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18 December 2023

Amigo Holdings PLC
Interim Financial Results for the six months ended 30 September 2023

Amigo Holdings PLC, ("Amigo" or the "Company"), provider of mid-cost credit in the UK, announces results for the six-month period ended 30 September 2023.

- Amigo continues to be open to proposals for a reverse takeover

Danny Malone, Chief Executive Officer commented:

"Amigo was unable to raise the capital required under the New Business Scheme and therefore, on 23rd March 2023 invoked the fallback option. As a result, all lending ceased, and the business went into wind down.

"We remain open to assessing other viable options that could be beneficial for our shareholders, our people and wider stakeholders. A number of tentative indications of interest have been received, but none of these has as yet resulted in an executable proposal. We believe that a reverse takeover is the only possible prospect of delivering any future value for shareholders. In the meantime, we are focused on the important task of delivering redress due to those customers with a claim under our Scheme of Arrangement and ensuring the orderly wind down of operations.

"I would like to once again take this opportunity to thank all our people for their ongoing dedication and hard work."

Headlines

• Amigo continues to operate the orderly wind down of operations as previously announced under the Fallback Scheme. This includes a reduction in staff in the first six months of the year through a planned redundancy programme. We are very grateful to our staff for the commitment and resilience they have shown through this difficult period.
• In June 2023 Amigo moved to a smaller office and shut the main office as the space required reduced.
• Processing of claims under the Scheme is ongoing. To date over 99% of claims have been determined. c. 60% of claimants have been informed of their outcome and we expect to issue substantially all of the outcomes by the end of January 2024.
• Sale of the RewardRate portfolio has been agreed, subject to contract. Sales of Amigo Loans' charge-off portfolio has started and is ongoing. The legacy Amigo live portfolio is expected to be sold in early 2024.
• Grant Thornton have been engaged as advisors and it is intended that they will support with the dissolution of the Amigo Group of companies during 2024, including being appointed as members' voluntary liquidators of relevant entities.
• Danny Malone will step down as Chief Executive Officer on 31 December 2023 and will be succeeded by Kerry Penfold, who will manage the business through to handover to liquidators later in 2024. Kerry will not be replaced as Chief Financial Officer.

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Financial headlines

- Net loan book reduction of 69.6% to £24.5m (H1 FY2023: £80.6m) and revenue reduction of 82.3% to £2.8m (H1 FY2023: £15.8m), due to the ongoing run-off of the legacy loan book and minimal new lending during the period.
- Scheme provision up 8.7% to £208.0m (H1 FY2023: £191.4m). The increase in provision is primarily driven by an increase in the estimation of cash available to pay redress, which based on the latest expectations and judgements applied has increased approximately £9m to £106m. Further material increase to the provision is due to incremental 8% compensatory interest that is due to claimants with full cash refunds due which naturally increases with the passage of time. The increase in the provision substantially accounts for the income statement charge of £14.8m.
- The reduction in revenue as the book runs off, alongside the increase in provision, led to a reported loss before tax of £6.7m, (H1 FY2023: loss of 12.7m).
- Overall collections, including early repayments and recoveries from charged off accounts, have remained robust.
- Net assets reduction of 84% to £5.8m as at 30 September 2023 (H1 FY2023: £36.1m). Net assets remain positive due to certain items of expenditure which cannot be provided for under accounting standards but will be used up in the orderly wind down of the Group.
- £121.6m of unrestricted cash and cash equivalents as at 30 September 2023 (H1 FY2023: £128.4m).

Analyst and investor conference call and webcast
Amigo will be hosting a Zoom meeting for investors today at 1.00pm (London time)
Meeting ID: 838 8472 8703
Passcode: 645098

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About Amigo

Amigo is a public limited company registered in England and Wales with registered number 10024479. The Amigo Shares are listed on the Official List of the London Stock Exchange. On 23 March 2023 Amigo announced that its subsidiary Amigo Loans Ltd had ceased offering new loans, with immediate effect, and would start the orderly solvent wind down of the business. Amigo Loans Ltd provided guarantor loans in the UK from 2005 to 2020 and unsecured loans under the RewardRate brand from October 2022 to March 2023, offering access to mid-cost credit to those who are unable to borrow from traditional lenders due to their credit histories. Amigo Loans Ltd's back book of loans is in the process of being run off with all net proceeds due to creditors under a Court approved Scheme of Arrangement. Amigo Loans Ltd and Amigo Management Services Ltd are authorised and regulated in the UK by the Financial Conduct Authority.

Forward looking statements

This report contains certain forward-looking statements. These include statements regarding Amigo Holdings PLC's intentions, beliefs or current expectations and those of our officers, Directors and employees concerning, amongst other things, our financial condition, results of operations, liquidity, prospects, growth, strategies, and the business we operate. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will or may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Amigo Holdings PLC has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

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Chief Executive's Statement

Amigo was unable to raise the capital required under the New Business Scheme's Preferred Solution and therefore, on 23 March 2023 invoked the Fallback Solution. As a result, Amigo Loans Ltd ceased lending, and the business went into wind down.

Performance
With all new lending now ceased, Amigo Loans Ltd's book continues to be wound down, with the result that both income and customer numbers are substantially reduced versus the six months ended 30 September 2022 (82.3% and 59.2% respectively). Our obligation is now to focus on maximising cash recovery for Scheme creditors. To that end, in the period we have recovered £4.4m through the sale of previously charged-off loans. We anticipate further sales of charged off loans, and ultimately the live portfolios, as part of this strategy.

The Scheme provision has increased in the period, resulting in a charge to the P&L of £14.8m. This is primarily the result of better than anticipated recoveries resulting in a higher expected amount available for the payment of redress to Scheme creditors. There remains a degree of uncertainty in the final Scheme outturn.

Scheme of Arrangement
The total number of claims submitted within the Scheme were just under 210,000. The assessment of claims is a two-step process – over 99% of claims have now been assessed as to whether they have been upheld or not. The second stage is calculating the amount of redress and issuing the Final Response Letters. We have now issued over 120,000 Final Response Letters and expect to issue the remainder by early 2024. The Credit Reference Bureaux have been updated to remove all loans which had an upheld complaint, and we have stopped collecting payments where redress is likely to exceed the amount owing on the outstanding loan. We expect payments to creditors to commence early in 2024 and for the Scheme p in £ to be not less than 17p.

Operations
As part of our commitment to maximise returns to Scheme creditors Amigo has undertaken a cost reduction exercise. Staff numbers have reduced from 195 as at 31 March to 124 at 30 September as the planned redundancy programme rolls out.

Where possible, we have terminated supplier contracts and are working closely with our remaining key suppliers to manage their exit in a controlled manner.

In June, Amigo moved its operational centre and registered office to its smaller overflow premises with more flexible terms.

Possible Transactions
The Board concluded an extensive search to find new investment when it announced the decision to enter the Fallback Solution on 23 March 2023. During the period, others have sought to find investment to further the business and expressed interest in reversing other businesses into the Amigo structure. On 17 October 2023, Amigo announced it had entered an exclusivity agreement with Craven House Capital PLC and others in order to explore a potential transaction. As announced on 16 November 2023 this agreement has now terminated, because the investors concluded that they could not build the sustainable revenue model that they had hoped to create in the timeframe originally envisaged.

Amigo continues to be open to viable expressions of interest in all parts of the business. Whilst we will continue to preserve the structural possibility of a successful rescue plan, for as long as possible, should there not emerge, very soon, a viable alternative solution, the Company will need to hold a separate General Meeting, at which shareholder approval will be sought to delist the Company from the London Stock Exchange and to enter the Company into a Members Voluntary Liquidation. Irrespective of whether shareholder approval is obtained for an orderly wind down, in these circumstances, there will be no value remaining for shareholders.

