, in turn, resulted in a reduction in our energy consumption. We have also removed many desktop computers to allow for hot-desking and have more employees using laptops which are more energy efficient.

Other energy efficiency measures we have taken include replacing the many light bulbs in our main office with a more energy efficient LED alternative and, at the end of last year, we switched our energy provider which resulted in an increase in the amount of renewable energy within our supply.

Over the past year, we have looked at how our on-site café operates, reducing food waste and encouraging our employees to think about the products they use and recycle.

Greenhouse gas emissions

This is the third year Amigo has reported on emissions in compliance with the Streamlined Energy and Carbon Reporting ("SECR") requirement. For the year ended 31 March 2022 our total emissions for scope 1 and 2 have accounted for 65.45 tonnes of CO_2e.

The total quantity of energy used during the year ended 31 March 2022 resulting from the purchase of electricity and fuels from company-owned vehicles was 308,185 kWh.

All figures relate to emissions in the UK only; we do not have the data available for Amigo Ireland. Energy from our second office in our Bournemouth location was provided to us under a service charge, as this is a leased office space. Below you will find a year-on-year comparison of both carbon and energy data from the last three years:

Indicator	Metric	2019/20	2020/21	2021/22
Scope 1	Tonnes CO_2e	29.61	52.44	**0.02**
Scope 2	Tonnes CO_2e	156.66	89.96	**65.43**
Total CO_2e emissions[1]	Tonnes CO_2e	186.27	142.40	**65.45**
Carbon emissions intensity	Tonnes CO_2e/per FTE	0.52	0.37	**0.27**
Total energy consumption[2]	kWh	627,872	391,353	**308,185**

In addition to our SECR data, we have voluntarily chosen to report on our scope 3 – business travel as we start to expand our efforts to gauge our wider carbon footprint. This data was readily available with a comparison with previous years. See below:

Scope 3	Metric	2019/20	2020/21	2021/22
Business travel	Tonnes CO_2e	4.03	5.78	**16.76**

Methodology

Amigo collects and reports data in accordance with the Greenhouse Gas Protocol. Data is based on energy and fuel consumption of Amigo Management Services Ltd for the period 1 April 2021 to 31 March 2022, using an operational control boundary.

UK CO_2e emissions were calculated using DEFRA (2021) greenhouse gas reporting conversion factors. Our GHG emissions are calculated using energy usage data provided by our energy suppliers, employee expense data and records of fuel use. Some energy consumption was estimated where primary data was unavailable due to tenancy arrangements.

1 Total CO_2e emissions: this represents the total carbon dioxide equivalent of greenhouse gases associated with Amigo's scope 1 and 2 emissions.
2 Total energy consumption: consists of energy (kWh) associated with electricity, gas and company-owned vehicles.

1

Scope 1
(Direct CO_2e emissions)

Company-owned vehicles

Company facilities

0.02
tonnes of CO_2e
(52.44 in 2021)

2

Scope 2
(Indirect CO_2e emissions)

Purchased electricity

65.43
tonnes of CO_2e
(89.96 in 2021)

3

Scope 3
(Associated scope 3 emissions)

Business travel

16.76
tonnes of CO_2e
(5.78 in 2021)

82.21
total emissions tonnes of CO_2e
(148.19 in 2021)

Environment intensity indicators

0.27↓ **(0.37 in 2021)**

tonnes of CO_2e per employee (average number of UK employees: 248 as at 31 March 2022)

Summary of changes
In summary, our emissions total and our energy consumption have reduced significantly year-on-year. The reduction in our scope 1 emissions reflects the absence of air conditioning unit refrigerant replacement in the reporting period. We have also seen a marked reduction in our scope 2 emissions with our electricity usage at both sites being significantly lower. This is a result of a number of energy efficiency measures taken in the year. Lastly, our scope 3 emissions have increased as we have expanded the level of data within our business travel emissions. This year we have introduced carbon data for flights, taxis and train journeys.

Task Force on Climate-related Financial Disclosures ("TCFD")

This year we are reporting against TCFD recommendations for the first time. While we are early in this journey, the Board recognises the value of TCFD beyond disclosure and is committed to assessing and responding to the risks and opportunities that climate change might present in order to increase operational resilience and sustainability. We are not yet fully compliant with all guidance (see page 56). However, the following report details the current actions we have taken towards integrating TCFD recommendations into Amigo's strategy and includes a roadmap of the steps we plan to take to achieve full disclosure. We also report on scope 1, scope 2 and relevant aspects of scope 3 carbon emissions on pages 26 and 27.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

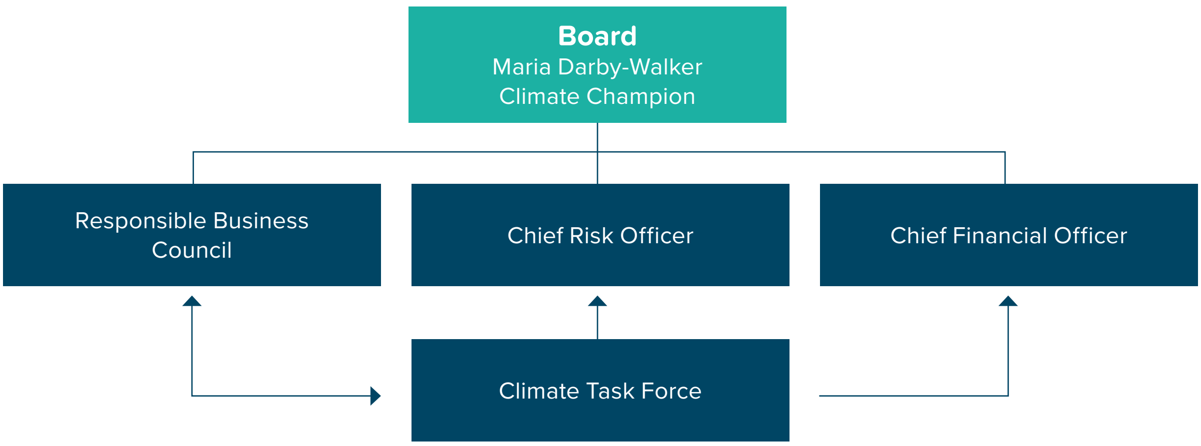
a Describe the Board's oversight of climate-related risks and opportunities.

b Describe management's role in assessing and managing climate-related risks and opportunities.

Amigo has put in place a governance structure aimed at ensuring environmental, social and governance ("ESG") issues, including climate-related risks, will be considered by the Board and management in all business strategy decisions. The Board has overall responsibility for Amigo's ESG strategy, in which climate-related matters are included and championed by Non-Executive Director Maria Darby-Walker. Maria, who also sits on the Audit and Risk Committees, will oversee compliance with, and progress on, climate change reporting. The Board meets at least monthly, and ESG matters will form part of every scheduled meeting's agenda. Maria will be informed specifically of climate-related risks and opportunities at least quarterly, principally by our Chief Risk Officer and the Chair of our Responsible Business Council.

The Responsible Business Council is a recently formed advisory body, established in May 2022 with a broad remit to provide guidance and recommendations to the Board in respect of Amigo's ESG strategy, objectives and metrics, including climate-related impact and initiatives. The Responsible Business Council consists of eight elected employees and one secretary and will meet monthly, with its Chair reporting quarterly into the Board. The Responsible Business Council is employee led, with members and Chair voted into position. As well as providing guidance and recommendations to the Board, the Responsible Business Council will be instrumental in embedding Amigo's ESG strategy and climate-related initiatives throughout the business.

Representatives from the Responsible Business Council, Risk, Finance and Investor Relations make up Amigo's Climate Task Force. The Climate Task Force will review climate-related risks and opportunities and devise and implement mitigation strategies and will also meet monthly. It will be guided by the Responsible Business Council and report into both the Chief Risk Officer and Chief Financial Officer who will ultimately be responsible for establishing a process for a more comprehensive assessment and integration of climate-related risks into the Company's current risk management register and strategy, formulating and monitoring the progress of action plans and environmental targets as Amigo develops and implements its roadmap to full TCFD adoption.



Key

- Compliant
- Currently non-compliant but scheduled for compliance in coming 12 months
- Currently non-compliant and compliance forecast in 24–36 months

Key showing compliance/non-compliance In line with listing rule 9.8.6R (8). Where disclosures are currently non-compliant this follows from the prioritisation of activities as set out in the roadmap on page 31.

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.	
a Describe the organisation's processes for identifying and assessing climate-related risks. **b** Describe the organisation's processes for managing climate-related risks. **c** Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Amigo operates with a defined risk management framework that takes into account both likelihood and severity. To date climate-related issues have been monitored through risk reporting as an emerging risk. An emerging risk is an identified, new or evolving risk which could be a trend, innovation or development that has the potential to adversely impact the delivery of our strategy. This activity is overseen by Amigo's Chief Risk Officer. As awareness and education builds through planned ESG work, our intention is to develop this alongside the Responsible Business Council and Climate Task Force. The Climate Task Force will work closely with the Responsible Business Council and report into the Chief Risk Officer and Chief Financial Officer to develop achievable targets and compliant TCFD disclosures. Specific climate-related issues would be logged and recorded in line with our risk management process. • Crystallised risks and incidents where events are identified are logged and escalated to management. All of our identified incidents and risks are recorded and tracked with automated regular reporting to accountable individuals. Material matters are shared and escalated through various risk committees up to Board level on an ongoing basis. • All risks are tracked through ongoing risk assessment and reporting. Material risks and issues are considered in business planning. This process is also used to identify the need for any additional contingency measures which could include insurance or additional control. Risks are prioritised based upon their materiality, likelihood and impact. The determination of materiality follows a standard approach to ensure that all risks are assessed and prioritised in a proportionate and consistent manner. To further integrate climate-related risks into Amigo's risk management process, Amigo will carry out a comprehensive climate risk assessment to identify any acute and chronic physical risks and transitional risks and opportunities related to potential policy, legal, technology and market changes. We recently undertook an exercise to determine the sustainability priorities of our business, out of which UN Sustainable Development Goal 13 "Climate Action" emerged as a priority goal. Climate change is a global threat and will impact us all in some way. Stakeholders are increasingly looking at the companies they work with or for and demanding that they take climate action seriously. As UN SDG 13 "Climate Action" has been identified as a priority goal, the risk and opportunities assessment that is to be carried out will also inform the Company's climate strategy and target setting process. Moreover, as the Chief Risk Officer holds responsibility for overseeing the risk and opportunity identification, reporting to the Board on a quarterly basis, climate-related considerations will be integrated into our business strategy.

Task Force on Climate-related Financial Disclosures ("TCFD") continued

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on Amigo's business, strategy, and financial planning where such information is material.

a Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

c Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a > or < 2°C scenario.

Climate change is currently classified and monitored as an emerging risk, the potential for risks stemming from an increased exposure to and changing patterns of extreme weather events such as floods, storms and rising sea levels impacting customers and supply chains. This includes issuance of more specific requirements to analyse and disclose the climate impacts of lending activities. The potential for Amigo to inadvertently create environmental damage through its business model and behaviours is also assessed and monitored.

As a small business in financial services, with two offices in one city location, climate-related risks and opportunities have not, to date, been considered to have a material financial impact on our business, and as such have not had a significant impact on Amigo's strategic and financial planning. However, "Climate Action" (UN SDG 13) has recently been identified as a priority goal and it will therefore be established as one of the pillars of our sustainability strategy.

As part of our approach to TCFD reporting we will be undertaking a more detailed materiality assessment of risks and opportunities presented by climate change, focused not just on the impact we have as a business, but on what impact actual and potential risks of changes in climate might have on our business strategy and financial planning and that of our suppliers and our customers. Amigo will be identifying both physical climate-related risks as well as transitional risks and opportunities related to the transition to a low-carbon economy over the short (up to twelve months), medium (one to three years) and long term (over three years), and developing adaptation and mitigation strategies.

A scenario analysis to assess the impact of 2°C warming, and the resilience of our strategy in different climate-related scenarios, will be undertaken in the coming year. We also intend to consider a target for when Amigo could achieve net zero.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas ("GHG") emissions and the related risks.

c Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Our emissions are reported in accordance with the Greenhouse Gas ("GHG") Protocol. We use an operational control approach to account for our emissions using the UK Government DEFRA emissions factors. Each year, we disclose our emissions data in compliance with the Streamlined Energy and Carbon Reporting ("SECR") guidelines through our Annual Report.

The environment intensity indicator we use is kg of CO_2e per employee and we measure tonnes CO_2e for scope 1, scope 2 and selected scope 3 categories. In the coming year, we are planning to extend our carbon accounting to measure scope 3 emissions more fully.

As we continue to improve our climate risk and opportunity assessment process, the results will inform our climate strategy and enable us to define additional targets and metrics. For example, we intend to develop an emissions reduction plan and undertake an analysis to define a suitable net-zero target, which would be aligned to the Paris Agreement's ambition of limiting global warming to 1.5°C. We expect to undertake the process of target setting in the financial year ended March 2024, once our risk and opportunities assessment is completed.

Key

- Compliant
- Currently non-compliant but scheduled for compliance in coming 12 months
- Currently non-compliant and compliance forecast in 24–36 months

Our climate strategy roadmap

Phase 1 FY 23

- We have integrated climate risk and opportunities oversight into the Board governance structure.
- Established the Climate Task Force, which focuses on climate-related risk and opportunities management across the organisation.
- Established the Responsible Business Council with the aim of cascading responsibility for climate-related risk and opportunity management, alongside other ESG issues, down from the Board and senior management, across the organisation.
- Defined sustainability strategy priorities around the UN SDGs with "Climate Action" being one of them.
- We will define responsibilities and mandates related to monitoring and achieving the targets.
- Carry out an assessment to identify key physical and transitional climate-related risks and opportunities over the short, medium and long term.
- Develop strategic plans for mitigating identified risks and adapting the business model to address key opportunities and impacts.
- Determine the financial impact of the identified risks and opportunities as well as the financial impact of any mitigation and contingency plans.
- Carry out a scenario analysis to determine business model resilience against different climate-related scenarios.
- Perform analysis in order to assess a credible Science Based Targets initiative ("SBTi'') aligned net-zero target.
- Train employees on sustainability, climate-related risks and opportunities.

Phase 2 FY 24

- Integrate the detailed climate-related risks and opportunities assessment process into the Company's risk management system and establish a process for prioritising climate-related risks in the overall risk register.
- Measure progress and evaluate the effectiveness of the Company's climate-related governance structure to ensure that the results from the risk and opportunities assessment and scenario analysis are considered by the Board in all strategic business decisions.
- Define targets based on the identified climate-related risks over the short, medium and long term with accompanying key risk indicators ("KRIs") and key performance indicators ("KPIs") for measuring progress.
- Align the Company's climate strategy to the Science Based Targets initiative ("SBTi") and establish a net-zero target.
- Annual review of targets, risks and opportunities and scenario analysis.

Phase 3 FY 25

- Annual review of targets, risks and opportunities and scenario analysis.
- Consider establishing third-party verification for GHG emissions data.

Our people

At Amigo we recognise that it is our people that make the difference. From attracting the right people, to investing in their development and supporting them throughout their career with us, we are focused on creating an environment where our people are happy, healthy and working together as a team to deliver the best possible outcomes for our customers.

The past year has been challenging as the business has faced significant uncertainty regarding its future. As a Company we have had to look deeply into the root cause of past problems and learn from our mistakes, enabling us to move forward together with a renewed sense of purpose and shared values. We have continued to support our employees' health and wellbeing as we have emerged from the Covid-19 pandemic providing flexibility, support and development opportunities to our teams.

Transforming our culture

Significant time has been spent with our employees in exploring and understanding the root causes of the issues that arose from past lending. We have presented the learnings from our analysis to all employees over multiple platforms with presenters from across the business to ensure each and every one of our employees understands where we went wrong in the past and, more importantly, how we must conduct ourselves going forward. In-house training, coaching and internal communications have focused on ensuring all employees understand the importance of delivering good customer outcomes.

Continued investment in training

The training and development of our teams is essential to ensure we deliver the right customer outcomes, comply and remain up to date with regulatory requirements and support our people to fulfil their potential.

Our in-house training team has delivered 9,868 hours of training over the year (FY 2021: 37,000) including 56 e-learning courses, of which 26 are new courses introduced this year. All new starters attend a dedicated induction known as the Amigo Academy, with specific Academies for each of our key business areas. These are designed to enable our employees to have the right skills and capability to deliver the right outcomes to our customers. The lower total hours of training compared to the prior year reflects this year's significantly lower headcount, which has halved since March 2021, as well as a drive for more efficient e-learning modules. This year, we also introduced an apprenticeship programme providing new apprentice roles in Marketing and IT. As well as bringing new members on board, the programme has enabled us to further support the development of our existing teams with the funding of training across two business areas.

This coming financial year, we will be introducing a high-performance organisation ("HPO") approach. Employees' performance will be assessed both against set objectives as well as on how they have demonstrated our Company values. We plan to invest further in employee development opportunities, including a further cohort of Lean Six Sigma Yellow Belts and a leadership development programme in which high potential employees will be provided with tailored learning development plans and ongoing coaching.

Increased focus on employee engagement and retention

To better understand what affects our people and how we can improve their working life, we perform regular surveys using an online platform called Peakon. This year, we increased the frequency of our employee engagement surveys from quarterly to monthly and performed exit interviews for leavers. This has allowed us to understand employee sentiment and create action plans for improvement in real time. Despite the uncertainty around Amigo's future, we are proud to have been able to increase the employee engagement score from 7.3 last year to 8.0 in March 2022. Employees have been provided with frequent opportunities to meet with the leadership team and Board members in an informal setting with an open agenda. Our people are encouraged to provide feedback, ask questions and challenge decisions.

In addition, our Chief Executive Officer holds regular all-employee meetings and publishes fortnightly blogs, aiming to always be transparent with our people about the challenges we face and the opportunities available to us as a business.

Despite the uncertainty around Amigo's future, we are proud to have been able to increase the employee engagement score from 7.3 last year to 8.0 in March 2022.

We have continued to work with an outsourced human resources ("HR") function, strengthening our partnership with The Curve Group consultancy over the year. Having experienced specialists supporting our managers on recruitment, employee relations and administration has proven to be an efficient way of operating. We have also continued to work with our dedicated HR system, the Hub, which provides a single comprehensive, robust and strategic people management solution to streamline processes and reduce manual administrative burden across the Group. This is a self-serve system where employees and their managers can maintain their own personal data.

Health and wellbeing

It has always been very important to us that we support our people in all aspects of their health and wellbeing and this year, we are delighted to have been able to welcome back our Health and Wellbeing Manager, who has driven health and wellbeing initiatives throughout the year, focusing on getting our teams active and eating healthily, managing their mental health and combating loneliness at a time when many of our teams remain remote working.

As one of the leading causes of illness, mental health is an important focus for our business. We have a robust programme of support in this area for our employees, whether the issue is work related or not. We have trained mental health first aider employees and all employees take part in a specific mental health training module at least annually. We provide an Employee Assistance Programme which provides free, confidential, 24/7 support for all employees both online and over the phone, as well as providing face-to-face therapy sessions if required.

Focus area: Responsible Business Council

Our new employee-led council

The newly formed, formally constituted Responsible Business Council is part of our ongoing mission to improve inclusivity and to create a forum that encourages diversity of thought, creating a workplace where people feel empowered to ask questions, be curious and share their views and enabling innovation, fresh thinking and creativity to flourish. Council members will be elected annually and will meet monthly, reporting to the Board quarterly. The Council will provide a real opportunity for our employees to shape the business we will be in the future.

A meaningful voice on a variety of important issues

The Responsible Business Council will act as a sounding board, challenger, innovator and advisor to the Board and business leaders responsible for defining, planning and executing Amigo's ESG strategy.

Priority areas:

1. **Amigo's ESG vision, goals and targets**
2. **Diversity, equity and inclusion**
3. **Climate change related matters**
4. **Charity and community engagement strategy**

Number of members

9[1]

Combined length of service

>46 years

LGBTQ+ representation

22%

Nationalities represented

Education level[2]

Level 2	11%
Level 3	22%
Level 6	45%
Level 7	22%

1 Eight elected members and one council secretary.

2 Education level based on Gov.uk nine qualification levels in England, Wales and Northern Ireland – https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels.

Our people continued

Health and wellbeing continued

We have introduced the option of hybrid working for all employees. This has provided employees with the flexibility many of them told us they wanted. As a result, we have happy and engaged employees who have shown remarkable loyalty to our business during a year of immense uncertainty.

Diversity

To help deliver equity we are committed to supporting diversity and creating an inclusive workplace where all our people feel valued and able to fulfil their potential, regardless of their race, gender, age, religion or disabilities. We aim to be inclusive in our recruitment, selection, promotion and development processes, ensuring full and fair consideration is given to all applications for employment.

The importance of diversity, equity and inclusion ("DEI") is highlighted in our equity and diversity policy and we are proud that this is demonstrated through our culture, where decisions are based on individual ability and potential in relation to the needs of the business.

We have the following controls in place to deliver an inclusive culture and diverse workforce:

- an equity and diversity policy which applies to all employees in Amigo;
- all our employees are required to complete a mandatory equity and diversity e-learning module annually; and
- we seek a good balance of male and female employees through our recruitment and selection processes.

This year, we will be establishing our environmental, social and governance ("ESG") strategy. Driven from the top with the Board taking ultimate responsibility, it will be embedded throughout the business by the introduction of a new employee-led Responsible Business Council.

The Responsible Business Council's composition is intended to generate rich and diverse perspectives on a wide range of topics that fit under the umbrella and will include a focus on DEI. We will look at how we can continue to promote DEI and how we can measure our performance.

The table below shows our employee base at year end, split by gender, using the definition used in the Hampton-Alexander Review[1] (namely the most senior level of management ("ExCo") plus those of its direct reports that are senior managers).

Role	Male	Female	Total
ExCo	8	1	**9**
Senior managers	11	7	**18**
Other employees	85	94	**179**
			206

1 Hampton-Alexander Review – Improving gender balance in FTSE leadership, November 2019.

Our Gender Pay Gap Report, which shows gender pay for a snapshot date of April 2021, is available on our website. It shows a halving of Amigo's median gender pay gap when comparing to April 2020, from 10% to 5%. Tackling gender inequality is high on our DEI agenda and is being championed by Board members Michael Bartholomeusz and Maria Darby-Walker.

Human rights and modern slavery

Amigo respects and supports human rights and is committed to the highest level of ethical standards and sound governance arrangements. We act ethically and with integrity in all our business dealings. In accordance with the UK Modern Slavery Act, our Modern Slavery Statement is approved by our Board and published on our website.

Training stats over the year

We delivered
9,868
total hours of training
FY21: 37,000

Hours of upskill training:
3,639
FY21: 6,000

We delivered
1,278
hours of e-learning in the year and released 56 e-learning courses across the business
FY21: hours of e-learning: 4,300; e-learning courses delivered: 32

We delivered
2,826
hours of training to new employees through the Academy
FY21: 26,000

Our community

As a key player in the UK specialist lending sector, and as a public listed company, Amigo understands its responsibility to drive positive change in society. Being a force for good in our local and wider community is therefore important to us. As a business we have chosen charitable causes that matter to our employees, impact the community in which we operate, and have relevance for our customers and significance within the finance industry. We also want to minimise the impact we have as a business on our environment, and we are committed to ensuring we operate in a sustainable and environmentally friendly way. See our Environment report for details on how we are doing.

Amigo give something back

We play an important role in the lives of our customers and our approach to charity has been built around this. Whilst the Covid-19 pandemic has made it harder for us to carry out our usual fundraising activities, it has highlighted the importance of supporting the most vulnerable in our society. As a business we organised a variety of fundraising events over the year, operating within Covid-19 guidelines, to help support our local community. We have a close relationship with a local children's hospice called Julia's House. This year we have continued to support Julia's House throughout our fundraising and to contribute to charities that help the homeless and the financially vulnerable within our local community.

The following is just some of our activity in the year:

- The business ran an in-house sports day which raised £3,090 for Julia's House. The funds raised helped pay for 66 hours of care in the community, providing support devised specifically to meet the individual needs of a child and their family, from sensory play and interaction to relaxing complementary therapy.
- In March 2021, four Amigo employees volunteered with Julia's House, helping the hospice to reopen in a Covid-safe way.
- We sponsored Bournemouth Electric under 9s children's football team providing a new kit and partnering with Julia's House to put its logo on the front, with the words "We are supporting Julia's House".
- Eight employees took part in a charity golf day, raising £500 for charity.
- The business and employees donated food to two local charities which focus on the needs of vulnerable communities, helping to support lower income families.
  - Bournemouth's Food Bank was looking for food donations to help local families in crisis. Our employees came together to donate 1,544 items which weighed 832kg equalling 2,377 meals.
  - Hope for Food is a local charity based in Bournemouth set up and run entirely by volunteers. The organisation was founded in 2012 with the aim of providing life's essentials on a day-to-day basis to people in need of help. Our Amigos supported the charity by bringing in 637 items of requested toiletries.
- In September 2021 Amigo took part in our own "Amigo Beach Clean Up" on Bournemouth Beach. The council enabled us to spread our "Clean Up" further by working our way through the surrounding areas and gardens.
- We also took part in the Macmillan Coffee Morning. However, rather than the traditional coffee morning, we ran the event all day. Employees brought in their home baked cakes, alongside our own kitchen staff's bakes. From this we were able to raise £522.
- The business donated £630 to a charitable institution that works to address the causes and impacts of poverty.
- The business donated £500 in sponsorship to one of our own employees running a marathon in aid of East Anglia's Children's Hospices ("EACH"). EACH offers care and support for children and young people with life threatening conditions and supports families all over East Anglia.
- Towards the end of the financial year, we donated a total of £2,030 between both the business and employees to a charity in Poland called Siepomaga to support Ukrainian refugees who had been welcomed by Poland following Russia's invasion of Ukraine.
- We organised a clothing donation and were able to provide 20 large bags of new and used clothes to a Polish community in Bournemouth which delivered the bags to Poland to help support Ukrainian refugees.
- Our employees donated to charities of their choice through payroll giving, including Dorset Cancer Care, Julia's House, Dorset Mind and Sleep Safe.

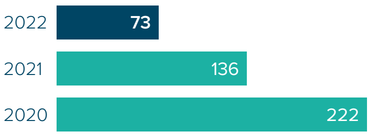
During the coming financial year, we plan to continue our fundraising activities within the local community, whilst also developing new partnerships with local and national charities as we develop our ESG strategy and align our activities with our elected UN Sustainable Development Goals.

KPIs

Summary results and KPIs

The key performance indicators ("KPIs") presented here are helpful in assessing the Group's progress against its strategy and are the KPIs which are closely monitored internally. The KPI's reflect the lack of new lending and run off of the back book. However, they are not exhaustive as management also takes account of a wide range of other measures in assessing underlying performance. See the Financial Review on pages 38 to 40 for further detail on the Group's financial performance throughout the year. For detailed definitions and calculations of all alternative performance measures ("APMs") mentioned, please see the APMs section on pages 153 to 158.

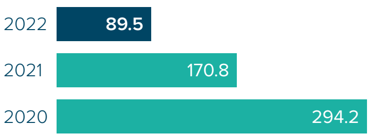
Number of customers
('000)



Description
Number of customers represents accounts with a balance greater than zero, exclusive of charged off accounts at the year end. It is the key non-financial KPI used within the business to review current performance.

Performance
Customer numbers have fallen by 46.3% to 73,000 (2021: 136,000), driven by two factors. Firstly the pause in lending, with no new lending in the year to 31 March 2022 Secondly continued collections on the back-book.

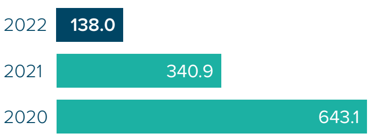
Revenue
(£m)



Description
Revenue comprises interest income on amounts receivable from customers. It is primarily derived from a single segment in the UK, with a small proportion being from the Group's Irish entity, Amigo Loans Ireland Ltd.

Performance
As a result of decreased customer numbers revenue has declined by 47.6% to £89.5m from £170.8m.

Net loan book
(£m)



Description
Net loan book represents the gross loan book less the IFRS 9 impairment provision and modification loss, excluding deferred broker costs.

Performance
Net loan book has reduced by 59.5% to £138.0m (2021: £340.9m); the decline is due to the pause in lending, recognition of modification losses and balance adjustments for upheld customer complaints. Impairment provision coverage increased year-on-year to 25.6% (2021: 19.4%) driven by reforecast expected credit losses, reflecting an increased trend in the level of arrears.

Impairment:revenue ratio
(%)

Description
This ratio represents the Group's impairment charge for the period divided by revenue for the period. This is a key measure for the Group in monitoring risk within the business.

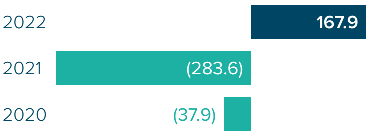
Performance
Year-on-year there has been an increase in the impairment:revenue ratio from 35.5% to 41.3%. This is driven by a reforecast of expected credit losses to reflect an increasing trend in the level of arrears in the year, predominantly from customers exiting Covid-19 payment holidays.

Operating cost:income ratio
(excluding complaints) (%)

Description
The Group defines operating cost:income ratio as operating expenses excluding complaints and items deemed by the Group to be exceptional (such as strategic review, formal sale process costs and related financing costs), divided by revenue.

Performance
Operating cost:income ratio (exclusive of complaints) increased to 27.5% (2021: 26.1%), driven by the reduction in revenue from £170.8m to £89.5m in the year. The Group has a continued strong focus on controlling costs.

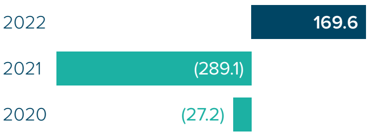
Statutory profit/(loss) before tax
(£m)



Description
This KPI represents statutory profit/loss before tax and is one of the measures used to review performance in the year within the business.

Performance
Statutory profit before tax was £167.9m for the period (2021: loss of £283.6m); this is primarily driven by a decrease in the complaints expense from an increase of £318.8m in 2021 to a credit of £156.6m in 2022, with the provision calculated on a Scheme basis in 2022, following the successful High Court sanction hearing.

Statutory profit/(loss) after tax
(£m)



Description
This KPI represents statutory profit/loss after tax and is reviewed in conjunction with adjusted loss/profit after tax within the business.

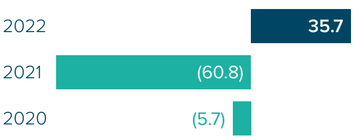
Performance
Statutory profit after tax was £169.6m (2021: loss of £289.1m). Due to losses bought forward there is no tax charge on profits for the year. A small tax credit is shown in the year following release of a prior year tax provision.

Adjusted profit/(loss) after tax
(£m)

Description
Adjusted profit/loss after tax is a non-IFRS measure, adjusting for non-recurring transactions. The Directors believe that adjusting for these items is useful in making year-on-year comparisons.

Performance
Adjusted profit after tax was £13.3m (2021: loss of £279.8m); In the current financial year, it adjusts for tax provision release and securitisation fees. See the Alternative Performance Measures ("APMs") section on pages 153 to 158 for the full reconciliation.

Basic earnings/(loss) per share
(pence)



Description
This measure calculates earnings/loss (profit/loss) after tax per share (weighted average number of shares).

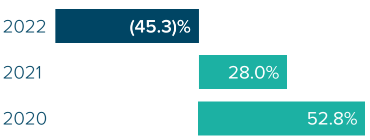
Performance
Basic earnings per share was 35.7p compared to prior years loss per share of 60.8p, driven by the increase in statutory profit after tax year-on-year.

Adjusted basic earnings/(loss) per share
(pence)

Description
This non-IFRS measure is shown in note 13. Basic earnings/loss per share is adjusted for items consistent with adjusted profit/loss after tax to give a better understanding of the underlying performance of the business.

Performance
Adjusted earnings per share was 2.8p compared to a loss of 58.9p in the prior year. This is due to the adjusted profit after tax increase year-on-year driven by the release of complaints provision in the period.

Net (cash)/debt over gross loan book
(%)



Description
Net (cash)/debt is defined as borrowings less cash at bank and in hand. Net (cash)/debt over gross loan book shows if the movement in (cash)/debt is in line with loan book growth.

Performance
Net (cash)/debt over gross loan book has reduced from 28.0% to negative 45.3% at 31 March 2022. Cash collections on the legacy loan book have driven debt reduction and cash increase. Borrowings reduced due to both the repayment of the securitisation facility and £184.1m of the senior secured notes in the period, resulting in a positive net cash position at the end of the period.

Cautious optimism for the future

Danny Malone
Chief Financial Officer

I am pleased to present my first full year Financial Review as Chief Financial Officer ("CFO"). I joined Amigo as Interim CFO in February 2022 and I am delighted to have taken up the role permanently from 6 June 2022, subject to FCA authorisation.

The twelve month period ended 31 March 2022 was a challenging year with the Group committed to addressing liabilities from historical lending practices. With the Scheme now sanctioned, the Board is confident we can move forward with new systems, policies and procedures in place and innovative new products that meet customer needs and a strong demand in the market.

Amigo's key performance indicators, shown in this report, have been considered when reviewing business performance within the financial year. For detailed definitions and calculations of all alternative performance measures ("APMs") mentioned, please see the APMs section at the back of this report.

Overall financial performance

At year end, the Board believed there to be sufficient certainty to account for claims redress on a Scheme basis. This has been confirmed following the High Court decision to sanction the New Business Scheme. This has led to a credit of £156.6m in relation to the claims provision in the consolidated statement of comprehensive income. This is the main driver behind the Group showing a return to profitability in the year.

With the pause in lending continuing, revenues have decreased from £170.8m in the prior year to £89.5m. However, management has retained a tight control on costs and, excluding the release of part of the complaints provision and other non-business as usual items in the year, the Group made an adjusted profit after tax of £13.3m.

The continued strong collection of the back book has allowed the partial repayment of the senior secured notes in January 2022, and has led to a positive net cash balance of £83.9m at 31 March 2022, compared to a net debt position of £118.6m in the prior year.

Although the results show a healthy Shareholder Equity position at 31 March 2022, in reality the value of the business is being delivered to the creditors by way of the Scheme. Once the costs of administering the Scheme and collecting out the remaining portfolio are paid then substantially all of the value will have been delivered to creditors. The remaining working capital will not be sufficient to support future lending which will be funded, in part, by way of an expected equity raise during the twelve months following the Scheme effective date.

Revenue

The ongoing pause in lending throughout the year was the primary driver of the 47.6% decline in revenue year-on-year to £89.5m (FY 2021: £170.8m). This decline was mirrored in the customer numbers which fell by 46.3% to 73,000 (FY 2021: 136,000).

The pause in lending drove a 56.2% reduction in the gross loan book year-on-year to £185.4m (FY 2021: £422.9m). The net loan book reduced by 59.5% year-on-year to £138.0m (FY 2021: £340.9m). This reduction is reflective of both the decline in the gross loan book and impairment coverage which increased to 25.6% (FY 2021: 19.4%) at the year end.

Revenue yield in the year was similar to the prior year at 29.4% (FY 2021: 29.1%). The Group defines revenue yield as annualised revenue over the average of the opening and closing gross loan book for the period.

Impairment

The impairment charge for the year was £37.0m (FY 2021: £60.7m), with the impairment:revenue ratio increasing to 41.3%. At 31 March 2022 the impairment provision stood at £47.4m (FY 2021: £82.0m) representing 25.6% of the gross loan book (FY 2021: 19.4%).

Both the impairment charge and year-end provision are driven by two competing dynamics. The ongoing pause in originations and consequent reduction in the size of the loan book drove a lower impairment charge, partly owing to the upfront expected credit loss methodology of IFRS 9. Counteracting this, reforecast expected credit losses, to reflect the increasing trend in the level of arrears which has persisted through the period, resulted in increased levels of impairment held against the existing loan book.

Whilst unemployment trends are favourable, the cost of living crisis is expected to have an impact on our customer base. Significant uncertainty remains in respect of future customer behaviour and collections as the cost of living increases and the loan book diminishes. Further details on the key judgements and estimates in the IFRS 9 impairment model are set out in note 2 to the financial statements.

Complaints provision

At year end, the Board believed there to be sufficient certainty to account for claims redress on a Scheme basis. This has been confirmed following the High Court decision to sanction the New Business Scheme. This has led to a credit of £156.6m in relation to the claims provision in the consolidated statement of comprehensive income.

