



Annual Report and Consolidated Financial Statements

For the year ended 31 March 2020



Oplo Holdings Ltd (formerly 1st Stop Holdings Limited)
Registered number: 10024904

Our purpose

**To unlock the
real potential
of millions of
hard-working
people across
the UK.**





Powering Your Potential

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Company Information

Directors

S P Baker
L V McMurray
A J Mollart
M J G Potter
M A Robins
P D Pester (appointed 22 April 2020)
D P Gerard (appointed 1 March 2020)
B Brodie (appointed 28 June 2019)
P A George (resigned 28 June 2019)

Registered Number

10024904

Registered Office

10 Whitehills Drive
Whitehills Business Park
Blackpool
Lancashire
FY4 5LW

Independent Auditors

Ernst & Young LLP
2 St Peter's Square
Manchester
M2 3DF

Bankers

National Westminster Bank
PLC 250
Bishopgate
London
EC2M 4AA

Oplo

Who are we?

Oplo provides equality of opportunity so that all hard working people across the UK can thrive. We believe borrowing should be focused on the individual and will always look for the good rather than the bad, and look for possibilities, not problems.

We believe that people's potential is far more important than their past and will always look for ways to lend rather than not to lend. By having this approach, we are able to be positive and non-judgmental with our customers along with being helpful and practical.

This DNA allows us to maximise the opportunity with all customers who may have had a financial hiccup in the past and to let them know they are valued for who they are and for what they can really be.

Oplo is here to power your potential.

CEO Statement

Alex Mollart,
Chief Executive Officer

2019/20 was a landmark year in customer and loan book growth.

Over the last 10 years Oplo Group (formerly 1st Stop Group) has grown to be one of the UK's major providers of credit to everyday consumers across the UK. Our range of unsecured loans, 2nd charge home loans and vehicle financing products help consumers get the finance support they need to get on with building a better life for themselves and their families. In the 2019-20 financial year I am pleased to report that the business had a landmark year in customer and loan book growth and profits* without it compromising on diligent credit analysis and detailed affordability assessments of each and every loan.

**“a landmark
year in customer
and loan book
growth”**

* Pre-Covid



Increased partner channels have created significant new customer numbers to the Group

The business pre-screened 1,442,362 potential new customers, approved 625,631 and on-boarded 16,750 of these through careful credit analytics and personalised underwriting by our new business origination teams. Annual business originations grew to a total of £182.7m which was an increase of 60% over the previous year and our loan book increased to £257m. The current level of originations would see the loan book mature at £445m but we continue to see significant further growth ahead in our core product markets as well as exciting performance in our piloted low rate customer segments that we intend to expand further in 2020.

Customer profiling and product testing have shown us how we can help significantly more good customers next year.

Whilst we are delighted to have on-boarded 16,750 new customers, the business actually approved 625,631 customers which represents a completion rate of 2.5%. Through our Consumer Committee and customer surveying the business has identified cohorts of consumers that, whilst receiving an Oplo approval, have sourced a product elsewhere. On the back of this the business started piloting lower rate loans on a limited basis within the Mortgage Division to test improvements in conversions and monitor the originations performance and financial returns.

I'm pleased to say this proved an outstanding success and has highlighted a path to increased customer onboarding and significant loan book growth.

New off balance sheet forward flow arrangements to leverage consumer interest

The business has always maintained a sharp focus on issuing loans with a safe Risk Adjusted Margin (RAM). Our average nominal rate is circa 20% with circa 5% annualised loss rates. Four times interest income to loss rate cover provides solid protection from unforeseen macro shocks and creates a good return on equity investments. To facilitate the opportunity of originating high quality or prime loans to meet customer demand, the business signed its first forward flow arrangement with an institutional fund. This agreement allows loans under 11.5% nominal rate (below our target RAM) to be originated and serviced for a fee under the Oplo brand whilst passing on the credit risk and required balance sheet funding required to the institutional fund. The business has a favourable buy back option to re-purchase these agreements should we acquire a lower cost of funds which would support these loans on balance sheet in the future. In the first 4 months of this agreement to March 2020 we sold £18.6m of loans. The business intends to source additional forward flow partners as it plans to leverage its platform and support more customers that it previously could not fund at the required rate.

Where people and technology seamlessly interact

With technology's ever expanding reach into every aspect of daily life the need to continually innovate is increasingly becoming the differentiator between winning and losing. For all of this year our development teams and senior operators have been busy building new customer interfaces and simplified, efficient employee engagement platforms to enable seamless customer experiences where people and technology become one. Under the programme "One Click" we have been developing new customer portals, new partner portals, new front end underwriting interfaces and new back end servicing and collection capabilities that will be going live during 2020. We believe technology provides speed and ease for our customers but our people personalise the experience. This belief is evidenced in our holding of a Feefo Platinum provider award with over 1,400 reviews last year and an average score of 4.8.

Covid-19 – helping customers quickly and personally

Regrettably, in the last part of our reporting period the world was hit by the Covid-19 pandemic. We reacted fast and fairly, working hard supporting our customers with payment holidays and monthly "Keeping in Touch" calls. We managed to communicate with and provide over 6,000 customers with payment holidays, representing c20% of our customer base, in just under 5 weeks and all whilst the business was working from home.

This required a huge effort in personalised telephone calls, bespoke webchat messaging, increased email capabilities, new provisions for regulatory notices (statements), and new ongoing forbearance tools. In addition to providing the initial support we took the decision to implement monthly "Keeping in Touch" calls ensuring every customer every month had the opportunity to receive help and support from a trained, empathetic agent during this difficult time.