The Scheme requires ALL to be wound up and liquidated, with all of the liquidation proceeds, after expenses, used to pay Scheme creditors. ALL owns all of the backbook loans and is the only income and cash generating entity in the Group. The Group's operating activities are carried out by Amigo Management Services Ltd ("AMSL"), which pays all Group costs and it recovers the same from ALL. Whilst the liquidation of AMSL is not required under the Scheme, its only activity is intercompany servicing.

Amigo Holdings PLC ("PLC") has no assets, other than its shareholding in AMSL, and has intercompany debts to ALL of £66m which it has no capacity to pay. This amount is far in excess of any value that might be derivable from the sale of its shareholding in AMSL.

Currently, PLC's costs of maintaining its listing are paid by ALL. This is sustainable for the short term, whilst a rescue plan is capable of delivering value to Scheme creditors. In this context, it is possible that a reverse takeover of PLC, or other rescue plan, could be structured to satisfy the intercompany sums due from PLC for a modest external contribution. The basis for this view is that the chance of meaningful contribution to the Scheme funds and/or liquidation cost savings, as compared with the current costs of maintaining PLC's listing, is a better outcome for Scheme creditors than the otherwise inevitable insolvency of PLC and the remainder of the Group, when ALL is wound up.

Governance

As Amigo looked to streamline all aspects of its operations in wind down, it was only appropriate to include governance arrangements. In doing so we need to strike a balance between cost saving and proper and effective governance. At the end of the last financial year two Non-Executive Directors stood down from the Board. The Chair and remaining Non-Executive Director have both agreed a reduction in their remuneration.

I agreed to step down as CEO and will leave the business on 31 December. Having resigned and worked my notice period I have no entitlement to redundancy and/or payment for loss of office. It is intended that Kerry Penfold will manage the business through to handover to liquidators later in 2024. The Board has appointed Grant Thornton to advise on the wind down process ahead of their intended appointment as liquidators in due course. Kerry will not be replaced as Chief Financial Officer.

The Board have taken the decision, permitted within the listing rules, not to have these interim results independently reviewed by our external auditors. We believe this would not be an appropriate use of resources at this time.

Financial Review

The decision to wind down the Amigo Loans Ltd business ("ALL"), in line with the Court order associated with the Fallback Solution of Amigo's Scheme of Arrangement, was announced on 23 March 2023. As ALL is the only revenue-generating business within the Group, it is envisaged that all businesses within the Group will be liquidated. This process has begun and is likely to be substantially completed in the first half of calendar year 2024, following completion of the Scheme redress process. Over the course of the wind down, we will continue to either collect out or dispose of both the remaining legacy loan book and newer RewardRate loans. The wind down is an orderly, solvent process and the business remains in a positive net asset position, however, all net assets, after the cost of collecting the loan book, are committed to Scheme creditors.

In the six months to 30 September 2023, the net loan book reduced by 69.6% to £24.5m (H1 FY2023: £80.6m). Revenue fell by 82.3% year on year to £2.8m (H1 FY2023: £15.8m), reflecting the loan book reduction and no new lending in the period. Customer numbers reduced by 59.2% compared to the prior year to 20,000 (H1 FY2023: 49,000). The reduction in revenue, alongside an increase in the Scheme provision and the recognition of a restructuring expense and onerous contract provision, led to a reported statutory loss before tax for the period of £6.7m (H1 FY2023: loss of £12.7m). Excluding the Scheme charge, restructuring expense and onerous contracts provision, adjusted profit before tax was £9.5m (H1 FY2023: loss of £12.7m).

Net assets as at 30 September 2023 were £5.8m (H1 FY2023: £35.2m). Although the results show a positive shareholder equity position in accordance with accounting standards, all net assets, after the cost of collecting the loan book, are committed to Scheme creditors. Cash and cash equivalents, inclusive of restricted cash, total £196.4m (H1 FY2023: £198.7m), have seen a small reduction year on year. The reduction is due to the residual bond buyback of £50m in March 2023, which has been offset by robust collections and debt sales. The business remains debt free with all cash pledged to Scheme creditors. There are certain items of expenditure which cannot be provided for in advance of payment but will be used up in the orderly wind down of the Group. Once this expenditure is incurred, the Group will no longer report a positive shareholder equity position. The cost reduction exercise undertaken by Amigo aims to minimise this expenditure in order to maximise returns to Scheme creditors.

Impairment

A credit in the period was recognised of £11.5m (H1 FY2023: credit of £0.2m) primarily due to post-charge-off recoveries continuing to remain robust alongside £4.4m of debt sale. Debt sales in the period related entirely to charged off loans and therefore the sale value is recognised immediately as a credit to impairment on the income statement.

The impairment provision decreased to £9.3m (H1 FY2023: £30.1m), primarily due to the reduction of the loan book; coverage is in line with previous periods with the impairment provision representing 27.5% of the gross loan book (H1 FY2023: 27.2%).

Scheme provision

The Scheme provision has increased from the prior year to £208.0m (H1 FY2023: £191.4m), due to an increase in observed uphold rates alongside the estimate of Scheme dividend, partly offset by utilisation of outsourced Scheme handling costs.

The increase in the provision has resulted in a corresponding charge to the income statement of £14.8m (H1 FY 2023: £11.3m). Sensitivity analysis of the key assumptions is set out in note 2.2 to these financial statements.

Restructuring provision

A restructuring provision of £4.5m was recognised as at 31 March 2023 in respect of the expected cost of staff redundancies and liquidator costs due to wind down of the business. At 30 September 2023 this provision has increased to £4.6m, reflecting actual paid exit costs (£0.8m) and updated forecast future cost expectations based on reasonable expectations on future resource requirements and staff exit dates.

Tax

The tax charge for the half year ended 30 September 2023 of £0.1m relates to Amigo's Luxembourg entity. Post period end this entity has entered liquidation.

Funding and liquidity

In accordance with the Fallback Solution conditions, SchemeCo has returned funds to ALL to ensure it is well funded for an orderly wind down. On an ongoing basis, as part of the Scheme conditions, ALL returns surplus collections to SchemeCo on a monthly basis. Through this mechanism cash is made available for the payment of redress, whilst ensuring ALL retains sufficient unrestricted cash to pay staff, suppliers, and those Scheme creditors who are due a direct refund of certain instalment payments.

Unrestricted cash was £121.6m as at 30 September 2023 (H1 FY2023: £128.4m). Restricted cash was £74.8m (H1 FY2023: £70.3m). This materially relates to cash held for the benefit of customers in relation to payments arising out of the Scheme of Arrangement.

Going concern

Given the cessation of trading on 23 March 2023, alongside no apparent realistic strategic capital raise or viable alternative solutions, and the requirement dictated by the Scheme to ultimately liquidate Amigo Loans Ltd (the

Group's sole cash-generating unit), the Board has determined that the Financial Statements for the six months to 30 September 2023 will be prepared on a basis other than Going Concern.

Stresses have been applied to internal forecasts to create a severe but plausible downside scenario. Despite the stresses applied, the business maintains liquidity throughout the wind down process.

Principal risks and uncertainties

Amigo's business performance is subject to a number of risks and uncertainties that could materially impact the successful delivery of our planned outcomes, namely the successful conclusion of the Scheme and orderly wind down of the business. Amigo continues to monitor and manage risks to ensure adequate controls are in place, performance is enhanced, and that better customer and broader stakeholder outcomes are achieved. The Board recognises that opportunities and risks go hand in hand and so it puts time into understanding which risks are the right ones to take or avoid at any given time. Active monitoring of our risk profile is performed against specific risk appetites.

Our principal risks and uncertainties are summarised below.

Credit risk

The risk that a counterparty fails to meet its debt obligations in full and on time. It includes the calculated risks that Amigo assumes by lending money to a customer and not receiving the owed principal and interest. This includes:

- Credit acquisition risk: this is inherent to loan origination and tied to the credit analysis, where the Group verifies the customer's capacity, character, cash flow, collateral and conditions to repay the requested loan. A failure in credit acquisition might result in issues such as high delinquency levels, complaints and regulator fines.