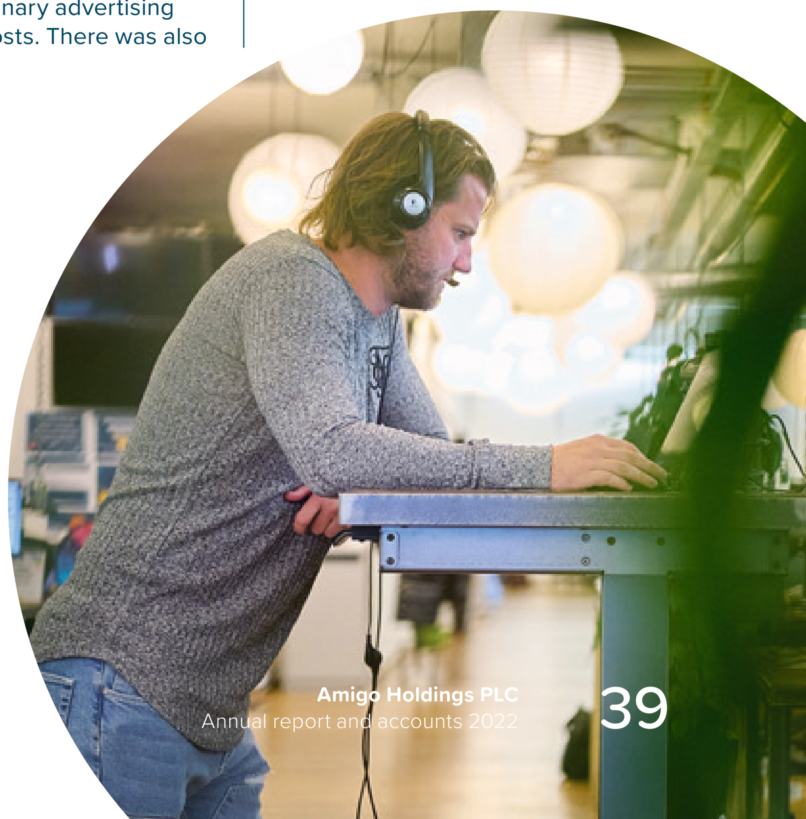
This has resulted in a complaints provision of £179.8m as at 31 March 2022 (FY 2021: £344.6m), after net utilisation of £8.2m in the year.

Sensitivity analysis of the key assumptions, including the volume of claims, is set out in note 2.2 to these financial statements.

Cost management

Administrative and other operating costs decreased by £19.9m (44.7%) year-on-year; however, with revenue declining by 47.6% over the same period the operating cost:income ratio (exclusive of complaints) increased to 27.5% (FY 2021: 26.1%). The composition of the cost remained similar to the prior year. With the pause in lending, savings were made in discretionary advertising and marketing costs. There was also a reduction in other variable costs including communications, print, post and stationery, and bank charges through a combination of targeted efficiency initiatives and declining volumes aligned to the reducing customer base. Employee costs fell significantly following the difficult but necessary decision to restructure the staff cost base through two formal redundancy programmes, announced in the prior year. In the prior year a restructuring provision of £1.0m was included in the financial results in respect of the redundancies, and this was fully utilised in the current year.

The need for financial inclusion is greater than ever and the dearth of mid-cost lenders in Amigo's core customer market presents a significant opportunity for the launch of Amigo's new lending proposition, RewardRate.



Cost management continued

Year-on-year legal and professional fees have reduced primarily due to classification of advisory services related to the Scheme of Arrangement, now being capitalised within the complaints provision figure, whereas in prior year advisory costs were primarily disclosed in operating expenses.

There had also been an absolute reduction in the cost of contractors handling complaints due to the pause in case review whilst the business pursued a Scheme of Arrangement.

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Advertising and marketing	—	0.4
Communication costs	0.4	1.1
Credit scoring costs	0.2	1.7
Employee costs	13.6	21.1
Legal and professional fees	5.1	13.4
Print, post and stationery	0.5	0.8
Bank charges	0.7	1.2
Other	4.1	4.8
	24.6	44.5

Tax

Whilst the twelve months ended 31 March 2022 were profitable, no tax charge has been recognised on profits as the Group has sufficient losses brought forward. A tax credit of £1.7m was applied in the period reflecting the release of a historical tax liability and tax refund.

Profit

Profit before tax was £167.9m for the year (FY 2021: loss of £283.6m) with profit after tax of £169.6m (FY 2021: loss of £289.1m) driven primarily by the complaints provision release and related credit of £156.6m. Adjusting for non-recurring items defined in note 8 of the notes to the summary financial table, adjusted profit after tax was £13.3m (FY 2021: loss of £279.8m).

Our adjusted basic earnings/(loss) per share for the year was earnings of 2.8p (FY 2021: loss of 58.9p), and basic earnings/(loss) per share for the year was earnings of 35.7p (FY 2021: loss of 60.8p).

Funding and liquidity

Funding facilities as at year end (£m)	31 Mar 22	31 Mar 21
Senior secured notes (2024)	50.0	234.1
Securitisation	—	250.0
	50.0	484.1

The securitisation facility in place during the year was fully repaid on 24 September 2021. The Board intends to wind down the securitisation structure as it does not believe that it will be appropriate for the future needs of the business.

The senior secured notes are presented in the financial statements net of unamortised fees. As at 31 March 2022, the gross principal amount outstanding was £50.0m. During the current year, on 4 January 2022, Amigo served notice of the early redemption, at par, of £184.1m of the £234.1m outstanding 7.625% senior secured notes due in 2024 with a redemption date of 15 January 2022. The remaining £50.0m gross principal amount outstanding is due in January 2024.

The Group's average cost of funds, calculated as interest payable as a percentage of average gross loan book, has increased to 5.5% compared to 4.3% at the same time last year due to the reducing gross loan book, partially offset by a reduction in finance costs.

Net cash/(debt) (£m)	31 Mar 22	31 Mar 21
Senior secured notes[1]	(49.7)	(232.1)
Securitisation	—	(64.4)
Cash and cash equivalents	133.6	177.9
Net cash/(debt)	83.9	(118.6)

1 Figures presented above are net of unamortised fees.

Net cash was £83.9m as at 31 March 2022 (FY 2021: net debt of £118.6m) as the back book continued to be collected while originations remained suspended. Unrestricted cash and cash equivalents as at 31 March 2022 decreased to £133.6m (FY 2021: £177.9m) following the early redemption of £184.1m of the senior secured notes due in 2024.

Summary

After a challenging year for Amigo and its stakeholders, following the sanctioning of the New Business Scheme by the High Court and subject to agreement from the FCA, the Board expects to recommence lending in the second half of this calendar year. The outcome of the FCA investigations is pending and a significantly dilutive equity issue is needed to fund the Scheme. This will also be used to part recapitalise the ongoing business.

The Board believes that the approval of the Scheme delivers the best outcome for creditors, and Amigo's return to lending will allow the Group to play an important role in the specialist lending sector, at a time of unprecedented rising living costs.

The need for financial inclusion is greater than ever and the dearth of mid-cost lenders in Amigo's core customer market presents a significant opportunity for the launch of Amigo's new lending proposition, RewardRate. It is on this basis that we look to the future with the cautious optimism that Amigo can soon return to its core purpose of providing those with few options to borrow the opportunity to achieve financial mobility.

Danny Malone
Chief Financial Officer
8 July 2022

A Group-wide risk management framework

Overview

Good risk management is at the core of what we do. Faced with a complex operating environment and significant uncertainty, we have focused upon building a stronger and more adaptable risk management capability. This enables us to better navigate our way forward, making timely decisions that achieve the right outcomes in a controlled and effective way. Our approach is founded upon a risk management framework, articulated risk appetites and supporting policies and procedures that help us manage risks in a resilient manner. Training and awareness is targeted to embed behaviours that support the identification and escalation of risks and issues that threaten the delivery of desired outcomes. The Board is ultimately responsible for our risk management framework and its effectiveness. The Board works together with senior management to promote a responsible culture of risk management by emphasising the importance of balancing risk with profitability and growth in decision making, whilst also ensuring compliance with regulatory requirements and internal policies. At Amigo, every employee is empowered to make risk-aware, purposeful decisions.

This has been a difficult year for Amigo in facing up to existential risks. With the Scheme of Arrangement sanctioned in May 2022, the survival of our business is now dependent upon the restart of lending, the resolution of the outstanding FCA enforcement action and the completion of a successful capital raise.

Paul Dyer
Chief Risk Officer

Three lines of defence

Amigo uses a three lines of defence model to both structure its risk management framework and to give oversight of its effectiveness. This helps us define clear priorities, roles and responsibilities.

- Business units and functions
- Self-assurance teams

First line of defence
This is where day-to-day decisions are made. Business teams identify and track risks, managing and resolving any issues found.

- Risk and compliance functions
- Compliance monitoring team

Second line of defence
Amigo's Chief Risk Officer has dedicated teams that monitor and challenge the first line to ensure risks are identified and managed effectively on an ongoing basis.

- Internal Audit function
- Trusted external subject matter experts

Third line of defence
Trusted third parties undertake regular independent assurance on key risks and controls. This gives confidence over first and second line risk management.

Our risks

Our principal risks

Principal risks are those that can seriously affect performance, future prospects or reputation of the Company. Our risk profile is reviewed regularly at all levels in the organisation to keep us risk aware and decision making aligned to appetite.

Each principal risk has a defined appetite which sets out the baseline level of risk that we are willing to accept. The risk appetite takes into consideration the level of risk exposure and our strategic goals.

Our assessment over this period has remained relatively static with conduct and balancing stakeholder expectations remaining a core focus as we resolve our legacy issues and work to meet regulatory commitments ahead of new lending.

Operational

This relates to the possibility of business operations failing due to inefficiencies or breakdown in internal processes, people and systems.

Conduct

Inappropriate actions taken by individuals or the Company could lead to customer detriment or negatively impact market stability.

Regulatory

If the regulatory environment changes or we don't meet the requirements, it could detrimentally impact our business or ability to lend.

Outcomes

Good outcomes are at the heart of our business objectives. By managing our risks effectively, we support the delivery of good outcomes.

Strategic

The risk that we fail to achieve our objectives, either due to poor decisions or a failure to adapt to changes in the competitive environment.

Credit

Counterparties may fail to meet their debt obligations in full or on time. There may also be exposure to concentrations in credit.

Treasury

A failure to properly manage liquidity could lead to the Company requiring more expensive funding, reducing profitability or even being unable to meet its obligations as they fall due.

Our risks continued

Our principal risks continued

Conduct

Risk appetite

Amigo has a low appetite for action or inaction that leads to customer harm and failure to pay due regard to the particular needs and circumstances of individual customers in our lending decisions and post-sale activities.

Risk drivers and threats

Amigo recognises that the vulnerability of its target market poses higher than average conduct risks.

We are mindful of the impact of increasing inflation and the cost of living on borrowers which will put additional strain on customer finances and affordability.

While there were concerns around the effect of Covid-19 on customers and their financial circumstances, impact was minimised through Amigo's support of government initiatives.

Key mitigating actions

Amigo continues to put effort into improving its conduct risk management approach in parallel with resolving its legacy lending issues. A new culture framework has been developed and will further drive our customer-oriented mindset. We continue to prepare for the new Consumer Duty requirements.

Any new lending will have a strong focus on affordability and identification of vulnerability. Amigo continues to provide ongoing support to vulnerable customers, including forbearance and access to specialised debt support.

Read more on pages 8-9 and page 20

Operational

Risk appetite

Amigo takes a proportionate approach to operational risks, balancing the need to provide resilient operational performance with the need to remain nimble, refining our operations in a continually changing environment. 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.

Risk drivers and threats

Operational resilience has been stable over the last twelve months with no significant disruptions to operations. While approval of the Scheme has increased the certainty of Amigo's future, the people risk and potential for attrition will remain until lending resumes. Third-party risk remains as we have reliance on some key suppliers. The risk of cyber attacks continues to be a threat across all industries.

Key mitigating actions

Amigo partners with trusted third-party cyber experts to manage evolving cyber risks. We continue to build trusted relationships with our suppliers and ensure our resilience capabilities extend across our third-party managed services. We are also engaging with a number of independent specialists to support identification of areas of weakness.

Read more on page 21

Regulatory

Risk appetite

Amigo is in a sector (financial services) and sub-sector (alternative finance) that are inherently subject to significant regulatory risk, but we take all reasonable steps to reduce that risk as it applies to us.

Risk drivers and threats

Amigo has maintained a constructive and open relationship with the Financial Conduct Authority and other regulators and agencies. During this period, the FCA did not object to the Scheme of Arrangement and has agreed that Amigo could return to lending subject to certain conditions being met. The FCA's enforcement investigations remains open.

Key mitigating actions

Amigo continues to work closely with all regulatory stakeholders to effectively execute the Scheme of Arrangement and restart lending in a responsible fashion.

Read more on page 21

Strategic

Risk appetite
Amigo maintains a simple strategy, focusing on maintaining its 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.

Risk drivers and threats
A number of competitor firms which provide mid-cost finance to retail customers have gone into administration in the past year. This has created a gap in the market that Amigo intends to fill with its new proposition. The introduction of a Consumer Duty for firms by the FCA is a further opportunity for Amigo to differentiate itself.

Key mitigating actions
A return to lending with a continuous focus on conduct and regulatory compliance.

Read more on pages 14-15

Treasury

Risk appetite
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.

Risk drivers and threats
Amigo has paid off a substantial proportion of its outstanding senior secured notes in this period.

Key mitigating actions
Maintaining a liquidity buffer remains a priority as we seek to restart lending.

Read more on page 40

Credit

Risk appetite
Amigo is a mid-cost lender, and we take a degree of credit risk that is consistent with our pricing. Our lending 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.

Risk drivers and threats
The existing loan book continues to perform in line with expectations.

Key mitigating actions
Ongoing monitoring of credit risk and preparation for relending.

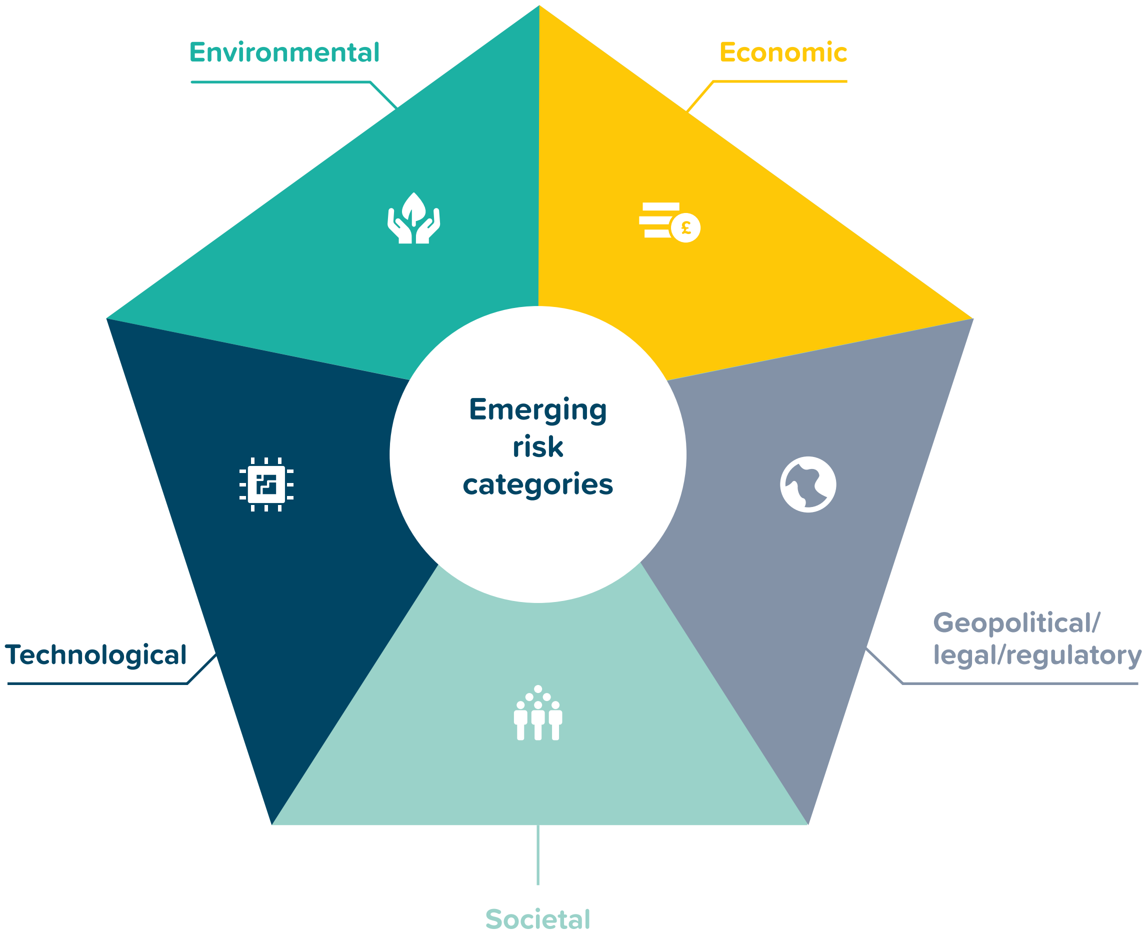
Read more on page 39

Emerging risks

At Amigo, we constantly monitor our internal and external environment to identify new and evolving risks. Emerging risks are newly developing or evolving risks which are potentially significant but are generally characterised by a high degree of uncertainty and are therefore difficult to quantify. These could be trends, innovations or developments that have the potential to adversely impact the delivery of our strategy.

While some risks emerge slowly, such as changing demography, others may change faster with more severe disruption, for example, the recent Covid-19 experience. To be successful, Amigo understands the importance of monitoring the evolution of risks and continually scans the horizon to identify future risks that could impact our success or opportunities, enabling us to better prepare for the unexpected. Horizon scanning is performed on a six-month basis through a process involving scanning and evaluation (which considers both relevance and speed to materialise). Where we identify new risks, we engage with subject matter experts to ensure all aspects are understood. The outputs of horizon scanning are shared with senior managers and the Board for consideration during strategic planning and decision making.

The following section covers the key emerging risk categories.



Technological

Emerging trend	Description
Cyber threats	While Cyber attacks exist and are a recognised risk to Amigo, they are also considered an emerging risk due to their rapid speed of change and nature and potential impact including digital disruption.
Future of data regulation	The organisation operates in a highly regulated market which continues to see a high level of regulatory change.
Adoption of open banking	Open banking is central to a shift to more digital services which better connect financial companies, customers, regulators and technology services. With open banking comes additional risks including integration challenges, privacy concerns and lack of knowledge from consumers.
Business disruption	The pandemic has been a major driver of awareness around the risks associated with business interruption, including supply chain disruption.
Fintech consolidation	Public pressure to address income inequality may be met by use of alternative data sources for evaluating creditworthiness and otherwise assessing eligibility.

Environmental

Emerging trend	Description
Pandemics	With Amigo's hybrid working policy, the impact of Covid and increased remote working has not had a material impact on the organisations ability to operate. The potential for further pandemics, a shifting range of pathogens and antimicrobial resistance, however, remains an emerging risk.
Climate change	With growing awareness of the impacts of climate change, increasing investor and regulatory focus is being placed on environmental, social and governance ("ESG"), including climate-related issues. Amigo is developing its ESG strategy.

Economic

Emerging trend	Description
Increasing inflation risk	Increased rate of inflation and cost of living will likely impact loan affordability and increase the proportion of vulnerable customers.
Economic recovery post-pandemic	There will still be unanticipated impacts to customers and staff as a result of pandemic recovery including tightening of credit options.

Geopolitical/legal/regulatory

Emerging trend	Description
Speed of regulatory change	2022 continues to bring high levels of regulatory supervision and enforcement. Regulatory requirements continue to expand, and regulatory expectations are rapidly increasing.
New political landscape	The potential remains that changes within government policies, business requirements, or other political decisions may have a detrimental impact on business decisions or outcomes.

Societal

Emerging trend	Description
Growing customer indebtedness and wealth gap	Increasing potential for financially vulnerable to become further indebted.
Growing levels of economic abuse	Potential for increasing and undetected prevalence of economic abuse within households.

Going concern and viability statement

Going concern

In determining the appropriate basis of preparation for these financial statements, the Board has undertaken an assessment of the Group and Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This has taken into account the Group's business plan and the principal risks and uncertainties facing the Group, including the success of the Scheme of Arrangement ("the Scheme"). The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

Following the sanctioning by the High Court on 26 May of the Scheme of Arrangement ("the Scheme") the Group now has a clear path to returning to lending over the next twelve months. Failure to meet the conditions of the Scheme however remains a key risk faced by the Group. The relevant conditions are:

- approval before 26 February 2023 by the Financial Conduct Authority for Amigo to resume lending; and
- issuance and sale of at least 19 shares for every 1 share in issue before 26 May 2023.

Should either of these conditions remain unsatisfied within the required timeframes, under the terms of the Scheme the business will revert to a managed wind-down and neither the Group nor Company will be a going concern. Projections show the business has sufficient resources for a solvent wind-down in this context.

However, the Directors have a reasonable expectation that these conditions can be met and, therefore, have modelled a 'Base scenario' and 'Severe but plausible downside Scheme scenario' which the Directors believe are realistic alternatives to the managed wind-down scenario.

Base scenario – business plan assumptions

The Base scenario assumes that:

- the conditions of the Scheme (explained above) are met in the required timescales, with FCA approval to commence re-lending being received in Summer 2022;
- balance adjustments resulting from complaints in the Scheme are consistent with the assumptions that underpin the complaints provision reported as at 31 March 2022 (see note 2.2.2);
- at least the minimum committed amount of £112m is paid out as cash redress in the Scheme, being £97m from existing resources and future collections plus an additional £15m following the equity raise;
- new lending originations commence as soon as possible in summer 2022; and
- collections on the existing loan book continue in line with recent experience.

This scenario indicates that the Group will have sufficient funds to enable it to operate within its available facilities and settle its liabilities as they fall due for at least the next twelve months.

Severe but plausible downside Scheme scenario

The Directors have prepared a severe but plausible downside scenario. This assumes the conditions of the Scheme are met and also that the Group is able to successfully obtain new debt financing to enable it to repay its non-current borrowings as they fall due in January 2024, but considers the potential impact of:

- an increased number of upheld complaints. Whilst this sensitivity does not increase the cash liability, which is capped under the Scheme, the number of customers receiving balance write downs will increase, thus reducing future collections and adversely impacting the Group's liquidity position;
- increased credit losses as a result of the cost of living crisis and the inability of an increased number of the Group's customers to continue to make payments;
- halving of forecast origination volumes, whether arising due to delays in new product launch or market conditions; and
- halving of new equity funding raised (whilst still meeting the dilution conditions of the Scheme).

This severe but plausible downside Scheme scenario indicates that the Group's available liquidity headroom would reduce but would be sufficient to enable the Group to continue to settle its liabilities as they fall due for at least the next twelve months.

FCA investigation

The Group is currently under investigation by the FCA in relation to historical lending and complaints management processes. We are hopeful that the outcome of these investigations will be known within the next twelve months. If the enforcement process is not completed within twelve months, then Amigo could fail to comply with one of the Scheme conditions and is likely to revert to the fallback solution or some form of insolvency.

There are a number of avenues of sanction open to the FCA should it deem it appropriate and so the potential impact of the investigation on the business is extremely difficult to predict and quantify, so has not been provided for in the financial statements, and is not modelled in the business plan or stress scenario. In mitigation, the FCA has stated that the levying of any fine would be considered in the context of the Scheme and its impact on creditors. However, if the FCA were to impose a significant fine it would significantly reduce the Group's available liquidity headroom and the Group may potentially need to source additional financing to maintain adequate liquidity and to continue to operate.

Conclusion

Approval by the High Court of the Scheme provides the Group with a clear path to return to lending under a business plan which has been the subject of extensive external scrutiny as a result of the Court process. Based on the severe but plausible scenario the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operation for at least the next twelve months. Accounting standards require an entity to prepare financial statements on a going concern basis unless the Board either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Accordingly, the Board believes that it remains appropriate to prepare the financial statements on a going concern basis.

However, the Board also recognises that at the date of approval of these financial statements significant uncertainty remains. The Scheme requires the meeting of conditions, being approval for a return to lending before 26 February 2023 and issuance and sale of at least 19 shares for every 1 share in issue before 26 May 2023. Additionally, the successful delivery of the Group's business plan depends on raising sufficient equity and/or debt funding and the final outcome of the FCA investigations remains highly uncertain. These conditions are outside of the control of the Group. These matters indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt over the Group and Company's ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Viability statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Board has assessed the viability of the Group over the three years to March 2025. 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 49), and the Group's principal risks and uncertainties and how these are managed (see pages 42 to 47).

The Directors' assessment covers a period of three years to March 2025, which the Board believes is the most appropriate period for the assessment of long-term viability as it is aligned to the Group's three-year strategic planning scenario analysis. The financial projections are built on a bottom-up, granular basis and make specific assumptions in respect of future credit losses, customer complaints redress, funding and capital structure. These assumptions are reviewed for reasonableness with key internal and external stakeholders and benchmarked to consensus economic forecasts. The Board obtains independent assurance from the Risk function over the alignment of the strategic plan with the Board's risk appetite.

In making the assessment of viability, the Board took account of scenarios that show the effects of severe but plausible stresses to key assumptions in the plan. Details of the scenarios are provided in note 1.1 to the financial statements.

Funding

In the context of the prolonged lending pause and the necessity to preserve cash for the benefit of creditors whilst the Scheme options were under consideration, funding lines which have historically been available to the Group have either been withdrawn or mostly repaid. The Group's return to lending as set out in the base case plan is predicated on raising sufficient debt and equity funding to sustain the business at scale. Such future activity inherently entails a high degree of uncertainty where success is based at least partly on external market factors.

Directors' assessment

However, the Directors 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 to 31 March 2025, subject to the assumptions that:

1. the conditions of the Scheme are met in a timely manner;
2. the FCA investigation does not result in a material financial or other penalty;
3. sufficient funding is achieved, and originations reach a level, to support a business at scale; and
4. collections on the legacy book remain materially within the levels forecast.

The assessment concluded that were sufficient realistic management actions which could be taken to mitigate material credit and liquidity risks.

Corporate governance

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Chair's introduction

A committed Board

Jonathan Roe
Chair

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 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' Remuneration Report; and
- the Directors' Report.

During the 2021/22 financial year the business focus was very much on ensuring continuity and progression of the business in the face of a number of headwinds that challenged the very survival of the business, as well as maintained an effective governance structure that was appropriate for the Company.

At Board level we continued to strive for a well-balanced and effective Board, strong oversight of risk management and sound stakeholder relationships.

Earlier in the year, the Board has made strenuous efforts to develop and expand Board membership, so it had the necessary skills composition to deal with the serious and challenging issues facing the Company. These efforts were hampered in the early part of the reporting period by the rejection of the original Scheme of Arrangement proposal, by the High Court, and the continued uncertainty of the wider business. Some suitable candidates identified in the period had to be stood down on the grounds of incurring costs following that decision.

In January 2022 we took on Danny Malone to act as interim CFO, to replace Mike Corcoran. The Board are very pleased when Danny agreed to become a Director and permanent CFO. The recruitment of two additional Non-Executive Directors will be a significant challenge for the Board in the remaining part of the 2022, now that the High Court has approved the New Business Scheme of Arrangement.

Overall, I remain delighted with the quality of the Directors. Every member of the Board continues to have a common belief in the societal purpose that Amigo has and the role it can play in providing finance and hope to its customers.

By any measures this has been a busy year for the Board as evidenced by the number of meetings for the Board and Committee (see page 57).

I would like to thank my fellow Directors past and present for their support and commitment to Amigo during this difficult time.

Jonathan Roe
Chair of the Board
8 July 2022

Board of Directors and Company Secretary

Jonathan Roe
Chair of the Board
Non-Executive Director

A N R Ri

Age: 66 **Tenure:** 2 years

Profile
Jonathan joined the Board on 1 August 2020 as a Non-Executive Director and became Non-Executive Chair of the Board following approval by the FCA under the Senior Managers Regime on 13 October 2020.

Background and external appointments
Jonathan has extensive experience of advising listed and regulated companies and is a qualified Chartered Accountant. His experience includes 25 years advising public companies on major corporate transactions, principally with Dresdner Kleinwort as a senior member of its Equity Capital Markets team, where his clients included Norwich Union, Orange, Rosneft, HBOS and M&A, and related fundraising activity for BAE Systems, 3i Group, Provident Financial and Avis Europe. Jonathan was recently Non-Executive Chairman of Vanquis Bank for three and a half years, having been a Non-Executive Director for four years prior to his appointment as Non-Executive Chairman.

Brings to the Board
Jonathan has experience of chairing the Remuneration, Audit, Nomination and Risk Committees of Vanquis Bank. Jonathan was a Non-Executive Director for Automobile Association Insurance Services Limited for six years where he chaired its Audit, Risk & Compliance Committee and Remuneration Committee.

Gary Jennison
Chief Executive Officer

Age: 65 **Tenure:** 2 years

Profile
Gary joined the Board as a Non-Executive Director on 17 August 2020 but then took up the role of CEO on 23 September 2020.

Background and external appointments
Gary has over 40 years of experience within the financial services sector, of which approximately 20 years have been at CEO or board level. These appointments covered a wide spectrum of the credit industry with positions at The Warranty Group, Secure Trust Bank, Barclays Bank, Lex Vehicle Leasing, GE Capital, Hitachi Credit, Lloyds Bowmaker, PayZone UK and Together Money. Since 2017, Gary has been Chairman of Orchard Funding Group, Lantern Debt Recovery Services, the Fry Group and the advisory board of Positive Momentum Partners. He was also a Non-Executive Director of Admiral Financial Services Limited.

Brings to the Board
Gary is a proven executive with a history of having worked in regulated financial services businesses and leading them through times of change. He has the necessary commitment, skills and experience to lead Amigo forward in the next chapter of its development.

Danny Malone
Chief Financial Officer

Age: 58 **Tenure:** Less than 1 year

Profile
Danny joined the Board on 6 June 2022 as Chief Financial Officer ("CFO"), subject to FCA approval under the Senior Managers' Regime, and following joining Amigo as Interim CFO on 7 February 2022.

Background and external appointments
Danny is a qualified chartered accountant and has extensive business and regulatory experience gained across multiple financial services companies and banks at Board level, mostly operating in the non-standard consumer finance sector. He co-founded Everyday Loans in 2006 and was Finance Director until 2013, when, following its acquisition by Secure Trust Bank, he became CEO through to 2018. Previously he was European CFO of CitiFinancial Europe PLC, part of Citigroup. Danny is also a Non-Executive Chairman of Floan Limited, a start-up fintech business operating in the Buy Now Pay Later sector and a Non-Executive Director of The Personal Finance Centre Limited, a secured loan broker.

Brings to the Board
Danny is an experienced CFO and senior manager with direct hands-on experience with the non-standard finance and consumer credit sector. Danny has a record for delivering solutions in a fast moving FCA regulated environment.

Committee key:

(A) Audit (N) Nomination (R) Remuneration (Ri) Risk ● Committee chair

Maria Darby-Walker
Senior Independent Director
Non-Executive Director

A N **R** Ri

Age: 57 **Tenure:** 1 year

Profile
Maria joined the Board as a Non-Executive Director on 12 October 2020 and became Chair of the Remuneration Committee on 20 January 2021 and appointed SID, subject to FCA approval.

Background and external appointments
Maria has over 30 years of experience advising the boards of leading brands on marketing, brand and corporate reputation, including within the financial services sector. Experienced at developing strategy, managing risk and organisational change, she helps businesses to create their narrative and proactively engage with their stakeholders; she has a strong focus on driving good culture, leadership and purposeful behaviour. Her client list has included: the FCA, Iglo/Birds Eye, Cadbury and Rio Tinto amongst other leading brands. Maria is also a Non-Executive Director of Personal Group Holdings plc, where she chairs the Remuneration Committee and is Senior Independent Director of Redwood Bank Limited. Maria is an Ambassador for Women on Boards, a member of Deloitte's Women on Boards Academy, and was voted one of Cranfield University's "100 Women to Watch" for FTSE board positions. Maria is due to be appointed a Visiting Fellow to the University of Oxford from 1 September 2022.

Brings to the Board
Maria has financial and regulatory experience and prior experience as Senior Independent Director and Chair of a Remuneration Committee, combined with a commitment to open and transparent engagement with all stakeholders.

Michael Bartholomeusz
Independent
Non-Executive Director

A N R **Ri**

Age: 64 **Tenure:** 1 year

Profile
Michael joined the Board as a Non-Executive Director on 19 November 2020 and became Chair of the Risk Committee on 19 July 2021. He currently is also the Interim Chair of the Audit Committee.

Background and external appointments
Michael is a qualified Chartered Accountant and has held senior management and board level positions with GE Capital Europe, AIG UK, Prudential UK and Flood Re as well as at Abbey National and Santander UK, and acting as a senior consultant for KPMG and Promontory. He was Chief Risk Officer at AIG UK and Flood Re and the Regulatory and Conduct Risk Director at Prudential UK. He is also currently a Non-Executive Director of SICSIC Advisory Ltd a London based boutique consultancy, focusing on financial services risk and regulation. Michael became Chair of the Risk Committee at Amigo, following approval by the Financial Conduct Authority on 19 July 2021. Michael is a Fellow of the Association of Corporate Treasurers and a Certified Member of the Institute of Risk Management.

Brings to the Board
Michael brings to the Board a wealth of risk management and regulatory advisory expertise with over 35 years of experience at executive and non-executive director level, in a variety of financial services companies.

Roger Bennett
Company Secretary

Age: 59 **Tenure:** 3 years

Profile
Roger joined Amigo in June 2018, in preparation for the Company joining the London Stock Exchange, acting as Head of Company Secretariat. Roger became Company Secretary on 12 July 2019.

Background and external appointments
Prior to joining the Group, Roger was Group Company Secretary and Head of Governance at Miton Group plc since 2007. Roger has performed board level roles, including that of Finance Director and Company Secretary at various investment management, wealth management, stockbroking and Lloyds of London underwriting agencies. Roger is a qualified Chartered Accountant and has a BA (Hons) in Accountancy Studies from Exeter University.

Brings to the Board
Roger has extensive experience acting as Company Secretary of listed and unlisted regulated financial sector companies.

Other Directors holding office in the year
Michael Corcoran was a Director of the Company during the year until he resigned on 19 February 2022.

Executive Committee (ExCo) members

In addition to Gary Jennison and Danny Malone, whose biographies are shown on page 52, the following senior managers sit on the Executive Committee:

Nicholas Beal
Chief Restructuring Officer

Profile
Nick held the position of Director of Legal and Compliance for Amigo from February 2016 until March 2019, and was Company Secretary for the Group between November 2013 and June 2019 and Chief Regulatory and Public Affairs Officer from April 2019 to October 2020. He has served as Director of Legal and Compliance for various Group companies since September 2011. Nick became Chief Restructuring Officer in October 2020. 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.

Paul Dyer
Chief Risk Officer

Profile
Paul Dyer joined Amigo as Chief Risk Officer in November 2020. Paul has a wealth of risk and regulatory experience, including being a member of the FCA's senior leadership team for two years and in heading up Regulatory Risk and Assurance at Huntswood Compliance Consulting. Paul has held a number of leadership positions in regulated financial services firms, previously ran his own consultancy and was the CEO of the Association of Professional Compliance Consultants. Paul is a member of the Institute of Risk Management and an advisor to the Bar Standards Board. Paul holds a Masters degree with distinction in Innovation, Creativity, Leadership from CASS university.

Jake Ranson
Chief Customer Officer

Profile
Jake joined Amigo in June 2021. As Chief Customer Officer he leads the marketing and distribution strategies that deliver Amigo's brand goal of widening mainstream financial inclusion and bringing about positive customer outcomes. Jake spent over a decade at Equifax where, as European Chief Marketing Officer, he led strategy, product, pricing and marketing and played a key role in delivering its transformation and reputation rebuild programmes. Jake also brings industry experience from ClearScore and most recently Freedom Finance where his product team won numerous awards for its work on widening access to affordable credit using Open Banking technology. Jake has a BA in history and postgraduate qualifications from the LSE and Ashridge.

Other senior managers in the year

Steve King, who was Chief Customer Officer and a member of the Executive Committee, left the business on 30 June 2021.

Naynesh Patel, who was Chief Analytics Officer and a member of the Executive Committee, left the business on 31 July 2021.

Shaminder Rai, who was Chief Transformation Officer and a member of the Executive Committee, left the business on 12 November 2021.

Candice Openshaw, who was Head of Human Resources and a member of the Executive Committee at the year end, left the business on 26 June 2022.

Andy Smith
Chief Technology Officer (Interim)

Profile
Andy Smith joined Amigo in September 2021 as Interim CTO. Andy has held a number of CIO, COO and Transformation Lead positions in financial services organisations, both public and private equity-owned, including GE Capital, CIT Bank, First Data Corp, The Warranty Group and Assurant. Leading large pan-European teams, he has worked with C-Suite and Board colleagues, successfully driving business and technology transformation programmes, implemented technology solutions to drive efficiencies and improve the customer experience, led customer service improvement programmes which delivered significant business growth, and helped companies embrace and adapt to change as a result of M&A activity. Andy has a BA in Pure Mathematics, Statistics and Economics from The University of Sheffield.

James Tattersall
Operations Director

Profile
James Tattersall joined Amigo as Head of Customer Care in June 2021, before taking up the position of Head of Operations. James has over 25 years of experience leading the delivery of customer service outcomes within Financial Services organisations, covering Life & Pensions, General Insurance, Banking and now Consumer Credit. James joined from Domestic & General, where he was Group Head of Customers Care, a role that covered it's UK and European businesses. Prior to that, James worked for Hastings Direct as its Head of Customer Relations, leading a multi-disciplined operational transformation programme. James has also run his own successful consultancy business, specialising in MI, System Transformation, Root Cause and Remediation across the UK.