- Credit operation risk (collections/fraud): this is related to the actions taken after a customer fails to make one or more payments. Our ability and capacity to react to loan delinquency are primarily controlled through customer contact. A failure on collections/fraud actions could lead to unexpected credit losses affecting profitability.

- Concentration risk: This is the level of risk that arises from exposure to a single market sector or segment, which has the potential to produce material losses that may threaten core operations. The risk results from more concentrated portfolios lacking diversification, and therefore, the returns or debt repayments are more correlated. Concentration risk can also apply where there is a narrow portfolio e.g. bank deposits.

As a mid-cost lender, Amigo has taken a degree of credit risk that is consistent with pricing. Our lending has been to customer segments we understand well. Now that new lending has ceased, Amigo is no longer exposed to credit acquisition risk. We expect to see increased credit operational risk as the level of delinquency on the remaining loan book increases with time. This may be compounded by the continued increase in costs of living, and also customer awareness that the business is in wind down.

The credit risk associated with new lending under RewardRate was minimised by applying a strict set of creditworthiness and affordability rules. The concentration risk associated with a narrow portfolio (bank deposits) has been mitigated through investment primarily in AAA rated money market funds (high liquidity, low volatility).

Conduct risk

Conduct risks arise from inappropriate actions taken by individuals or the Company that could lead to customer detriment. They can arise at each stage of the customer journey, from product design through to sales and post-sales servicing.

Amigo recognises that the financial vulnerability of customers in its target market poses higher than average conduct risks and is mindful of the impact of increasing inflation and the cost of living on existing borrowers which continues to put additional strain on customer finances and affordability.

Our strategy is underpinned by delivering good customer outcomes. As we move through wind down and the Scheme of Arrangement, we aim to maximise redress for claimants with upheld claims and to provide responses, balance adjustments and payments due as quickly as possible, while balancing this with the development of the new technologies required to calculate and deliver these outcomes.

The governance of our business is fundamentally important, and we are committed to delivering high standards of oversight with diligence and integrity, and a strong ethical culture.

Regulatory and political risk

This relates to the risk that the regulatory environment changes in a way that has adverse impacts on our business (explicit changes in regulation or legislation or changes in interpretation), or where Amigo has introduced new products or approaches that do not fully comply with regulatory requirements. At a minimum, the impact would be the operational burden of adapting to changing regulation. However, where we have failed to adapt to changes, the impact can extend to regulatory action, including investigation, fines, or loss of authorisation to operate. It includes regulation or legislation specific to our product, applying to financial services more generally, or not specific to our business at all.

Amigo is committed to a high level of compliance with relevant legislation, regulation as well as internal policies and governance requirements. Identified breaches are remedied as soon as possible. Amigo has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

Amigo maintains a constructive and open relationship with the Financial Conduct Authority and other regulators and agencies, with respect to all regulatory and risk matters. Amigo still operates under a FCA Voluntary Requirement but has been removed from the FCA's watchlist. We continue to work closely with the FCA as we work through wind down and the Scheme of Arrangement.

Operational risk

This relates to the possibility of business operations failing due to inefficiencies or breakdown in internal processes, systems, people or from external events. Major examples include data security and cyber risk, system availability, legal risk, and failures of process execution. Other examples can include key supplier failure, fraud, the risk of Amigo's product being used for money laundering, or the risk of an error in the business's decisioning models.

Amigo's operational risk includes the risk that it does not have human capacity or system capacity to deliver on its business plans. This may leave the Company unable to properly service its customers, leading to customer harm. It may also result in the Company being less able to perform key functions.

As an organisation in wind down, Amigo is balancing the need to provide consistent and reliable operational performance with the need to remain cost effective and adaptive. As the organisation reduces and the number of processes operated decreases, Amigo is reducing suppliers and staff numbers, whilst also considering appropriate physical locations and infrastructure.

Amigo aims to have the quantity and quality of people necessary to meet its objectives and to maintain its performance. Given Amigo's limited future, people related risk has increased. As the organisation progresses through the wind down process, key person dependencies increase as the number of staff decreases. Measures have been put into place to reduce the risk of single points of failure. Retention of key personnel has also had an increased focus.

Our operational resilience approach has been designed to ensure highly available services, infrastructure and lending processes. Over the last twelve months, operational resilience has been stable with no significant disruptions to operations.

Strategic and competitive risk

Strategic risk refers to emerging internal and external events that can disrupt or prevent the organisation from achieving its objectives and strategic goals. These risks are present within launching new products and services, or the failure to meet the expectations of customers should they shift.

There is a risk that Amigo fails to achieve its objectives, either due to poor decision making or failure to adapt to changes in the environment.

Strategic focus has switched to the orderly wind down of the business, collection of funds to contribute to customer redress, processing of scheme claims and the application of redress and refunds due. The Company needs to maintain the ability to evolve, adapt, and be responsive, in the short-term, to changes in the internal and external operating environment.

Financial risk

There are 3 main categories of financial risk: liquidity risk, capital risk and market risk.

- Liquidity risks relate to the organisation's ability to convert an asset or security into cash so that it can meet its contractual, regulatory and or internal liquidity requirements needed to support business activities.
- Capital risk relates to having an insufficient level of capital to support normal business activities.
- Market risk relates to the risk of losses on financial investments caused by adverse price movements and potential adverse changes in the value of the Group's assets and liabilities from fluctuations in market variables including, interest rates and foreign exchange. These risks are driven by economic and financial market uncertainties.

Amigo was unable to raise the new capital required under the Scheme conditions to enable it to restart sustained lending. Amigo has, since March 2023, entered a solvent wind down of the Group. While Amigo is no longer lending, the liquidity position remains good against wind down forecasts, and we continue to meet our obligations to fund redress for Scheme Creditors.

Amigo has no foreign currency holdings and has limited foreign exchange exposure from purchases in other currencies. Amigo has no external debt but is exposed to movements in interest rates through its surplus liquidity holdings. When considering how to place surplus liquidity Amigo has a low tolerance to risk and places certainty of capital above available returns.

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

We confirm that to the best of our knowledge:

- *the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;*
- *the interim management report includes a fair review of the information required by:*
  - *a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and*
  - *b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.*

Kerry Penfold
Director
18 December 2023

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Condensed consolidated statement of comprehensive income

for the 6 months to 30 September 2023

	Notes	**6 months ended 30 Sep 23 Unaudited £m**	6 months ended 30 Sep 22 Unaudited £m	Year to 31 Mar 23 Audited £m
Revenue	3	**2.8**	15.8	19.3
Interest payable and funding facility fees	4	**-**	(1.8)	(3.6)
Interest receivable		**2.8**	0.3	1.5
Impairment of amounts receivable from customers		**11.5**	0.2	3.4
Administrative and other operating expenses		**(9.0)**	(15.9)	(36.2)
Complaints expense	14	**(14.8)**	(11.3)	(19.1)
Total operating expenses		**(23.8)**	(27.2)	(55.3)
(Loss) before tax		**(6.7)**	(12.7)	(34.7)
Tax charge on (loss)	6	**(0.1)**	-	(0.1)
(Loss) and total comprehensive (loss) attributable to equity shareholders of the Group[1]		**(6.8)**	(12.7)	(34.8)

The (loss) is derived from continuing activities.

(Loss) per share				
Basic (loss) per share (pence)	7	**(1.4)**	(2.7)	(7.3)
Diluted (loss) per share (pence)	7	**(1.4)**	(2.7)	(7.3)

The accompanying notes form part of these financial statements.

1 There was less than £0.1m of other comprehensive income during this period and any other period, and hence no consolidated statement of other comprehensive income is presented.