Corporate governance statement

Statement of compliance with the 2018 UK Corporate Governance Code

Amigo is subject to the 2018 UK Corporate Governance Code (the "UK Corporate Governance Code") which was issued in July 2018 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. Throughout the year to 31 March 2022, the Company has complied with the provisions set out in the UK Corporate Governance Code, except for the following matters:

Per provision 5, for engagement with the workforce, one or a combination of the following methods should be used by the Company: a director appointed from the workforce; a formal workforce advisory panel; or a designated non-executive director. Due to the difficult position faced by the Company the Board and senior management has actively engaged at all levels of the business and that engagement was judged to be sufficient with a workforce reduced to c.210 people for much of the year. Subsequent to the year end the Company formed the Responsible Business Council ("RBC"), which included within its varied role, active engagement with the wider workforce. Currently approximately 50% of the membership of the Committee is elected directly from applicants drawn from across the entire workforce. Two NEDs are invited to attend the RBC to facilitate greater interaction between the Board and the wider workforce.

Per provision 12, the Board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding Board for the chair and serve as an intermediary for the other directors and shareholders. The Company did not have an appointed senior independent director in the year. Subsequent to the year end, Maria Darby-Walker was appointed to the role of Senior Independent Director, subject to the approval of the FCA.

Per provision 21, the Board should carry out a formal and rigorous annual evaluation of the performance of the Board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated Board evaluation. In FTSE 350 companies this should happen at least every three years. The Board is aware that it is now over three years since the Company floated with a premium listing on the London Stock Exchange and no external evaluation of the Board has been undertaken. Given the then insolvent balance sheet and the complete rotation of the Board in the previous year, the Board took the decision that it would not be appropriate to incur the costs of an external third party company to facilitate a Board evaluation, until the New Business Scheme was sanctioned by the Court.

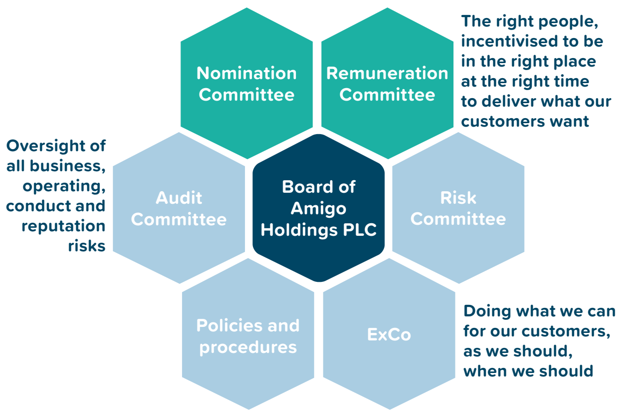
Following the sanction of the New Business Scheme in May 2022, the Company engaged The Corporate Governance Institute of UK and Ireland to carry out the evaluation. The work is expected to start in September 2022.

Per provision 24, the Audit Committee is required to have three Independent Non-Executive Directors and the Chair of the Board should not be a member. Throughout the year, the Audit Committee had three Non-Executive Directors, one of whom, Jonathan Roe, was also the Chair of the Board. The Committee is chaired on an interim basis by Michael Bartholomeusz. A process is underway to bring the composition of the Committee back into compliance with the UK Corporate Governance Code including the appointment of a new Chair of the Committee.

Statement of Compliance with TCFD, pages 28 to 31 report on the Company's response to compliance with the requirements of Listing Rule 9.8.6R. The requirements are derived from the adoption by the UK, in December 2021, of the recommendations emanating from the Task Force for Climate-related Financial Disclosure ("TCFD"). As has been documented elsewhere in the Annual Report, until the sanctioning of the New Business Scheme by the Court, the Company operated with an insolvent balance sheet. As a consequence of the insolvent balance sheet the Board was required to operate the Company on behalf of creditors and was tightly constrained financially. As a consequence of the financial constraints the Company remains early on its journey to deliver against all the recommendations of the TCFD. Notwithstanding the constraints during the reporting period, the Board is satisfied the Company has taken substantive steps to address the issues raised and believes it is on track to fully meet the obligations arising from TCFD as outlined in the Climate Strategy Roadmap (see p.31).

Leadership and effectiveness

Governance structure



Corporate governance

Role of the Board

Meeting type	Total meetings in year	Jonathan Roe[1]	Maria Darby-Walker[2]	Michael Bartholomeusz[3]	Gary Jennison[4]	Mike Corcoran[5]
Board – scheduled	9	8	9	9	9	7
Board – ad hoc	34	34	33	29	33	27
Audit	5	5	5	5	n/a	n/a
Risk	4	4	3	4	n/a	n/a
Remuneration	10	10	10	10	n/a	n/a
Nomination	3	3	3	3	n/a	n/a

1 Jonathan Roe was appointed as a Director on 1 August 2020.
2 Maria Darby-Walker was appointed as a Director on 21 October 2020.
3 Michael Bartholomeusz was appointed as a Director on 19 November 2020.
4 Gary Jennison was appointed as a Director on 17 August 2020.
5 Mike Corcoran stood down as CFO on 24 January 2022 and as a Director on 19 February 2022.

The Board has collective responsibility for the long-term success of Amigo and for its leadership, strategy, control and management. The purpose of the Company and its subsidiaries is to offer affordable credit to individuals who are not able to readily access credit through the mainstream banking and financial sector. Often our customers have had problems with credit in the past. The offices of Chair 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 Chair 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. The Chair is also responsible for setting the style and tone of Board discussions.
The CEO's role is to develop Amigo's strategic direction (subject to the Articles of Association and to approval of the shareholders in general meetings as may be required from time to time) and to lead senior management in executing Amigo's strategy and managing the conduct risk and 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 against the Company's risk appetite and formal objectives and that the financial and management 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, setting and monitoring the firm's culture, and overall conduct and 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 61 and 62. 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 normally meets formally on a monthly basis together with other senior managers as appropriate.

Board meetings are scheduled to be held ten times a year, with main meetings frequently linked to key events in the Group's financial calendar, with the annual results being approved at the Annual General Meeting ("AGM"). 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, and would, if appropriate, also meet to approve the interim and final dividends 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, along with key senior managers from the business, considered future strategy throughout the year. As well as meeting the ongoing solvency and conduct issues, the Board reviewed the current position of the market offering and considered options for meeting future customer demand. When considering the business of the Group, the Board is aware of the need to have regard to the matters set out in section 172 of the Companies Act 2006 (see pages 20 to 23) as well as the significance of environmental, social and governance ("ESG") matters.

Governance report continued

Leadership and effectiveness continued

Operation of the Board continued

Budgets are prepared for the next financial year, which are reviewed and approved by the Board in March. 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 implementation of a Scheme of Arrangement to address historic liabilities arising from the Group's prior lending activities; the management of the business whilst operating with an insolvent balance sheet; meeting the challenges of the ongoing regulatory scrutiny; and the impact of a deteriorating economic back drop on the remaining customer base.

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 notified commitments.

Generally it is Company policy to hold meetings in person but with the restrictions imposed due to the Covid-19 pandemic many of the meetings in the year have been held virtually. For those Directors who are unable to attend meetings in person, 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 Chair holds regular, informal meetings with the Non-Executive Directors without the Executive Directors being present.

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. The review process undertaken by the Board requires members to rate their own performance and the performance of the Board through completion of a questionnaire. The review process for the year was disrupted due to the uncertainty over the future of the business. The Board did not carry out a formal Board evaluation in the period on the grounds that the costs and time commitment to carry out an effective evaluation was not consistent with the obligations placed on Directors to manage the business on behalf of creditors given the solvency position. The Board has engaged the services of The Chartered Governance Institute of UK and Ireland, an independent specialist agency, to carry out a formal Board evaluation in September 2022. The Board will look to implement the recommendations and actions arising from the review.

Areas covered by the review will include the composition and processes to be 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. 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 to be considered 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 their 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 (subject to Covid-19 restrictions) and are encouraged to familiarise themselves on aspects of the day-to-day business.

Newly appointed Directors would be provided with induction materials on joining the Board to acquaint them with the Group. This normally includes meetings with other Board members and senior management, and general information on the Group, its policies and procedures, financial and operational information. 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 was able to obtain Directors' and Officers' liability insurance from 1 December 2021. At the year end the Group did hold Directors' and Officers' liability insurance.

During the year all Board members, in line with all employees, were required to complete the online e-learning modules that have been prepared specifically for the Group. The e-learning modules cover a wide spectrum of activities, including compliance, conduct, culture, anti-money laundering, anti-bribery and corruption, employment-related matters, health and safety, data protection and cybersecurity. In addition the Board received specific refresher training on: the Market Abuse Regulation responsibilities and its implications; and insolvency matters, including the orderly treatment of creditors provided by the Company's legal and financial advisors.

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, structure and diversity

As at the year end the Board comprised the Independent Non-Executive Chair, one Executive Director and two Independent Non-Executive Directors. The Chair was Jonathan Roe and the CEO was Gary Jennison. The Directors' biographies are on pages 52 and 53. During the year, Executive Director and CFO, Mike Corcoran, stepped down as CFO on 24 January 2022 and resigned as a Director on 19 February 2022. Danny Malone was appointed as Interim CFO. Subsequent to the year end, on 6 June 2022, Danny Malone was appointed as an Executive Director and CFO, subject to approval of the FCA. The dates of the changes in directorships are listed in the table on page 93.

The Board has started the search to recruit a new Chair for the Audit Committee as well as an additional Non-Executive Director.

Amigo's policy and approach to diversity at Board level is described in the Nomination Committee Report on page 68, while Amigo's commitment to diversity and inclusion within the workforce, and how it has been implemented, can be found on page 34.

Independence

After careful consideration the Board is confident that all of the Non-Executive Directors during the year satisfied the independence criteria of the UK Corporate Governance Code on their appointment and continued to satisfy those criteria.

Jonathan Roe 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 has remained independent during his time as Chair. The Company appointed Maria Darby-Walker as Senior Independent Director after the year end, subject to the approval of the FCA. As well as supporting the Chair and acting as a sounding board for the Chair 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 wish to do so.

Prior to his appointment as a Non-Executive Director, Michael Bartholomeusz engaged in a one-off short-term consultation exercise to identify possible improvements to the risk function of the Company. The Board is satisfied that Michael Bartholomeusz has remained independent throughout the period of his appointment as a Director.

Board independence and Committee membership – Directors as at 31 March 2022

Name	Independent	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee
Jonathan Roe	Yes	●	■	●	●
Maria Darby-Walker	Yes	●	●	■	●
Michael Bartholomeusz	Yes	■[1]	●	●	■
Gary Jennison	No				

1 Interim Chair pending appointment of new Chair of the Audit Committee.

Key: ● Member ■ Chair

Independence continued

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 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. During the year, a small number of such potential conflicts relating to Directors' own remuneration arrangements were considered, 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.

Internal controls and risk management framework

The Board follows an internal control and risk management framework, which includes the following key elements:

- a clear schedule of matters which require approval at Board level;
- a policy in relation to delegation of authority and the limitations which apply;
- comprehensive costs budget prepared for the Group, and individual business units;
- ongoing monitoring of the performance of the Group, and individual business units, against budgets with reports given to the Board on a regular basis;
- internal audit assessments, both with respect to financial matters and business matters, discussed with management and the Audit Committee together with corrective actions agreed and monitored;
- a centralised financial reporting system and process, with controls and reconciliation procedures designed to facilitate the production of the consolidated accounts;
- assessment of accounting standard changes with both the external auditor and the Audit Committee;
- documented policies made widely available to employees in relation to anti-bribery and corruption, anti-money laundering, data export controls and whistleblowing;
- an ongoing review of the principal risks which face the Group, in addition to the assessment undertaken by the Audit Committee in preparing the viability statement; and
- regular reports in relation to finance, tax and treasury given to the Audit Committee.

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. The Company has a dedicated Investor Relations team which regularly corresponds with all shareholders. In reality the share register is dominated by retail shareholders, the majority of whom invest into the Company through well known shareholding aggregators: such as Hargreaves Lansdown, Interactive Investor and Halifax Share Dealing to name the three largest on our share register at the year end.

For institutional shareholders and analysts

During the year there was dialogue with institutional shareholders and analysts including dial-in and individual meetings after the announcement of the year-end, half year and quarterly results. The investor presentations prepared for the periodic results are placed on the Company's website for all investors to see.

The Board receives reports and feedback on the meetings held between the Executive Directors and shareholders, and internally circulates copies of analysts' reports on the Group. The Chair of the Board and the Senior Independent Director are available to shareholders if they have concerns about governance issues which the normal channels of contact fail to resolve.

For retail shareholders

The Board is aware that as at the signing date that the Company's shares are substantially owned by retail investors. As a consequence of this transition from institutional to retail investor ownership the Board has spent time and resources liaising with shareholder groups representing retail investors and made efforts to ensure the investor presentations prepared for the periodic results are understandable and accessible by retail investors.

Annual General Meeting (AGM)

Amigo will hold its fourth AGM in 2022 on 28 September 2022. The notice of the AGM will be 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 receive the Annual Report and Accounts. Shareholders will be able to submit individual questions as part of the AGM process.

Future General Meeting

One of the conditions precedent for the completion of the New Business Scheme requires the Company to carry out a substantive capital raising exercise, most likely effected via a mixture of equity and debt. The composition of the capital raise has not been finalised at the date of the publication of this Annual Report but it is expected that equity raise element will be by way of a Rights Issue. The Company has previously announced that the Rights Issue would result in a substantial dilution to any existing shareholders who elected not to take up all their rights' entitlement. It is anticipated that shareholders will need to approve elements of the capital raise via a General Meeting at some, yet to be organised, future date. The Board is aware of the need for extensive engagement with shareholders and other stakeholders in the lead up to the anticipated General Meeting, which it is hoped will be held before the end of Q1 2023. The deadline for completion of the initial capital raising exercise is 25 May, 2023, the anniversary of the approval of New Business Scheme.

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. The Investor Relations team is happy to answer questions by email at investors@amigo.me.

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. • 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, Director 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.

Board Committees continued

Committee	Key function, responsibility and area of expertise
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, operational resilience, 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 and 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.
Remuneration	• Determines the terms and conditions of employment of each of the Board, Executive Directors, senior management and Company Secretary. Determines the remuneration policy, which includes termination and compensation payments, 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 Audit Committee, Nomination Committee, Risk Committee and Remuneration Committee have been approved by the Board and are available on request or to download from the Group's website.

The Group also has a Disclosure Committee, which is responsible for managing the disclosure of information by the Group in compliance with its obligations under the Market Abuse Regulation, the Financial Conduct Authority's Listing Rules, and the Disclosure Guidance and Transparency Rules. The Disclosure Committee is comprised of the members of the Board and other senior managers, if appropriate, but due to the time pressures associated with considering such disclosive matters, may at times not include all Directors. The Disclosure Committee meets on an ad hoc basis and considers matters when appropriate during the year. During the year to 31 March 2022 the Disclosure Committee held eight meetings.

Disclosure Guidance and Transparency Rules disclosure

The information required by DTR 7.2 is set out in this report, the Nomination Committee Report, the Risk 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 report

Michael Bartholomeusz
Interim Chair of the Audit Committee

Committee members

Member	Meetings	Attendance
Michael Bartholomeusz[1]	5	5
Maria Darby-Walker[2]	5	5
Jonathan Roe[3]	5	5

1 Michael Bartholomeusz was appointed on 19 November 2020.
2 Maria Darby-Walker was appointed on 21 October 2020.
3 Jonathan Roe was appointed on 1 August 2020.

Focus areas for 2023

- Considering the impact of the ongoing arrangements for the New Business Scheme
- Considering the impact of the worsening economic environment on the loan book
- Development of assurance reporting
- Implications of the return to lending
- Appointing a new external auditor
- Ensuring the internal whistleblowing safeguards are visibly aligned with both the return to lending and the activity of the Responsible Business Council

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 and 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: the Group's published financial statements, being the Quarterly, Interim and Annual Reports and Accounts; provisioning for complaints, loan impairment, going concern and viability statements issues.

The Committee has devoted much time to consideration of the provisioning methodology to be used when considering the evaluation of potential redress for complaints. The Committee also continued with the evaluation of IFRS 9 issues and the implications for our continuing impairment rate calculations. This work has been undertaken in conjunction with the Risk Committee.

Over the year the Committee considered implications of the complaints situation and the impact of a Scheme of Arrangement on the long-term financial viability of the business. The Committee had to consider the implications of both the success and failure of the proposed Schemes of Arrangement to be sanctioned by the Courts, on financial reporting and in terms of whether the going concern basis was the correct basis on which to prepare this report. 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.

The Committee has followed and considered the impacts of Covid-19, the worsening underlying economic situation including the substantial rise in inflation and, in conjunction with the Risk Committee, devoted time to the potential impact on impairment rates.

Another key role of the Committee has been the management of the Internal Audit function provided by Pricewaterhouse Coopers LLP ('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 work undertaken on agreed management actions.

I would like to thank the members of the Committee for their hard work and commitment over the last year.

Michael Bartholomeusz
Interim Chair of the Audit Committee
8 July 2022

Audit Committee report continued

Committee composition

There were no changes to the Committee membership over the year. The members of the Committee during the year were Michael Bartholomeusz, who acted as Interim Chair, Jonathan Roe and Maria Darby-Walker. The Board is actively seeking to recruit a replacement Chair of the Committee. The Board considers all members of the Committee to be independent.

Roles and responsibilities

The principal duties of the Audit Committee were:

Financial reporting

- Monitor the integrity of the Annual, Interim and Quarterly Reports and Accounts.
- Review and report to the Board on significant financial reporting issues, estimates and judgements, particularly in relation to accounting for complaints and IFRS 9.
- Review 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.
- Review the reporting implications on the financial statements based on the status of the two separate Scheme of Arrangement applications, and consider any implications arising from the sanctioning of the New Business Scheme in May 2022.
- Review of reporting on ESG and TCFD related matters within the Annual Report.

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 raise concerns confidentially and 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.

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 of 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 5 meetings during the year. Attendance at these meetings by the Committee members is shown in the table on page 63. On each occasion the CFO or Interim CFO, Company Secretary and other senior members of the executive team attended, including the Chief Risk Officer. The external auditors attended meetings when matters relating to the financial reporting cycle were discussed. Attendance by representatives of the Internal Auditors 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 Chairs of the Committee maintains 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 where necessary to reflect changes in the responsibilities of the Committee. In addition, the Committee will conduct 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: continuation of the development of the Internal Audit programme and the firms own assurance reporting structure, especially in relation to affordability and conduct risk and the implications for the return to lending; oversight of the impact of the worsening economic environment on the loan book; and ensuring the internal whistleblowing safeguards are visibly aligned with both the return to lending and the activity of the Responsible Business Council. Given the recent changes to the size and nature of the Group's business, since the original tender and appointment, it is appropriate for both KPMG and the Company to reconsider the audit of the Amigo group of companies. KPMG will not be offering themselves for re-election at the AGM due to be held on 28 September 2022. The Directors have commenced the tender process for the selection of the replacement auditor. Given the aforementioned financial issues, the Committee will continue to monitor whether the going concern basis remains the correct basis on which to prepare the financial statements.

Key activities of the Audit Committee in 2021/22

The Committee met 5 times during the year and the following activities were undertaken:

- reviewed and considered significant issues relevant to the Annual Report and Accounts for the year ended 31 March 2021 including confirmation of the application of Amigo's accounting policies and any material changes to financial reporting requirements;
- reviewed and considered significant issues relevant to the unaudited Quarterly Report and Accounts to 30 June 2021;
- reviewed and considered significant issues relevant to the unaudited Interim Report and Accounts to 30 September 2021;
- reviewed and considered significant issues relevant to the unaudited Quarterly Report and Accounts to 31 December 2021;
- reviewed and approved Amigo's method for the assessment of adequate provisions to cover the ongoing costs of complaints. Work included challenge of assumptions used by management in preparing the complaints' provisions and on the implementation of the appropriate methodology for calculating the provision;
- reviewed and assessed the methodology used for carrying the provisions to cover the cost of complaints given the proposed Scheme of Arrangement and, following rejection of the first Scheme by the Court in May 2021, the change in approach to the calculation of the provision for complaints at the year end;
- reviewed and approved Amigo's method for the assessment of impairment provisions in accordance with IFRS 9. Work included challenge of management assumptions used when preparing IFRS 9 provisions, and its relationship to the Covid-19 forbearance provisioning undertaken;
- reviewed, considered and agreed the need for an impairment in the carrying value of subsidiaries within the Group;
- reviewed and considered accounting for Covid-19 forbearance measures, including the need for modification loss accounting and changes to income recognition;
- reviewed the external auditor's audit planning report for the year ended 31 March 2022 and findings from the 2021/22 interim audit work completed in the period. Work included discussion with the audit team about the ongoing audit and level of scrutiny required during the audit process;
- reviewed and approved the audit fee for the interim and final audit work resulting from the agreed external auditors strategy and plan;
- 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, given the implications of the increased provisioning to cover the costs of complaints raised by customers and the failure of the first Scheme of Arrangement to obtain the approval in May 2021. Work included challenge of management assumptions used in determining going concern and viability and took into consideration the likely possible outcomes, including whether the FCA would approve the return of Amigo to lending and support a new Scheme of Arrangement. The work included considering if the Company had reasonable prospects of continuing as a viable business or as an orderly wind-down or could be required to enter into an insolvency arrangement;
- reviewed the impact on the provision for complaints given the sanction of the New business Scheme in May 2022;
- reviewed and considered significant issues relevant to the Annual Report and Accounts for the year ended 31 March 2022 including confirmation of the application of Amigo's accounting policies and any material changes to financial reporting requirements, especially given the approval of the New Business Scheme in May 2022;
- reviewed and approved the Internal Audit plan from PwC and reviewed various reports throughout the year;
- reviewed and maintained the whistleblowing policy and ensured any reports made under the policy were appropriately investigated and followed through to conclusion; and
- assessed the effectiveness of the Internal Audit function by reference to the quality, experience and expertise of the team provided by PwC, and by reviewing periodic and individual reports on specific areas of interest. During the year, Internal Audit focused on:
  - management information assessment;
  - affordability;
  - business continuity;
  - collections, forbearance and arrears management;
  - complaints handling;
  - cyber security;
  - data management and data protection;
  - fraud control;
  - payroll;
  - cyber and business continuity; and
  - vulnerability and vulnerable customers.

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, its performance against that plan and its 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 on pages 100 to 108.

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 KPMG did not provide any non-audit work. Details of audit fees paid to KPMG are provided in note 7 to the consolidated financial statements.

There was a tender of audit services in February 2017 when KPMG was appointed as auditor to the Group. Given the changes to the business, since the original tender and appointment, it is appropriate for both KPMG and the Company to reconsider the audit of the Amigo group of companies. KPMG will not be offering themselves for re-election at the AGM due to be held on 28 September 2022.

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	How the Committee addressed the issues
IFRS 9	• Determination of a "significant increase" in credit risk. • Consideration of expected credit loss profiles and rational provided by management. • Monitoring of the relevance of the Covid-19 to the economic overlay during the early part of the year. • Consideration of the impact of present value discounting on Expected Credit Loss ("ECL") reporting.
Conduct risk (including complaints)	• Consideration of impact of regulatory scrutiny on activities of the business. • Consideration of regulatory redress payable from complaints, taking into account the impact of the Scheme of Arrangement agreed subsequent to the year end. • Consideration of changes required to meet changes in regulatory requirements and environment over the period, including output from the increased third party assurance work undertaken. • Considered uncertainties surrounding the outcomes associated with the provision.
Going concern	• Consideration of a risk to going concern resulting from the financial commitments due to redress payable on upheld complaints. • Consideration of short, medium and long-term funding requirements considering complaints and impact of the deteriorating economic situation on impairment levels. • Consideration of whether the failure of the first Scheme of Arrangement to deal with the costs of dealing with customer complaints would impact the future survival of the business and whether as a result going concern was the correct basis on which to prepare the financial report throughout the period before the New Business Scheme was sanctioned by the High Court in May 2022.
Recoverability of parent company investment in subsidiaries	• Annual review of carrying value of investment in subsidiaries against forward-looking economic valuation of subsidiaries. • Consideration of likely movements and changes in valuation resulting from future originations and future debt recoverability. • Consideration of the cash-generating unit associated with subsidiary undertakings.

Nomination Committee report

Jonathan Roe
Chair of the Nomination Committee

Committee members

Member	Meetings	Attendance
Jonathan Roe[1]	3	3
Maria Darby-Walker[2]	3	3
Michael Bartholomeusz[3]	3	3

1 Jonathan Roe was appointed on 1 August 2020.
2 Maria Darby-Walker was appointed on 12 October 2020.
3 Michael Bartholomeusz was appointed on 19 November 2020.

Focus areas for 2023

- Recruitment of two additional Non-Executive Directors, including a Chair of the Audit committee
- Board evaluation exercise and implementation of the findings

Overview

I am pleased to introduce our Nomination Committee Report for 2021/22, which explains the Committee's focus and activities during the year, which by anyone's standard has been a challenging period for Directors and management. The focus of the Committee has continued to be on seeking to ensure that the size, composition and structure of the Board are appropriate for the delivery of the Group's strategic objectives and dealing with the many challenges it is facing. A task not made any easier by the fluctuating progress with obtaining an approved Scheme of Arrangement over the period. There were no changes in the Committee during the review period and throughout this time it strove to ensure that the Company met the provisions of the UK Corporate Governance Code, although this was not always possible.

Committee composition

I have been Chair of the Nomination Committee throughout the review period. Maria Darby-Walker and Michael Bartholomeusz are also both current members of the Committee. All the 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 sufficient resource is available for the Board Committees to operate effectively.

Key activities of the Nomination Committee in the year

The Committee held 3 meetings during the year. Attendance at these meetings by the Committee members is shown in the table on this page.

This year has not been without its challenges for the Committee. The replacement of the CFO, Mike Corcoran, mid year proving particularly challenging given the difficulties caused by the financial situation facing the Company.

Nomination Committee report continued

Key activities of the Nomination Committee in the year continued

Other key activities during the year included:

- reviewing the composition of the various Board Committees;
- supporting the appointment of Danny Malone as interim CFO, and subsequent to the year end, as CFO, subject to FCA approval; and
- reviewing the skill set of the Board and senior management and initiating a training programme to meet identified training requirements, particularly in relation to the introduction of the Senior Managers and Certification Regime, treatment of preferential creditors and Schemes of Arrangement.

The issues of succession planning and Board structure will remain the ongoing focus of the Committee during the course of the forthcoming year now that the determination on the Schemes of Arrangement has been made by the Court.

The Committee has been actively seeking to build the Board and identify skills shortages. The Board is actively seeking to recruit two additional Non-Executive Directors, including an individual who can perform the role of Chair of the Audit Committee. Maintaining the skills composition will be a key consideration as we develop over the next year.

The Group has asked all Directors to stand for re-election at this year's AGM. This is in accordance with best practice identified in the UK Corporate Governance Code.

The Committee has not undertaken an external evaluation of the Board this year, as the process was disrupted by the ongoing workflow to seek approval for the Scheme of Arrangement. The Committee has engaged The Corporate Governance Institute of UK and Ireland to undertake a thorough review in Autumn 2022 now that the New Business Scheme has been sanctioned by the High Court.

Diversity

The Company's policy is not to discriminate against any individual on any basis. The Board members are aware from their own experiences that a wider, diverse pool of talent is more likely to result in the Company making better informed decisions. The Board has actively sought to meet the objective of trying to recruit more women and individuals from diverse backgrounds for both senior management and Director roles. With the sanctioning of the New Business Scheme the Board can actively recruit new Board members, with a key view to increase diversity (including gender and ethnicity) on the Board.

The Board currently consists of five people (but four at the year end), which will expand with the appointment of a new Chair of the Audit Committee and an additional Non-Executive Director. The Board believes that Amigo would be best served by creating a diverse Board with a suitable range of skills, experience and knowledge across all the Board members.

The Hampton-Alexander Report and the Parker Review diversity recommendations will be a key consideration as we look to build the best Board for the future of Amigo. The Committee recognises that it has much work to do to meet these voluntary targets.

Jonathan Roe
Chair of the Nomination Committee
8 July 2022

Risk Committee report

Michael Bartholomeusz
Chair of the Risk Committee

Committee members

Member	Meetings	Attendance
Jonathan Roe[1]	4	4
Maria Darby-Walker[2]	4	3
Michael Bartholomeusz[3]	4	4

1 Jonathan Roe was appointed on 1 August 2020.
2 Maria Darby-Walker was appointed on 12 October 2020.
3 Michael Bartholomeusz was appointed on 19 November 2020 and approved as Chair on 19 July 2021.

Focus areas for 2023

- Review of emerging risks
- Enhancement of the policies and standard framework
- Introduction of climate related risks
- Continued automation of risk management and reporting through the CAMMS system
- That risks associated with the return to lending are properly considered and overseen
- That appropriate actions are taken to mitigate risks to customers and the firms arising from a worsening economic environment

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, managing the impact of a deteriorating economic backdrop, residual Covid-19 issues and Covid-19 forbearance on the business, and dealing with the consequences of historic complaints activity against Amigo, including the possible impact and subsequent fallout from the failure of the first proposed Scheme of Arrangement to receive Court sanction, together with the ongoing investigations by the FCA.

A key part of the Committee's work was to oversee the: development of an enhanced risk management framework, building on a detailed root cause analysis exercise performed to identify the reasons for past failings; and the assessment of impairment across the various loan cohorts. 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. We also had to consider the changing landscape in relation to complaints and the changing position of the FOS. In relation to lending to customers, despite there being no new lending in the review period, we have taken into account the regulatory landscape when developing a strategy for the responsible return to lending.

The Committee has also extensively monitored the Group's liquidity position during the year, to ensure that the Group maintained adequate access to funds and a strong cash position. At the end of the year, the Group had net cash of £83.9m.

The Committee has continued to enhance and embed an appropriate risk culture as the Group evolves. Areas of focus have included building a robust platform for the return to lending, business continuity planning, consideration of operational resilience 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 risk report and quarterly credit loss forecasts.

One of the areas of uncertainty facing the business was the deteriorating underlying economic conditions, the return of significant inflationary pressures and the continuing fallout from Covid-19. This deterioration has had a significant adverse effect on many of our stakeholders, especially our customers and employees. Helping these customers and managing the default risk of these customers going forward will be critical to the business. In this regard, we have considered the appropriate scenarios and stress tests that should be applied and the potential impact on the business. Anecdotal evidence suggests some customers benefited from furlough scheme payments earlier in the review period but the furlough scheme has now ceased so the pressures may be enhanced going forward.

Increasingly over the year the Committee, in tandem with the Audit Committee, considered the implications of the complaints situation. The Committee had to also consider the implications of the failure of the first proposed Scheme of Arrangement to be approved by the Court. This presented real challenges for the Committee and the Board to consider, with the implications on solvency, viability and going concern.

Risk Committee report continued

Overview continued
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.

Risk Committee
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 from both the Company's and customers' perspective.

Membership and attendance
The Committee consists of the Non-Executive Directors. The CEO, CFO, Chief Risk Officer, Chief Restructuring Officer and Company Secretary normally attend all Risk Committee meetings. Other interested parties are also invited to attend Committee meetings, as appropriate. The Committee met 4 times during the year. Attendance at Risk Committee meetings is set out on page 69.

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.

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:

- considering the risks to consumers (conduct) as well as risks to the business (prudential);
- advising the Board on the Group'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, operational continuity, 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 and customer and conduct risk; and
- reviewing the activities of the Chief Risk Officer including considering appointment and removal.

Key activities of the Risk Committee during 2021/22
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 43 to 45.

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:

- in consideration of the changed regulatory environment, the need for improved risk maturity and culture assessments development and review of the risk management framework and risk appetite as part of a risk transformation exercise, including improved KRI identification and management;
- the ongoing review and identification of action plans put in place to mitigate risks, resulting in strengthened three lines of defence, including the development and implementation of a new group wide risk management systems (called CAMMS);
- considering the assurance plan, including the management of overdue audit and assurance issues;
- considering the conduct risks, identified through a Root Cause Analysis, impacting the return to lending by Amigo, with enhanced monitoring of vulnerability, affordability, responsible lending and arrears management issues;
- considering the impacts of inflation, worsening economic situation and legacy issues from Covid-19 and the application of Covid-19 forbearance measures;
- considering the impacts and implications arising out of any non-lending related complaints activity;
- a regular review of the loss forecast data for input into provisioning under IFRS 9 for the impairment rate;
- considering financial crime and fraud related risks; and
- review of Operational Resilience Report and monitoring people attrition rates.

Areas of focus in 2022/23
The Committee intends to continue to improve the Company's risk management framework during 2022/23. Key tasks include: a review of emerging risks; the enhancement of the policies and standard framework; the introduction of climate related risks into the suite of KRI; the continued automation of risk management and reporting through the CAMMS system; that risks associated with the return to lending are properly considered and overseen; and that appropriate actions are taken to mitigate risks to customers and the firm arising from a worsening economic environment.

Michael Bartholomeusz
Chair of the Risk Committee
8 July 2022

Directors' remuneration report

Maria Darby-Walker
Chair of the Remuneration Committee

Committee members

Member	Meetings	Attendance
Maria Darby-Walker[1]	10	10
Michael Bartholomeusz[2]	10	10
Jonathan Roe[3]	10	10

1 Maria Darby-Walker was appointed on 12 October 2020.
2 Michael Bartholomeusz was appointed 19 November 2020.
3 Jonathan Roe was appointed on 1 August 2020.

Focus areas for 2023

- Benchmarking exercise for Directors and senior managers
- Revision of Directors' Remuneration Policy for approval at the next AGM
- Implementation of appropriate recommendations resulting from the benchmarking exercise

Report from the Chair of the Remuneration Committee

I am pleased to present the Remuneration Committee Report for the year ended 31 March 2022. The Committee has a number of accountabilities including responsibility for assessing and administering the Directors' Remuneration Policy ("Policy"), reviewing and, where appropriate, endorsing senior management remuneration and oversight of the Group Remuneration Policy.

In addition to this letter and a "Remuneration at a glance" section, this report consists of two key sections as required by the reporting regulations:

Section 1 – Annual Report on Remuneration: this section details the remuneration receivable by our Executive and Non-Executive Directors in respect of 2021/22 and summarises how we intend to implement the Remuneration Policy in 2022/23.

Section 2 – Remuneration Policy: at our 2022 AGM we are required under the UK Companies Act to seek re-approval of our Directors' Remuneration Policy every three years. Our current Directors' Remuneration Policy was approved by shareholders at the Company's AGM in 2019. The changes are not substantive but are detailed on pages 85 to 91 below.

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 Groups (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 100 to 108, as specified by the UK Listing Authority and the Regulations.

Business context for 2021/22

The fourth year of Amigo as a public company has continued to be a period of significant change and challenge for the business. At a headline level many of the financial measures were improved substantially by the sanctioning of the New Business Scheme in May 2022. As noted in the Financial Review on pages 38 to 40, the sanctioning of the Scheme facilitated the write-back of a considerable element of the complaints provision, which masks the true position of the business. The ongoing business of managing our customers' loans has been somewhat overshadowed in the period by the work needed to achieve: a viable Scheme of Arrangement; resolution of historic legacy issues, including the ongoing enforcement actions; and the preparations for a return to lending.

The Profit before tax was £167.9m, compared to a loss before tax of £(283.6)m in FY2021. This was driven primarily by the release of the £156.6m from the complaints provision. The net cash position of the Group also improved substantially to a surplus of £83.9m at the year end, from a deficit of £118.6m at the previous year end. In the period, the net loan book decreased by 59.5% to £138.0m, a reflection of the continuing collections activity of the business, and the continuing cessation of new lending activity during the year.

Director changes in the period

Mike Corcoran stepped down as the CFO of the Company on 24 January 2022 and resigned as a Director on 19 February 2022. As announced on 6 June 2022, Danny Malone has now been appointed as a Director and CFO, subject to FCA approval.

Details regarding the terms of Mike Corcoran's departure and the new remuneration terms for Danny Malone are set out in this report. All of these terms were agreed within the scope of the Company's current Directors' Remuneration Policy.

Remuneration decisions and outcomes for 2021/22

The Committee's activities focused on the application of the Policy in the year including adjustments to base pay with effect from 1 April 2021 and the formal details of any bonus plan, the outcomes of which are described below, as well as awards under the LTIP.

As noted above, the change in CFO required the Committee to consider the appropriateness of the existing remuneration arrangements for the departing CFO, the terms offered as part of the departure process, and the terms for Danny Malone, originally as interim, but subsequent to the year end, as a permanent Executive Director appointment.

Throughout the year the Committee was actively involved in reviewing remuneration for senior management appointments below board level. The Committee had to balance the financial position of the business generally with the need to recruit and retain the wider team. All against a backdrop of a deteriorating economic situation. In response to this the Committee agreed a 5% cost of living rise to all staff below the Executive Director and ExCo level.

The awards of LTIP during the year were made under the same performance conditions as was agreed in the previous year. No awards of LTIP were made to Executive Directors in the year. In response to comments made during the first failed application for a Scheme of Arrangement, Gary Jennison, voluntarily forfeited his LTIP award over 9,500,000 shares in the Company for nil compensation.

Under the current Policy, the CEO and CFO are eligible for consideration of a bonus award up to 150% and 100% of base salary, with all of any bonus earned being subject to deferral into shares for three years, unless a minimum shareholding requirement is met. There was no annual bonus declared for the Executive Directors in the year, as set out on pages 75 and 76.

As has been documented elsewhere in this report the Company did not achieve the core threshold performance criteria for the award of bonus entitlement under the arrangements laid out for 2021/22. Given the ongoing challenges facing the business, as well as the requirement of the Voluntary Requirement agreed with the FCA during the year, the Committee has not proposed to pay a bonus to either of the Executive Directors during the year.

Renewal of the Remuneration Policy at the 2022 AGM

At the 2022 AGM, shareholders will be asked to approve two resolutions related to Directors' remuneration matters. These resolutions are:

- to approve the Directors' Remuneration Report; and
- to approve a new Directors' Remuneration Policy.

The vote to approve the Directors' Remuneration Report is the normal annual advisory vote on such matters. If approved by our shareholders, the Directors' Remuneration Policy will apply for a maximum of three years from the 2022 AGM and will replace the Directors' Remuneration Policy previously approved at the 2019 AGM.

With regards to the resolution to approve the Directors' Remuneration Policy, given the Company's position we have consciously sought to position this item as a straight-forward renewal of our existing policy to the extent that it is appropriate to do so. It is mandatory under the UK Companies Act for a company listed on the Main Market of the London Stock Exchange to have its Directors' Remuneration Policy re-approved by shareholders every three years.

The 2022 Directors' Remuneration Policy contains no proposed changes to the base salary of the Executive Directors, although it does propose changes which will allow the Remuneration Committee discretion when determining the amount of any bonus which needs to be deferred. Given the Company's position, we are very likely to review continuing appropriateness and effectiveness of the policy during the course of 2022/23 and if the outcome from that review requires any changes to the Policy, these matters will be brought to the AGM in 2023 for shareholders' approval.

For transparency, we have made a limited number of changes to the policy which we feel reflect either market best practice or the removal of features which were "bespoke" and reflected the "Founder Status" of the Company's then CEO at IPO in June 2018. Changes, if any, to the prior Policy are detailed for each remuneration section on pages 85 and 91.

We are happy to receive feedback from shareholders at any time in relation to our remuneration policies and hope to receive your support for the resolutions referred to above at our forthcoming AGM. I will be available at the AGM to answer any questions you may have.

I hope that you find the report informative and that it provides a clear rationale for the decisions that the Committee has taken.

Maria Darby-Walker
Chair of the Remuneration Committee
8 July 2022

Remuneration at a glance

This brief section summarises our remuneration principles which form the foundation for our Policy.

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 sales growth and sustainable shareholder returns through the delivery of transparent products to our customers by colleagues exhibiting the 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 the 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.

Section 1 – Annual Report on Remuneration

1.1 Committee composition during the year

During the year, the Committee comprised:

- Maria Darby-Walker, Jonathan Roe and Michael Bartholomeusz.

There were 10 Committee meetings held during the year; details of attendance are shown in the table on page 71. 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:

- reviewed and approved the Directors' Remuneration Report in the Annual Report and Accounts for the year ended 31 March 2022;
- discussed and approved both financial and strategic targets for and made LTIP awards to key personnel;
- discussed and approved remuneration for Gary Jennison as CEO and Mike Corcoran as CFO;
- considered the exit terms for Mike Corcoran as CFO; and
- approved terms of appointment for senior management joining the business (such as the Chief Risk Officer, Chief Commercial Officer, Chief Operations Officer, Interim Complaints Director, Interim Chief Technology Officer and Interim CFO).

1.3 Advisors and other attendees

During the year, the Committee has been supported by the Head of HR and the Company Secretary. The CEO and CFO also attend Committee meetings on occasion, at the request of the Committee; but 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 did not use the services of an external remuneration consultant. Since the year end the Committee has engaged FIT Remuneration Consultants LLP to provide advice to the Remuneration Committee about the proposed Director's Remuneration Policy, detailed on pages 85 to 91, and to carry out an independent remuneration benchmarking exercise for directors and senior executives.

Section 1 – Annual Report on Remuneration continued

1.3 Advisors and other attendees continued

The Committee considers FIT Remuneration Consultants LLP advice to be independent and impartial, and is also satisfied that the team does not have connections with the Company that might impair its independence. The Committee considered the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Implementation of the Remuneration Policy in 2021/22

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

The following table sets out the total remuneration for Executive Directors and Non-Executive Directors for 2021/22 with prior year comparatives.

	Gary Jennison[4]		Mike Corcoran[5]		Nayan Kisnadwala[6]		Hamish Paton[7]	Glen Crawford[8]
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2020/21	2020/21
Base salary[1]	630,000	329,487	452,692	127,769	—	588,607	320,490	120,000
Bonus	—	—	—	—	—	—	—	—
Benefits[2]	53,246	31,260	36.523	20,407	—	78,601	38,323	—
Pension[3]	—	—	22,635	6,388	—	—	500	5,570
Total	**683,246**	**360,747**	**511,850**	**154,564**	**—**	**667,208**	**359,313**	**125,750**
Total fixed remuneration	**683,246**	**360,747**	**511,850**	**154,564**	**_**	**667,208**	**389,313**	**125,750**
Total variable remuneration	_	_	_	_	_	_	_	_

1 This represents cash paid or receivable in respect of the period. Included within this figure for 2020/21 are payments in lieu of notice for Nayan Kisnadwala (£319,350) and Hamish Paton (£110,769).

2 This represents the value, grossed up for tax, of all benefits paid or receivable in respect of the period including: accommodation costs, use of hotels, etc.

3 This represents pension contributions paid by the Group on behalf of the individual, not inclusive of payments in lieu of pension. Salary in lieu of pension, included in the base salary line, was paid for the following individuals: Gary Jennison (£30,000; 2021 was£15,692). Nayan Kisnadwala (£6,652), Hamish Paton (£7,833), and Glen Crawford (£5,000).

4 Gary Jennison was appointed as an Independent Non-Executive Director of the Company on 17 August 2020. He transitioned to the role of CEO and Executive Director on 23 September 2020, at which point his salary was £600,000 p.a.

5 Mike Corcoran was appointed as a Director of the Company on 11 November 2020. He ceased to be a Director of the Company on 19 February 2022. The amounts above includes £167,918 of accrued payments in lieu of notice (see note 1.13) of which £38,370 was paid in the period to 31 March 2022.

6 Nayan Kisnadwala was appointed as a Director of the Company on 31 January 2019. He ceased to be a Director of the Company on 11 November 2020.

7 Hamish Paton was appointed as a Director of the Company on 29 July 2019. He ceased to be a Director of the Company on 31 July 2020.

8 Glen Crawford was acting as CEO designate from 1 August 2020 to 22 September 2020 with a salary of £600,000 p.a.; during this time he was not officially appointed as a Director of the Company. In the prior year he was a Director of the Company until his resignation on 14 June 2019.

1.5 Changes to Executive Directors

Mike Corcoran resigned as CFO on 24 January 2022 and stepped down as a Director on 19 February 2022. As at the date of this report, he is serving out the remainder of his contract, receiving his monthly salary and associated benefits, including pension, in line with his contractual entitlements, which will run until 18 August 2022. His outstanding incentive awards under the Amigo Holdings PLC 2019 Long Term Incentive Plan are treated in accordance with the Remuneration Policy. Mike Corcoran was treated as a good leaver in respect of his outstanding awards so he shall continue to hold them until the normal vesting date. The outstanding awards shall be pro-rated as to time and performance over the period he was in office. As at the year end, given the share price and profit performance of the Company against the performance conditions of the LTIP award, no entitlement to the Total Shareholder Return and EPS elements of the LTIP is expected at vesting of the LTIP. The Committee will review the remaining Good Conduct element of the LTIP award at the normal vesting point.

Subsequent to the year end, Danny Malone was appointed as CFO, subject to FCA approval, on an annual basic salary of £355,000. This was considered to be reasonable in light of his experience in the sector and with companies going through significant change. Danny is entitled to receive a pension contribution of 5% of basic salary and standard benefits, in line with the Policy. Danny's maximum annual bonus opportunity is 60% of salary in accordance with the Policy. Danny will also be eligible for reimbursement of costs incurred by him for a period of two years or until he relocates to Bournemouth.

1.6 Benefits (audited)

Benefits include payments made in relation to life assurance.

1.7 Pension (audited)

Pension payments represent contributions made either to defined contribution pension schemes or as a cash allowance. The CEO and CFO are entitled to receive a contribution of 5% of base salary in alignment with the wider UK employee population, and/or cash in lieu in the event of contributions in excess of agreed HMRC contribution rates or lifetime allowance. The amounts actually received by the CEO and CFO during the year are set out in section 1.4 above. No Director is entitled to a guaranteed pension in the event of severance or early retirement.

1.8 Bonus (audited)

No bonus was considered for Gary Jennison or Mike Corcoran for the period of their employment. Further details of the bonus scheme are set out on page 84.

Bonus – strategic scorecard

Measure	Weighting %
Our strategic priorities	10%
Our customers and conduct	15%
Our people and culture	15%
Our financial performance	50%
Individual	10%
Total	**100%**

All financial performance targets for the year ended 2022 were withdrawn given the changes in personnel and the cessation of lending activity over the review period. The Board believes that the LTIP provides adequate incentive to Directors and Senior Managers in relation to matching stakeholder interests with the long term interests of the Company.

The Company operates from a dual office location based in Bournemouth and the Board does not consider the activities of Amigo to be highly carbon intensive, given its largely e-comms driven communication strategy and inhouse environmentally sensitive approach. The Committee therefore does not believe it is beneficial to include a benchmark for environmental impact as a remuneration metric, other than within the LTIP.

Section 1 – Annual Report on Remuneration continued

1.8 Bonus (audited) continued

Measure	Weighting %	Performance[1] %
Our strategic priorities	10%	n/a
Our customers and conduct	15%	n/a
Our people and culture	15%	n/a
Our financial performance	50%	n/a
Individual	10%	n/a
Total	**100%**	**n/a**

1 All performance targets were withdrawn for the year due to the financial situation of the Company throughout the period.

Director	Maximum bonus (% of salary)	Actual bonus (% of salary)	Actual bonus £	Bonus deferred into shares %
Gary Jennison	60%	0%	—	0%
Mike Corcoran	60%	0%	—	0%

1.9 Long-term incentives

The Committee are of the view that awards of shares under the Company's approved Long Term Incentive Plan provide appropriate incentive to Executive Directors and better match the aspirations of shareholders to those of the Directors. In addition, the Committee carefully reviewed and modified the performance conditions used to evaluate future vesting of any awards made under the Long Term Incentive Plan, to ensure all stakeholders' interests were promoted appropriately.

Awards made in 2021/22 (audited)

No awards of LTIP were made in the year to Executive Directors. On 3 March 2022 the Company agreed to the request from Gary Jennison, the CEO, that the Company cancel his LTIP Awards over 9,500,000 ordinary shares of 0.25 pence each in the Company, made on 1 December 2020. No compensation will be payable to Mr Jennison for the cancellation of the Award. The Company agreed to the cancellation request made by Mr Jennison because it helped to address the criticism, raised during the Court Sanction hearing held in May 2021, that the Directors could benefit financially through the exercise of LTIP Awards, in the event the Court approved the proposed Scheme of Arrangement.

1.10 Other share awards (audited)

Save As You Earn ("SAYE")

Gary Jennison and Mike Corcoran did not participate in the SAYE during the year.

Share Incentive Plan ("SIP")

Gary Jennison and Mike Corcoran did not participate in the SIP during the year.

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 build up and retain shares with a value equal to 200% of their annual base salary.

The Executive Director, detailed in the table below, purchased shares since he joined the Company. Bonuses are not payable in cash until the relevant Director's shareholding guideline has been met.

	Gary Jennison
Shareholding guideline	200%
Shareholding as at 31 March 2022	1,250,000
Current value (based on share price on 31 March 2022[1])	£67,500
Current % of salary	11.25%

1 This being the last trading day of the financial year. Mid-price £0.0544 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. The shareholdings guideline is 200% of base salary for the CEO and CFO. Under the Remuneration Policy each Director has five years in which to meet the shareholding guideline threshold.

Section 1 – Annual Report on Remuneration continued

1.11 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 any external Non-Executive Director roles.

1.12 Payments to former Directors

Michael Corcoran resigned as CFO on 24 January 2022 and stepped down as a Director on 19 February 2022. As at the balance sheet date he was serving out the remainder of his service contract, receiving his monthly salary and associated benefits, including pension, in line with his contractual entitlements, which will run until 18 August 2022. During the period from 19 February 2022 to 31 March 2022 he was paid £38,370.

No other payments were made to former Directors during the year in respect of their employment by the Company.

1.13 Payments for loss of office

Mike Corcoran resigned as CFO on 24 January 2022 and stepped down as a Director on 19 February 2022. Under the terms of his service contract his salary, pension and benefits for the period to 18 August 2022, amounting to salary of £159,032 plus £7,952 pension contribution and £934 in benefits will be paid in full and treated as compensation for loss of office. Of these amounts: £36,339 was accrued as salary; £1,817 accrued as pension contributions; and £214 accrued as benefits and paid for the period since he stepped down as a Director to 31 Match 2022. The remainder of the balance will be paid after the year end, when due. His outstanding incentive awards under the Long Term Incentive Plan have been treated in accordance with the Remuneration Policy. Mike has been treated as a good leaver in respect of his outstanding awards, the awards have been pro-rated as to time and performance and a portion of the awards have been forfeited but he will continue to hold the remainder until the normal vesting date.

Amigo made no other payments within the scope of the disclosure requirement to any past Director of Amigo during the financial year; we have no de minimis threshold for such disclosures.

1.14 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 contracts will include details of specific performance or objectives if appropriate at the time of appointment.

Due to the specific challenges facing the Company when the contracts for the current CEO and CFO were put in place, the Committee did not deem it appropriate to include specific corporate performance objectives within the service contracts other than to work to further the long-term interests of stakeholders.

Notice periods are set at a period appropriate to the function and the need to maintain consistency for top level leadership across the Group. The Committee will not likely issue a service contract for more then twelve months.

The service contract for Gary Jennison, CEO, provides for a notice period of twelve months, by the Company or the individual.

The service contract for Mike Corcoran, CFO, provided 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.

1.15 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-Executive Directors 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.

1.16 Unexpired term of service contract for Directors at AGM re-election

Director	Term of service
Jonathan Roe	3 months
Maria Darby-Walker	3 months
Michael Bartholomeusz	3 months
Gary Jennison	12 months
Danny Malone	6 months

The unexpired term of service contracts is based on all Director contracts being on a rolling basis unless notice has been given. As at the date of this report, no notice has been given in relation to Directors terminating their service contracts.

1.17 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 Group operates different bonus plans with different performance measures and targets across the business for the wider workforce. Bonus payments are made quarterly, half yearly or annually, depending on the job role. The Group is actively working towards a unified bonus plan for all employees.

The LTIP has been extended to some members of the senior management team below the Board.

1.18 Statement of consideration of shareholder views

In the prior year, the Committee consulted with its largest shareholders prior to publication of the 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.

Section 1 – Annual Report on Remuneration continued

1.19 Single total figure of remuneration for Non-Executive Directors

Non-Executive Director single figure comparison (audited)

2021/22	Jonathan Roe	Maria Darby-Walker	Michael Bartholomeusz
Fees[1]	**175,000**	**82,500**	**91,500[2]**
Bonus	—	—	—
Benefits	**8,655**	**4,836**	**6,178**
Pension	—	—	—
Total	**183,655**	**87,336**	**97,678**
Total fixed remuneration	**183,655**	**87,336**	**97,678**
Total variable remuneration	–	–	–

2020/21	Jonathan Roe[3]	Maria Darby-Walker[4]	Michael Bartholomeusz[5]	Gary Jennison[6]	Stephan Wilcke[7]	Roger Lovering[8]	Richard Price[9]
Fees[1]	116,667	39,135	30,038	6,205	17,035	37,552	42,217
Bonus	—	—	—	—	—	—	—
Benefits	2,331	278	99	358	—	—	—
Pension	—	—	—	—	—	—	—
Total	118,998	39,413	30,137	6,563	17,035	37,552	42,217
Total fixed remuneration	118,998	39,413	30,137	6,563	17,035	37,552	42,217
Total variable remuneration	–	–	–	–	–	–	–

1 This represents cash paid or receivable in respect of the period.
2 Since 1 July 2021, Michael Bartholomeusz receives an additional £1,000 per month for acting as Interim Chair of the Audit Committee.
3 Jonathan Roe was appointed as Director of the Company on 1 August 2020.
4 Maria Darby-Walker was appointed as Director of the Company on 12 October 2020.
5 Michael Bartholomeusz was appointed as Director of the Company on 19 November 2020.
6 Gary Jennison was appointed as an Independent Non-Executive Director of the Company on 17 August 2020. He transitioned to the role of interim CEO and Executive Director on 23 September 2020.
7 Stephan Wilcke resigned as a Director of the Company on 18 June 2020. He waived his Non-Executive Director fee, which instead was paid to charities supported by the Company.
8 Roger Lovering took up the position of Acting Chair on 18 June 2020. He resigned as a Director of the Company on 31 October 2020.
9 Richard Price resigned as a Director of the Company on 16 December 2020.

1.20 Waiver of emoluments

No director waived their emoluments in the review period.

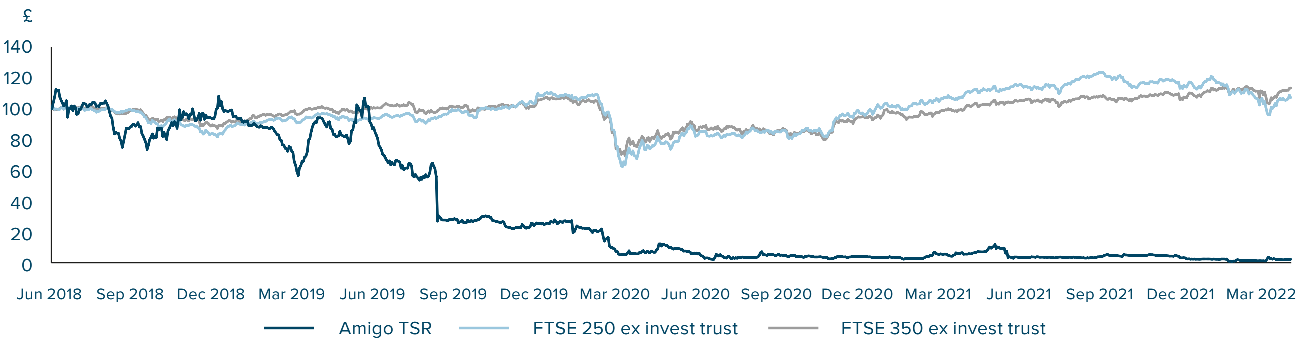
1.21 Non-Executive Director shareholding as at 31 March 2022

	Class of share	2022	2021
Jonathan Roe	Ordinary shares of 0.25p each	**180,000**	180,000
Maria Darby-Walker	Ordinary shares of 0.25p each	**107,569**	107,569
Michael Bartholomeusz	Ordinary shares of 0.25p each	**107,569**	107,569

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 2022 and 7 July 2022. Non-Executive Directors do not have a shareholding guideline but they are encouraged to buy shares in the Company.

1.22 Performance graph and table

The chart below tracks the hypothetical return on a £100 investment in Amigo Holdings PLC made on listing in July 2018 and measured as of 31 March 2022. TSR has been measured against the FTSE 250 excluding Investment Trusts and the FTSE 350 excluding Investment Trusts.



1.23 Remuneration of the CEO (audited)

The table below sets out the CEO's total remuneration figure over the review periods, valued using the methodology applied to the single total figure of remuneration.

Year	CEO	Total single figure of remuneration £	Annual bonus outturn as a % of maximum	LTIP outturn as a % of maximum
2020/21	Hamish Paton	359,313	0%	n/a
2020/21	Glen Crawford	125,750	0%	n/a
2020/21	Gary Jennison	360,747	0%	n/a
2021/22	Gary Jennison	659,285	0%	n/a

1.24 Change in CEO remuneration compared to employees (audited)

The table overleaf sets out the percentage change in base salary, bonus and taxable benefits for the CEO compared with the average percentage change for employees. The figures for the CEO compare the 2021/22 CEO remuneration for Gary Jennison to the CEO remuneration for Hamish Paton (for the period 1 April to 31 July 2020), Glen Crawford (for the period 1 August to 22 September 2020) and, subsequently, Gary Jennison (from 23 September 2020 to 31 March 2021). Due to the changes of CEO, the Committee considers the percentage change figures in the table below are not representative of the year-on-year change in remuneration that the Committee would expect to set for a single individual. There was no change in the annualised basic salary for Gary Jennison as CEO from 2020/21 to 2021/22. The decrease in benefits in the period is due to cost savings made by the Company in the way accommodation is paid for.

	Annual percentage change from 2020/21		
	Salary	Bonus	Taxable benefits
CEO	-4%	0%	-23%
All colleagues	7%[1]	145%[2]	-43%[3]

1 Calculated based on wages and salaries expense per average number of employees for the period.

2 Calculated based on average bonus expense, including retention payments, per employee for the period.

3 Calculated based on average taxable benefits expense per employee for the period.

No figures are included for other Executive Directors' as they left the Board in the year and therefore there is no comparator figure.

Section 1 – Annual Report on Remuneration continued

1.25 CEO pay ratio (audited)

Table and explanatory notes

The below table sets out the ratio of pay for the role of the CEO in 2021/22 to the median, 25th and 75th percentile full-time equivalent remuneration of the Group’s UK employees. In line with the reporting requirements, the figure for the role of the CEO in 2021/22 includes the pay for Gary Jennison in the year (the figure for 2020/21 includes the pro-rate pay for Gary Jennison, Hamish Paton and Glen Crawford in the year).

Year	Method	25th percentile pay ratio	Median percentile pay ratio	75th percentile pay ratio
2021/22	Option A (total 2022 pay for role of CEO)	**25:1**	**20:1**	**15:1**
2020/21	Option A (total 2021 pay for role of CEO)	24:1	21:1	17:1
2019/20	Option A (total 2020 pay for role of CEO)	19:1	15:1	12:1

Option A under the reporting requirements provides the most accurate method of CEO/colleague pay comparison as it replicates the single figure table calculation for all colleagues, and has therefore been chosen to identify the reference colleagues at the median, 25th and 75th percentiles. The reference colleagues’ total pay and benefits have been calculated from their salary, bonus, benefits and pension eligibility (annualised and pro-rated to full time, respectively) over the year, and the business is satisfied that these reference colleagues are representative of the relevant percentiles across the organisation. The reference date for extracting the data was the last day of the financial year, 31 March 2022.

In line with the Regulations, the following table sets out the total pay and benefits for the colleagues undertaking the role of the CEO, and colleagues at each percentile.

	Salary £	Total pay and benefits £
Combined CEO single figure	630,000	683,246
25th percentile	24,500	27,233
50th percentile	26,500	33459
75th percentile	35,000	44,146

The ratio reflects the goal of attracting, retaining and motivating staff in a competitive, but not excessive, way under Amigo’s Remuneration Policy.

1.26 Relative importance of spend on pay (audited)

The table below sets out the total spend on remuneration in the 2020/21 and 2021/22 financial years compared with distributions to shareholders.

These measures are consistent with the disclosure in last year’s Annual Report and Accounts, and the Remuneration Committee considers these measures to be relevant and informative indicators of the business’ costs.

	2021/22	2020/21
Total spend on employee remuneration	**£13.6m**	£21.1m
Profit distributed by way of dividends/share buyback	**£nil**	£nil
Profit/ (Loss) before tax	**£167.9m**	£(283.6)m
Average headcount	**260**	427
Average profit (loss) profit before tax per employee	**£651,296**	£(663,785)

1.27 Application of the Remuneration Policy in 2021/22

Throughout the year, Amigo has been faced with considerable challenges which has made the task of the Committee more difficult than it should have been when the current Directors' Remuneration Policy was approved in 2019. Notwithstanding these headwinds, the Committee has sought to apply a consistent approach when addressing remuneration matters. Generally, the Committee believes that there is greater transparency on remuneration matters, including the need to deliver performance responsibly.

The Committee considered the need to balance retention, performance and risk when making awards under the LTIP to other senior managers during the year. The awards were made with the objective of further aligning the attitudes and culture of the awardees with those of shareholders, customers and other stakeholders by the application of two clear performance targets: growth in EPS, and absolute total shareholder return, and the introduction of non-financial measures to ensure the right attitudes and culture permeate across the wider business. The Committee believes that the use of non-financial performance measures has helped to deliver a more rounded performance target which matches incentives to deliver performance to the risks of delivering that performance. The targets are intended to provide an interlinking matrix to drive responsible performance and manage risk across the business. The Committee also operates a mechanism to ensure that any vesting of awards would be subject to scrutiny by the Committee before vesting and that all awards are made subject to malus and clawback provisions for poor behaviours.

The year has been extremely challenging for all Directors and employees with factors outlined elsewhere in the Annual Report impacting substantially on the performance of the business generally. Other factors taken into account to measure the success of the changes made to remuneration include the improvement in the staff retention rate over the year and the driving of appropriate business behaviours across the various departments.

The Committee decided against carrying out a formal review of its Executive and Non-Executive Director remuneration arrangements during the year, choosing to wait until the New Business Scheme was sanctioned in May 2022 before engaging FIT Remuneration Consultants LLP to help with this exercise. The Remuneration Committee is satisfied that the Remuneration Policy has performed in line with expectations to date and accordingly there has been no substantive engagement or consultation with shareholders or the wider workforce about executive remuneration.

The Remuneration Committee is able to consider corporate performance on environmental, social and governance ("ESG") issues when setting Executive Directors' remuneration. The Remuneration Committee has ensured that the incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behaviour. Please see pages 24 to 35 for further information on the Group's environmental and social issues.

Clarity, simplicity and other considerations related to the UK Corporate Governance Code

The Remuneration Committee considers that the scorecard-based approach to setting targets and measuring outcomes provides great clarity in our ability to engage transparently with shareholders and the wider workforce on remuneration arrangements and that this is complemented by retaining the key elements of the simple structure of our 2019 policy in the proposals for the 2022 policy, market-aligned fixed pay with annual cash, three-year performance share incentives and, where appropriate, post-vesting holding periods.

Risks are managed through a combination of careful setting of performance measures and targets, the ability of the Remuneration Committee to exercise overarching discretion in assessing outcomes, and the robust malus and clawback measures reserved in this Policy.

The Remuneration Committee has sought to introduce some degree of predictability and proportionality by setting complementary performance targets that work alongside the ethos and ambitions of Amigo.

Section 1 – Annual Report on Remuneration continued

1.28 Statement of implementation of Remuneration Policy in 2022/23

The table below sets out the detail of how we propose to implement the Executive Directors' Remuneration Policy in 2022/23.

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

Element	Summary of Policy implementation in 2022/23
Base salary	CEO: £600,000 CFO: £355,000
Annual bonus	Maximum: • CEO: 60% of salary • CFO: 60% of salary Performance measures and weightings: • 50% Group financial • 15% Group customer and conduct • 15% people and culture • 10% 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 (in line with Policy): Performance measures and weightings are as set out on page 143. The Committee has yet to determine the targets for 2022/23 due to uncertainty in the underlying economic environment.
Pension	5% defined contribution pension and/or cash in lieu.
Benefits	Private medical insurance (individual and family), life insurance (death in service) of 4x basic salary 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 CEO received temporary accommodation costs of £42,500. The CFO received temporary accommodation costs of £22,430.

Other key Policy features: shareholding guidelines and post-exit shareholding requirements will operate in 2022/23 as per the Remuneration Policy.

The table below sets out the detail of how we propose to remunerate the Non-Executive Directors in 2022/23:

NED fees	Non-Executive Chair:	£175,000
	Other Non-Executive Director basic fee:	£70,000
	Senior Independent Director fee:	£5,000
	Audit Committee Chair:	£12,500 (N. B. Interim Chair paid £1,000 per month)
	Remuneration Committee Chair:	£12,500
	Risk Committee Chair:	£12,500

1.29 Statement of voting at the 2021 AGM on the remuneration report

Resolution	Number of votes for	% for	Number of votes against	% against	Total shares voted	Number of votes withheld
Approve the Directors' remuneration report	11,581,496	99.83%	20,000	0.17%	11,637,262	35,766

Section 2 – Remuneration Policy

The following table summarises Amigo Holdings PLC's policies in respect of the key elements of our Directors' remuneration. Any material changes from the previous policy approved by shareholders at our 2019 AGM are highlighted below. The revised Policy will be put to shareholders at the AGM due to be held on 28 September 2022.

2.1 Policy table for Executive Directors

Element	Summary of remuneration policy
Section A	**Executive Director remuneration**
A1: Salary	A1.1: Salary operation A1.1.1: Base salaries are set taking into account: • A1.1.1.1: the individual's skills, experience and current remuneration package; • A1.1.1.2: the size and scope of the role; • A1.1.1.3: salary and total remuneration levels at similar sized companies; and • A1.1.1.4: remuneration of other executives and Group employees. A1.1.2: Salary increases will generally be effective from 1 April or the Group's financial year if it changes.
	A1.2: Salary opportunity A1.2.1: There is no set maximum salary; however, increases will generally be in line with or below the average salary increase awarded to employees. A1.2.2: Increases may be made above this level in exceptional circumstances, such as where: • A1.2.2.1: an individual is brought in on a lower salary with the intention of increasing the salary level gradually dependent on performance in the role; • A1.2.2.2: there is a material increase in the size and scope of the role; and • A1.2.2.3: market practice has evolved to mean that the salary is no longer considered to be competitive.
	A1.3: Salary performance assessment A1.3.1: Personal performance will be taken into account when considering base salary increases.
	A1.4: Changes from previous Policy A1.4.1: There are no material changes from the previous Policy.
A2: Bonus	**A2: Annual bonus operation** A2.1: Bonus performance is assessed over one year. • A2.1.1: Performance will be assessed over one year. Each year the Committee will determine the appropriate proportion of bonus to be paid in cash and/or to be deferred, reflecting any regulatory obligations and market practice. Any deferral of bonus will be a deferral in shares for three years, and normally subject to ongoing employment.
	A2.2: Bonus opportunity A2.2.1: Maximum bonus: • A2.2.1.1: The ongoing maximum annual bonus policy will be limited to 150% of base salary for the CEO and the CFO. • A2.2.2: On-target bonus will pay out at 50% of maximum. The Threshold Bonus Performance Level will pay out at up to 25% of the maximum.
	A2.3: Bonus performance assessment A2.3.1: Performance measures, weightings and targets will be set annually. At least 50% of the bonus will be based on financial performance measures. A2.3.2: 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. A2.3.3: Clawback and malus conditions apply.

Section 2 – Remuneration Policy continued

2.1 Policy table for Executive Directors continued

Element	Summary of remuneration policy
Section A	**Executive Director remuneration**
	A2.4: Changes from previous Policy The previous maximum bonus level for the CEO was 200% of base salary. This is removed in the new policy to align all Executive Directors at 150% of base salary bonus maximum. The new policy introduces flexibility for the Remuneration Committee to consider each year the appropriate level of bonus deferral. In the previous policy, 100% of bonus outcomes was deferred into shares each year unless an individual held shares worth 200% of base salary, and after that threshold was attained, bonuses could be paid 50% in cash and 50% in shares if the Remuneration Committee determined it appropriate to do so. The shareholding requirement reflected the large shareholding of the CEO at IPO (where he held 6.2% of issued share capital). In order to be able to operate the bonus plan appropriately in the current circumstances, it is proposed that the Remuneration Committee should have flexibility to determine appropriate deferral requirements for any year. This new policy will apply to all bonuses paid after the date of the 2022 AGM (including any bonuses for 2021/22 for which payments are presently delayed pending assessments on affordability).
A3: Long-term incentive	**A3: Long-term incentive** A3.1: LTIP operation A3.1.1: Annual awards of awards of shares under the LTIP or other replacement plan approved by shareholders, up to the maximum possible award opportunity. A3.1.2: Performance period of three years with a two year post-vesting holding period.
	A3.2: LTIP opportunity A3.2.1: Maximum ongoing award: • A3.2.1.1: 200% of salary. A3.2.2: 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. Awards will vest at up to 25% of the maximum at the threshold performance level.
	A3.3: LTIP performance assessment A3.3.1: Performance Conditions, weightings, performance hurdles and targets are set annually and which are determined by the Committee to best support the Company's objectives in the medium to long term. A3.3.2: 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. A3.3.3: Awards made under the LTIP will vest on a straight-line basis based on performance against the relevant Performance conditions. A3.3.4: Clawback and malus conditions apply.
	A3.4: Changes from previous Policy A3.4.1: There are no material changes from the previous Policy.
A4: All-employee share plans	A4.1: All employee share plans A4.1.1: 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.
	A4.2: Changes from previous Policy A4.2.1: There are no material changes from the previous Policy.
A5: Pension	A5.1: Pension operation A5.1.1: Defined contribution scheme or cash award at the Committee's discretion.
	A5.2: Pension opportunity A5.2.1: Pension contributions, aligned to majority of wider UK workforce, at 5% of base salary. Pension contribution, in part or all, can be paid through salary in lieu of pension ('SILOP'), in the event the ongoing pension contribution exceed agreed HMRC contribution rates or lifetime allowance limits.

Element	Summary of remuneration policy
Section A	**Executive Director remuneration**
	A5.3: Changes from previous Policy A5.3.1: There are no material changes from the previous Policy.
A6: Benefits	A6.1: Operation A6.1.1: 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. A6.1.2: 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).
	A6.2: Benefits opportunity A6.2.1: There is no limit to the value of benefits provided. The value is dependent on the cost to the Company of providing the benefit.
	A6.3: Changes from previous Policy A6.3.1: There are no material changes from the previous Policy other than relocation payments to be limited to two years.
A7: Shareholder guidelines	**A7: Shareholding guidelines** A7.1: Executive Directors will be expected to retain an appropriate proportion of shares that vest following the exercise of equity incentives until an amount equal to 200% of salary has been achieved. The Committee has the ability to waive this requirement if the circumstances are such that the requirement to meet this level of shareholding would act as a disincentive.
	A7.2: Changes from previous Policy A7.2.1: There are no material changes from the previous Policy.
A8: Post-exit shareholding requirement	**A8: Post-exit shareholding requirement** A8.1: Two year post-cessation shareholding requirement of up to 200% of salary for all Executive Directors. If lower than that level of shareholding at the time of leaving the Company will apply that level.
	A8.2: Changes from previous Policy A8.2.1: Post-cessation guideline to apply for two year, post cessation.

Section 2 – Remuneration Policy continued

2.1 Policy table for Executive Directors continued

Element	Summary of remuneration policy
Section A	**Executive Director remuneration**
A9: Notes to the policy table	A9.1: Each year the Committee gives careful consideration to the performance metrics that should apply to incentives. A9.2: 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 and TCFD activities. A9.3: Performance measures for the LTIP are selected in order to provide a robust and transparent basis on which to measure the Group's performance, to demonstrably link remuneration outcomes to delivery of the business strategy over the longer term, and to provide strong alignment between senior management and shareholders. When setting performance targets for the annual bonus and LTIP, the Committee will take into account a number of different reference points, which may include the Group's business plans and strategy, external forecasts and the wider economic environment. The Committee retains discretion to amend the bonus pay-out and to reduce the LTIP vesting level if any formulaic outcome is not reflective of the Committee's assessment of overall business performance over the relevant performance period.
	A9.4: Flexibility, discretion and judgement The Remuneration Committee operates the annual bonus and LTIP according to the rules of each respective plan which, consistent with market practice, include discretion in a number of respects in relation to the operation of each plan. Discretions include: • who participates in the plan, the quantum of an award and/or payment and the timing of awards and/or payments; • determining the extent of vesting; • treatment of awards and/or payments on a change of control or restructuring of the Group; • whether an Executive Director or a senior manager is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s); • how and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends); • what the weighting, measures and targets should be for the annual bonus plan and LTIP awards from year to year; • the Committee also retains the ability, within the Remuneration Policy, if events occur that cause it to determine that the performance conditions set in relation to an annual bonus plan or a granted LTIP award are no longer appropriate or unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and LTIP awards. Any such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders; and • the ability to override formulaic outcomes in line with the Remuneration Policy. All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the annual remuneration report.