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Condensed consolidated statement of financial position

as at 30 September 2023

	Notes	**30 Sep 23 Unaudited £m**	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Non-current assets				
Customer loans and receivables	8	**-**	15.3	-
Property, plant and equipment		**-**	0.4	-
Right-of-use lease assets		**-**	0.7	-
		-	16.4	-
Current assets				
Customer loans and receivables	8	**24.5**	66.2	45.7
Property, plant and equipment		**0.2**	-	0.3
Right-of-use lease assets		-	-	0.1
Other receivables	11	**0.8**	2.0	1.5
Current tax assets		**-**	0.8	0.8
Cash and cash equivalents (restricted)[1]		**74.8**	70.3	107.2
Cash and cash equivalents		**121.6**	128.4	62.4
		221.9	267.7	218.0
Held for sale assets	9	**1.1**	-	1.1
Total assets		**223.0**	284.1	219.1
Current liabilities				
Trade and other payables	12	**(4.6)**	(6.9)	(6.0)
Lease liabilities		**-**	(0.3)	(0.1)
Complaints provision	14	**(208.0)**	(191.4)	(195.9)
Restructuring provision	14	**(4.6)**	-	(4.5)
		(217.2)	(198.6)	(206.5)
Non-current liabilities				
Borrowings	13	**-**	(49.8)	-
Lease liabilities		**-**	(0.5)	-
		-	(50.3)	-
Total liabilities		**(217.2)**	(248.9)	(206.5)
Net assets		**5.8**	35.2	12.6
Equity				
Share capital	15	**1.2**	1.2	1.2
Share premium		**207.9**	207.9	207.9
Merger reserve		**(295.2)**	(295.2)	(295.2)
Retained earnings		**91.9**	121.3	98.7
Shareholder equity		**5.8**	35.2	12.6

The accompanying notes form part of these financial statements.

[1] Cash and cash equivalents (restricted) of £74.8m (H1 2023: £70.3m) materially relates to cash held for the benefit of customers in relation to payments arising out of the Scheme of Arrangement.

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

Kerry Penfold
Director
18 December 2023
Company no. 10024479

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Condensed consolidated statement of changes in equity

for the 6 months to 30 September 2023

	Share capital £m	Share premium £m	Translation Reserve[1] £m	Merger Reserve[2] £m	Retained earnings £m	Total equity £m
At 31 March 2022	1.2	207.9	0.1	(295.2)	133.9	47.9
Total comprehensive loss	-	-	-	-	(12.7)	(12.7)
Translation reserve	-	-	(0.1)	-	-	(0.1)
Share-based payments	-	-	-	-	0.1	0.1
At 30 September 2022	1.2	207.9	-	(295.2)	121.3	35.2
Total comprehensive loss	-	-	-	-	(22.1)	(22.1)
Share-based payments	-	-	-	-	(0.5)	(0.5)
At 31 March 2023	1.2	207.9	-	(295.2)	98.7	12.6
Total comprehensive loss	-	-	-	-	(6.8)	(6.8)
At 30 September 2023	1.2	207.9	-	(295.2)	91.9	5.8

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.

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Condensed consolidated statement of cash flows

for the **6 months to 30 September 2023**

	6 months to 30 Sep 23 Unaudited £m	6 months to 30 Sep 22 Unaudited £m	Year to 31 Mar 23 Audited £m
(Loss) for the period	**(6.8)**	(12.7)	(34.8)
Adjustments for:			
Impairment expense	**(11.5)**	(0.2)	(3.4)
Complaints provision	**12.9**	16.3	28.8
Restructuring provision	**0.9**	-	4.5
Tax charge	**0.1**	-	0.1
Interest expense	**-**	1.8	3.6
Interest receivable	**(2.8)**	(0.3)	(1.5)
Interest recognised on loan book	**(4.2)**	(25.1)	(30.8)
Share-based payment	**-**	0.1	(0.4)
Loss on sale of Fixed Assets	**0.1**	-	-
Depreciation of property, plant and equipment	**0.1**	0.3	0.5
Operating cash flows before movements in working capital	**(11.2)**	(19.8)	(33.4)
Decrease/(increase) in receivables	**0.7**	(0.3)	-
(Decrease)/increase in payables	**(1.3)**	0.3	0.6
Complaints cash expense	**(0.8)**	(4.7)	(12.7)
Restructuring cash expense	**(0.8)**	-	-
Tax refunds/(tax paid)	**0.8**	(0.2)	(0.2)
Interest received/(paid)	**2.8**	(1.6)	(3.4)
Net cash (used in) operating activities before loans issued and collections on loans	**(9.8)**	(26.3)	(49.1)
Loans issued	**-**	-	(2.5)
Collections	**32.3**	79.7	130.6
Other loan book movements	**4.1**	2.9	(2.1)
Decrease in deferred brokers' costs	**0.3**	1.4	1.9
Net cash from operating activities	**26.9**	57.7	78.8
Financing activities			
Lease principal payments	**(0.1)**	(0.1)	(0.3)
Repayment of external funding	**-**	-	(50.0)
Net cash (used in) financing activities	**(0.1)**	(0.1)	(50.3)
Net increase in cash and cash equivalents	**26.8**	57.6	28.5
Effects of movement in foreign exchange	**-**	(0.1)	(0.1)
Cash and cash equivalents at beginning of period	**169.6**	141.2	141.2
Cash and cash equivalents at end of period[1]	**196.4**	198.7	169.6

The accompanying notes form part of these financial statements.

1 Total cash is inclusive of cash and cash equivalents (restricted) of £74.8m (H1 2023: £70.3m). Cash and cash equivalents (restricted) materially relate to cash held for the benefit of customers in relation to payments arising out of the Scheme of Arrangement.

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1. Accounting policies

1.1 Basis of preparation of financial statements

General information

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. With effect from 15 June 2023 the Company's registered office is Unit 11a, The Avenue Centre, Bournemouth, Dorset, United Kingdom BH2 5RP.

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 loans to individuals. Previously, its principal activity was to provide individuals with guarantor loans from £2,000 to £10,000 over one to five years. No new advances on the legacy guarantor loans have been made since November 2020. Following FCA approval to return to lending, in October 2022, Amigo launched, on a pilot basis, a new guarantor loan as well as an unsecured loan product under the RewardRate brand. With the Fallback Solution being implemented, leading to a cessation of trade and implementation of a wind down plan in March 2023, there has been no new lending in the six months to 30 September 2023.

The condensed interim financial statements do not constitute the statutory financial statements of the Group within the meaning of section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 March 2023 were approved by the board of directors on 27 July 2023 and have been delivered to the Registrar of Companies. The consolidated financial statements of the Group as at and for the year ended 31 March 2023 are available upon request from the Company's registered office at Unit 11a, The Avenue Centre, Bournemouth, Dorset, United Kingdom BH2 5RP. Those accounts have been reported on by the Company's auditor, MHA. The report of the auditor:

i) Drew attention to the fact that the Directors had taken the decision to wind down the operations and subsequently liquidate the Group and Parent Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements were prepared on a basis other than going concern.

The condensed interim financial statements for the six months ended 30 September 2023 have not been audited or reviewed by auditors and were approved by the board of directors on 18 December 2023.

Accounting policies

The interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated annual report for the year ended 31 March 2023. There are certain items of expenditure which cannot be provided for under accounting standards but will be used up in the orderly wind down of the Group. Once this expenditure is incurred, the Group will no longer report a positive shareholder equity position. The cost reduction exercise undertaken by Amigo aims to minimise this expenditure in order to maximise returns to Scheme creditors.

Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the United Kingdom (UK). The condensed interim financial statements should be read in conjunction with the statutory financial statements for the year ended 31 March 2023. The figures for the financial year ended 31 March 2023 are not the Group's statutory accounts for that financial year but are an extract from those statutory accounts for interim reporting.

These interim financial statements have been prepared on a basis other than going concern 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.

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 the financial statements.

In undertaking a Going Concern review, the Directors considered the Group's decision to switch the Scheme from the Preferred to the Fallback Solution, announced on 23 March 2023.