Element	Summary of remuneration policy
Section A	**Executive Director remuneration**
A9: Notes to the policy table continued	Malus and Clawback Both the annual bonus plan and the LTIP include provisions which enable the Committee to recover or withhold value from these incentive plans in the event of certain defined circumstances (i.e. a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure). Legacy arrangements For the avoidance of doubt, in approving this Remuneration Policy, authority is given to the Company to honour any previous commitments entered into with current or former Directors (such as the payment of a pension or the unwinding of legacy share schemes or historic share awards granted before the approval of this policy) that remain outstanding. A9.5: The Remuneration Policy will be effective from the date of the AGM, if the policy is approved.
Section B	**Executive Director recruitment policy**
B1: Salary	B1.1: Base salary will be set in line with the remuneration policy.
B2: Annual bonus	B2.1: Annual bonus quantum and performance measures will generally 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). B2.2: 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.
B3: Long-term incentive	B3.1: LTIP award quantum, performance measures and targets will be line with the ongoing remuneration policy as implemented for other Executives during the year. B3.2: 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.
B4: Incentive maxima	B4.1: The total incentive maxima for the year of recruitment is 400% of base salary. This limit excludes buy-out awards.
B5: Buy-out awards	B5.1: The Committee retains discretion to buy out awards forfeited by Executives on departure from their previous role. B5.2: 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. B5.3: 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.
B6: Pension	B6.1: Pension will be in line with the remuneration policy.
B7: Benefits	B7.2: Benefits will be in line with the remuneration policy. B7.3: Additional benefits may be offered for new Executives, such as relocation benefits. Where relocation costs, including an amount to cover the taxable benefit arising on the relocation costs, are offered they will be for a maximum period of two years.

Section 2 – Remuneration Policy continued

2.1 Policy table for Executive Directors continued

Element	Summary of remuneration policy
Section C	**Executive Director leaver policy**
C1: Salary	C1.1: The Company may terminate employment by providing payment in lieu of notice of base salary as per contractual terms. C1.2: Any new Executive Director contracts shall stipulate that payments in lieu of notice be subject to mitigation.
C2: Annual bonus	C2.1: Bonus for year of cessation C2.1.1: 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. C2.1.2: Good leavers through 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 including redundancy.
	C2.2: Deferred bonus awards C2.2.1: 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 and redundancy. C2.2.2: On a takeover, change of control or other corporate reorganisation awards will generally vest early or be exchanged for new awards.
C3: Long-term incentive	C3.1: Unvested LTIP awards will lapse unless the Executive is a good leaver. C3.2: 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 including redundancy. C3.3: 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 and time prorated for the proportion of the performance period that has elapsed at the termination date. The Committee has discretion, in exceptional circumstances, to vary the period of prorating based on time served. C3.4: 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. C3.5: 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. C3.6: 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, retirement, redundancy or disability. Awards would generally be released early in the event of a takeover, change of control or other corporate reorganisation.
C4: Pension	C4: Not included in payment in lieu of notice
C5: Benefits	C5: Not included in payment in lieu of notice
C6: Other payments	C6: Leavers: The Group may pay outplacement and professional legal fees incurred by Executives in finalising their termination arrangements, where considered appropriate, and may pay any statutory entitlements or settle compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

Element	Summary of remuneration policy
Section D	**D: Summary of remuneration policy for Non-Executive Directors**
D1: Fees for NEDs	D1: Operation of NED fees D1.1: Non-Executive Directors receive a basic fee for their Board services. D1.2: Additional fees are paid in relation to additional responsibilities including: • D1.2.1: the role of Senior Independent Director; and • D1.2.2: chairing the Audit, Remuneration, Nomination and Risk Committees. D1.3: The Chair of the Board receives a separate fee for this role (inclusive). D1.4: The fee for the Chair is set by the Remuneration Committee; the Chair is not present when his or her own remuneration is discussed. Fees for Non-Executive Directors are set by the CEO and Chair. D1.5: Fees are reviewed annually. D1.6: Expenses incurred in the course of duties may be reimbursed by the Company. This includes the settlement of any related tax liabilities for travel expenses or hospitality.
	D2: Opportunity for NED fees D2.1: Current fee levels are set out in the Annual Report on Remuneration. D2.2: Non-Executive Director fees are set taking into account market practice levels. D2.3: The fee of the Chair of the Board is set taking into account the individual's circumstances, skills and experience. D2.4: The aggregate fees of the Chairman and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £1 million per annum in aggregate).
	D3: Performance assessment D3.1: N/A
Section E	**E: Illustration of application of the Remuneration Policy**
E1.1 Fixed pay	**E1: Chief Executive Officer** Salary: £600,000 Benefits: 4 x Life cover, Private Medical Pension: 5% of salary
E1.2: Annual bonus	Minimum: N/A Target: 50% of maximum Maximum: 150% of salary
E1.3: Long-term incentive	Minimum: N/A Target: 20% of maximum Maximum: 200% of salary **4th scenario: Maximum plus 50% share price growth**
E2.1 Fixed pay	**E1: Chief Financial Officer** Salary: £355,000 Benefits: 4 x Life cover, Private Medical Pension: 5% of salary
E2.2: Annual bonus	Minimum: N/A Target: 50% of maximum Maximum: 150% of salary
E2.3: Long-term incentive	Minimum: N/A Target: 20% of maximum Maximum: 100% of salary **4th scenario: Maximum plus 50% share price growth**

Directors' report

The Directors present their report and audited accounts for the year ended 31 March 2022.

Additional disclosures

The Strategic Report is a requirement of the UK Companies Act 2006 and can be found on pages 1 to 49 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	18
Stakeholder engagement	20–23
Employment of disabled persons	34
Greenhouse gas emissions	26

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	20
LR 9.8.4R (1)	Capitalised interest	128
LR 9.8.4R (4)	Long-term incentive schemes	142–145
LR 9.8.4R (5)	Emoluments	73 – 83
LR 9.8.4R (10) and (11)	Related party contracts	146
LR 9.8.6R	Task Force on Climate-related Financial Disclosures	28 – 31

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	48–49
Governance	51–98
Credit, market and liquidity risks	42–47

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).

The principal activity of the Company is to act as a holding company for the Amigo Loans Group of companies.

The Company has no branches outside the UK other than operated by a subsidiary based in Dublin, Amigo Loans Ireland Ltd.

Amigo Luxembourg S.A., a wholly owned subsidiary of Amigo Loans Holdings Ltd, incorporated as a public limited liability company under the laws of the Grand Duchy of Luxembourg was established, on 18 October 2016, for the principal purpose of issuing the Senior Secured Notes due 2024.

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 pages 48 and 49.

Results and dividends

The results for the year are set out in the financial statements on pages 109 to 158.

The Company did not pay a half year dividend in the period (2021: nil). In light of the continued solvency issues facing the Company given the costs of resolving the complaints issues over the full year results to 31 March 2022, the Board decided that it is prudent to conserve capital in the business and did not recommend a final dividend.

Dividend policy

Under the terms of a Voluntary Requirement agreed between the regulated companies within the Amigo Group and the FCA, Amigo has agreed not to pay a dividend to shareholders unless permission has been obtained. In addition, given the scale of the costs and contribution incurred to resolve the complaints situation, the Directors are of the view that no dividend can be paid in the short to medium term.

Events since the balance sheet date

As reported on page 5 of this Annual Report, the High Court approved the New Business Scheme, the preferred Scheme of Arrangement, as a result of the hearing held on 23 May 2022. Following the issue of the outcome of the hearing on 26 May 2022, the Company has been working with the FCA and other stakeholders to fulfil the required conditions of the High Court approving the Scheme of Arrangement.

Directors

The names and biographical details of the current Directors and the Board Committees of which they are members are set out on pages 52 to 55.

In respect of the period between 31 March 2021 and 8 July 2022, the following persons were Directors of the Company:

Current Directors

Name	Role	Appointment date
Jonathan Roe[1]	Independent Non-Executive Chair	1 August 2020
Gary Jennison[2]	CEO	17 August 2020
Maria Darby-Walker	Independent Non-Executive Director	12 October 2020
Michael Bartholomeusz	Independent Non-Executive Director	19 November 2020
Danny Malone[3]	CFO	6 June 2022

Directors resigned in the year

Mike Corcoran[4]	CFO	11 November 2020

1 Was originally appointed as a Non-Executive Director on 1 August 2020 and was authorised by the FCA as Chair on 13 October 2020.
2 Was originally appointed as a Non-Executive Director on 17 August 2020 and was authorised by the FCA as CEO on 7 December 2020.
3 Was appointed as a Director on 6 June 2022.
4 Resigned as a Director on 19 February 2022.

The service agreements of the current Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office.

Appointment and removal of Directors

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

The Board may appoint a Director either to fill a casual vacancy or as an addition to the Board. An appointed Director must retire and seek election to office at the next AGM of the Company. In addition to any powers of removal conferred by the UK Companies Act 2006, the Company may by ordinary resolution remove any Director before the expiry of his or her period of office and may, subject to the constitutional documents, by ordinary resolution appoint another person who is willing to act as a Director in their place.

Articles of Association

The Articles of Association of the Company were adopted by special resolution on 28 June 2018, as amended on 29 September 2021.

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.

At the AGM held on 29 September 2021, the Company shareholders approved to increase the borrowing limit to a level appropriate for the current and future needs of the business. The shareholders also agreed to ratify any prior technical breach of the Articles of Association.

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 is summarised in the Corporate Governance Report on pages 51 to 98.

The Board manages the business of the Company under the powers set out in the Articles of Association. These powers include the Directors' ability to issue or buy back shares. Shareholders' authority to empower the Directors to purchase the Company's own ordinary shares is sought at the AGM each year.

Directors' interests

Save as disclosed in the Directors' 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 2022 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. Danny Malone was engaged on a contractual basis, from 7 February 2022 for four months, as Interim CFO. Subsequent to the year end, on 6 June 2022, he was appointed CFO, subject to approval by the FCA.

Directors' indemnities and insurance

The Directors have the benefit of a qualifying third-party indemnity from the Company as permitted by the Company's Articles of Association (the terms of which are in accordance with the Companies Act 2006). At the year ended 31 March 2022, the Company had in place 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 and 41,000 issued and fully paid up deferred shares to £0.24 each. At 31 March 2022, there were 475,333,760 ordinary shares in issue, all fully paid, and 41,000 deferred shares in issue, all fully paid. The Company intends to cancel all the 41,000 deferred shares of £0.24 each, which are currently held in treasury. Please see note 21 for further details.

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.

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 2022, the Company has been made aware of or was 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	Investment style	Number of ordinary shares	Percentage of total voting rights attaching to issued share capital
Hargreaves Lansdown Asset Management	Private client broker	190,286,108	40.03%
Interactive Investor	Private client broker	47,266,426	9.94%
Halifax Share Dealing	Private client broker	46,005,748	9.68%
Barclays Wealth	Private client broker	30,742,084	6.47%
AJ Bell Securities	Private client broker	26,539,778	5.58%
Mr Wolfgang Grabher	Private individual	15,750,000	3.31%

The Company has not been notified by any of the private client brokers, holding shares as at 31 March 2022, that any one individual or organisation holding shares through them, has a reportable shareholding in excess of 3% of the Company's issued share capital. During the period between 31 March 2022 and 7 July 2022 (the last practicable date of notification), the Company was not notified under DTR 5 of any other changes to holdings of its issued share capital.

Shareholders with significant influence

The Company seeks to engender a culture where it is responsive to views of its shareholders. During the year, the Chair and other senior executives sought engagement with the largest shareholders and groups representing shareholders to understand its views on various matters relating to ongoing performance and future strategy.

The Chairs of each of the Board Committees would also expect to engage with shareholders on significant matters related to their areas of responsibility, if appropriate.

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, 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 Chair 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.

During the year the Company held an Annual General Meeting. Voting at the meeting took place by way of proxy due to the restrictions on shareholder attendance put in place to safeguard against Covid-19.

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 the AGM on 29 September 2021, 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 2022 AGM. The Company did not repurchase any of its shares during the financial year 2021/22.

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 the AGM on 29 September 2021, 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 £396,072 (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 UK Companies Act 2006) up to an aggregate nominal amount of £792,215 (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 2022 AGM.

Employee participation in share schemes

In autumn 2019 the Company implemented a Company-wide Share Incentive Plan ("SIP") and a Save As You Earn scheme ("SAYE"). The Company also has a Long Term Incentive Plan ("LTIP") and Deferred Bonus Plan ("DBP") for certain employees. Further details of the LTIP and DBP can be found in the Directors' Remuneration Report on pages 71 to 91.

Share Incentive Plan: This is an HMRC approved all employee share incentive scheme. Under the SIP, a trustee holds Amigo shares on bare trust for the participants. These Amigo shares are categorised for the purposes of the SIP as either: (i) partnership shares; (ii) matching shares; or (iii) dividend shares. The matching shares are subject to a holding period but participants can instruct the trustee to agree to certain transactions.

Save As You Earn 2019: This is an HMRC approved all employee share incentive scheme. Employees can make a monthly subscription to a savings account with, at the end of three years, an option to subscribe for shares at £0.6368 per share, using the funds in the savings account.

Save As You Earn 2020: This is an HMRC approved all employee share incentive scheme. Employees can make a monthly subscription to a savings account with, at the end of three years, an option to subscribe for shares at £0.097 per share, using the funds in the savings account.

Long Term Incentive Plan: This is a long-term share incentive plan which seeks to incentivise senior managers to deliver the strategic plans of the wider business in accordance with the requirements of the business. Grant awards are made over shares at nil cost and are subject to performance conditions, which are detailed in the Directors' Remuneration Report on pages 71 to 91.

Deferred Bonus Plan: Net proceeds of any annual bonus awards for the Executive Directors are used to purchase Amigo shares, which are held in an employee benefit trust for release over a three year period. There are malus and clawback provisions for the share awards.

Going concern

As described on page 48, the Directors have reviewed the projected cash flows 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 basis in preparing the consolidated financial statements. The going concern assumption is adopted on the basis that the High Court sanctioned the New Business Scheme on 26 May 2022. There remain a number of conditions precedent that need to be resolved. This represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business.

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. Except as disclosed below, 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 to make an offer to repurchase the senior secured notes at a price of 101%, subject to a one-time exception if the consolidated net leverage ratio of the Group would be less than 3.3:1.0 after giving effect to the change of control.

As at the signing date, the largest notified shareholding position, was 3.31% of the issued share capital of the Company. The Company did not regard an insolvent balance sheet as a default event under the terms of the Senior Secured Notes.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment loss of office or employment, other than LTIP awards following 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 2022.

Equal opportunities

The Company has an equal opportunities policy which is followed by all Directors, ExCo members and employees, and which ensures the Company employs a diverse workforce with regard to aspects such as age, gender and 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.

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.

Given the recent changes to the size and nature of the Group's business, since the original tender and appointment, it is appropriate for both KPMG and the Company to reconsider the audit of the Amigo group of companies. KPMG will not be offering themselves for re-election at the AGM due to be held on 28 September 2022. The Directors have commenced the tender process for the selection of the replacement auditor.

For the purposes of compliance with DTR 4.1.5R(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 8 July 2022.

By Order of the Board

Roger Bennett
Company Secretary
Amigo Holdings PLC

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 accounting standards. In addition the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted in the UK.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- 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 management report includes a fair review of the development or performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties.

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.

Danny Malone
Director
8 July 2022

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Independent auditor's report

to the members of Amigo Holdings plc

1. Our opinion is unmodified

We have audited the financial statements of Amigo Holdings plc (the "Company") for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the 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 2022 and of the Group's profit for the year then ended;

— the Group financial statements have been properly prepared in accordance UK-adopted international accounting standards;

— the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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.

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 six financial years ended 31 March 2022. 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	£630k (2021: £1.2m) 0.7% (2021: 0.7%) of Group total revenue
Coverage	100% (2021: 100%) of Group profit (2021: loss) before tax

Key audit matters		vs 2021
Recurring risks	Going concern	◄►
	Customer complaints provision	▼
	Expected credit losses on customer loans and receivables	◄►
	The impact of IT access controls and change management on the effectiveness of the control environment	◄►
	Recoverability of parent Company's investment in Subsidiary	◄►

2. Material uncertainty related to going concern

Key audit matter	The risk	Our response
Going concern *Refer to page 63 (Audit Committee Report) and page 113 (basis of preparation of financial statements)* We draw attention to note 1 to the financial statements which indicates that the ability of the Group and Company to continue as a going concern is dependent on the FCA granting the Group permission to commence relending before 26 February 2023, the Company completing a successful 19:1 share issue before 26 May 2023, the Group raising sufficient equity and/or debt funding in order to successfully deliver its business plan, and the severity of any sanction arising from the ongoing FCA investigation. These events and conditions along with the other matters explained in note 1, constitute a material uncertainty that may cast a significant doubt on the Group's and the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.	***Disclosure quality*** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. There is little judgement involved in the Directors' conclusion that risks and circumstances described in note 1 to the financial statements represent a material uncertainty over the ability of the Group and Company to continue as a going concern for a period of at least a year from the date of approval of the financial statements. However, clear and full disclosure of the facts and the Directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.	**Our procedures included:** — **Assessing transparency:** We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities. Our assessment of the Director's going concern assessment also included: — **Evaluating Directors' assessment**: We read and evaluated the plans that the Board reviewed in forming its assessment of going concern. These plans take into account the decision of the High Court on sanctioning the Scheme of Arrangement the terms of the New Business Scheme, the preferred and fall back solution. The plans include assumptions across various scenarios including Base and Downside scenario as well as alternatives including a wind-down scheme; — **Enquiry of regulator**: We made enquiries with the regulator with particular focus on the sanctioned Scheme of Arrangement, the level of customer complaints and the status of the ongoing Financial Conduct Authority investigation. In addition we attended the Scheme creditors meeting and the High Court sessions held in May 2022; — **Funding assessment**: We evaluated the Group and Company's financing, including the available terms and covenants associated with the bonds; — **Data and assumptions**: We assessed and challenged the relevance and reliability of the underlying data and the assumptions on which the assessment is based –including consistency with each other and related assumptions used in other areas; — **Historical comparisons**: We compared the Group's historical forecasts against actual cash flows achieved in previous years to ascertain their historical accuracy; — **Our sector experience:** We challenged the key assumptions used in the Director's forecasts such as future complaint redress and collections to ensure they were realistic, plausible and consistent with our other audit work; and — **Sensitivity analysis**: We challenged the Group's sensitivities over the level of available financial resources indicated by the financial forecasts taking account of reasonably possible adverse effects that could arise from these risks individually and collectively; in particular we assessed key assumptions such as the plans for new originations and level of collections; and — **Disclosures:** We evaluated the Group's disclosures in respect of going concern and viability. **Our results** We found the going concern disclosure in note 1 with a material uncertainty to be acceptable (2021 result: acceptable).

3. Key audit matters: 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 statement 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. Going concern is a significant key audit matter and is described in section 3 of our report. We summarise below the other key audit matters (unchanged from 2021), in decreasing order of audit significance, 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
Complaints provision (£179.8 million; 2021: £344.6 million) *Refer to page 63 (Audit Committee Report), page 118 (accounting policy) and page 139 (financial disclosures).*	**Complaints provision** In considering the level of complaints provision the Directors have considered the following key judgements and estimates: — In advance of the formal sanctioning of the Scheme of Arrangement ("the Scheme") in May 2022 the Directors made the decision in March 2022 that the provision should be accounted for on the basis that a Scheme was more likely than not to be sanctioned, based on their assessment of the development of the Scheme, their discussions with and feedback from regulators and the initial Court hearing in March 2022. — Within the provision the Directors have provided for the Scheme cash redress liability of £97m in accordance with the terms of the New Business Scheme. They have not provided for possible incremental amounts that might be paid into the Scheme based on future events, such as the additional minimum £15m as part of the proposed capital raise which is a condition of the New Business Scheme, as they do not consider it more likely than not at this stage that they will be able to raise this capital. — As a result of accounting for the provision on a Scheme basis the overall level of estimation uncertainty is reduced as the previously unlimited cash liability is replaced by a fixed amount of cash redress of £97m in line with the Scheme requirements. The main element of the provision where there remains significant estimation uncertainty relates to balance adjustments in respect of upheld complaints where the customer holds a live loan at the Scheme effective date, as these are not limited. When calculating the potential adjustment to live loans the Directors have exercised significant judgment; in particular, there is subjectivity in the following key assumptions and estimates to calculate this element of the provision: - volume of expected future complaints; - uphold rates; - customer mix; and - average balance adjustment amount. As set out above the overall estimation uncertainty over the customer complaints provision has reduced compared to prior year. However, the effect of the matters noted above in particular the balance adjustment element; is that, as part of our risk assessment, we determined that the customer complaints provision 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 and possibly many times that amount.	**Our procedures included:** — **Control design**: We evaluated the processes and controls over the data integrity of the inputs into the complaints provision model, the approval of complaint outcomes and the assessment of the reasonableness of key assumptions. — Our testing identified weaknesses in the design of these controls. As a result we expanded the extent of our detailed procedures as set out below. — **Our sector experience:** We critically assessed the methodology and assumptions used by the Group to calculate the customer complaints provision by comparing the assumptions to our knowledge of the Group's recent conduct experience. In doing so we considered the rationale for the accounting in line with the sanctioned Scheme terms to challenge the basis of the estimate. We inspected publicly available documents, the approved judgement, board minutes and held discussions with senior management and Directors. — **Accounting judgement:** We considered the Director's judgement under relevant accounting standards that the complaints provision should calculated on the Scheme basis as at the year end. We additionally assessed the judgement that the additional capital raise was not more likely than not to occur. — **Challenge of key assumptions**: — We benchmarked the level of potential complaints to other market participants who have faced similar conduct issues and we have re-run data extraction scripts to validate the population of potential claimants. — Our own market conduct specialists looked at a sample of reject/uphold decisions made by the Group in the previous years. We used their results, and other available data, to challenge the uphold rates used by the Group in their calculation. — For average balance adjustment amounts we have tested a sample of previous years' balance adjustments to settlement letters and bank statements or customer loan statements to validate the basis of the assumption. — **Inspection of regulatory and legal matters**: We inspected correspondence with the Financial Conduct Authority and external legal advisors to identify any regulatory observations or legal matters which impact the customer complaints provision; — **Independent re-performance**: We recalculated the provision based on the key assumptions (volume of expected future complaints, uphold rates and average balance adjustment amount per claim) and other input data including such as scheme costs; — **Tracing adjustments**: We traced adjustments made to the estimated future volume of as a consequence of the Group's re-assessment of the future volumes based on the vote volume from the Scheme creditor's vote through to final reported numbers; and

3. Key audit matters: our assessment of risks of material misstatement (cont.)

Key audit matter	The risk	Our response
Complaints provision (£179.8 million; 2021: £344.6 million) *Refer to page 63 (Audit Committee Report), page 118 (accounting policy) and page 139 (financial disclosures).*	**Disclosure quality:** The financial statements (note 2.3) discloses sensitivity analysis illustrating the impact of the reasonably possible alternative assumptions. The Directors' assessment of the extent of the disclosure is based on an evaluation of the inherent risks in estimating the provision. The risk for our audit is whether or not those disclosures adequately address the uncertainties within the estimate, and if so, whether those uncertainties are fundamental to the users' understanding of the financial statements.	— **Assessing transparency**: We considered the adequacy of the Group's disclosures in respect of the estimation uncertainty associated with the customer complaints provision, including and ensuring the sensitivity disclosures in Note 2.3.2 appropriately reflect uncertainty inherent in the assessment of the provision, as well as reasonably plausible changes in key assumptions. This included assessing whether reasonable possible outcomes that could have resulted in a higher provision were made clear. **Our results** We found the Group's customer complaints provision to be acceptable, and the disclosure of the associated estimation uncertainty to be acceptable (2021 result: acceptable).
Expected credit losses on customer loans and receivables (£47.4 million; 2021: £81.0 million) *Refer to page 63 (Audit Committee Report), page 115 (accounting policy) and page 131 (financial disclosures).*	**Subjective estimate:** The estimation of expected credit losses (ECL) on customer loans and receivables involves significant judgement and estimates. The key areas where we identified significant management judgement include: — Probability of default (PD): The calculation of PDs relies primarily on historic data and as such, there is subjectivity as to whether greater forward-looking data should be incorporated. Also, customer behaviour can change and there is inherent uncertainty relating to the current economic environment; — Significant increase in credit risk (SICR): The identification of the criteria identifying SICR are inherently subjective; — Determining the appropriate macroeconomic variables for inclusion in the macroeconomic overlay and each scenarios. There is inherent judgement in the selection of economic variables relevant to the entity given limited correlation with economic variables in the past; — Determining the appropriateness of any model overlays is at the discretion of management The Group has changed the approach to economic overlays in the current year to 3 probability weighted scenarios from the historic nine macroeconomic scenarios, taking into account the increase in inflation through the weightings incorporated. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to 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, and possibly many times that amount. The financial statements (note 2.1) disclose the sensitivity estimated by the Group.	**Our procedures included:** We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the IT related controls indicated that we would no be able to obtain the required evidence to support the reliance on controls. — **Test of details:** We performed the following procedures: — We tested the key inputs and assumptions impacting the Group's overall ECL calculation to assess their reasonableness. This included performing an analysis to assess the significance of the probability of default assumption and the SICR criteria — We performed recalculations of the ECL measured across the whole loan book population. — **Our economic expertise:** We consulted our own economic specialists to assist us in assessing the Group's rationale for identifying and incorporating macroeconomic variables such as unemployment rates and CPIs indirectly through the scenario weightings. The specialist also assessed the appropriateness of the scenario weightings attached to the base, downside and severe downside scenario. — **Application of methodology:** We performed the following procedures: — We inspected the Group's papers on technical decisions, including the appropriateness of SICR thresholds; — We inspected and challenged the Group's assessment of SICR criteria and working definition of default, — We challenged the ECL model in the light of current inflation crisis and performed a recalculation; and — We challenged the appropriateness of the Group's qualitative staging criteria using industry norms and our knowledge of the entity and the industry in which it operates. — **Our credit risk expertise:** We involved our own credit risk specialists in evaluating the ECL model and underlying PD, LGD and EAD models, as well as management overlays. We used our knowledge of the Group and our experience of the industry that the Group operates in to independently assess the appropriateness of the Group's IFRS 9 models and key components. — **Assessing transparency:** We evaluated whether the disclosures (including sensitivities) are appropriate, and adequately reflect and address the uncertainty which exists when determining the Group's overall ECL. **Our results** We found the Group's assessment of the expected credit losses on customer loans and receivables to be acceptable. (2021: acceptable)

3. Key audit matters: our assessment of risks of material misstatement (cont.)

Key audit matter	The risk	Our response
The impact of IT access controls and change management on the effectiveness of the control environment *Refer to page 63 (Audit Committee Report).*	**Data capture:** As with many financial service companies, the Group is highly dependent on IT systems for the processing and recording of significant volumes of transactions. We regard this area as a key audit matter owing to the high level of IT dependency within the Group as well as the associated complexity and the risk that automated controls are not designed and operating effectively. There is a risk that if the general IT controls ("GITCs") are not sufficient then inappropriate access could be gained to IT applications and inappropriate changes made to the application itself or to the integrity of related automated controls. In addition, GITCs which are not sufficient could also affect the integrity of data stored on the IT systems and the effectiveness of automated and manual controls which use this data. In the prior year, we noted password management/monitoring, change management, and the associated user access controls were not effective in ensuring that only approved changes to applications and underlying data are authorised and made appropriately. These issues have remained throughout the current year.	**Our procedures included:** — **Risk assessment:** We performed a risk assessment of the GITC environment to assess whether it was sufficient to support an approach whereby we could test and place reliance on certain automated controls. As a consequence, and based on this risk assessment procedure, we have not relied on GITCs or application controls. Instead, we focused on testing the relevant data elements as detailed below. — **Control operation:** With the assistance of our IT specialists, we evaluated actions taken by management to address prior year deficiencies in selected controls over the integrity of the IT systems that are relevant to financial reporting, including general IT controls over change management, associated user and privileged access control. We tested the design and implementation of key IT application controls to inform our risk assessment, where those application controls were associated with a significant audit risk, as well as new controls implemented during the period to respond to this key audit matter; and — **Test of detail:** We used sample testing to agree relevant data elements used in the financial reporting process (including customer and transactional data) to appropriate supporting evidence. As we did not place reliance on the GITC environment we increased our sample sizes for this testing; and where we performed substantive testing over areas such as certain data feeds and data calculations, we increased our sample sizes because we did not place reliance on relevant GITCs. **Our results:** Our testing identified weaknesses in the design, implementation and operation of password management/monitoring, change management and associated user access controls. As a result we expanded the extent of our detailed testing, as set out above, in line with last years approach. This work was completed satisfactorily. (2021: In 2021 we have identified the same deficiencies in the IT environment and the work completed was satisfactory).
Recoverability of parent Company's investment in Subsidiary (£26.1 million; 2021: £72.0 million) *Refer to page 63 (Audit Committee Report), page 113 (accounting policy and financial disclosures).*	**Market based valuation** The carrying amount of the Parent Company's investments in subsidiaries (in the Parent only balance sheet) are significant and at risk of recoverability, due to the continued level of claims, regulatory action and uncertainty about the Group's future. These are internal trigger events that require consideration to be given to impairment. Accounting Standards require the carrying value of the investment to be written down to the higher of Value in Use (VIU) and fair value less cost of disposal. The Director's calculation of VIU show it to be below fair value. The share price at 31 March 2022 was £5.4p and was readily available. This gives a market capitalisation of £25.7m. The Group has adjusted this value down by 5% to allow for cost of disposal. This led to a year end valuation of £24.4m. We determined that the recoverable amount of the cost of investment in subsidiaries had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 2a) disclose the sensitivity estimated by the Company.	We performed the tests above rather than seeking to rely on any of the parent company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed substantive procedures described. **Our procedures included:** — **Valuation**: We agreed the year end market price to external sources. We considered the appropriateness of the adjustment for cost of disposal by comparison to deals where companies are taken into private ownership; — **VIU calculation**: We assessed the VIU computations to assess whether they valued the subsidiaries at a lower value than market price. We consulted our own valuations specialist in assessing the discount rate used in the VIU computation; — **Comparing valuations:** We compared the value in use and the fair value to the carrying value of the investment to assess the level of impairment required; — **Historical comparisons:** we assessed the reasonableness of the budgets by considering the historical accuracy of the previous forecasts; — **Sensitivity analysis:** We evaluated the sensitivity of the model to changes in judgemental assumptions, to critically assess the impact of alternative assumptions and identify those assumptions most significant to the estimate; and — **Assessing transparency**: We have challenged the adequacy of the disclosures about the degree of estimation sensitivity and the variability in the share price. **Our results:** We found the balance of the Company's investments in subsidiaries and the related impairment charge and the disclosure of sensitivities to be acceptable. (2021: acceptable).

4. 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 £0.63m (2021: £1.2 million), determined with reference to a benchmark of total revenue (of which it represents 0.7% (2021: 0.7%)).

We consider that revenue is the most appropriate benchmark, because profit before tax no longer measures the size of the business.

Materiality for the parent company financial statements as a whole was set a £0.19m (2021: £0.4 million) based on total assets.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2021: 65%) of materiality for the financial statements as a whole, which equates to £0.41m (2021: £0.8m) for the Group and £0.12m (2021: £0.3m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £1 (2021: £1) to Directors' remuneration for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Group.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.03m (2021: £0.06 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The scope of the audit work performed was predominately substantive as we did not rely upon the Group's internal control over financial reporting.

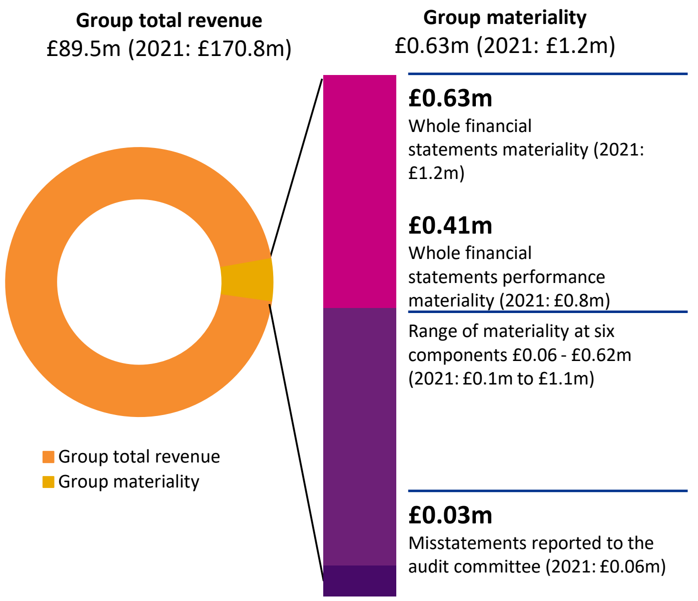
Of the Group's nine (2021: nine) reporting components, we subjected five (2021: six) to full scope audits for group purposes and none (2021: none) to specified risk-focused audit procedures.

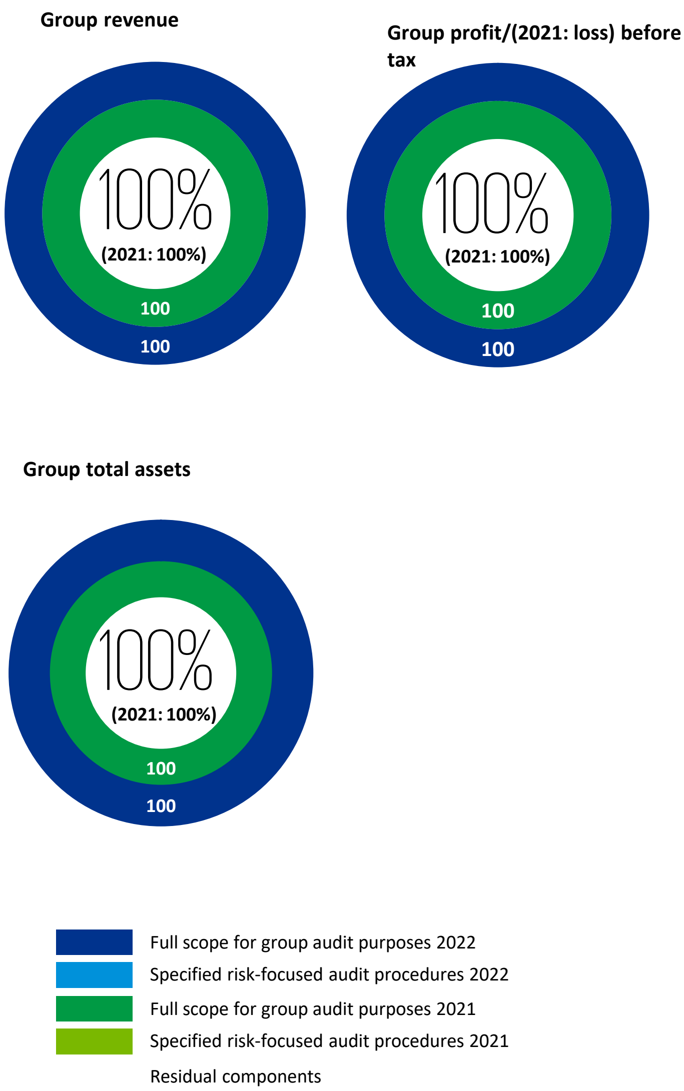
The components within the scope of our work accounted for 100% (2021: 100%) of Group revenue, Group profit (2021: loss) before tax and Group total assets.

The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality and performance materiality levels set out above .

The Group team established the component materialities, which ranged from £0.06 to £0.63 million (2021: £0.1 million to £1.1 million), having regard to the mix of size and risk profile of the Group across the components.

The work on all of the components (2021: all), including the audit of the parent company, was performed by the Group team.





5. Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated in section 2 of our report, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated management's assessment of going concern is set out section 2 of our report.

Our conclusions based on this work:

— we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

— we have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting and their identification therein of a material uncertainty over the Group and Company's use of that basis for the going concern period; and

— the related statement under the Listing Rules set out on page 92 is materially consistent with the financial statements and our audit knowledge.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

— enquiring of directors, the audit committee, reviewing internal audit reporting and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

— reading Board and other executive committee minutes.

— considering remuneration incentive schemes and performance targets for management and Directors including share-based payments for management remuneration.

— using analytical procedures to identify any unusual or unexpected relationships.

— using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

— Inspecting correspondence with regulators to identify instances or suspected instances of fraud.

— Reviewing the audit misstatements from prior period to identify fraud risk factors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as those described in this report: namely expected credit loss and customer complaints.

On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the Group's revenue streams the Groups revenue transactions are non-complex in nature involving minimal management judgement.

We identified a fraud risk related to:

— the expected credit losses on customer loans and receivables due to the significant judgement in this estimate.

— the complaints provision due to the high degree of estimation uncertainty and the significant judgement required by management over uncertain future outcomes of this provision.

In order to address the risk of fraud on the above we challenged management in relation to the selection of assumptions to assess if there are indications of management basis. Further detail is set out in the key audit matter disclosures in section 3 of this report.

We also performed procedures including:

— identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included assessing the appropriateness of journal users, searching for high risk descriptions or lack there of, those linked to specific accounts and duplicate entries; and

— assessing significant accounting estimates for bias, including the complaint provision, the expected credit loss and investment in subsidiary that require judgement bias.

Further detail in respect of the customer complaints provision and expected credit losses on customer loans and receivables is set out in the key audit matter disclosures in section 3 of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance 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 license to operate. We identified the following areas as those most likely to have such an effect: conduct and regulatory risk, anti-bribery, anti-money laundering and certain aspects of Company legislation recognising the financial and regulated nature of the Group's activities.

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. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach

The ongoing FCA investigations and customer complaints provision is set out in the other key audit matter disclosures in section 3 of this report.

For the ongoing FCA investigation matters discussed in note 1 we assessed disclosures against our understanding from regulatory correspondence and discussions with the Board and management.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. 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 emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, other than the material uncertainty related to going concern referred to above, we have nothing further material to add or draw attention to in relation to:

— the Directors' confirmation within the long-term viability statement (page 49) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

— the Directors' explanation in the long-term 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

We are also required to review the long- term viability statement, set out on page 49 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

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 perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

— 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;

— the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and

— the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review, and to report to you if a corporate governance statement has not been prepared by the company. We have nothing to report in these respects.

Based solely on our work on the other information described above:

— with respect to the Corporate Governance Statement disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:
  - we have not identified material misstatements therein; and
  - the information therein is consistent with the financial statements; and
— in our opinion, the Corporate Governance Statement has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

8. 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.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 98, 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 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 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

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. 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.

Nicholas Edmonds (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
London,
E14 5GL
8 July 2022

Consolidated statement of comprehensive income
for the year ended 31 March 2022

	Notes	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Revenue	4	**89.5**	170.8
Interest payable and funding facility fees	5	**(16.7)**	(27.5)
Interest receivable		**0.1**	0.1
Impairment of amounts receivable from customers		**(37.0)**	(60.7)
Administrative and other operating expenses	7	**(24.6)**	(44.5)
Complaints provision release/(expense)	19	**156.6**	(318.8)
Total operating income/(expense)		**132.0**	(363.3)
Strategic review, formal sale process and related financing costs	8	**—**	(3.0)
Profit/(loss) before tax		**167.9**	(283.6)
Tax credit/(charge) on profit/(loss)	11	**1.7**	(5.5)
Profit/(loss) and total comprehensive profit/(loss) attributable to equity shareholders of the Group[1]		**169.6**	(289.1)

The profit/(loss) is derived from continuing activities.

Earnings/(loss) per share

	Notes	Year to 31 Mar 22	Year to 31 Mar 21
Basic earnings/(loss) per share (pence)	13	**35.7**	(60.8)
Diluted earnings/(loss) per share (pence)	13	**35.7**	(60.8)

The accompanying notes form part of these financial statements.

1 There was less than £0.1m of other comprehensive income during the relevant periods, and hence no consolidated statement of other comprehensive income is presented.

Consolidated statement of financial position
as at 31 March 2022

	Notes	31 Mar 22 £m	31 Mar 21 £m
Non-current assets			
Customer loans and receivables	14	**25.4**	125.5
Property, plant and equipment		**0.5**	1.1
Right-of-use lease assets	20	**0.8**	1.0
		26.7	127.6
Current assets			
Customer loans and receivables	14	**114.8**	225.1
Other receivables	16	**1.6**	1.6
Current tax asset		**0.7**	—
Derivative asset		**—**	0.1
Cash and cash equivalents (restricted)[1]		**7.6**	6.3
Cash and cash equivalents		**133.6**	177.9
		258.3	411.0
Total assets		**285.0**	538.6
Current liabilities			
Trade and other payables	17	**(6.7)**	(15.9)
Borrowings	18	**—**	(64.4)
Lease liabilities	20	**(0.3)**	(0.3)
Complaints provision	19	**(82.8)**	(344.6)
Restructuring provision	19	**—**	(1.0)
Current tax liabilities		**—**	(0.8)
		(89.8)	(427.0)
Non-current liabilities			
Borrowings	18	**(49.7)**	(232.1)
Lease liabilities	20	**(0.6)**	(0.9)
Complaints provision	19	**(97.0)**	—
		(147.3)	(233.0)
Total liabilities		**(237.1)**	(660.0)
Net assets/(liabilities)		**47.9**	(121.4)
Equity			
Share capital	21	**1.2**	1.2
Share premium		**207.9**	207.9
Translation reserve		**0.1**	—
Merger reserve		**(295.2)**	(295.2)
Retained earnings		**133.9**	(35.3)
Shareholder equity		**47.9**	(121.4)

The accompanying notes form part of these financial statements.

1 Cash and cash equivalents (restricted) of £7.6m (2021: £6.3m) materially relates to restricted cash held in a Trust Account for the benefit of those customers with an open complaint, who may later have their complaints upheld in the Scheme, who continued to make payments on their loan from 1 December 2021 to the Scheme effective date In the prior year, restricted cash and cash equivalents represented restricted cash held in the structured entity AMGO Funding (No. 1) Ltd bank account due to contractual obligations at that time.

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

Danny Malone
Director
8 July 2022

Company no. 10024479

Consolidated statement of changes in equity
for the year ended 31 March 2022

	Share capital £m	Share premium £m	Translation reserve[1] £m	Merger reserve[2] £m	Retained earnings £m	Total equity £m
At 1 April 2020	1.2	207.9	—	(295.2)	253.5	167.4
Total comprehensive loss	—	—	—	—	(289.1)	(289.1)
Share-based payments	—	—	—	—	0.3	0.3
At 31 March 2021	1.2	207.9	—	(295.2)	(35.3)	(121.4)
Total comprehensive profit	—	—	—	—	169.6	169.6
Translation reserve	—	—	0.1	—	—	0.1
Share-based payments	—	—	—	—	(0.4)	(0.4)
At 31 March 2022	**1.2**	**207.9**	**0.1**	**(295.2)**	**133.9**	**47.9**

The accompanying notes form part of these financial statements.

1 The translation reserve is due to the effect of foreign exchange rate changes on translation of financial statements of the Irish entities.

2 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.

Consolidated statement of cash flows
for the year ended 31 March 2022

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Profit/(loss) for the period	**169.6**	(289.1)
Adjustments for:		
Impairment expense	**37.0**	60.7
Complaints provision	**(156.6)**	318.8
Restructuring provision	**—**	1.0
Tax (credit)/charge	**(1.7)**	5.5
Interest expense	**16.7**	27.5
Interest receivable	**(0.1)**	(0.1)
Interest recognised on loan book	**(97.0)**	(185.3)
Share-based payment	**(0.4)**	0.3
Depreciation of property, plant and equipment	**0.5**	1.1
Operating cash flows before movements in working capital	**(32.0)**	(59.6)
Decrease/(increase) in receivables	**0.1**	(0.9)
(Decrease) in payables	**(6.3)**	(0.3)
Complaints cash expense	**(8.1)**	(64.6)
Tax refunds	**0.2**	23.6
Interest paid	**(18.5)**	(22.8)
Net cash (used in) operating activities before loans issued and collections on loans	**(64.6)**	(124.6)
Loans issued	**—**	(0.4)
Collections	**263.0**	402.5
Other loan book movements	**(0.4)**	(0.6)
Decrease in deferred brokers' costs	**7.5**	10.8
Net cash from operating activities	**205.5**	287.7
Investing activities		
Proceeds from sale of property, plant and equipment	**0.3**	—
Purchases of property, plant and equipment	**—**	(0.5)
Net cash from/ (used in) investing activities	**0.3**	(0.5)
Financing activities		
Lease principal payments	**(0.3)**	(0.2)
Repayment of external funding	**(248.5)**	(167.2)
Net cash (used in) financing activities	**(248.8)**	(167.4)
Net (decrease)/increase in cash and cash equivalents	**(43.0)**	119.8
Effects of movement in foreign exchange	**—**	0.1
Cash and cash equivalents at beginning of period	**184.2**	64.3
Cash and cash equivalents at end of period[1]	**141.2**	184.2

The accompanying notes form part of these financial statements.

1 Total cash is inclusive of cash and cash equivalents (restricted) of £7.6m (2021: £6.3m). This materially relates to restricted cash held in a Trust Account for the benefit of those customers with an open complaint, who may later have their complaints upheld in the Scheme, who continued to make payments on their loan from 1 December 2021 to the Scheme effective date In the prior year, restricted cash and cash equivalents represented restricted cash held in the structured entity AMGO Funding (No. 1) Ltd bank account due to contractual obligations at that time.

Notes to the consolidated financial statements
for the year ended 31 March 2022

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 on the London Stock Exchange (LSE: AMGO). The Company is incorporated and domiciled in England and Wales and its registered office is Nova Building, 118–128 Commercial Road, Bournemouth, United Kingdom BH2 5LT.

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 from £2,000 to £10,000 over one to five years.

These consolidated Group and Company financial statements have been prepared on a going concern basis and approved by the Directors in accordance with UK-adopted International Financial Reporting Standards ("IFRS"). There has been no departure from the required IFRS standards.

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

The presentational 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.

In preparing the financial statements, the Directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the Group and Company's accounting policies. See note 2 for further details.

The consolidated Group and Company financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 8 July 2022.

The Group's principal accounting policies used in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, which have been consistently applied to all years presented unless otherwise stated, are set out below.

Going concern
In determining the appropriate basis of preparation for these financial statements, the Board has undertaken an assessment of the Group and Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This has taken into account the Group's business plan and the principal risks and uncertainties facing the Group, including the success of the Scheme of Arrangement ("the Scheme"). The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

Following the sanctioning by the High Court on 26 May of the Scheme of Arrangement ("the Scheme") the Group now has a clear path to returning to lending over the next twelve months. Failure to meet the conditions of the Scheme however remains a key risk faced by the Group. The relevant conditions are:

- approval before 26 February 2023 by the Financial Conduct Authority for Amigo to resume lending;
- issuance and sale of at least 19 shares for every 1 share in issue before 26 May 2023

Should either of these conditions remain unsatisfied within the required timeframes, under the terms of the Scheme the business will revert to a managed wind-down and neither the Group nor Company will be a going concern. Projections show the business has sufficient resources for a solvent wind-down in this context.

However, the Directors have a reasonable expectation that these conditions can be met and, therefore, have modelled a 'Base scenario' and 'Severe but plausible downside Scheme scenario' which the Directors believe are realistic alternatives to the managed wind-down scenario.

Base scenario - business plan assumptions
The Base scenario assumes that:

- the conditions of the Scheme (explained above) are met in the required timescales, with FCA approval to commence re-lending being received in Summer 2022
- balance adjustments resulting from complaints in the Scheme are consistent with the assumptions that underpin the complaints provision reported as at 31 March 2022 (see note 2.2.2)
- at least the minimum committed amount of £112m is paid out as cash redress in the Scheme, being £97m from existing resources and future collections plus an additional £15m following the equity raise
- new lending originations commence as soon as possible in summer 2022
- collections on the existing loan book continue in line with recent experience

This scenario indicates that the Group will have sufficient funds to enable it to operate within its available facilities and settle its liabilities as they fall due for at least the next twelve months.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

1. Accounting policies continued

1.1 Basis of preparation of financial statements continued

Severe but plausible downside Scheme scenario

The Directors have prepared a severe but plausible downside scenario. This assumes the conditions of the Scheme are met and also that the Group is able to successfully obtain new debt financing to enable it to repay its non-current borrowings as they fall due in January 2024, but considers the potential impact of:

- an increased number of upheld complaints. Whilst this sensitivity does not increase the cash liability, which is capped under the Scheme, the number of customers receiving balance write downs will increase, thus reducing future collections and adversely impacting the Group's liquidity position.
- increased credit losses as a result of the cost of living crisis and the inability of an increased number of the Group's customers to continue to make payments.
- halving of forecast origination volumes, whether arising due to delays in new product launch or market conditions.
- halving of new equity funding raised (whilst still meeting the dilution conditions of the Scheme)

This severe but plausible downside Scheme scenario indicates that the Group's available liquidity headroom would reduce but would be sufficient to enable the Group to continue to settle its liabilities as they fall due for at least the next twelve months.

FCA investigation

The Group is currently under investigation by the FCA in relation to historical lending and complaints management processes. We are hopeful that the outcome of these investigations will be known within the next twelve months. If the enforcement process is not completed within twelve months, then Amigo could fail to comply with one of the Scheme conditions and is likely to revert to the fallback solution or some form of insolvency.

There are a number of avenues of sanction open to the FCA should it deem it appropriate and so the potential impact of the investigation on the business is extremely difficult to predict and quantify, so has not been provided for in the financial statements, and is not modelled in the business plan or stress scenario. In mitigation, the FCA has stated that the levying of any fine would be considered in the context of the Scheme and its impact on creditors. However, if the FCA were to impose a significant fine it would significantly reduce the Group's available liquidity headroom and the Group may potentially need to source additional financing to maintain adequate liquidity and to continue to operate.

Conclusion

Approval by the High Court of the Scheme provides the Group with a clear path to return to lending under a business plan which has been the subject of extensive external scrutiny as a result of the Court process. Based on the severe but plausible scenario the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operation for at least the next twelve months. Accounting standards require an entity to prepare financial statements on a going concern basis unless the Board either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Accordingly, the Board believes that it remains appropriate to prepare the financial statements on a going concern basis.

However, the Board also recognises that at the date of approval of these financial statements significant uncertainty remains. The Scheme requires the meeting of conditions, being approval for a return to lending before 26 February 2023 and issuance and sale of at least 19 shares for every 1 share in issue before 26 May 2023. Additionally, the successful delivery of the Group's business plan depends on raising sufficient equity and/or debt funding and the final outcome of the FCA investigations remains highly uncertain. These conditions are outside of the control of the Group. These matters indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt over the Group and Company's ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1. Accounting policies continued

1.1 Basis of preparation of financial statements continued

Basis of consolidation

The consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and notes to the financial statements include the financial statements of the Company and all of its subsidiary undertakings inclusive of structured entities ("SEs"); see note 28 for a full list of subsidiaries and SEs. 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 vehicle ALL Scheme Ltd was incorporated on 6 January 2021 and is a wholly owned and controlled subsidiary of the Group included in the consolidated financial statements for the years ended 31 March 2022 and 31 March 2021. There has been no activity through this vehicle in either financial year. The Group intends to review complaint claims through this vehicle and, where appropriate, to pay cash redress to customers that have been affected by historical issues in the UK business.

The Group's securitisation facility was established in November 2018. During the year ended 31 March 2022 the Company fully repaid the facility, although at the year end the structure remained in place (see note 18 for further details). The structured entity AMGO Funding (No. 1) Ltd 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. SEs are fully consolidated based on the power of the Group to direct relevant activities, and its exposure to the variable returns of the SE. In assessing whether the Group controls a SE, judgement is exercised to determine the following: whether the activities of the SE are being conducted on behalf of the Group to obtain benefits from the SE's operation; whether the Group has the decision-making powers to control or to obtain control of the SE or its assets; whether the Group is exposed to the variable returns from the SE's activities; and whether the Group is able to use its power to affect the amount of returns. The Group's involvement with SEs is detailed in note 25.

All intercompany balances and transactions are eliminated fully on consolidation. The financial statements of the Group's subsidiaries (including SEs that the Group consolidates) are prepared for the same reporting period as the Group and Company, using consistent accounting policies.

1.2 Amounts receivable from customers

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 through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL)". Note, the Group does not hold any financial assets that are equity investments; hence, the below considerations of classification and measurement only apply to financial assets that are debt instruments. 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.

Business model assessment

In the assessment of the objective of a business model, the information considered includes:

- the stated policies and objectives for the loan book and the operation of those policies in practice, in particular whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the loan book is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of debt sales in prior periods, the reasons for such sales and the Group's expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group's business comprises primarily loans to customers that are held for collecting contractual cash flows. Debt sales of charged off assets are not indicative of the overall business model of the Group. The business model's main objective is to hold assets to collect contractual cash flows.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Group has deemed that the contractual cash flows are SPPI and hence, loans to customers are measured at amortised cost under IFRS 9.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

1. Accounting policies continued
1.2 Amounts receivable from customers continued
ii) Impairment
IFRS 9 includes a forward-looking expected credit loss ("ECL") model with regards to impairment. IFRS 9 requires an impairment provision to be recognised on origination of a financial asset. Under IFRS 9, a provision is made against all stage 1 (defined below) financial assets to reflect the expected credit losses from default events within the next twelve months. The application of lifetime expected credit losses to assets which have experienced a significant increase in credit risk results in an uplift to the impairment provision.

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; and

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 default events over the expected life of a financial instrument.

In substance the borrower and the guarantor of each financial asset have 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 an asset.

The Group performs separate credit and affordability assessments on both the borrower and guarantor. After having passed an initial credit assessment, 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 time frame, collection efforts are switched to the guarantor and if arrears are cleared the loan is considered performing.

The Group assessed that its key sensitivity was in relation to expected credit losses on customer loans and receivables. The matrix of nine scenarios used in the prior year for calculating the ECL provision has been simplified into base, downside and severe downside scenarios. In prior years nine macroeconomic scenarios were applied and weighted. However, given the impact of the Covid-19 pandemic is better known and already to an extent has been realised, this methodology was reviewed and simplified down to three scenarios – a base, downside and severe downside scenario, to determine the ECL provision (see note 2.1.3).

Previously the IFRS 9 provision was segmented into the Group's seven legacy risk segments. Due to the impact of Covid-19 these segments no longer have discernible credit risk profiles. Instead, and in line with information used by management in internal decision making and review, the book is bifurcated into customers who have had a Covid-19 forbearance plan and those who have not. Refer to note 2.1.1 for further detail of the judgements and estimates used in the measurement of ECLs and note 2.1.3 for detail on impact of forward-looking information on the measurement of ECLs.

iv) Assessment of significant increase in credit risk ("SICR")
In determining whether the credit risk (i.e. risk of default) of 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 used in this assessment is payment status flags, which occur in specific circumstances such as a short-term payment plans, breathing space 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 to staging, and judgements on what signifies a significant increase in credit risk.

The Group has offered payment holidays to customers in response to Covid-19. These measures were introduced on 31 March 2020 and last granted by 31 March 2021, although some customers continued in their existing payment holidays into the 2022 financial year. The granting of a payment holiday, or the extension of a payment holiday at the customer's request, does not automatically trigger a significant increase in credit risk. Customers granted payment holidays are assessed for other indicators of SICR and are classified as stage 2 if other indicators of a SICR are present. This is in line with guidance issued by the International Accounting Standards Board ("IASB") and Prudential Regulation Authority ("PRA") which noted that the extension of government-endorsed payment holidays to all borrowers, in particular classes of financial instruments, should not automatically result in all those instruments being considered to have suffered a significant increase in credit risk. See note 2.1.2 for further detail on SICR considerations for Covid-19 payment holidays.

1. Accounting policies continued

1.2 Amounts receivable from customers continued

v) Derecognition

Historically, the Group offered, to certain borrowers, the option to top up existing loans subject to internal eligibility criteria and customer affordability. 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 and Covid-19 payment holidays, no formal modifications are offered to customers. In some instances, forbearance measures are offered to customers. These are not permanent measures; there are no changes to the customer's contract and the measures do not meet derecognition or modification requirements. See policy 1.11 for more details on the Group's accounting policies for modification of financial assets.

vii) Definition of default

The Group considers an account to be 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 in IFRS 9 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 immediately cured and transitions back from stage 3 within the Group's impairment model.

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 customer's contract at any stage. Depending on the forbearance measure offered, an operational flag will be added to the customer's account, which may indicate significant increase in credit risk and trigger movement of this balance from stage 1 to stage 2 in impairment calculation. See note 2.1.2 for further details.

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). Revenue is also presented net of modification adjustments recognised in the period, where no historical event suggesting a significant increase in credit risk has occurred on that asset (see notes 1.11.1.e 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 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 costs), 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 expense and income, excluding bond premium, is recognised as it accrues in the consolidated statement of comprehensive income using the EIR 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 instruments and recognised over the behavioural life of the liability. The bond premium is amortised over the life of the bond. 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.

Where an existing debt instrument 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. All capitalised fees relating to the prior debt instrument are written off to the consolidated statement of comprehensive income at the date of derecognition.

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. Where senior secured notes are repurchased in the open market resulting in 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.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

1. Accounting policies continued

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 on the earlier of their approval or payment date.

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. Taxable profit/loss differs from profit/loss before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Should circumstances arise where the Group concludes it is no longer considered probable that future taxable profits will be available against which temporary differences can be utilised, deferred tax assets will be written off and charged to the consolidated statement of comprehensive income.

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 are unlikely to 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.

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
- Office equipment — 50% straight line
- Motor vehicles — 25% straight line

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, 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. Accounting policies continued

1.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. For more details see note 2.2 and note 19.

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised in the consolidated statement of financial position but information about them is disclosed unless the possibility of any economic outflow in relation to settlement is remote. See note 19 for further details.

1.11 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 and senior secured notes in the form of high yield bonds. During the year the Group utilised a securitisation facility which has been fully repaid at the balance sheet date.

1.11.1 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 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) Cash and cash equivalents (restricted)

Cash and cash equivalents (restricted) materially relates to restricted cash held in a Trust Account for the benefit of those customers with an open complaint, who may later have their complaints upheld in the Scheme, who continued to make payments on their loan from 1 December 2021 to the Scheme effective date. In the prior year, restricted cash and cash equivalents represented restricted cash held in the structured entity AMGO Funding (No. 1) Ltd bank account due to contractual obligations at that time. During the year the size of the securitisation facility decreased from £250m to £100m in June 2021 before being fully repaid on 24 September 2021. Although the structure exists at the period end all rights, obligations and liabilities of the Noteholders and Lead Arranger have been novated to ALL Scheme Limited and there is consequently no comparable cash restriction.

d) 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.

e) Modification of financial assets

Where modifications to financial asset terms occur, for example, modified payment terms following granting of a Covid-19 payment holiday to customers, the Group evaluates from both quantitative and qualitative perspectives whether the modifications are deemed substantial. If the cash flows are deemed substantially different, then the contractual rights to cash flows from the original asset are deemed to have expired and the asset is derecognised (see 1.11.1.f) and a new asset is recognised at fair value plus eligible transaction costs.

For non-substantial modifications the Group recalculates the gross carrying amount of a financial asset based on the revised cash flows and recognises a modification loss in the consolidated statement of comprehensive income. The modified gross carrying amount is calculated by discounting the modified cash flows at the original effective interest rate. For customer loans and receivables, where the modification event is deemed to be a trigger for a significant increase in credit risk or occurs on an asset where there were already indicators of significant increase in credit risk, the modification loss is presented together with impairment losses. In other cases, it is presented within revenue.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

1. Accounting policies continued
1.11 Financial instruments continued
1.11.1 Financial assets continued
f) 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.

g) Write off
Customer loans and receivables are written off the consolidated statement of financial position 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 legal purchase date of the assets, recoveries are recognised in the consolidated statement of comprehensive income within the impairment charge.

1.11.2 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. These include liabilities recognised for the expected cost of repurchasing customer loans and receivables previously sold to third parties, where a lending decision complaint has since been upheld in the customer's favour. 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 note 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 or cancelled or has 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.

1.12 Securitisation
The Group securitises certain 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 statement of financial position, together with debt securities in issue recognised for the funding. Securitised loans are not derecognised for the purposes of IFRS 9 on the basis that the Group retains substantially all the risks and rewards of ownership. Since the novation of the securitisation structure to Amigo in September 2021, and the elimination of Noteholders, no additional risks are considered to arise from the remaining structure. See note 25 for further details.

1. Accounting policies continued

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 Leases
IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the Group. Control is considered to exist if the Group 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.

Where control, and therefore a lease, exists, a right-of-use asset and a corresponding liability are recognised for all leases where the Group is the lessee, except for short-term assets and leases of low-value assets. Short-term assets and leases of low-value assets are expensed to the consolidated statement of comprehensive income as incurred.

i) Lease liability
All leases for which the Group is a lessee, other than those that are less than twelve months in duration or are low value which the Group has elected to treat as exempt, require a lease liability to be recognised on the consolidated statement of financial position on origination of the lease. For these leases, the lease payment is recognised within administrative and operating expenses on a straight-line basis over the lease term. The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the incremental borrowing rate, as there is no rate implicit in the lease. This is defined as the rate of interest that the lessee would have to pay to borrow, over a similar term, and with similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The interest expense on the lease liability is to be presented as a finance cost.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease, using the effective interest rate method, and reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- the lease contract is modified and the modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ii) Right-of-use asset
For each lease liability a corresponding right-of-use asset is recorded in the consolidated statement of financial position.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset, with the depreciation charge presented under administrative and operating expenses. The Group's right-of-use assets relate to two property leases for offices in Bournemouth.

The Group and Company did not make any material adjustments during the year.

1.15 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. The consolidated and the Company financial statements are presented in Sterling, which is the Group and Company's presentational currency.

Transactions that are not denominated in the Group's presentational currency are recorded at an average exchange rate for the month. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant presentational currency at the exchange rates prevailing at the consolidated statement of financial position date. Non-monetary items carried at historical cost are translated using the exchange rate at the date of the transaction. Differences arising on translation are charged or credited to the consolidated statement of comprehensive income.

1.16 Defined contribution pension scheme
The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the consolidated statement of comprehensive income on an accruals basis.

1. Accounting policies continued

1.17 Share-based payments

The Company grants options under employee savings-related share option schemes (typically referred to as Save As You Earn schemes ("SAYE") and makes awards under the Share Incentive Plans ("SIP") and the Long Term Incentive Plans ("LTIP"). All of these plans are equity settled.

The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to retained earnings, net of deferred tax. The fair value of the share plans is determined at the date of grant. Non-market-based vesting conditions (i.e. earnings per share and absolute total shareholder return targets) are taken into account in estimating the number of awards likely to vest, which is reviewed at each accounting date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued.

The grant by the Company of options and awards over its equity instruments to the employees of subsidiary undertakings is treated as an investment in the Company's financial statements.

1.18 Items presented separately within the consolidated statement of comprehensive income

Complaints expense and strategic review, formal sale process and related financing costs are presented separately on the face of the consolidated statement of comprehensive income. These items are deemed exceptional 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.

Judgements

The preparation of the consolidated Group financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the consolidated statement of financial position date and the reported amounts of income and expenses during the reporting period. The most significant uses of judgements and estimates 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 1.2.vii).
  - Multiple economic scenarios – the probability weighting of base, downside and severe downside scenarios to the ECL calculation (note 2.1.3). These scenarios replaced the nine different economic scenarios used in the prior year.
  - Application of a management overlay. A judgemental overlay has been applied to the impairment provision to approximate the potential short-term impact on the ageing of the loan book (note 2.1.4).
- Complaints provisions:
  - Judgement is involved in calculating the balance adjustments and in estimating the probability, timing and amount of any outflows (note 2.2.2).
- Going concern:
  - Judgement is applied in determining if there is a reasonable expectation that the Group adopts the going concern basis in preparing these financial statements (note 1.1).

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).
  - Probability of default (PD), exposure at default (EAD) and loss given default (LGD) (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).
  - Calculation of the management overlay which has been applied to the impairment provision (note 2.1.4).
- Complaints provisions:
  - Calculation of balance adjustments involve management's best estimate of Scheme uptake, uphold rate and average redress. The calculation of these evaluates current and historical data, and assumptions and expectations of future outcomes (note 2.2.2).
- Valuation of the investment in subsidiaries held by parent company Amigo Holdings PLC (note 2a of Company financial statements).
- Carrying amount of current and deferred taxation assets and liabilities:
  - The current uncertainty over the Group's future profitability means that it is no longer considered probable that future taxable profits will be available against which to recognise deferred tax assets.

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. In the current year the loan book is bifurcated into those customers who have had a Covid-19 forbearance plan and those who have not. In the prior year, the loan book was divided into portfolios of assets with shared risk characteristics including whether the loan was new business, repeat lending or part of a lending pilot as well as considering if the customer was a homeowner or not. These portfolios of assets were further divided by contractual term and monthly origination vintages. These portfolios are no longer considered to have discernible credit risk profiles due to the impact of Covid-19.

The allowance for ECLs is calculated using three components: PD, LGD and EAD. The ECL is calculated by multiplying the PD (twelve month or lifetime depending on the staging of the loan), LGD and EAD and the result is discounted to the reporting date at the original EIR.

The twelve month and lifetime PDs represent the probability of a default occurring over the next twelve months or the lifetime of the financial instruments, respectively, based on historical data and assumptions and expectations of future economic conditions.

EAD represents the expected balance at default, considering the repayment of principal and interest from the balance sheet date to the default date. LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive.

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 factors that are likely to impact credit losses as the rate of unemployment and the rate of inflation.

In prior years nine macroeconomic scenarios were applied and weighted. However, given the impact of the Covid-19 pandemic is better known and already to an extent has been realised, this methodology was reviewed and simplified down to three scenarios – a base, downside and severe downside scenario, to determine the ECL provision (see note 2.1.3).

2.1.2 Assessment of significant increase in credit risk ("SICR")

To determine whether there has been a SICR 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 presence of certain payment status flags on a customer's account. This is the Group's primary qualitative criteria considered in the assessment of whether there has been a significant increase in credit risk. If a relevant operational flag 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. Examples of this include operational flags for specific circumstances such as short-term payment plans and breathing space granted to customers.
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. This is the primary quantitative information considered by the Group in a significant increase in credit risk assessments.

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 a significant increase in credit risk.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

2. Critical accounting assumptions and key sources of estimation uncertainty continued

2.1 Credit impairment continued

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 factors that are likely to impact credit losses as the rate of unemployment and the rate of inflation.

The Group has modelled and weighted three different macroeconomic scenarios – a base, a downside and a severe downside scenario:

- The base scenario broadly represents probability of defaults whereby there is no significant deviation of delinquency beyond the current run-rate. The base scenario captures an element of stress to reflect current inflationary pressures. A weighting of 25% has been applied to reflect the Group's assumption that the current macroeconomic environment is more likely than not due to worsen, given the inflationary pressures facing the Group's customer base. Historical trends of prior inflationary increases showed no statistical relationship to the Group's customers propensity to make payments, so the base scenario appears reasonable.
- The downside scenario uplifts the base scenario probability of default by approximately 50%. Based on recent Office for Budgetary Reporting ("OBR") forecasts, inflation rates, which are already at 40-year highs, are expected to rise further in the short-term. Although there are no historical indications of a statistical relationship between inflationary rises and customers' propensity to make payments, a weighting of 50% has been applied to reflect a prudent approach and expectation that customers will be, in some form, adversely impacted.
- The severe downside applies a further uplift of 25% to the probability of default in the downside scenario, reflecting a significant impact from macroeconomic factors. Whilst the economic outlook is not set to return to more normal levels in the near term, the Group's loan book does not have significant time left to run off. Judgement has been made to weight this scenario at 25%. Given the lack of statistical relationship and level of uncertainty around the impact on customers' payment behaviour, the Group believes this weighting is fair and reasonable, but will evolve over time as the cost of living crisis plays out.

The following table details the absolute impact on the current ECL provision of £47.4m if each of the three scenarios are given a probability weighting of 100%.

Impact	
Base	-2.7m
Downside	+0.6m
Severe downside	+1.5m

The scenarios above demonstrate a range of ECL provisions from £44.7m to £48.9m.

In prior years nine macroeconomic scenarios were applied and weighted. However, given the impact of the Covid-19 pandemic is better known and already to an extent has been realised, this methodology was reviewed and simplified down to three scenarios – a base, downside and severe downside scenario, to determine the ECL provision.

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.

2.1.4 Application of a management overlay to the impairment provision calculation

In the prior year management overlay was used to enhance the modelled outcome to take account of increasing credit risk indicators that were potentially masked by payment holidays granted due to Covid-19. This is no longer relevant as all impacted accounts have reverted to a tailored collections approach captured by status flag.

As noted in 2.1.3, the Board notes that forward looking information carries a degree of uncertainty, particularly in relation to the impact of the forecast cost of living crisis. However, in the view of the Board, the use of a sufficiently severe downside scenario in the modelled approach negates the requirement for further management overlay in the impairment estimation.

2. Critical accounting assumptions and key sources of estimation uncertainty continued

2.2 Complaints provisions

2.2.1 Key judgements – Scheme of Arrangement

On 21 December 2020, the Group announced its intention to agree a Scheme of Arrangement to address customer redress claims with the aim that all customers are treated equitably. The vehicle ALL Scheme Ltd ("SchemeCo") was incorporated on 6 January 2021 and is a wholly owned subsidiary through which the Group intends to review claims and, where appropriate, pay redress to customers that have been affected as a result of historical issues in the UK business.

IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* requires that the measurement of provisions is not adjusted for future events, such as the approval of an alternative Scheme of Arrangement, unless there is sufficient objective evidence that the future event will occur.

Following the sanctioning by the High Court of the New Business Scheme and considering that the subsequent conditions precedent for return to lending and capital raise will be satisfied, Amigo believes that the IAS 37 conditions for recognising a provision will be met. As a result the complaints provision has been calculated on a Scheme basis. This means that the provision has been reduced to the level of estimated balance adjustments plus the cash redress promised in the Scheme.

2.2.2 Complaints provision – estimation uncertainty

Provisions included in the statement of financial position refers to a provision recognised for customer complaints. The provision represents an accounting estimate of the expected future outflows arising from certain customer-initiated complaints, using information available as at the date of signing these financial statements.

Identifying whether a present obligation exists and estimating the probability, timing, nature and quantum of the redress payments that may arise from past events require judgements to be made on the specific facts and circumstances relating to the individual complaints. Management evaluates on an ongoing basis whether complaints provisions should be recognised, revising previous judgements and estimates as appropriate; however, there is a wide range of possible outcomes.

The key assumptions in these calculations which involve significant, complex management judgement and estimation relate primarily to the projected costs of potential future complaints, where it is considered more likely than not that customer redress will be appropriate. These key assumptions are:

- future estimated volumes – estimates of future volumes of complaints;
- uphold rate (%) – the expected average uphold rate applied to future estimated volumes where it is considered more likely than not that customer redress will be appropriate; and
- average balance adjustments (£) – the estimated balance adjustments for future upheld complaints included in the provision.
- portion of complaints on gross loan book (%) - whether there are customers on the existing loan book remediated via balance adjustment or whether redress is achieved via the Scheme cash pot.

The calculation of the complaints provision as at 31 March 2022 is based on Amigo's best estimate of the future obligation at the Scheme effective date. The revised complaints cash redress provision will be £97m post-Scheme. There is an additional £15m payable resulting from the contingent equity raise, plus a top up if net collections exceed those forecast in the Scheme scenarios.

The capital raise is a critical component of the preferred solution under the New Business Scheme succeeding, and while the provision is being accounted for on the basis that the Scheme is successful, it is currently determined that the equity raise contribution component cannot be accrued as it cannot be justified as more likely than not to occur at today's date.

As at 31 March 2022, the Group has recognised a complaints provision totalling £179.8m in respect of customer complaints redress and associated costs. Utilisation in the period totalled £8.2m. The liability has decreased by £164.8m compared to prior year. £126.5m of the decrease is due to the cash redress liability being reduced to the £97.0m contribution as per the Scheme. The other main component of the reduction is a decrease in the balance adjustments on the loan book of £47.3m. The level of balance adjustments has declined due to customers paying down their loan and customers charging off the loan book. This has been partly offset by an increase in the assumed volume of customers coming forward in the Scheme.

The following table details the effect on the complaints provision considering incremental changes on key assumptions, should current estimates prove too high or too low. Sensitivities are modelled individually and not in combination.

Assumption	Assumption used	Sensitivity applied	Sensitivity (£m)	
Future complaint volumes[1]	115,321	+/- 5%	+6.6m	-6.6m
Average uphold rate per customer[2]	65%	+/- 20 ppts	+15.6m	-15.6m
Average balance adjustment per valid complaint[3]	£2,600	+/- £500	+8.8m	-8.8m
Portion of complaints on gross loan book[4]	21%	+/-10 ppts	+21.3	-21.3

1 Future estimated volumes. Sensitivity analysis shows the impact of a 5% change in the number of complaints estimated in the provision.
2 Uphold rate. Sensitivity analysis shows the impact of a 20 percentage point change in the applied uphold rate on both the current and forward-looking elements of the provision.
3 Average balance adjustment. Sensitivity analysis shows the impact of a £500 change in average balance adjustment on the provision. In prior years, average redress was used as a key assumption, but average balance adjustment is now considered more appropriate with the provision being calculated on a Scheme basis.
4 Portion of complaints on gross loan book. Sensitivity analysis shows the impact of a 10 percentage point change in the portion of total current and future upheld complaints on the gross loan book.

The table above shows the increase or decrease in total provision charge resulting from reasonably possible changes in each of the key underlying assumptions. The Board considers that this sensitivity analysis covers the full range of reasonably possible alternative assumptions.