The Directors believe there is no general dispensation from the measurement, recognition and disclosure requirements of IFRS despite the Group not continuing as a going concern. Therefore, IFRS is applied accordingly throughout the financial statements. The relevant accounting standards for each part of the Financial Statements have been applied on the conditions that existed and decisions that had been taken by the Board as at or prior to 30 September 2023.

The switch to the Fallback Solution required that the trading subsidiary, Amigo Loans Ltd ("ALL"), stopped lending with immediate effect and be placed into an orderly wind down, with the result that all surplus assets after the wind down will be transferred to the Scheme creditors. A further requirement of the Fallback Solution is that ALL be placed into liquidation within two months of payment of the final Scheme dividend. No value will be attributed to the ordinary shares of the Company in this scenario.

Given the cessation of trading on 23 March 2023, alongside no apparent realistic strategic capital raise or viable alternative solutions, and the requirement dictated by the Scheme to ultimately liquidate Amigo Loans Ltd (the Group's sole cash-generating unit), the Board has determined that the Financial Statements for the six months to 30 September 2023 will be prepared on a basis other than Going Concern.

The Board has prepared a set of financial projections for the solvent wind down following the cessation of new lending in March. Alongside a base scenario which indicates ample liquidity available through the course of wind down, a downside scenario has been collated that stresses the primary cash flow risks to the Group that are considered severe but plausible. Stresses have been applied to:

- Removal of any prospective debt sales
- Increased Scheme liabilities
- Increased overhead spend

Despite the stresses applied, the Group maintains sufficient liquidity in the period. It is therefore considered only a marginal risk that the Group is unable to remain solvent during the orderly wind down. The key risks that would prevent this from being achieved can be considered the risks applied in the downside scenario alongside potential regulatory action or intervention.

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 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.

In light of the decision to enter into the Fallback Solution and the trigger for an orderly wind down of the business the Board re-evaluated this business model assessment, noting also that any reclassification of financial assets identified as requiring reclassification is the first day of the next accounting period. The assessment was no longer considered appropriate for the RewardRate portfolio for which a decision has been made to sell as a result of the wind down strategy and has been classified as Held for Sale at 30 September 2023 (see note 9). The RewardRate portfolio has been reclassified under fair value through other comprehensive income with effect from 1 April 2023.

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.

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.

At the reporting date, the Group held both guarantor and personal loans on balance sheet. In relation to the guarantor loans, 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 new guarantor and unsecured loan products under the RewardRate brand have been disclosed as held for sale assets as at 30 September 2023 and therefore does not attract ECL impairments.

The Group has assessed that ECLs on customer loans and receivables is a key sensitivity, 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.

v) Derecognition
Receivable from customers are derecognised when the entity's contractual rights to the financial asset's cash flows have expired.

vi) 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.

vii) 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.

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 condensed 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.vi).
  - Multiple economic scenarios – the probability weighting of base, downside and severe downside scenarios to the ECL calculation (note 2.1.3).
- Complaints provisions:
  - Estimating the probability, timing and amount of any outflows (note 2.2.1).
- Restructuring provision:
  - Required resource plan and subsequent timing of staff exits
  - Assessing supplier requirements and recognition of onerous contracts
- Accounts receivable from customers:
  - Judgement is applied 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
- Held for sale assets:
  - Assessing probability and timing of an asset's prospective sale (note 9)

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).
- Complaints provision:
  - Upheld Scheme claimants that have made payments post the Scheme Effective Date which will be due a refund in full. This estimate evaluates historical data and applies future assumptions for the timing of refunds (note 2.2.1).
  - Estimation of the cash liability is based on assumptions around net future collections which uses assumptions around credit losses, valuation of impaired debt and future operating expenses.

- Restructuring provision:
  - Severance costs of staff exits which are contingent on the timing of exit and therefore contingent on future resource required.
- Held for sale asset:
  - Estimate of expected fair value less costs to sell, valued via a market approach (note 9).

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.

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.

2.1.2 Assessment of significant increase in credit risk (SICR)

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

1) The primary indicator of whether a significant increase in credit risk has occurred for an asset is determined by considering the 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 (one payment past due is equivalent to 30 days past due), which is aligned to the IFRS 9 rebuttable presumption of more than 30 days past due. This is the primary quantitative information considered by the Group in 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.

2.1.3 Forward-looking information

The Group assesses the impact of forward-looking information on its measurement of ECLs. While the Group has historically analysed effects of a range of macro-economic variables it believes the most significant factors likely to impact future credit losses will be unemployment and inflation. These factors are considered on a qualitative basis in estimating PDs and weighting scenarios and ultimately reflect The Group's expectations of future credit losses.

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 historic performance is extrapolated with an expectation for future deterioration applied on a judgemental qualitative basis relating to expectations on the aforementioned macroeconomic factors. A weighting of 25% has been applied to reflect the Group's assumption that whilst the current macroeconomic environment has the potential to improve based on Office for Budgetary Reporting ("OBR") forecasts, the rate of inflation is likely to remain higher than recent historical levels throughout the remaining

life of the loan book and therefore likely to impact customers in an adverse manner. Further consideration has been given to the rise in interest rates, which are expected to remain materially above recent prior year averages.

- The downside scenario uplifts the base scenario probability of default by an average of 17%. Incremental to the base scenario assumptions, further consideration has been given to the uncertainty surrounding macroeconomic forecasts and the potential for a range of outcomes. In the downside scenario, the uplift to PDs is modelled based on a further potential deterioration in the economy and the macroeconomic factors that may impact the Group's customer base, for example inflation and unemployment spike, which would result in an income shock and rise in defaults. A weighting of 50% has been applied to this scenario to reflect a prudent judgement on future credit losses given the high level of uncertainty in economic forecasts.
- The severe downside applies a further uplift of 25% to the probability of default in the downside scenario, weighted at 25%. This scenario captures the income shock outlined in the downside scenario along with incremental credit losses the Group may reasonably expect to experience in the managed wind down of the business.

The following table details the absolute impact on the current ECL provision of £9.3m if each of the three scenarios are given a probability weighting of 100%.

	Impact
Base	-0.3m
Downside	+0.1m
Severe downside	+0.2m

The scenarios above demonstrate a range of ECL provisions from £9.0m to £9.5m.

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.

2.2 Complaints provisions

2.2.1 Complaints provision – estimation uncertainty

Complaints provision included in the statement of financial position refers to a provision recognised for liabilities arising from the Scheme. The provision represents an accounting estimate of the expected future outflows arising from the Scheme, using information available as at the date of signing these financial statements.

Management evaluates on an ongoing basis whether the Scheme provision should be recognised, revising previous judgements and estimates as appropriate; however, there is a wide range of possible outcomes.

Calculating the total liability associated with the Scheme involves significant, complex management judgements and estimations. While the population of Scheme claimants that have an upheld claim is materially known, there is significant judgement and estimation required in evaluating the range of possible outcomes of potential Scheme cash redress available for those claimants as the business winds down. Estimating the future cash redress and recognising a provision for its value requires applying judgement on both future cash inflows arising from loan book collections and debt sales alongside expected future operating expenses. Therefore, inherently any such future projections involve a high level of uncertainty. The Scheme cash redress component of the overall Scheme provision is estimated to be £106.1m, which as per the Scheme, assumes all assets of the business are committed to upheld Scheme claimants. The calculation of the Scheme provision in total as at 30 September 2023 is based on Amigo's best estimate of the future total obligation, which totals £208.0m.

The total Scheme liability has increased by £16.6m compared to the prior year. The increase in provision is primarily due to an increase in the estimation of the previously outlined cash redress, which based on the latest expectations and judgements

applied has increased approximately £9m to £106.1m, alongside an increase in observed uphold rates resulting in higher balance adjustments and customer cash refunds, partly offset by utilisation of outsourced Scheme handling costs.

Alongside the cash redress component, the Scheme provision is also comprised of balance adjustments which have decreased with the passage of time due to the collection of customer balances, and an estimate of refunds to upheld Scheme claimants for collections made since Scheme effective date, which will be redressed in full and attract compensatory interest.