It is possible that the eventual outcome may differ materially from the current estimate and could materially impact the financial statements as a whole, given the Group's only activity is guarantor-backed consumer credit. This is due to the risks and inherent uncertainties surrounding the assumptions used in the provision calculation.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

3. Segment reporting

The Group has two operating segments based on the geographical location of its operations, being the UK and Ireland. IFRS 8 requires segment reporting to be based on the internal financial information reported to the chief operating decision maker. The Group's chief operating decision maker is deemed to be the Group's Executive Committee ("ExCo") whose primary responsibility is to support the Chief Executive Officer ("CEO") in managing the Group's day-to-day operations and analyse trading performance. The Group's segments comprise Ireland (Amigo Loans Ireland Limited and Amigo Loans International Limited) and UK businesses (the rest of the Group). The table below illustrates the segments reported in the Group's management accounts used by the ExCo as the primary means for analysing trading performance. The table below presents the Group's performance on a segmental basis for the year to 31 March 2022 in line with reporting to the chief operating decision maker:

Year ended 31 March 2022	Year to 31 Mar 22 £m UK	Year to 31 Mar 22 £m Ireland	Year to 31 Mar 22 £m Total
Revenue	88.6	0.9	89.5
Interest payable and funding facility fees	(16.6)	(0.1)	(16.7)
Interest receivable	0.1	—	0.1
Impairment of amounts receivable from customers	(37.4)	0.4	(37.0)
Administrative and other operating expenses	(23.9)	(0.7)	(24.6)
Complaints provision release	156.6	—	156.6
Total operating income/(expense)	132.7	(0.7)	132.0
Profit before tax	167.4	0.5	167.9
Tax credit on profit[1]	1.7	—	1.7
Profit and total comprehensive income attributable to equity shareholders of the Group	169.1	0.5	169.6

	31 Mar 22 £m UK	31 Mar 22 £m Ireland	31 Mar 22 £m Total
Gross loan book[2]	184.2	1.2	185.4
Less impairment provision	(47.1)	(0.3)	(47.4)
Net loan book[3]	137.1	0.9	138.0

1 The tax credit for the UK reflects an adjustment for prior years and a tax refund received during the year.

2 Gross loan book represents total outstanding loans and excludes deferred broker costs.

3 Net loan book represents gross loan book less provision for impairment.

3. Segment reporting continued

The carrying value of property, plant and equipment and intangible assets included in the consolidated statement of financial position materially all relates to the UK; hence, the split between the UK and Ireland has not been presented. The results of each segment have been prepared using accounting policies consistent with those of the Group as a whole.

Year ended 31 March 2021	Year to 31 Mar 21 £m UK	Year to 31 Mar 21 £m Ireland	Year to 31 Mar 21 £m Total
Revenue	168.5	2.3	170.8
Interest payable and funding facility fees	(27.5)	—	(27.5)
Interest receivable	0.1	—	0.1
Impairment of amounts receivable from customers	(60.1)	(0.6)	(60.7)
Administrative and other operating expenses	(43.2)	(1.3)	(44.5)
Complaints expense	(318.8)	—	(318.8)
Total operating expenses	(362.0)	(1.3)	(363.3)
Strategic review, formal sale process and related financing costs	(3.0)	—	(3.0)
(Loss)/profit before tax	(284.0)	0.4	(283.6)
Tax (charge) on (loss)/profit[1]	(5.3)	(0.2)	(5.5)
(Loss)/profit and total comprehensive (loss)/income attributable to equity shareholders of the Group	(289.3)	0.2	(289.1)

	31 Mar 21 £m UK	31 Mar 21 £m Ireland	31 Mar 21 £m Total
Gross loan book[2]	419.2	3.7	422.9
Less impairment provision	(81.0)	(1.0)	(82.0)
Net loan book[3]	338.2	2.7	340.9

1 The tax charge for Ireland is primarily reflective of the write-off of a corporation tax asset in the period. The tax charge for the UK primarily relates to the write-off of tax assets net with impact of the release of a tax provision no longer required.

2 Gross loan book represents total outstanding loans and excludes deferred broker costs.

3 Net loan book represents gross loan book less provision for impairment.

4. Revenue

Revenue consists of interest income and is derived primarily from a single segment in the UK, but also from Irish entity Amigo Loans Ireland Limited (see note 3 for further details).

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Interest under amortised cost method	**88.2**	197.7
Modification of financial assets (note 6)	**1.2**	(27.2)
Other income	**0.1**	0.3
	89.5	170.8

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for the year ended 31 March 2022

5. Interest payable and funding facility fees

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Senior secured notes interest payable	**14.9**	17.8
Funding facility fees	**1.0**	0.4
Securitisation interest payable	**0.2**	2.8
Complaints provision discount unwind (note 19)	**—**	2.0
Other finance costs	**0.6**	4.5
	16.7	27.5

No interest was capitalised by the Group during the period. Funding facility fees include non-utilisation fees and amortisation of initial costs of the Group's senior secured notes.

Other finance costs largely represent non-utilisation fees of £0.5m (2021:£0.9m) relating to the securitisation facility.

In the prior year, other finance costs also included written-off fees totalling £3.6m following cancellation of the Group's revolving credit facility and substantial modification of the securitisation facility.

6. Modification of financial assets

Covid-19 payment holidays and any subsequent extensions were assessed as non-substantial financial asset modifications under IFRS 9.

The Group stopped granting Covid-19 payment holidays in March 2021; hence, no additional modification losses have been recognised in the year. All payment holidays ended by 31 July 2021.

The carrying value of historical modification losses at the year end was £5.9m (2021: £13.9m).

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Modification release/(loss) recognised in revenue	**1.2**	(27.2)
Modification release/(loss) recognised in impairment	**4.1**	(8.3)
Total modification release/(loss)	**5.3**	(35.5)

7. Operating expenses

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Advertising and marketing	**—**	0.4
Communication costs	**0.4**	1.1
Credit scoring costs	**0.2**	1.7
Employee costs (note 9)	**13.6**	21.1
Legal and professional fees	**5.1**	13.4
Print, post and stationery	**0.5**	0.8
Non-interest related bank charges	**0.7**	1.2
Other	**4.1**	4.8
	24.6	44.5

Other operating expenses include:	**Year to 31 Mar 22 £m**	Year to 31 Mar 21 £m
Fees payable to the Company's auditor and its associates for:		
– audit of these financial statements	**0.3**	0.2
– audit of financial statements of subsidiaries	**0.9**	0.7
– audit-related assurance services[1]	**0.4**	0.3
Depreciation of property, plant and equipment	**0.5**	1.1
Depreciation and interest expense on leased assets	**0.3**	0.3
Defined contribution pension cost	**0.4**	0.6

1 Other assurance services include reviews of interim financial statements.

8. Strategic review, formal sale process and related financing costs

Strategic review, formal sale process and related financing costs are disclosed separately in the financial statements because the Directors consider it necessary to do so to provide further understanding of the financial performance of the Group. There has been no strategic review, formal sales process and related finance costs in the year to 31 March 2022. Prior period costs are material items of expense that have been shown separately due to the significance of their nature and amount.

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Strategic review and formal sale process costs	**—**	3.0

The costs above relate to advisor and legal fees in respect of the strategic review and formal sale process announced on 27 January 2020 and its termination was announced on 8 June 2020.

9. Employees

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Employee costs		
Wages and salaries	**11.1**	16.6
Social security costs	**1.4**	2.0
Cost of defined contribution pension scheme (note 23)	**0.4**	0.6
Share-based payments (note 22)	**(0.4)**	0.3
Restructuring provision[1] (note 19)	**—**	1.0
Other (termination payments)	**1.1**	0.6
	13.6	21.1

1 In the prior year the restructuring provision related to the costs of staff redundancies – see note 19 for further details.

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 22 UK	**Year to 31 Mar 22 Ireland**	**Year to 31 Mar 22 Total**	Year to 31 Mar 21 UK	Year to 31 Mar 21 Ireland	Year to 31 Mar 21 Total
Employee numbers						
Operations	**151**	**7**	**158**	305	13	318
Support	**97**	**5**	**102**	103	6	109
	248	**12**	**260**	408	19	427

Operations roles are customer supporting roles such as collections and complaints handling teams. Support teams include but are not limited to: IT, HR, finance and legal.

Average headcount decreased by 167 in the current year as compared to prior year, reflecting the execution of the restructuring process during the year, which was announced in the prior year, on 25 February 2021 and 31 March 2021.

10. 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.

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Key management emoluments including social security costs	**1.6**	1.8
Termination payments	**—**	0.4
	1.6	2.2

During the year retirement benefits were accruing for one Director (2021: three) in respect of defined contribution pension schemes.

The highest paid Director in the current year received remuneration of £745,005 inclusive of employer's National Insurance payments (2021: £766,691 inclusive of employer's National Insurance payments, of which £319,350 related to loss of office payments).

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 (2021: £nil).

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for the year ended 31 March 2022

11. Taxation

The applicable corporation tax rate for the period to 31 March 2022 was 19.0% (2021: 19.0%) and the effective tax rate is negative 1.0% (2021: negative 1.9%).

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Corporation tax		
Current tax on profit for the year	**(0.3)**	—
Adjustments in respect of previous periods	**(1.4)**	(0.9)
Total current tax (credit)	**(1.7)**	(0.9)
Deferred tax		
Origination and reversal of temporary differences	**—**	(0.1)
Adjustments in respect of prior periods	**—**	6.5
Taxation (credit)/charge on profit/(loss)	**(1.7)**	5.5

A reconciliation of the actual tax (credit)/charge, shown above, and the profit/(loss) before tax multiplied by the standard rate of tax, is as follows:

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Profit/(loss) before tax	**167.9**	(283.6)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**31.9**	(54.0)
Effects of:		
Expenses not deductible for tax purposes	**0.7**	0.7
Non-taxable income	**(0.6)**	—
Transfer pricing adjustments	**—**	0.1
Adjustments to tax charge in respect of prior periods	**(1.4)**	5.6
Current-year profits/(losses) for which no deferred tax asset is recognised	**(32.3)**	53.1
Total tax (credit)/charge for the year	**(1.7)**	5.5
Effective tax charge	**(1.0)%**	(1.9)%

The Finance Act 2021 increased the UK corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023. While this change does not affect the current tax position for the year, it will affect future periods.

12. Deferred tax

A deferred tax asset is recognised to the extent that it is expected that it will be recovered in the form of economic benefits that will flow to the Group in future periods. In recognising the asset, management judgement on the future profitability and any uncertainties surrounding the profitability is required to determine that future economic benefits will flow to the Group in which to recover the deferred tax asset that has been recognised. Further details of the assessment performed by management and the key factors included in this assessment can be found under the going concern considerations in note 1.1.

	31 Mar 22 £m	31 Mar 21 £m
At 1 April 2021/1 April 2020	**—**	6.6
(Charge) to the consolidated statement of comprehensive income	**—**	(6.6)
At 31 March 2022/31 March 2021	**—**	—

A deferred tax asset has not been recognised in relation to unutilised tax losses of £114.0m and other timing differences of £27.0m on the basis of recent historic losses and being unable to reliably forecast sufficient, suitable taxable profits in the foreseeable future.

The UK statutory rate for FY22 is 19% (FY21: 19%). Finance Act 2021 increased the UK corporation tax rate from 19% to 25% with effect from 1 April 2023, which impacts the deferred tax position in the current period.

13. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings/(loss) per share calculates the effect on earnings/(loss) per share assuming conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares are calculated as follows:

i) For share awards outstanding under performance-related share incentive plans such as the Share Incentive Plan ("SIP") and the Long Term Incentive Plans ("LTIPs"), the number of dilutive potential ordinary shares is calculated based on the number of shares which would be issuable if the end of the reporting period is assumed to be the end of the schemes' performance period. An assessment over financial and non-financial performance targets as at the end of the reporting period has therefore been performed to aid calculation of the number of dilutive potential ordinary shares.

ii) For share options outstanding under non-performance-related schemes such as the two Save As You Earn schemes ("SAYE"), a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of share options outstanding, with the difference being the dilutive potential ordinary shares.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

	31 Mar 22 Pence	31 Mar 21 Pence
Basic earnings/(loss) per share	**35.7**	(60.8)
Diluted earnings/(loss) per share[1]	**35.7**	(60.8)
Adjusted earnings/(loss) per share (basic and diluted)[2]	**2.8**	(58.9)

1 The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted loss per share.

2 Adjusted basic earnings/(loss) per share and earnings for adjusted basic earnings/(loss) per share are non-GAAP measures.

The Directors are of the opinion that the publication of the adjusted earnings/(loss) per share is useful as it gives a better indication of ongoing business performance. Reconciliations of the loss used in the calculations are set out below.

	31 Mar 22 £m	31 Mar 21 £m
Profit/(loss) for basic EPS	**169.6**	(289.1)
Release of complaints provision	**(156.6)**	—
Senior secured notes redemption	**0.7**	—
Strategic review, formal sale process and related financing costs	**—**	3.0
Write off of revolving credit facility (RCF) fees	**—**	0.7
Write off of unamortised securitisation fees	**0.5**	1.2
Tax provision release	**(0.8)**	(2.5)
Tax asset write off	**—**	7.8
Less tax impact	**(0.1)**	(0.9)
Profit/(loss) for adjusted basic EPS[1]	**13.3**	(279.8)
Basic weighted average number of shares (m)	**475.3**	475.3
Dilutive potential ordinary shares (m)[2]	**—**	0.5
Diluted weighted average number of shares (m)	**475.3**	475.8

1 Adjusted basic profit/(loss) per share and earnings for adjusted basic (loss) per share are non-GAAP measures.

2 Although the Group has issued further options' under the employee share schemes, upon assessment of the dilutive nature of the options, some options are not considered dilutive as at 31 March 2022 as they would not meet the performance conditions. Those dilutive shares included are in relation to the employee October 2020 SAYE scheme and time apportioned for the year. Please see note 22 for further details.

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14. Customer loans and receivables
The table shows the gross loan book and deferred broker costs by stage, within the scope of the IFRS 9 ECL framework.

	31 Mar 22 £m	31 Mar 21 £m
Stage 1	**128.8**	311.5
Stage 2	**32.4**	61.4
Stage 3	**24.2**	50.0
Gross loan book	**185.4**	422.9
Deferred broker costs[1] – stage 1	**1.5**	7.2
Deferred broker costs[1] – stage 2	**0.4**	1.4
Deferred broker costs[1] – stage 3	**0.3**	1.1
Loan book inclusive of deferred broker costs	**187.6**	432.6
Provision	**(47.4)**	(82.0)
Customer loans and receivables	**140.2**	350.6

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 2022, £86.8m of loans to customers had their beneficial interest assigned to the Group's special purpose vehicle ("SPV") entity, namely AMGO Funding (No. 1) Ltd, as collateral for securitisation transactions (2021: £180.3m). See note 25 for further details of this structured entity.

Ageing of gross loan book (excluding deferred brokers' fees and provision) by days overdue:

	31 Mar 22 £m	31 Mar 21 £m
Current	**132.1**	315.5
1–30 days	**21.1**	41.4
31–60 days	**8.0**	16.0
>60 days	**24.2**	50.0
Gross loan book	**185.4**	422.9

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.

Year ended 31 March 2022	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross carrying amount at 1 April 2021	311.5	61.4	50.0	422.9
Deferred broker fees	7.2	1.4	1.1	9.7
Loan book inclusive of deferred broker costs at 1 April 2021	318.7	62.8	51.1	432.6
Changes in gross carrying amount attributable to:				
Transfer of loans receivable to stage 1	16.3	(15.8)	(0.5)	—
Transfer of loans receivable to stage 2	(50.4)	51.4	(1.0)	—
Transfer of loans receivable to stage 3	(15.6)	(9.6)	25.2	—
Passage of time[1]	(63.4)	(13.1)	(3.2)	(79.7)
Customer settlements	(60.3)	(10.4)	(1.9)	(72.6)
Loans charged off	(18.3)	(31.4)	(43.8)	(93.5)
Modification loss relating to Covid-19 payment holidays (note 6)	9.0	(0.1)	(0.6)	8.3
Net movement in deferred broker fees	(5.7)	(1.0)	(0.8)	(7.5)
Loan book inclusive of deferred broker costs as at 31 March 2022	**130.3**	**32.8**	**24.5**	**187.6**

14. Customer loans and receivables continued

Year ended 31 March 2021	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross carrying amount at 1 April 2020	601.1	106.8	42.0	749.9
Deferred broker fees	16.5	2.9	1.1	20.5
Loan book inclusive of deferred broker costs at 1 April 2020	617.6	109.7	43.1	770.4
Changes in gross carrying amount attributable to:				
Transfer of loans receivable to stage 1	16.0	(15.6)	(0.4)	—
Transfer of loans receivable to stage 2	(31.2)	32.1	(0.9)	—
Transfer of loans receivable to stage 3	(34.7)	(11.0)	45.7	—
Passage of time[1]	(82.9)	(12.9)	2.0	(93.8)
Customer settlements	(121.6)	(13.0)	(2.7)	(137.3)
Loans charged off	(21.9)	(24.7)	(35.5)	(82.1)
Modification loss relating to Covid-19 payment holidays (note 6)	(13.5)	(0.3)	(0.2)	(14.0)
Net new receivables originated	0.2	—	—	0.2
Net movement in deferred broker fees	(9.3)	(1.5)	—	(10.8)
Loan book inclusive of deferred broker costs as at 31 March 2021	318.7	62.8	51.1	432.6

1 Passage of time relates to amortisation of loan balances over the course of the financial year, due to cash payments partially offset by interest accruals.

As shown in the table above, the loan book inclusive of deferred broker cost decreased from £432.6m to £187.1m at 31 March 2022. This was primarily driven by the effect of passage of time (loan balances amortising throughout the period), customer settlements and minimal originations in the year.

The following tables explain the changes in the loan loss provision between the beginning and the end of the period:

Year ended 31 March 2022	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Loan loss provision as at 31 March 2021	21.0	14.1	46.9	82.0
Changes in loan loss provision attributable to:				
Transfer of loans receivable to stage 1	1.2	(1.4)	(0.4)	(0.6)
Transfer of loans receivable to stage 2	(3.5)	8.4	(0.8)	4.1
Transfer of loans receivable to stage 3	(1.1)	(1.5)	20.9	18.3
Passage of time[1]	(4.4)	(2.1)	(2.6)	(9.1)
Customer settlements	(4.2)	(1.2)	(1.6)	(7.0)
Loans charged off	(1.2)	(8.5)	(36.3)	(46.0)
Management overlay (note 2.1.4)	0.1	0.1	0.5	0.7
Modification loss relating to Covid-19 payment holidays (note 6)	0.6	—	(0.1)	0.5
Remeasurement of ECLs	9.6	1.0	(6.1)	4.5
Loan loss provision as at 31 March 2022	**18.1**	**8.9**	**20.4**	**47.4**

Year ended 31 March 2021	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Loan loss provision as at 31 March 2020	55.1	20.1	31.6	106.8
Changes in loan loss provision attributable to:				
Transfer of loans receivable to stage 1	1.4	(2.3)	(0.3)	(1.2)
Transfer of loans receivable to stage 2	(2.8)	10.6	(0.7)	7.1
Transfer of loans receivable to stage 3	(3.1)	(2.3)	34.4	29.0
Passage of time[1]	(7.6)	(1.7)	1.5	(7.8)
Customer settlements	(11.1)	(2.4)	(2.2)	(15.7)
Loans charged off	(2.2)	(7.6)	(26.4)	(36.2)
Management overlay (note 2.1.4)	(0.5)	1.3	5.2	6.0
Modification loss relating to Covid-19 payment holidays (note 6)	(1.2)	(0.2)	(0.1)	(1.5)
Remeasurement of ECLs	(7.0)	(1.4)	3.9	(4.5)
Loan loss provision as at 31 March 2021	21.0	14.1	46.9	82.0

1 Passage of time relates to amortisation of loan balances over the course of the financial year, due to cash payments partially offset by interest accruals.

As shown in the above tables, the allowance for ECL decreased from £82.0m at 31 March 2021 to £47.4m at 31 March 2022. The overall provision has reduced as the book amortises and ages in the absence of new originations.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

14. Customer loans and receivables continued

The following table splits the gross loan book by arrears status, and then by stage respectively for the year ended 31 March 2022.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Up to date	120.5	11.6	—	132.1
1–30 days	8.3	12.8	—	21.1
31–60 days	—	8.0	—	8.0
>60 days	—	—	24.2	24.2
	128.8	**32.4**	**24.2**	**185.4**

The Group stopped granting payment holidays in March 2021; hence, no additional modification losses have been recognised in the period. All payment holidays ended by 31 July 2021. £5.2m of modification losses were released in respect of loan agreements that settled or charged off in the period to 31 March 2022. The carrying value of historical modification losses at the period end was £5.9m. £3.3m of this relates to up to date accounts, £1.2m to 1-30 days, £0.4m to 31-60 days and £1.0m to >60 days.

The following table splits the gross loan book by arrears status, and then by stage respectively for the year ended 31 March 2021.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Up to date	289.2	26.3	—	315.5
1–30 days	22.3	19.1	—	41.4
31–60 days	—	16.0	—	16.0
>60 days	—	—	50.0	50.0
	311.5	61.4	50.0	422.9

The following table further explains changes in the net carrying amount of loans receivable from customers to explain their significance to the changes in the loss allowance for the same portfolios.

Customer loans and receivables	**31 Mar 22 £m**	31 Mar 21 £m
Due within one year	**113.0**	218.9
Due in more than one year	**25.0**	122.0
Net loan book	**138.0**	340.9
Deferred broker costs[1]		
Due within one year	**1.8**	6.2
Due in more than one year	**0.4**	3.5
Customer loans and receivables	**140.2**	350.6

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. The tables analyse 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 22		31 Mar 21	
	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	**140.2**	**125.0**	350.6	340.6
Other receivables	Level 3	**1.6**	**1.6**	1.6	1.6
Cash and cash equivalents (restricted)	Level 1	**7.6**	**7.6**	6.3	6.3
Cash and cash equivalents	Level 1	**133.6**	**133.6**	177.9	177.9
		283.0	**267.8**	536.4	526.4
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]					
Other liabilities	Level 3	**(6.7)**	**(6.7)**	(15.9)	(15.9)
Senior secured notes[3]	Level 1	**(49.7)**	**(48.7)**	(232.1)	(187.6)
Securitisation facility	Level 2	**—**	**—**	(64.4)	(64.5)
		(56.4)	**(55.4)**	(312.4)	(268.0)

1 The Group has disclosed the fair values of financial instruments such as short-term trade receivables and payables at their carrying value because it considers this as 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. As lifetime expected credit losses are embedded in the calculation, this results in a fair value lower than the carrying amount.

3 Senior secured notes are presented in the financial statements net of unamortised fees. As at 31 March 2022, the gross principal amount outstanding was £50.0m (2021:£ 234.1m). The fair value reflects the market price of the notes at the financial year end.

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 the blended effective interest rate of the instruments. 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 was held at fair value through profit or loss (“FVTPL”) in the prior year. There are no derivative assets in the current year.

The fair value of the securitisation facility was estimated in the prior year using a net present value calculation using discount rates derived from contractual interest rates, with cash flows assuming weekly principal repayments in line with the terms of the waiver on the facility, until the date the facility was forecasted to be repaid in full. During the year ended 31 March 2022 the Company fully repaid the facility, although at the year end the structure remained in place.

The Group’s activities expose it to a variety of financial risks, which are categorised under credit risk and treasury risk. The objective of the Group’s risk management framework is to identify and assess the risks facing the Group and to minimise the potential adverse effects of these risks on the Group’s performance. Financial risk management is overseen by the Group Risk Committee alongside other principal risks: operational, regulatory, strategic and conduct risks.

Credit risk

Credit risk is the risk that the Group will suffer loss in the event of a default by a customer or a bank counterparty. A default occurs when the customer or bank fails to honour repayments as they fall due.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

15. Financial instruments continued
Credit risk continued
a) Amounts receivable from customers
Whilst Amigo currently has only a single product in a single market, there is a limited concentration of risk to individual customers with an average customer balance outstanding of £2,540 (2021: £3,110). 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 can be paid out. As a separate exercise using the knowledge and data from its 17 year presence in the guarantor loan sector, each potential loan undergoes a creditworthiness assessment based on the applicant's and guarantor's credit history. No formal applicant for a collateral or guarantees are held against loans on the basis that the borrower and guarantor are technically and in substance joint borrowers.

Historically, the Group managed credit risk origination by actively managing the blend of risk in its portfolio to achieve the desired impairment rates in the long term. This objective was achieved by managing application scorecards and the maximum amount individual borrowers are able to borrow depending on their circumstance and credit history. Credit risk exposure at origination has been minimal in the year due to a pause on new lending.

Credit risk exposure at origination has been minimal in the year due to a pause on new lending.

Credit risk continues to be managed post-origination via ongoing monitoring and collection activities. When payments are missed, regular communication with both the borrower and guarantor commences. We will contact the borrower and guarantor from day one to advise them of the missed payment and seek to agree a resolution with the borrower. If we are unable to resolve with the borrower, then we will turn to the guarantor for payment after 14 days. 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).

Risk segmentation – Previously the IFRS 9 provision was segmented into Amigo's legacy seven risk segments. It is apparent that due to the impact of Covid-19 these segments no longer have discernible credit risk profiles. Instead, and with a view for simplicity, the book is bifurcated into customer's who have had a Covid-19 forbearance plan and those that have not.

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. This risk is deemed to be low; derivative financial instruments held are immaterial to the Group, and cash deposits are only placed with high quality counterparties such as tier 1 bank institutions.

Securitisation vehicles
The Group securitises certain 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 statement of financial position, together with debt securities in issue recognised for the funding. Securitised loans are not derecognised for the purposes of IFRS 9 on the basis that the Group 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. Risks retained include credit risk, repayment risk and late payment risk. Since the novation of the securitisation structure to Amigo in September 2021, and the elimination of Noteholders, no additional risks are considered to arise from the remaining structure. See note 25 for further details.

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 as at 31 March 2021. The difference between the value of assets and associated liabilities is primarily due to subordinated funding provided to the SPV. 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 2022 the fair value has not been disclosed because the Group has a fully offsetting asset and liability to a captive entity, and the assets are already fair valued in the customer receivables section.

AMGO Funding (No. 1) Ltd	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
As at 31 March 2021	180.3	64.4	161.6	64.5	97.1

c) Treasury risk
Interest rate risk
Interest rate risk is the risk of a change in external interest rates which leads to an increase in the Group's cost of borrowing. The Group seeks to limit the net exposure to changes in interest rates. Interest rate risk has diminished in the period as debt with a variable interest rate has been paid off.

The outstanding senior secured loan note liability is set at a fixed interest rate of 7.625%.

Amounts receivable from customers are charged at 49.9% APR over a period of one to five years.

15. Financial instruments continued
Credit risk continued
c) Treasury risk continued
Foreign exchange risk

Foreign exchange rate risk is the risk of a change in foreign currency exchange rates leading to a reduction in profits or equity. There is no significant foreign exchange risk to the Group. The Group does incur some operating costs in US Dollar 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. At 31 March 2022, the Irish net loan book represents 0.7% of the Group's consolidated net loan book (2021: 0.8%). A 5% movement in the Sterling to Euro exchange rate would have led to a +/-£0.1m movement in customer receivables (2021: +/- £0.2m). Hence, foreign exchange risk is deemed immaterial.

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 available to meet obligations as they fall due. The unrestricted cash and cash equivalents balance at 31 March 2022 was £133.6m. This figure will decrease substantially following Scheme redress payments but the Group is still forecast to have a positive cash balance indicating low liquidity risk in the short to medium term.

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.

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. Following the Court sanction of the Scheme, the Company is obliged in the next 12 months to enter into an equity raise for the purposes of recapitalising the business for future lending.

	31 Mar 22 £m	31 Mar 21 £m
Maturity analysis of financial liabilities		
Analysed as:		
Due within one year		
Other liabilities	**(6.7)**	(15.9)
Securitisation facility	**—**	(64.4)
Due in one to two years		
Senior secured notes	**(49.7)**	—
Due in two to three years		
Senior secured notes	**—**	(232.1)
	(56.4)	(312.4)

Maturity analysis of contractual cash flows of financial liabilities

As at 31 March 2022	0–1 year £m	1-2 years £m	Total £m	Carrying amount £m
Other liabilities	**6.7**	**—**	**6.7**	**6.7**
Senior secured notes	**3.8**	**53.8**	**57.6**	**49.7**
Securitisation facility	**—**	**—**	**—**	**—**
	10.5	**53.8**	**64.3**	**56.4**

As at 31 March 2021	0–1 year £m	2–5 years £m	Total £m	Carrying amount £m
Other liabilities	15.9	—	15.9	15.9
Senior secured notes	17.9	269.8	287.7	232.1
Securitisation facility	64.4	—	64.4	64.4
	98.2	269.8	368.0	312.4

16. Other receivables

	31 Mar 22 £m	31 Mar 21 £m
Current		
Other receivables	**0.6**	0.5
Prepayments and accrued income	**1.0**	1.1
	1.6	1.6

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

17. Trade and other payables

	31 Mar 22 £m	31 Mar 21 £m
Current		
Accrued senior secured note interest	**0.8**	3.7
Trade payables	**0.4**	0.5
Taxation and social security	**0.4**	0.8
Other creditors	**1.1**	1.8
Accruals and deferred income	**4.0**	9.1
	6.7	15.9

18. Bank and other borrowings

	31 Mar 22 £m	31 Mar 21 £m
Current and non-current liabilities		
Amounts falling due in less than 2 years		
Securitisation facility	**—**	64.4
Senior secured notes	**49.7**	—
Amounts falling due in 2–3 years		
Senior secured notes	**—**	232.1
	49.7	296.5

Below is a reconciliation of the Group's borrowing liabilities from 31 March 2022:

	£m	£m
As at 31 March 2021/31 March 2020	**296.5**	460.6
Repayment of external funding	**(248.5)**	(167.2)
Interest expense relating to Group borrowings	**19.6**	22.2
Interest paid relating to Group borrowings	**(17.9)**	(19.1)
As at 31 March 2022/31 March 2021	**49.7**	296.5

The Group's facilities are:

- Senior secured notes in the form of £49.7m high yield bonds with a coupon rate of 7.625% which expires in January 2024 (2021: £231.3m). The senior secured notes are presented in the financial statements net of unamortised fees. As at 31 March 2022, the gross principal amount outstanding was £50m. 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%. £165.9m of notes have been repurchased in the open market in prior financial years (2020: £85.9m; 2019: £80.0m). During the current year, on 4 January 2022, Amigo served notice of the early redemption, at par, of £184.1m of the £234.1m outstanding 7.625% senior secured notes due in 2024 with a redemption date of 15 January 2022. The remaining £50.0m gross principal amount outstanding is due in January 2024. Derecognition of the bonds is in line with the accounting policy set out in note 1.11.2.
- During the year ended 31 March 2022 the Company fully repaid the securitisation facility, although at the year end the structure remained in place. With effect from 24 September 2021, all rights, obligations and Securitisation liabilities of the Lead Arranger, Facility Agent and Senior Noteholder, as defined in the securitisation facility documents were taken over and assumed by Amigo.

19. Provisions

Provisions are recognised for present obligations arising as the consequence of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated.

	2022			2021		
	Complaints £m	**Restructuring £m**	**Total £m**	Complaints £m	Restructuring £m	Total £m
Balance as at 31 March 2021/31 March 2020	**344.6**	**1.0**	**345.6**	117.5	—	117.5
Provisions (released)/made during year	**(156.6)**	**—**	**(156.6)**	318.8	1.0	319.8
Discount unwind (note 5)	**—**	**—**	**—**	2.0	—	2.0
Utilised during the year	**(8.2)**	**(1.0)**	**(9.2)**	(93.7)	—	(93.7)
Closing provision	**179.8**	**—**	**179.8**	344.6	1.0	345.6
Non-current	**97.0**	**—**	**97.0**	—	—	—
Current	**82.8**	**—**	**82.8**	344.6	1.0	345.6
	179.8	**—**	**179.8**	344.6	1.0	345.6

Customer complaints redress

As at 31 March 2022, the Group has recognised a complaints provision totalling £179.8m in respect of customer complaints redress and associated costs. Utilisation in the period totalled £8.2m. The liability has decreased by £164.8m compared to prior year. £126.5m of the decrease is due to the cash redress liability being reduced to the £97.0m contribution as per the Scheme. The other main component of the reduction is a decrease in the balance adjustments on the loan book of £47.3m. The level of balance adjustments has declined due to customers paying down their loan and customers charging off the loan book. This has been partly offset by an increase in the assumed volume of customers coming forward in the Scheme.

The Group continues to monitor its policies and processes to ensure that it responds appropriately to customer complaints.

The Group will continue to assess both the underlying assumptions in the calculation and the adequacy of this provision periodically using actual experience and other relevant evidence to adjust the provisions where appropriate.

Restructuring provision

As at 31 March 2021, the Group recognised a restructuring provision totalling £1.0m in respect of the expected cost of staff redundancies. This provision was fully utilised by 30 June 2021 and the outstanding balance at 31 March 2022 is £nil.

Contingent liability

FCA investigation

On 29 May 2020 the FCA commenced an investigation into whether or not the Group's creditworthiness assessment process, and the governance and oversight of this, was compliant with regulatory requirements. The FCA investigation will cover lending for the period from 1 November 2018 to date. There is significant uncertainty around the impact of this on the business, the assumptions underlying the complaints provision and any future regulatory intervention.

The Group was informed on 15 March 2021 that the FCA has decided to extend the scope of its current investigation so that it can investigate whether the Group appropriately handled complaints after 20 May 2020 and whether the Group deployed sufficient resource to address complaints in accordance with the Voluntary Requirement ("VReq") announced on 27 May 2020 and the subsequent variation announced on 3 July 2020.

The FCA investigation will consider whether those complaints have been handled appropriately and whether customers have been treated fairly in accordance with Principle 6 of the FCA's Principles for Business. The Group will continue to co-operate fully with the FCA.

It is likely but not certain that the outcome of these investigations will be known within the next twelve months. There are a number of avenues of sanction open to the FCA should it deem it appropriate and so the potential impact of the investigation on the business is extremely difficult to predict and quantify, so has not been provided,in the financial statements, and is not modelled in the business plan or stress scenario. In mitigation, the FCA has stated that the levying of any fine would be considered in the context of the Scheme and its impact on creditors.

Following the Court sanction of the Scheme the Company is obliged in the next twelve months to enter into an equity raise for the purposes of recapitalising the business for future lending. If this equity raise is successful a further £15.0m cash contribution must be made to the Scheme. The successful raising of sufficient equity relies on a number of uncertain events, not least market appetite which may be influenced by a number of external factors beyond the Company's control.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

20. Leases
All right-of-use assets relate to property leases. For short-term and low-value leases, lease payments are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Short-term and low-value leases are immaterial to the Group.

Right-of-use assets	2022 £m	2021 £m
Cost		
At 1 April 2021/1 April 2020	**1.4**	1.4
Additions	**—**	—
At 31 March 2022/31 March 2021	**1.4**	1.4
Accumulated depreciation and impairment		
As at 1 April 2021/1 April 2020	**(0.4)**	(0.3)
Charged to consolidated statement of other comprehensive income	**(0.2)**	(0.1)
At 31 March 2022/31 March 2021	**(0.6)**	(0.4)
Net book value at 31 March 2022/31 March 2021	**0.8**	1.0

Lease liabilities

	2022 £m	2021 £m
Current	**0.3**	0.3
Non-current	**0.6**	0.9
Total	**0.9**	1.2

A maturity analysis of the lease liabilities is shown below:

	2022 £m	2021 £m
Due within one year	**0.3**	0.3
Due between one and five years	**0.5**	0.8
Due in more than five years	**0.2**	0.3
Total	**1.0**	1.4
Unearned finance cost	**(0.1)**	(0.2)
Total lease liabilities	**0.9**	1.2

In the year £0.3m (£0.2m in relation to depreciation and impairment and £0.1m in relation to interest expense) was charged to the consolidated statement of comprehensive income in relation to leases (2021: £0.3m). Lease liabilities relate to Amigo's offices in Bournemouth.

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 22 £'000 Total
41,000 deferred ordinary shares of £0.24 each	**10**
475,333,760 ordinary shares of 0.25p each	**1,188**
	1,198

	31 Mar 21 £'000 Total
41,000 deferred ordinary shares of £0.24 each	10
475,333,760 ordinary shares of 0.25p each	1,188
	1,198

	Ordinary A Number	Ordinary B Number	Ordinary C Number	Ordinary D Number	Ordinary Number	Total Number
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
Shareholder loan note conversion	—	—	—	—	75,333,760	75,333,760
At 31 March 2019	—	—	—	—	475,333,760	475,333,760
At 31 March 2020	—	—	—	—	475,333,760	475,333,760
At 31 March 2021	—	—	—	—	475,333,760	475,333,760
At 31 March 2022	**—**	**—**	**—**	**—**	**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 0.25p 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. The Group plans to cancel these deferred shares in due course.

Dividends

Dividends are recognised through equity, on the earlier of their approval by the Company's shareholders or their payment.

The Board continues to be focused on addressing Amigo's legacy issues, restoring confidence in its corporate governance and building a sustainable business for the long term. The Board has decided that it will not propose a final dividend payment for the year ended 31 March 2022 (2021: £nil).

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

22. Share-based payment

The Group issues share options and awards to employees as part of its employee remuneration packages. The Group operates three types of equity settled share scheme: Long Term Incentive Plan ("LTIP"), employee savings-related share option schemes referred to as Save As You Earn ("SAYE") and the Share Incentive Plan ("SIP").

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 by the Group as an 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.

When an equity settled share option or award is granted, a fair value is calculated based on: the share price at grant date, the probability of the option/award vesting, the Group's recent share price volatility, and the risk associated with the option/award. A fair value is calculated based on the value of awards granted and adjusted at each balance sheet date for the probability of vesting against performance conditions. The fair value of all options/awards is charged to the consolidated statement of comprehensive income on a straight-line basis over the vesting period of the underlying option/award.

During the year a third SAYE scheme was launched and an additional twelve individuals received LTIP awards on 27 August 2021. Three LTIPs were awarded in the prior year.