While uncertainty and judgement exist across the components that comprise the overall Scheme provision, they ultimately are included in the calculation of total available Scheme cash redress, itself a component part of the provision. Therefore, applying sensitivity analysis to the overall cash redress captures a number of possible scenarios within the component parts.

The following table details the effect on the complaints provision considering incremental changes on the key cash redress assumption, should current estimates and estimates that are used to derive its value prove too high or too low.

	Assumption used	Sensitivity applied	Sensitivity (£m)	
Cash redress provision[1]	£106.1m	+/- 10 %	+10.6m	-10.6m

1. Cash redress. Sensitivity analysis shows the impact of a 10-percentage point change in the amount of the cash redress provision.

The Board considers that this sensitivity analysis covers the full range of likely outcomes based on the fact that a significant portion of claims has been decisioned already.

It is possible that the eventual outcome may differ materially from the current estimate and could materially impact the financial statements as a whole. This is due to the risks and inherent uncertainties surrounding the assumptions used in the provision calculation.

3. Revenue and segment reporting

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.

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.

The Group has one operating segment based on the geographical location of its operations, being the UK. 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.

Amigo Loans Ireland Limited, registered in Ireland, was sold by the Group to the CEO of the business in a management buy-out on 28 February 2023. Amigo Loans Ireland Limited was not a reportable operating segment, as it was not separately included in the reports provided to the strategic steering committee. In the prior period the results of these operations were included in the “other segments” column.

For the six months to 30 September 2023 all the Group’s performance related to the UK operating segment, and therefore segment information is not presented. The table below presents the Group’s performance on a segmental basis for the six months to 30 September 2022 in line with reporting to the chief operating decision maker:

6 months to 30 September 2022	Period to 30 Sep 22 £m UK	Period to 30 Sep 22 £m Other segments	**Period to 30 Sep 22 £m Total**
Revenue	15.7	0.1	**15.8**
Interest payable and funding facility fees	(1.8)	-	**(1.8)**
Interest receivable	0.3	-	**0.3**
Impairment of amounts receivable from customers	0.1	0.1	**0.2**
Administrative and other operating expenses	(15.6)	(0.3)	**(15.9)**
Complaints expense	(11.3)	-	**(11.3)**
Total operating expenses	(26.9)	(0.3)	**(27.2)**
Loss before tax	(12.6)	(0.1)	**(12.7)**
Tax credit on loss	-	-	**-**
Loss and total comprehensive loss attributable to equity shareholders of the Group	(12.6)	(0.1)	**(12.7)**

	30 Sep 22 £m UK	30 Sep 22 £m Other segments	**30 Sep 22 £m Total**
Gross loan book[1]	110.3	0.4	**110.7**
Less impairment provision	(30.0)	(0.1)	**(30.1)**
Net loan book[2]	80.3	0.3	**80.6**

1. Gross loan book represents total outstanding loans and excludes deferred broker costs.
2. Net loan book represents gross loan book less provision for impairment.

The carrying value of property, plant and equipment and intangible assets included in the consolidated interim statement of financial position materially all relates to the UK in the period to 30 September 2022; hence the split between 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.

4. Interest payable and funding facility fees

	Period to 30 Sep 23 Unaudited £m	Period to 30 Sep 22 Unaudited £m	Year to 31 Mar 23 Audited £m
Senior secured notes interest payable	-	1.9	3.7
Funding facility fees	-	(0.1)	(0.1)
	-	1.8	3.6

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.

5. Modification of financial assets

Covid-19 payment holidays and any subsequent extensions were assessed as non-substantial financial asset modifications under IFRS 9.

The carrying value of historical modification losses at the period end was £nil (H1 2023: £1.7m).

	Period to 30 Sep 23 Unaudited £m	Period to 30 Sep 22 Unaudited £m	Year to 31 Mar 23 Audited £m
Modification (loss)/release recognised in revenue	**(0.1)**	0.2	-
Modification (loss)/release recognised in impairment	**(0.2)**	0.3	0.1
Total modification (loss)/release	**(0.3)**	0.5	0.1

6. Taxation

The applicable corporation tax rate for the period to 30 September 2023 was 25.0% (H1 2023: 19.0%) and the effective tax rate is negative 1.5% (H1 2023: 0.0%).

The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

7. Profit/(loss) per share

Basic profit/(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 profit/(loss) per share calculates the effect on profit/(loss) per share assuming conversion of all dilutive potential ordinary shares. In the current period, following the closure of the performance-related share incentive plans and non-performance-related schemes, there were no dilutive potential ordinary shares. Dilutive potential ordinary shares in the prior year were 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 scheme's 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 earnings per share.

	30 Sep 23 Unaudited Pence	**30 Sep 22 Unaudited Pence**	**31 Mar 23 Audited Pence**
Basic (loss) per share	(1.4)	(2.7)	(7.3)
Diluted (loss) per share	(1.4)	(2.7)	(7.3)
Basic adjusted profit/(loss) per share (basic and diluted)[1]	2.0	(2.7)	(2.0)

1. Adjusted basic profit/(loss) per share and earnings for adjusted basic (loss)/earnings per share are non-GAAP measures.

The Directors are of the opinion that the publication of the adjusted profit/(loss) per share is useful as it gives a better indication of ongoing business performance. There are no profits attributable to shareholders as net assets, after the cost of collecting the loan book, are committed to Scheme creditors. Reconciliations of the earnings used in the calculations are set out below.

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
(Loss) for basic EPS	**(6.8)**	(12.7)	(34.8)
Complaints provision expense	**14.7**	-	19.1
Restructuring expense	**0.9**	-	4.5
Onerous contract expense	**0.6**	-	1.9
Profit/(loss) for basic adjusted EPS[1]	**9.4**	(12.7)	(9.3)
Basic weighted average number of shares (m)	**475.3**	475.3	475.3
Dilutive potential ordinary shares (m)	**-**	-	-
Diluted weighted average number of shares (m)	**475.3**	475.3	475.3

1. Adjusted basic (loss)/earnings per share and earnings for adjusted basic (loss)/earnings per share are non-GAAP measures.

8. 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.

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Stage 1	**21.8**	74.8	42.2
Stage 2	**5.8**	20.0	11.0
Stage 3	**6.2**	15.9	10.2
Gross loan book	**33.8**	110.7	63.4
Deferred broker costs[1] – stage 1	**-**	0.6	0.2
Deferred broker costs[1] – stage 2	**-**	0.2	0.1
Deferred broker costs[1] – stage 3	-	0.1	-
Loan book inclusive of deferred broker costs	**33.8**	111.6	63.7
Provision	**(9.3)**	(30.1)	(18.0)
Customer loans and receivables	**24.5**	81.5	45.7

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

Ageing of gross loan book (excluding deferred brokers' fees and provision) by days overdue:

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Current	**22.5**	76.8	43.7
1–30 days	**3.5**	12.9	6.7
31–60 days	**1.6**	5.1	2.7
>60 days	**6.2**	15.9	10.3
Gross loan book	**33.8**	110.7	63.4

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.

Period ended 30 September 2023	**Stage 1 £m**	**Stage 2 £m**	**Stage 3 £m**	**Total £m**
Gross carrying amount as at 31 March 2023	42.2	11.0	10.2	63.4
Deferred brokers fees	0.2	0.1	-	0.3
Loan book inclusive of deferred broker costs	**42.4**	**11.1**	**10.2**	**63.7**
Changes in gross carrying amount attributable to:				
Transfer to stage 1	1.1	(1.1)	-	-
Transfer to stage 2	(2.6)	3.0	(0.4)	-
Transfer to stage 3	(1.8)	(1.5)	3.3	-
Passage of time[1]	(11.6)	(2.8)	(0.7)	(15.1)
Customer settlements	(5.3)	(1.1)	(1.0)	(7.4)
Loans charged off	(0.6)	(1.7)	(5.3)	(7.6)
Modification loss relating to Covid-19 payment holidays	0.4	-	0.1	0.5
Net movement in deferred broker fees	(0.2)	(0.1)	-	(0.3)
Loan book inclusive of deferred broker costs as at 30 September 2023	**21.8**	**5.8**	**6.2**	**33.8**

Period ended 30 September 2022	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross carrying amount as at 31 March 2022	128.8	32.4	24.2	185.4
Deferred brokers fees	1.5	0.4	0.3	2.2
Loan book inclusive of deferred broker costs	**130.3**	**32.8**	**24.5**	**187.6**
Changes in gross carrying amount attributable to:				
Transfer to stage 1	4.4	(4.3)	(0.1)	-
Transfer to stage 2	(11.6)	12.3	(0.7)	-
Transfer to stage 3	(6.6)	(5.8)	12.4	-
Passage of time[1]	(26.3)	(6.2)	(1.4)	(33.9)
Customer settlements	(14.9)	(2.4)	(0.6)	(17.9)
Loans charged off	(2.0)	(6.2)	(18.8)	(27.0)
Modification loss relating to Covid-19 payment holidays	3.0	0.2	0.9	4.1
Net movement in deferred broker fees	(0.9)	(0.2)	(0.2)	(1.3)
Loan book inclusive of deferred broker costs as at 30 September 2022	**75.4**	**20.2**	**16.0**	**111.6**

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 £111.6m to £33.8m at 30 September 2023. This was primarily driven by the effect of passage of time (loan balances amortising throughout the period), customer settlements and no originations on these loans in the year. The originations in the year to 31 March 2023 related to the RewardRate brand. These are shown as held for sale assets (note 9).

The following tables explain the changes in the loan loss provision between the beginning and the end of the period:

Period ended 30 September 2023	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Loan loss provision as at 31 March 2023	6.1	3.3	8.6	18.0
Changes in loan loss provision attributable to:				
Transfer to stage 1	0.3	(0.3)	-	-
Transfer to stage 2	(0.4)	0.9	(0.3)	0.2
Transfer to stage 3	(0.3)	(0.4)	2.7	2.0
Passage of time[1]	(1.6)	(0.7)	(0.6)	(2.9)
Customer settlements	(0.7)	(0.3)	(0.9)	(1.9)
Loans charged off	(0.1)	(0.7)	(4.3)	(5.1)
Modification loss relating to Covid-19 payment holidays	0.1	-	-	0.1
Remeasurement of ECLs	(1.1)	(0.1)	0.1	(1.1)
Loan loss provision as at 30 September 2023	**2.3**	**1.7**	**5.3**	**9.3**

Period ended 30 September 2022	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Loan loss provision as at 31 March 2022	18.1	8.9	20.4	47.4
Changes in loan loss provision attributable to:				
Transfer to stage 1	0.6	(0.9)	(0.1)	(0.4)
Transfer to stage 2	(1.6)	3.7	(0.6)	1.5
Transfer to stage 3	(0.9)	(1.7)	10.2	7.6
Passage of time[1]	(3.7)	(1.5)	(1.1)	(6.3)
Customer settlements	(2.0)	(0.6)	(0.5)	(3.1)
Loans charged off	(0.3)	(2.5)	(15.4)	(18.2)
Management overlay	0.1	0.1	0.5	0.7
Modification loss relating to Covid-19 payment holidays	0.4	-	0.1	0.5
Remeasurement of ECLs	0.8	(0.5)	0.1	0.4
Loan loss provision as at 30 September 2022	**11.5**	**5.0**	**13.6**	**30.1**

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 £30.1m at 30 September 2022 to £9.3m at 30 September 2023. The overall provision has reduced as the book amortises and ages in the absence of new originations on these loans.

The following table splits the gross loan book by arrears status, and then by stage respectively for the period ended 30 September 2023.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Up to date	20.4	2.1	-	22.5
1-30 days	1.4	2.1	-	3.5
31-60 days	-	1.6	-	1.6
> 60 days	-	-	6.2	6.2
	21.8	**5.8**	**6.2**	**33.8**

The following table splits the gross loan book by arrears status, and then by stage respectively for the period ended 30 September 2022.

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Up to date	69.6	7.2	-	76.8
1-30 days	5.2	7.7	-	12.9
31-60 days	-	5.1	-	5.1
> 60 days	-	-	15.9	15.9
	74.8	**20.0**	**15.9**	**110.7**

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	**30 Sep 23 Unaudited £m**	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Due within one year	**24.5**	65.5	45.4
Due in more than one year	**-**	15.1	-
Net loan book	**24.5**	80.6	45.4
Deferred broker costs[1]			
Due within one year	**-**	0.7	0.3
Due in more than one year	**-**	0.2	-
Customer loans and receivables	**24.5**	81.5	45.7

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

9. Held for sale assets

Following FCA approval to return to lending, in October 2022, Amigo launched, on a pilot basis, a new guarantor loan as well as an unsecured loan product which feature dynamic pricing to reward on-time payment with reducing interest rates and penalty-free annual payment holidays. The new products were released under the RewardRate brand. Following the implementation of the wind down plan on 23 March 2023, new lending immediately ceased. It is considered that, under IFRS 5, the RewardRate loan book meets the criteria as a held for sale asset. This conclusion has been reached in the assessment of the following criteria outlined in IFRS 5:

- **Carrying amount to be recovered principally through the sale -** given the loan book will run for approximately five years based on loan term, this far exceeds the current wind down plan timeline and any period that would be economical to collect. The only reasonable solution to maximise creditor returns is to sell the RewardRate loan book rather than collect it to term.
- **Asset is available for immediate sale –** The loan book is considered to be available for sale reasonably imminently.
- **Sale is highly probable -** It is considered given the nascency of the book and the robustness of creditworthiness, alongside firm indications of interest, a sale is highly probable**.**

Given the Group expects to sell the RewardRate loan book at a discount (i.e. below carrying value) it will be measured at the fair value less costs to sell.

It is not expected to incur costs to sell the asset and therefore can recognise the asset at fair value – i.e. the price it expects to receive from a third party purchasing the asset.

10. 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).

	Fair value hierarchy	**30 Sep 23** Carrying amount £m	**30 Sep 23** Fair value £m	30 Sep 22 Carrying amount £m	30 Sep 22 Fair value £m	31 Mar 23 Carrying amount £m	31 Mar 23 Fair value £m
Financial assets not measured at fair value[1]							
Amounts receivable from customers[2]	Level 3	**24.5**	**9.4**	81.5	75.1	45.7	17.2
Held for sale assets	Level 3	**1.1**	**1.1**	-	-	1.1	1.1
Other receivables	Level 3	**0.8**	**0.8**	2.0	2.0	1.5	1.5
Cash and cash equivalents (restricted)	Level 1	**74.8**	**74.8**	70.3	70.3	107.2	107.2
Cash and cash equivalents	Level 1	**121.6**	**121.6**	128.4	128.4	62.4	62.4
		222.8	**207.7**	282.2	275.8	217.9	189.4
Financial liabilities not measured at fair value[1]							
Other liabilities	Level 3	**(4.6)**	**(4.6)**	(6.9)	(6.9)	(6.0)	(6.0)
Senior secured notes[3]	Level 1	**-**	**-**	(49.8)	(47.3)	-	-
		(4.6)	**(4.6)**	(56.7)	(54.2)	(6.0)	(6.0)

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 a reasonable approximation of fair value.
2. The unobservable inputs in the fair value calculation of amounts receivable from customers are balance adjustments arising from upheld Scheme claims, expected credit losses, forecast cash flows and discount rate. As both balance adjustments and 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 30 September 2023, the gross principal amount outstanding was £0m (H1 2022: £50.0m). The fair value reflects the market price of the notes at the end of the period.

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 as at 30 September 2022 has been taken at the Bloomberg Valuation Service (“BVAL”) market price.