The credit to the consolidated statement of comprehensive income for the year to 31 March 2022 was £0.4m (2021: charge of £0.3m) for the Group and Company.

A summary of the awards under each scheme is set out below:

	31 March 2022				31 March 2021		
	August 2021 LTIPs	**February/ March 2021 LTIPs**	**December 2020 LTIP**	**September 2019 LTIP**	February/ March 2021 LTIPs	December 2020 LTIP	September 2019 LTIP
Performance condition	**Y**	**Y**	**Y**	**Y**	Y	Y	Y
Method of settlement accounting	**Equity**	**Equity**	**Equity**	**Equity**	Equity	Equity	Equity
Number of instruments	**3,700,000[3]**	**2,500,000[1]**	**4,750,000[2]**	**688,347[1]**	4,000,000	14,250,000	1,364,397[1]
Vesting period	**3 years**	**3 years**	**3 years**	**3 years**	3 years	3 years	3 years
Exercise price	**—**	**—**	**—**	**—**	—	—	—

	31 March 2022		31 March 2021	
	October 2020 SAYE	**September 2019 SAYE**	October 2020 SAYE	September 2019 SAYE
Performance condition	**N**	**N**	N	N
Method of settlement accounting	**Equity**	**Equity**	Equity	Equity
Number of instruments	**2,747,494**	**37,781**	4,812,846	107,959[4]
Vesting period	**3.3 years**	**3.3 years**	3.3 years	3.3 years
Exercise price	**0.097**	**0.6368**	0.097	0.6368

	31 March 2021 2019 SIP	31 March 2020 2019 SIP
Performance condition	**N**	N
Method of settlement accounting	**Equity**	Equity
Number of instruments	**2,552,882[5]**	1,577,758[5]
Vesting period	**3 years rolling**	3 years rolling
Exercise price	**—**	—

1 Number of instruments has reduced since the prior year as a result of share scheme forfeiture in respect of leavers.
2 Number of instruments has reduced since the prior year as a result of cancellation of CEO awards at his request.
3 Number of instruments has reduced since the interim results as a result of share scheme forfeiture in respect of leavers.
4 As at the reporting date, adjusted for known leavers.
5 This figure includes both matching and partnership shares.

22. Share-based payment continued

Long Term Incentive Plans ("LTIPs")

The LTIPs awards were made on 27 August 2021, 1 March 2021, 26 February 2021, 1 December 2020, 11 September 2019 and 26 July 2019. The LTIP awards were granted to eligible employees in the form of nil-cost share options and are subject to performance conditions and continuity of employment. These options are nil-cost to the employee only. The fair value of the share plans is recognised by the Group as an expense over the expected vesting period with a corresponding entry to retained earnings, net of deferred tax. No value is recognised against the 2019 LTIP as the conditions for vesting are no longer considered likely to be met. The participants are required to hold any shares arising at vesting, for a period of two years following the end of the performance period. The FY21 and FY22 LTIP criteria are set out below:

Performance condition	Applicable terms	Performance target over the applicable performance period	Weighting (% of award)	Vesting schedule (% vesting, threshold – max)
EPS growth	Statutory EPS adjusted, at the discretion of the Remuneration Committee, to remove the impact of provisions for complaints that are not fulfilled over the period of measurement and for any other non-standard distortions.	Growth of 300% over the EPS hurdle over the performance period. EPS hurdle is 1p. Target for full vesting is 4p.	30%	0%–100% straight line above hurdle.
Absolute total shareholder return ("ATSR")	Measures the growth in the potential value of an Amigo share over the performance period – that is, the amount the share price has appreciated plus the dividends paid.	Growth of ATSR over the ATSR hurdle over the performance period. ATSR hurdles are 12p, 14p and 16p for awards on 1 December 2020, 26 February 2021 and 1 March 2021 respectively. Target for full vesting for all is 40p.	40%	0%–100% straight line above ATSR hurdle.
Non-financial measures	Measures the effectiveness of the steps taken by the awardees to ensure Amigo adheres to the standards expected by all stakeholders.	Test against internal targets for corporate culture, conduct risk matters, diversity and inclusiveness and other ESG measures. Benchmarked against external expectations over period.	30%	0%–100%.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

22. Share-based payment continued
Long Term Incentive Plans ("LTIPs") continued
The FY20 LTIP criteria are set out below:

Relative TSR growth compared to the comparator group	Proportion of awards subject to TSR condition that vest
Below median	0%
Median	25%
Upper quartile	100%

Absolute TSR growth	Proportion of awards subject to absolute TSR condition that vest
Below 6% p.a.	0%
6% p.a.	25%
12% p.a.	100%

EPS growth	Proportion of awards subject to EPS condition that vest
Below 8% p.a.	0%
8% p.a.	25%
16% p.a.	100%

	27 August 2021	1 March 2021	26 February 2021	1 December 2020	11 September 2019
Valuation method	Monte Carlo model	Monte Carlo model	Monte Carlo model	Monte Carlo model	Monte Carlo model
Share price at grant date (£)	0.082	0.1630	0.1204	0.097	0.732
Exercise price (£)	nil	nil	nil	nil	nil
Shares awarded/under option	3,700,000	1,500,000	1,000,000	4,750,000	688,347
Expected volatility[1] (%)	80.0	80.0	80.0	80.0	50.0
Vesting period (years)	3	3	3	3	3
Weighted average remaining contractual life (years)	2.4	1.9	1.9	1.7	0.5
Expected dividend yield (%)	nil	nil	nil	nil	nil
Risk-free rate[2] (%)	0.18	0.169	0.171	0.004	0.47
Fair value per award/option (£)	0.0510	0.1112	0.0792	0.0624	0.4453[3]

1 The expected volatility is normally based on historical share price volatility; however, as the Company has only been listed since June 2018, the historical volatility has been calculated for the longest period for which trading activity is available.

2 The risk-free rate of return is based on the implied yield available on zero-coupon government issues at the grant date.

3 Prior year numbers have been restated. Fair value per award/option for 11 September 2019 has been restated from 1.187 to 0.4453.

Share Incentive Plan ("SIP")
The Company gives participating employees one matching share for each partnership share acquired on behalf of the employee using deductions from participating employees' gross salaries. The shares vest at the end of three years on a rolling basis as they are purchased, with employees required to stay in employment for the vesting period to receive the matching shares.

Share awards outstanding under the SIP schemes at 31 March 2022 had an exercise price of £nil (2021: £nil) and a total vesting period of 3.0 years (2021: 3.0 years). The following information is relevant in the determination of the fair value.

	1 August 2019
Share price at grant date (£)	0.128
Shares awarded (number)[1]	2,552,822
Vesting period (years)	3 years rolling
Fair value per award/option (£)	0.128

1 This figure includes both matching and partnership shares.

2 Based on weighted average share price at grant date, for all grants since SIP inception; shares are granted once a month following deduction from participating employees' gross salaries.

22. Share-based payment continued

Save As You Earn option plan ("SAYE")

Options under the 2020 scheme were granted on 9 October 2020 (2019 scheme: 23 September 2019).

The Company offers a savings contract that gives participating employees an opportunity to save a set amount using the participating employees' net salaries. The shares vest at the end of three years where the employee has the opportunity to purchase the shares at the fixed option price, take the funds saved or buy a portion of shares and take the remaining funds, with the employees required to stay in employment for the vesting period to receive the shares; however, the funds can be withdrawn at any point.

The SAYE awards are treated as vesting after three and a quarter years; the participants will have a window of six months in which to exercise their options. Due to the short nature of the exercise window it is reasonable to assume the participants will exercise, on average, at the mid-point of the exercise window. The SAYE awards are not subject to the achievement of any performance conditions.

Share options outstanding under the SAYE schemes at 31 March 2022 had exercise prices of £0.0970 per share and £0.6368 per share for the 2020 and 2019 schemes respectively. The schemes have a remaining contractual life of 1.8 years and 0.8 years (2020: 2.8 years and 1.8 years). The following information is relevant in the determination of the fair value.

	9 October 2020	23 September 2019
Valuation method	Black Scholes model	Black Scholes model
Share price at grant date (£)	0.1018	0.691
Exercise price (£)	0.097	0.6368
Shares awarded/under option (number)[3]	2,747,494	37,871
Expected volatility[1] (%)	80.0	50.0
Vesting period (years)	3.3	3.3
Expected dividend yield (%)	nil	13.49
Risk-free rate[2] (%)	0.42	0.42
Fair value per award/option (£)	0.046	0.108

1 The expected volatility is normally based on historical share price volatility; however, as the Company has only been listed since June 2018, the historical volatility has been calculated for the longest period for which trading activity is available.

2 The risk-free rate of return is based on the implied yield available on zero-coupon government issues at the grant date.

3 As at the reporting date, adjusted for known leavers.

Information for the period

The fair value of the equity settled share-based payments has been estimated as at the date of grant using both the Black Scholes and Monte Carlo models.

A reconciliation of weighted average exercise prices per share ("WAEP") and award/share option movements during the year is shown below:

	July 2019–August 2021 LTIPs		October 2020 SAYE		September 2019 SAYE		2019 SIP	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at 1 April 2020	3,838,416	—	—	—	1,049,535	0.6368	269,004	—
Awarded/granted	18,250,000		5,496,845	0.097	—	—	1,308,754	
Forfeited	(2,474,019)	—	(683,999)	—	(941,576)	—	—	—
Outstanding at 31 March 2021	19,614,397	—	4,812,846	0.097	107,959	0.6368	1,577,758	—
Awarded/granted	4,350,000	—	—	—	—	—	975,064	—
Forfeited	(2,826,050)		(2,065,352)	—	(70,088)	—	—	
Cancelled	(9,500,000)	—	—	—	—	—	—	—
Outstanding at 31 March 2022	**11,638,347**	**—**	**2,747,494**	**0.097**	**37,871**	**0.6368**	**2,552,822**	**—**
Exercisable at 31 March 2022	—	—	—	—	—	—	—	—

23. Pension commitments

The Group operates defined contribution pension schemes for the benefit of its employees. The assets of the schemes are administered by trustees in funds independent from those of the Group.

The total contributions charged during the year amounted to £0.4m (2021: £0.6m).

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

24. Related party transactions
The Group had no related party transactions during the twelve month period to 31 March 2022 that would materially affect the performance of the Group.

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, and the Executive Committee controlled 0.58% of the voting shares of the Company as at 31 March 2022 (2021: 0.65%). The remuneration of key management is disclosed in note 10.

25. Structured entities
AMGO Funding (No. 1) Ltd is a special purpose vehicle ("SPV") formed as part of a securitisation facility to fund the Group. 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 2022. This is determined 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 the securitisation vehicle are consolidated by the Group at year end per the Group accounting policy (see note 1.1).

26. New standards and interpretations
The following standards, amendments to standards and interpretations are newly effective 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.

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

IFRS and interpretations with effective dates after 31 March 2022 relevant to the Group will be implemented in the financial year when the standards become effective.

Other standards
The IASB has also issued the following standards, amendments to standards and interpretations that will be effective for the Group from 1 April 2022. 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 amendments*
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Accounting Policies, Changes in Accounting Estimates and Errors: Definition (Amendments to IAS 8)
- Amendments to IAS 1: *Presentation of Financial Statements* and IFRS Practice Statement 2: *Making Materiality Judgements*

27. Immediate and ultimate parent undertaking
The immediate and ultimate parent undertaking as at 31 March 2022 is Amigo Holdings PLC, a company incorporated in England and Wales.

28. Investment in subsidiaries and structured entities

Amigo Loans Group Ltd ("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 2022 and include 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) Ltd which is an orphaned structured entity (see note 25).

Name	Country of incorporation	Class of shares held	Ownership 2022	Ownership 2021	Principal activity
Direct holding					
Amigo Loans Group Ltd[1]	United Kingdom	Ordinary	100%	100%	Holding company
ALL Scheme Ltd[1]	United Kingdom	Ordinary	100%	100%	Special purpose vehicle
Indirect holdings					
Amigo Loans Holdings Ltd[1]	United Kingdom	Ordinary	100%	100%	Holding company
Amigo Loans Ltd[1]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Management Services Ltd[1]	United Kingdom	Ordinary	100%	100%	Trading company
Amigo Luxembourg S.A.[2]	Luxembourg	Ordinary	100%	100%	Financing company
AMGO Funding (No.1) Ltd[4]	United Kingdom	n/a	SE	SE	Special purpose vehicle
Amigo Car Loans Limited[1]	United Kingdom	Ordinary	100%	100%	Dormant company
Vanir Financial Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant company
Vanir Business Financial 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 Nova Building, 118-128 Commercial Road, Bournemouth BH2 5LT, England.
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 Amigo Motor Finance Limited. Name changed on 24 August 2021.
** Previously Amigo Car Finance Limited. Name changed on 24 August 2021.

29. Post balance sheet events

Scheme of Arrangement

On 11th April Amigo announced the FCA had written to it, notifying that the FCA did not intend to oppose the Schemes, subject to any further information coming to light in the time between that date and the Court hearing. Further that it believed the Schemes represented a substantial improvement over previous proposals made in 2021. In the event, the FCA did not oppose the Schemes.

A Creditors meeting was held on 12th May. Creditors were asked to vote for one or both of two proposed Schemes of Arrangement, the New Business and the Wind Down Schemes. To qualify for subsequent Court approval each Scheme required that more than 50% of all creditors who voted did so in favour, and the total value of their claims to represent at least 75% of the value of the claims of all creditors who voted. The following day, Amigo announced that of the creditors who chose to vote, 88.8% by number representing 90.0% by value, voted in favour of the New Business Scheme. In total, the Company had received 145,532 votes in favour of the New Business Scheme and 18,401 votes against the New Business Scheme, with values of £459,526,003 in favour and £50,894,131 against. Slightly fewer votes, by number and value, were received for the Wind Down Scheme.

The High Court hearing was held on 23 May. During the Court hearing, trading in the Company's shares on the London Stock Exchange was suspended, due to the risk of asymmetric information in the market at this time. The judge stated during the hearing that the New Business Scheme would be sanctioned; this was announced to the market by Amigo that day, and trading in the Company's shares restored on 24 May. The Scheme became formally effective on 26 May.

On 1 June Amigo Loans Limited made its first payment under the Scheme; a £60m transfer to ALL Scheme Ltd.

Company statement of financial position
as at 31 March 2022

	Notes	31 Mar 22 £m	31 Mar 21 £m
Non-current assets			
Investments	2a	**26.1**	74.1
		26.1	74.1
Total assets		**26.1**	74.1
Current liabilities			
Other payables	3a	**(69.8)**	(70.0)
Total liabilities		**(69.8)**	(70.0)
Net assets		**(43.7)**	4.1
Equity			
Share capital	4a	**1.2**	1.2
Share premium		**207.9**	207.9
Merger reserve		**4.7**	4.7
Retained earnings (including loss for the year of £47.4m (2021: £112.4m))		**(257.5)**	(209.7)
		(43.7)	4.1

The parent company financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Danny Malone
Director
8 July 2022

Company no. 10024479

The accompanying notes form part of these financial statements.

Company statement of changes in equity
for the year ended 31 March 2022

	Share capital £m	Share premium £m	Merger reserve[1] £m	Retained earnings £m	Total equity £m
At 31 March 2020	1.2	207.9	4.7	(97.6)	116.2
Total comprehensive (loss)	—	—	—	(112.4)	(112.4)
Share-based payments	—	—	—	0.3	0.3
At 31 March 2021	1.2	207.9	4.7	(209.7)	4.1
Total comprehensive (loss)	—	—	—	(47.4)	(47.4)
Share-based payments	—	—	—	(0.4)	(0.4)
At 31 March 2022	**1.2**	**207.9**	**4.7**	**(257.5)**	**(43.7)**

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.

The accompanying notes form part of these financial statements.

Company statement of cash flows
for the year ended 31 March 2022

	Year to 31 Mar 22 £m	Year to 31 Mar 21 £m
Loss for the period	**(47.4)**	(112.4)
Adjustments for:		
Impairment of investment in subsidiaries	**48.0**	105.1
Income tax credit	**(1.1)**	(0.2)
Share-based payment	**(0.4)**	0.3
Operating cash flows before movements in working capital	**(0.9)**	(7.2)
Decrease in receivables	**—**	0.3
Increase/(decrease) in payables	**0.2**	(0.7)
Net cash used in operating activities	**(0.7)**	(7.6)
Financing activities		
Proceeds from intercompany funding	**0.7**	7.6
Net cash from financing activities	**0.7**	7.6
Net movement in cash and cash equivalents	**—**	—
Cash and cash equivalents at beginning of period	**—**	—
Cash and cash equivalents at end of period	**—**	—

The accompanying notes form part of these financial statements.

Notes to the financial statements – Company
for the year ended 31 March 2022

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 England and Wales.

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 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 accounting standards in conformity with the requirements of 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
See note 1.1 to the Group financial statements for further details.

iii) Investments
Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Impairment is calculated by comparing the carrying value of the investment with the higher of an asset's cash-generating units fair value less costs of disposal and its value in use.

iv) Financial instruments
See the Group accounting policy in note 1.11.

2a. Investments

	31 Mar 22 £m	31 Mar 21 £m
At 31 March 2021/31 March 2020	**74.1**	178.9
Impairment of investment	**(47.6)**	(105.1)
Movement in share-based payment investment	**(0.4)**	0.3
At 31 March 2022/31 March 2021	**26.1**	74.1

At 31 March 2022 the share price of Amigo Holdings PLC implied a fair value lower than the carrying value of net assets on the Group balance sheet. This was considered an indicator of impairment and hence an impairment review to calculate the recoverable amount of the investment in subsidiaries held by the Company was performed.

The share price at the measurement date 31 March 2022 is a readily available indication of the price for an orderly transaction between market participants. A share price of 5.4p and market capitalisation of £25.7m therefore represents the fair value of the investment in subsidiary at 31 March 2022. It has been estimated that costs to sell would represent 5% of the fair value.

To derive the value in use of the asset, four scenarios regarding Amigo's future possible scenarios have been modelled: base, downside, orderly wind down of the loan book and insolvency. Each scenario was assigned probability weightings to arrive at an expected value. The orderly wind down and insolvency scenarios generated no value. As a consequence, estimated value in use for the investment is lower than the fair value and hence the investment in subsidiary has been measured using fair value less expected costs to sell as at 31 March 2022. As such an impairment charge of £47.7m was charged as a result (2021: £105.1m).

The table below demonstrates the sensitivity of the valuation of the investment in subsidiary to a change in the share price at 31 March 2022.

Assumption	Sensitivity £m
+20%[1]	+4.9m
-20%[2]	-4.9m

1 Sensitivity analysis shows the impact of a 20% increase in Amigo Holdings PLC share price.

2 Sensitivity analysis shows the impact of a 20% decrease in Amigo Holdings PLC share price.

For details of investments in Group companies, refer to the list of subsidiary companies within note 28 to the consolidated financial statements. The share-based payment investment relates to share schemes introduced in the year, investing in our employees and thus increasing the value of investment in subsidiaries. For more details of schemes introduced, see note 22.

Notes to the financial statements – Company continued
for the year ended 31 March 2022

3a. Other payables

	31 Mar 22 £m	31 Mar 21 £m
Amounts owed to Group undertakings	**69.5**	69.8
Accruals and deferred income	**0.3**	0.2
	69.8	70.0

4a. Share capital
For details of share capital, see note 21 to the consolidated financial statements. £nil dividends were paid in the year (2021: £nil).

5a. Share-based payment
For details of share-based payments in the year, see note 22 to the consolidated financial statements.

6a. Capital commitments
The Company had no capital commitments as at 31 March 2022.

7a. 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 the Group's subsidiaries, see note 24 to the consolidated financial statements. There were no related party transactions in the year.

For details of key management compensation, see note 10 to the consolidated financial statements.

8a. Post balance sheet events
See note 29 to the Group financial statements for further details.

Appendix: alternative performance measures (unaudited)

This financial report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards. The Board believes these APMs provide readers with important additional information on the Group. To support this, details of the APMs used, how they are calculated and why they are used are set out below. With the exception of the below key performance indicators included in the notes to the financial statements, the remainder of the alternative performance measures are unaudited.

Key performance indicators

Other financial data

Figures in £m, unless otherwise stated	**Year to 31 Mar 22**	Year to 31 Mar 21	Year to 31 Mar 20
Average gross loan book	**304.2**	586.4	766.5
Gross loan book	**185.4**	422.9	749.9
Percentage of book <31 days past due	**82.6%**	84.4%	92.1%
Net loan book	**138.0**	340.9	643.1
Net cash/(debt)[1]	**83.9**	(118.6)	(396.3)
Net (cash)/debt over gross loan book[1]	**(45.3)%**	28.0%	52.8%
Net (cash)/debt over equity[1]	**(1.8)x**	(1.0)x	2.4x
Revenue yield	**29.4%**	29.1%	38.4%
Risk adjusted revenue	**52.5**	110.1	181.0
Risk adjusted margin	**17.3%**	18.8%	23.6%
Net interest margin	**15.9%**	20.3%	32.7%
Adjusted net interest margin	**24.0%**	24.5%	34.4%
Cost of funds percentage	**5.5%**	4.3%	4.0%
Impairment:revenue ratio	**41.3%**	35.5%	38.5%
Impairment charge as a percentage of loan book	**20.0%**	14.4%	15.1%
Cost:income ratio	**(147.5)%**	212.7%	63.3%
Operating cost:income ratio (ex. complaints)	**27.5%**	26.1%	20.2%
Adjusted (loss)/profit after tax	**13.3**	(279.8)	(26.9)
Return on assets	**41.4%**	(44.9)%	(3.6)%
Adjusted return on average assets	**3.2%**	(43.5)%	(3.6)%
Return on equity	**460.9%**	(1,257.0)%	(13.2)%
Adjusted return on average equity	**36.1%**	(1,216.5)%	(13.1)%

Amendments to alternative performance measures

1 Net cash/(debt), net (cash)/debt over gross loan book and net (cash)/debt over equity – the definition of these alternative performance measures ("APMs") have been amended from net borrowings, net borrowings/gross loan book and net borrowings/equity to net debt, net debt/gross loan book and net debt/equity with all comparatives restated accordingly. The term 'net borrowings' was relevant historically due to the Group having borrowings in excess of cash, but since this is no longer the case the term 'net cash/(debt)' is now used.

1. **Average gross loan book**

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Opening gross loan book	**422.9**	749.9	783.0
Closing gross loan book	**185.4**	422.9	749.9
Average gross loan book[1]	**304.2**	586.4	766.5

1 Gross loan book represents total outstanding loans and excludes deferred broker costs.

Financial statements

Appendix: alternative performance measures (unaudited) continued

Key performance indicators continued

Other financial data continued

2. The percentage of balances up to date or less than 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 22 £m**	31 Mar 21 £m	31 Mar 20 £m
Current	**132.1**	315.5	606.8
1–30 days	**21.1**	41.4	83.5
31–60 days	**8.0**	16.0	17.6
>61 days	**24.2**	50.0	42.0
Gross loan book	**185.4**	422.9	749.9
Percentage of book <31 days past due	**82.6%**	84.4%	92.1%

3. **"Net loan book"** is a subset of customer loans and receivables and represents the interest yielding loan book when the IFRS 9 impairment provision is accounted for, comprised of:

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Gross loan book[1] (see APM number 2)	**185.4**	422.9	749.9
Provision[2]	**(47.4)**	(82.0)	(106.8)
Net loan book[3]	**138.0**	340.9	643.1

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 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.

4. **"Net cash/(debt)"** is comprised of:

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Borrowings	**(49.7)**	(296.5)	(460.6)
Cash and cash equivalents	**133.6**	177.9	64.3
Net cash/(debt)	**83.9**	(118.6)	(396.3)

This is deemed useful to show total borrowings if unrestricted cash available at year end was used to repay borrowings.

5. The Group defines **"loan to value" ("LTV")** net (cash)/debt divided by gross loan book. This measure shows if the borrowings' year-on-year movement is in line with loan book growth.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Net cash/(debt) (see APM number 4)	**83.9**	(118.6)	(396.3)
Gross loan book (see APM number 2)	**185.4**	422.9	749.9
Net (cash)/debt over gross loan book	**(45.3)%**	28.0%	52.8%

6. **Net (cash)/debt over equity**

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Shareholder equity	**47.9**	(121.4)	167.4
Net cash/(debt) (see APM number 4)	**83.9**	(118.6)	(396.3)
Net (cash)/debt over equity	**(1.8)x**	(1.0)x	2.4x

This is one of the Group's metrics to assess gearing.

Key performance indicators continued

Other financial data continued

7. 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 22 £m**	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Opening loan book	**422.9**	749.9	783.0
Closing loan book	**185.4**	422.9	749.9
Average loan book (see APM number 1)	**304.2**	586.4	766.5
Revenue yield	**29.4%**	29.1%	38.4%

This is deemed useful in assessing the gross return on the Group's loan book.

8. The Group defines **"risk adjusted revenue"** as revenue less impairment charge.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Impairment of amounts receivable from customers	**(37.0)**	(60.7)	(113.2)
Risk adjusted revenue	**52.5**	110.1	181.0

Risk adjusted revenue is not a measurement of performance under IFRS, and is not an alternative to profit/(loss) before tax as a measure of the Group's operating performance, Group's ability to meet its cash needs or as any other measure of performance under IFRS.

9. The Group defines **"risk adjusted margin"** as risk adjusted revenue divided by the average of gross loan book.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Risk adjusted revenue (see APM number 8)	**52.5**	110.1	181.0
Average gross loan book (see APM number 1)	**304.2**	586.4	766.5
Risk adjusted margin	**17.3%**	18.8%	23.6%

This measure is used internally to review an adjusted return on the Group's loan book.

10. The Group defines **"net interest margin"** as annualised 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 22 £m	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Interest payable and receivable and funding facility fees	**(16.6)**	(27.4)	(30.7)
Net interest income	**72.9**	143.4	263.5
Opening interest-bearing assets (gross loan book plus unrestricted cash)	**600.8**	814.2	798.2
Closing interest-bearing assets (gross loan book plus unrestricted cash)	**319.0**	600.8	814.2
Average interest-bearing assets (customer loans and receivables plus unrestricted cash)	**459.9**	707.5	806.2
Net interest margin	**15.9%**	20.3%	32.7%

Adjusted net interest margin, being net interest income divided by average gross loan book, is also presented below:

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Net interest income	**72.9**	143.4	263.5
Average gross loan book (see APM number 1)	**304.2**	586.4	766.5
Adjusted net interest margin	**24.0%**	24.5%	34.4%

Appendix: alternative performance measures (unaudited) continued

Key performance indicators continued

Other financial data continued

11. The Group defines **"cost of funds"** as annualised interest payable divided by the average of gross loan book at the beginning and end of the period.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Cost of funds	**16.7**	27.5	30.7
Less complaints discount unwind expense (notes 5 and 19)	**—**	(2.0)	—
Adjusted cost of funds	**16.7**	25.5	30.7
Average gross loan book (see APM number 1)	**304.2**	586.4	766.5
Cost of funds percentage	**5.5%**	4.3%	4.0%

This measure is used by the Group to monitor the cost of funds and impact of diversification of funding. The measure has been amended to reflect on true interest expenses related to borrowings, accounting related adjustments have been removed to provide a better understanding for users.

12. 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 22 £m	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Impairment of amounts receivable from customers	**37.0**	60.7	113.2
Impairment charge as a percentage of revenue	**41.3%**	35.5%	38.5%

This is a key measure for the Group in monitoring risk within the business.

13. **"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 22 £m	31 Mar 21 £m	31 Mar 20 £m
Impairment of amounts receivable from customers	**37.0**	60.7	113.2
Closing gross loan book (see APM number 1)	**185.4**	422.9	749.9
Impairment charge as a percentage of loan book	**20.0%**	14.4%	15.1%

This allows review of the impairment charge relative to the size of the Group's gross loan book.

14. The Group defines **"cost:income ratio"** as operating expenses excluding strategic review, formal sale process and related financing costs divided by revenue. In the current year, operating expenses are negative due to the release of the complaints provision of £159.9m.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Total operating expenses	**(132.0)**	363.3	186.2
Cost:income ratio	**(147.5)%**	212.7%	63.3%

15. "**Operating cost:income ratio",** defined as the cost:income ratio excluding the complaints provision, is:

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Revenue	**89.5**	170.8	294.2
Administrative and other operating expenses	**24.6**	44.5	59.4
Operating cost:income ratio	**27.5%**	26.1%	20.2%

This measure allows review of cost management.

Key performance indicators continued

Other financial data continued

16. The following table sets forth a reconciliation of profit/loss after tax to **"adjusted profit/(loss) after tax"** for the year to 31 March 2022, 2021 and 2020.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Reported profit/(loss) after tax	**169.6**	(289.1)	(27.2)
Write back of complaints provision	**(156.6)**	—	—
Senior secured note buyback	**0.7**	—	(0.3)
Revolving credit facility (RCF) fees	**—**	0.7	2.2
Securitisation fees	**0.5**	1.2	—
Strategic review and formal sale process costs	**—**	3.0	2.0
Tax provision release	**(0.8)**	(2.5)	(2.9)
Tax asset write off	**—**	7.8	—
Less tax impact	**(0.1)**	(0.9)	(0.7)
Adjusted profit/(loss) after tax	**13.3**	(279.8)	(26.9)

The above items were all excluded due to their exceptional nature. The Directors' believe that adjusting for these items is useful in making year-on-year comparisons.

- Write back of the complaints provision is due to the cash redress liability being reduced to the £97.0m contribution as per the Scheme.
- Senior secured notes redemption adjustments relate to accelerated bond cost and premium write off triggered by the early bond redemption in January 2022.
- RCF fees relate to fees written off following the modification and extension of the revolving credit facility in FY20, and in FY21 relates to fees written off following cancellation of the facility. Modification, extension and cancellation of the facility were all deemed substantial modifications of the financial instrument leading to the derecognition of previously capitalised fees. The facility was cancelled in May 2020 and hence these amounts have been excluded. Senior secured note buybacks are not underlying business-as-usual transactions.
- Following the renegotiation of the securitisation facility on 14 August 2020 a substantial modification of the facility occurred; as such all previous capitalised fees relating to the facility have been written off. This has been adjusted for above as it was a one-off event in the period.
- In prior year, due to inherent uncertainty surrounding future profitability existing on the balance sheet date, current and deferred tax assets were written off and charged to the consolidated statement of comprehensive income in the year. The tax provision release refers to the release of a tax provision no longer required. These adjustments result in a tax charge for the year despite the large loss making position as at 31 March 2021 and hence have been adjusted for in the calculation.
- In prior year, strategic review and formal sale process costs relate to the strategic review and formal sale processes both announced in January 2020. They are one-off costs and hence have been adjusted.

None are business-as-usual transactions. Hence, removing these items is deemed to give a view of underlying profit/(loss) adjusting for non-business-as-usual items within the financial year.

17. **"Return on assets" ("ROA")** refers to annualised profit/(loss) over tax as a percentage of average assets.

Adjusted return on assets	**31 Mar 22 £m**	31 Mar 21 £m	31 Mar 20 £m
Profit/(loss) after tax	**169.6**	(289.1)	(27.2)
Customer loans and receivables at year end	**140.2**	350.6	663.6
Other receivables and current assets at year end	**9.9**	8.0	23.2
Cash and cash equivalents at year end	**133.6**	177.9	64.3
Total	**283.7**	536.5	751.1
Average assets	**410.1**	643.8	748.1
Return on assets	**41.4%**	(44.9)%	(3.6)%

Appendix: alternative performance measures (unaudited) continued

Key performance indicators continued

Other financial data continued

18. “**Adjusted return on assets”** refers to annualised adjusted profit/(loss) over tax as a percentage of average assets.

Adjusted return on assets	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Adjusted profit/(loss) after tax (see APM number 16)	**13.3**	(279.8)	(26.9)
Customer loans and receivables at year end	**140.2**	350.6	663.6
Other receivables and current assets at year end	**9.9**	8.0	23.2
Cash and cash equivalents at year end	**133.6**	177.9	64.3
Total	**283.7**	536.5	751.1
Average assets	**410.1**	643.8	748.1
Adjusted return on assets	**3.2%**	(43.5)%	(3.6)%

19. **“Return on equity” (“ROE**)” is calculated as annualised loss/profit after tax divided by the average of equity at the beginning of the period and the end of the period.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Profit/(loss) after tax	**169.6**	(289.1)	(27.2)
Shareholder equity	**47.9**	(121.4)	167.4
Average equity	**(36.8)**	23.0	206.0
Return on average equity	**460.9%**	(1,257.0)%	(13.2)%

20. **“Adjusted return on equity”** is calculated as annualised adjusted profit/(loss) after tax divided by the average of equity at the beginning of the period and the end of the period.

	31 Mar 22 £m	31 Mar 21 £m	31 Mar 20 £m
Adjusted profit/(loss) after tax (see APM number 16)	**13.3**	(279.8)	(26.9)
Shareholder equity	**47.9**	(121.4)	167.4
Average equity	**(36.8)**	23.0	206.0
Adjusted return on average equity	**36.1%**	(1,216.5)%	(13.1)%

Glossary

The following definitions apply throughout this Annual Report unless the context requires otherwise:

Adjusted profit after tax	profit after tax plus RCF fees, securitisation fees, strategic review costs and written down tax asset less tax provision write off and incremental tax expense
AGM	the Annual General Meeting of the Company
ALL Scheme Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 13116075. The Group intends to review complaint claims through this vehicle as part of an approved Scheme of Arrangement (“SoA”) and, where appropriate, to pay cash redress to customers that have been affected by historical issues in the UK business
AMGO Funding (No.1) Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 11605869. AMGO Funding (No.1) Ltd is a special purpose vehicle formed as part of a securitisation to fund the Group
Amigo Loans Ireland Ltd	the Group’s subsidiary in Ireland, registered in Ireland under company number 609066. This is the Group’s Irish trading entity
Amigo Loans Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 04841153. This is the Group’s primary UK trading entity
Amigo Loans Group Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 10624393. This is a holding company within the Group
Amigo Loans Holdings Ltd	a private company limited by shares incorporated under the laws of England and Wales, registered under company number 10624542. This is a holding company within the Group
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. This is the servicing entity for the Group
APR	annual percentage rate of charge
Articles of Association	the Articles of Association of the Company
Asset VReq	Amigo entered into an Asset Voluntary Requirement with the FCA, this does not impact the day-to-day running of the Group but the Group needs prior approval from the FCA to transfer any assets outside of the Group in circumstances such as: discretionary cash payments to Directors of the Company and dividends to shareholders
Board	the Board of Directors of the Company
Breathing space	the period of time offered to customers during which payments, arrears, contact and interest are paused
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

Glossary continued

Cost:income ratio	operating expenses excluding strategic review costs, IPO costs and related financing divided by revenue
Directors	the Executive Directors and the Non-Executive Directors or the Company
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 amended from time to time
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
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
Long-term payment plan	a revised payment schedule drawn up for customers in financial difficulty. Offered where the customer is considered able to meet the minimum acceptable payment, but with the account left in arrears until such time as the loan balance has been paid in full. Routine communications and guarantor collections are paused whilst the plan is in place
Net interest margin	net interest income divided by average interest-bearing assets being both gross loan book and cash 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
Operating cost: income ratio	operating expenses excluding complaints, strategic review costs, IPO costs and related financing divided by revenue
Revolving credit facility ("RCF")	a £109.5m bank loan (revolving credit facility), made available to the Company for working capital purposes, maturing in May 2024, cancelled by the Company on 27 May 2020
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
Scheme of Arrangement	a Scheme of Arrangement is an arrangement under part 26 of the Companies Act 2006, and is a Court-approved agreement between a company and its creditors; for Amigo these creditors are the FOS and Amigo's eligible redress customers
Scheme Co	the entity ALL Scheme Ltd
Senior secured notes	Amigo Luxembourg's currently has a gross principal amount of £50,000,000 outstanding 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. £165,900,000 worth of bonds were opportunistically bought back in prior financial years, and in the current financial year a further £184,100,000 worth of bonds were redeemed at par on 15 January 2022
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
Short-term payment plan	a revised payment schedule drawn up for customers in financial difficulty as a result of a "one-off" event. Offered where it is considered that for the customer to restore their account to the position expected immediately prior to the plan being put in place, they would require no more than 40 days (if already in arrears) or 60 days (when not in arrears). Routine communications and guarantor collections are paused for so long as the plan is in place, unless otherwise agreed under the terms of the plan
SMCR	the FCA's Senior Managers and Certification Regime which applied to the Company from 9 December 2019
UK Corporate Governance Code	the 2018 UK Corporate Governance Code issued by the Financial Reporting Council
VReq	on 27 May 2020 Amigo entered into a Voluntary Requirement with the FCA regarding complaints to clear the backlog of approximately 9,000 complaints. Due to substantial increase in the rate of complaints Amigo entered into an amended VReq with the FCA to extend the deadline from the 26 June 2020 to 30 October 2020; Amigo reviewed and decided on all outstanding complaints within the VReq by 30 October 2020

Information for shareholders

Financial calendar
The Company's Annual General Meeting is expected to be held on 28 September 2022 – please see our website for further details in due course.

Share price
The shares are listed on the London Stock Exchange under share code "AMGO".

Registrars
The Company's registrars are:

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