All financial instruments are held at amortised cost. There are no derivative assets in the current or prior period.

The Group’s activities expose it to a variety of financial risks, which can be 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.

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Maturity analysis of financial liabilities			
Analysed as:			
- due within one year			
Other liabilities	**(4.6)**	(6.9)	(6.0)
- due in one to two years			
Senior secured note liability	**-**	(49.8)	-
	(4.6)	(56.7)	(6.0)

11. Other receivables

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Current			
Other receivables	**0.1**	0.6	0.2
Prepayments and accrued income	**0.7**	1.4	1.3
	0.8	2.0	1.5

12. Trade and other payables

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Current			
Accrued senior secured note interest	**-**	0.8	**-**
Trade payables	**1.5**	0.4	0.9
Taxation and social security	**0.2**	0.4	0.3
Other creditors[1]	**1.3**	0.9	1.9
Accruals and deferred income	**1.6**	4.4	2.9
	4.6	6.9	6.0

[1] Other creditors include an onerous contract provision of £1.1m in relation to the RewardRate (RR) product. The product has a number of associated supplier contracts that cannot either be terminated, or a termination fee has been negotiated to end the contract early. These unavoidable costs are expected to be greater than the economic benefits of collecting or selling the RR loan book.

13. Bank and other borrowings

	30 Sep 23 Unaudited £m	30 Sep 22 Unaudited £m	31 Mar 23 Audited £m
Current and non-current liabilities			
Amounts falling due in 1-2 years			
Senior secured notes	-	49.8	**-**
	-	49.8	**-**

The Group's Senior secured notes in the form of £49.7m high yield bonds with a coupon rate of 7.625% which were due to expire in January 2024, were redeemed early in March 2023.

14. 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.

	30 Sep 23			30 Sep 22			31 Mar 2023		
	Complaints £m	**Restructuring £m**	**Total £m**	Complaints £m	Restructuring £m	Total £m	Complaints £m	Restructuring £m	Total £m
Opening provision	**195.9**	**4.5**	**200.4**	179.8	-	179.8	179.8	-	179.8
Provisions made during period	**16.8**	**0.9**	**17.7**	16.3	-	16.3	19.1	4.5	23.6
Net utilisation of the provision	**(4.7)**	**(0.8)**	**(5.5)**	(4.7)	-	(4.7)	(3.0)	-	(3.0)
Closing provision	**208.0**	**4.6**	**212.6**	191.4	-	191.4	195.9	4.5	200.4
Current	**208.0**	**4.6**	**212.6**	191.4	-	191.4	195.9	4.5	200.4
	208.0	**4.6**	**212.6**	191.4	-	191.4	195.9	4.5	200.4

Customer complaints redress

The total Scheme liability has increased by £16.6m compared to the prior year. The increase in provision is primarily due to an increase in the estimation of the previously outlined cash redress, which based on the latest expectations and judgements applied has increased approximately £9m to £106.1m, alongside an increase in observed uphold rates resulting in higher balance adjustments and customer cash refunds, partly offset by utilisation of outsourced Scheme handling costs. Utilisation in the period totalled £4.7m, primarily relating to the cost incurred in processing decisioning of Scheme claims.

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.

The Group anticipates the redress programme will be complete, or substantially complete, within nine months of the period end. Uncertainties exist around the timing of completion of the redress programme due to operational complexity and the potential for customer appeals.

Restructuring provision

As at 30 September 2023, the Group recognised a restructuring provision totalling £4.6m in respect of the expected cost of staff redundancies and liquidator costs due to wind down of the business.

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15. 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.

	Ordinary Number	Total Number
At 31 March 2023	475,333,760	475,333,760
At 30 September 2023	**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 decided that it would not propose a final dividend payment for the year to 31 March 2023 or an interim dividend for the period to 30 September 2023. Total cost of dividends paid in the period is £nil (2022: £nil).

16. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking is Amigo Holdings PLC, a company incorporated in England and Wales. The consolidated financial statements of the Group as at and for the year ended 31 March 2023 are available upon request from the Company's registered office at Unit 11a, The Avenue Centre, Bournemouth, Dorset, United Kingdom BH2 5RP.

17. Share-based payments

The Group issued share options and awards to employees as part of its employee remuneration packages. The Group operated three types of equity settled share scheme: Long Term Incentive Plan ("LTIP"), employee's 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 entry 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, considering the terms and conditions upon which the awards were granted. Following the implementation of the wind down plan in March 2023, the fair value of all share-based payments was £nil. The charge to the consolidated statement of comprehensive income was £0m in the six months to 30 September 2023 (H1 2023: charge of £0.1m).

18. Investment in subsidiaries and structured entities

The following are subsidiary undertakings of the Company at 30 September 2023 and includes undertakings registered or incorporated up to the date of the Directors' Report as indicated. Unless otherwise indicated all Group owned shares are ordinary. All entities are subsidiaries on the basis of 100% ownership and shareholding.

The Irish entity, Amigo Loans International Limited, together with its subsidiary, Amigo Loans Ireland Limited, was sold by the Group to the CEO of the business in a management buy-out on 28 February 2023. Following write off of the intercompany balances there were net liabilities in the Irish entities of less than £0.1m. Consideration for the disposal was £1.

As part of the ongoing orderly wind down of activities the Group commenced proceedings to dissolve dormant companies in the structure. The formal dissolution of six previously dormant entities was confirmed on 30 October 2023. Amigo Loans Luxembourg S.A. was also dissolved on 1 December 2023.

Name	Country of incorporation	Class of Shares held	Ownership 2023	Ownership 2022	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[3*]	United Kingdom	n/a	-	"SE"	Special purpose vehicle
Amigo Car Loans Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Vanir Financial Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Vanir Business Financial Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Amigo Store Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Amigo Group Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Amigo Finance Limited[1*]	United Kingdom	Ordinary	100%	100%	Dormant
Amigo Loans International Limited[4]	Ireland	Ordinary	-	100%	Holding company
Amigo Loans Ireland Limited[4]	Ireland	Ordinary	-	100%	Trading company

1 Registered at Unit 11a, The Avenue Centre, Bournemouth, Dorset BH2 5RP, England.
2 Registered at 9, Rue de Bitbourg, L-1273 Luxembourg.
3 Registered at 40a Station Road, Upminster, Essex, RM14 2TR, England.
4 The Irish entity, Amigo Loans International Limited, together with its subsidiary, Amigo Loans Ireland Limited, was sold by the Group to the CEO of the business in a management buy-out on 28 February 2023.

- Under liquidation

19. Related party transactions

The Group had no related party transactions during the six-month period to 30 September 2023 that would materially affect the performance of the Group. Details of the transactions for the year ended 31 March 2023 can be found in note 24 of the Amigo Holdings PLC financial statements.

20. Post Balance Sheet events

Dissolution of entities - As part of the ongoing orderly wind down of activities the Group commenced proceedings to dissolve dormant companies in the structure. The formal dissolution of six entities identified as dormant in note 18 was confirmed on 30 October 2023. Amigo Loans Luxembourg S.A. was also dissolved on 1 December 2023.

Proposed transaction and suspension of listing – On 17 October 2023 Amigo announced that it has entered into an exclusivity agreement with Craven House Capital plc and others, to enable them and the Company to further explore a potential transaction. On 16 November 2023 the Company announced that the exclusivity arrangement has been terminated with immediate effect, and that all work on the proposed transaction had ceased. During the period 17 October – 17 November the FCA had suspended the Company's listing on the Premium segment of the Official List and trading on the Main Market of the London Stock Exchange because of the lack of information about the assets in relation to the proposed transaction, which could prevent the smooth operation of the market in the shares of the Company.

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Appendix: alternative performance measures

Given the implementation of the Fallback Scheme and the winding down of the Group’s business, the Board believes that disclosure of alternative performance measures (“APMs”) is no longer relevant, and therefore they are no longer disclosed.