Covid Impairment Provision

Whilst clearly having an impact on the Post Covid annual result, we have deemed it prudent to offset a large part of the 19/20 annual profits through the creation of an additional Covid impairment provision. The business held £17.7m in pre-Covid trading provisions at the end of the financial year, but added an additional £4.1m to allow for the possible economic impact of Covid in the following year on accounts that had been granted payment deferrals.

Our loans help fulfil life's opportunities

Looking forward is a great way to end my annual statement.

I'm pleased to communicate that the business has embarked on creating and defining a new brand that better identifies us for who we are and what we do. This new beginning is anchored in our belief that an individual's potential is far more important than their past and our "lo"ans help fulfil life's "op"portunities: hence our new name "Oplo". Oplo is also a wink of acknowledgement to our Northern heritage and our initial roots in the town of Black"pool".

Powering people's potential, whether that's our Customers, our Partners or our Employees, has always been our underlying DNA but now we will have a brand and language that clearly defines this for all to see.

Whilst there are clearly challenging times ahead, I believe the business is well placed to manage through the economic challenges, to support its customers and to continue to grow safely and strongly once the new post-Covid norm arrives. I'd like to take this opportunity to thank all of our hardworking dedicated staff and all our loyal and supportive business partners for helping us unlock people's potential one opportunity at a time.

Goodbye



Hello



MORTGAGE DIVISION

The Mortgage Division provides specialist mortgage products to consumers looking to borrow up to £50,000 over terms from 3 to 25 years. Customers can access our products both directly and through our extensive network of FCA regulated introducers.



MORTGAGE DIVISION

Oplo has established itself as one of the leading lenders of consumer secured loans in the UK by providing a wide range of products that satisfy the market's demand.

We have a reputation for providing excellent service, building strong relationships and being experts in our field, and we pride ourselves on helping customers unlock their borrowing potential. Oplo's 10 years' experience as a secured loan lender has seen us help over 13,000 customers achieve this goal.

Our expertise in product design, credit analysis, decisioning and underwriting allows us to operate across the whole secured loan consumer market, giving us the ability to reach more customers.

We are an established member of the FLA and recently achieved Feefo's Platinum Trusted Service Award status. Our lending and servicing teams of more than 50 staff operate across both our Blackpool and Manchester sites.

Loan book

£132m

**61% higher than
previous year**

6,686

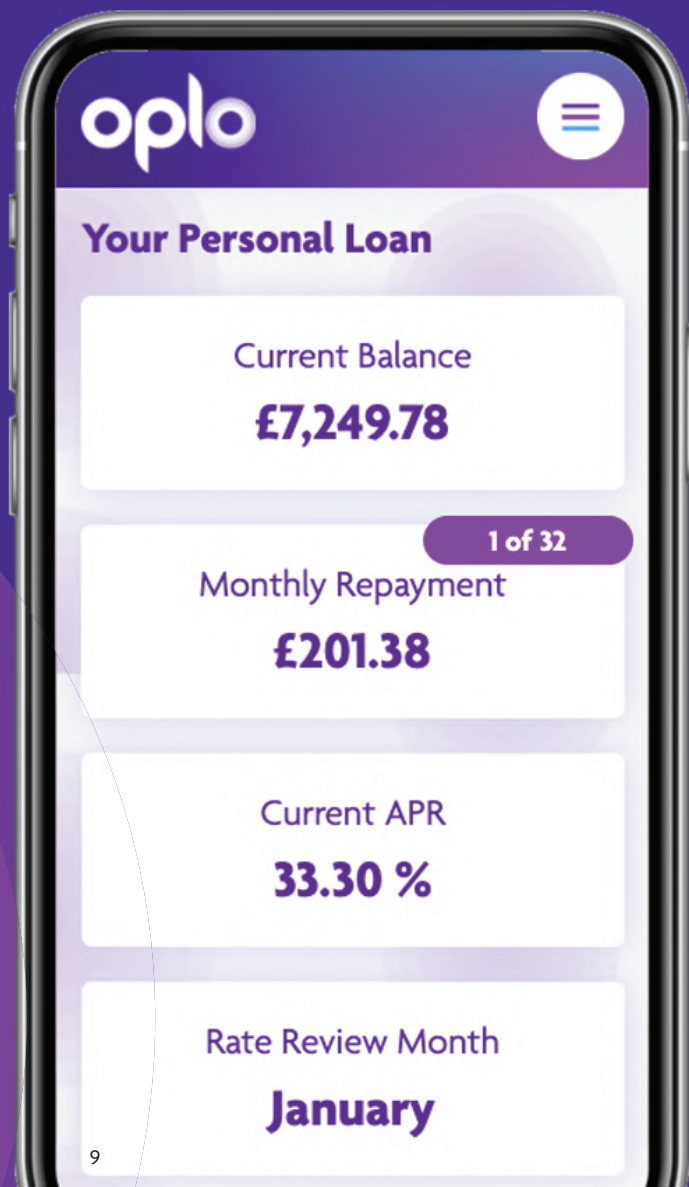
**customers at
year end**

3,714

**new loans
approved in
2019/20**

CONSUMER DIVISION

Our Consumer Division currently focuses on 2 key product sets -
Unsecured Personal Loans and Car Finance.



Unsecured Personal Loans

Oplo offers loans of up to £15,000 and over 2-6 years. Our customer journey blends the latest digital technology with the human touch giving us a unique position in the market and we seamlessly work with a variety of digital acquisition channels to provide the best customer journey.

The key focus for 2019 was to deliver a seamless, digitally enabled, pre-approved eligibility onboarding process with our Price Comparison partners. This approach has enabled us to complement our current processes with a tailored journey that further enhances the customer experience.

We held a Gold Trusted Customer Service Award through Feefo throughout 2019 and this has recently been upgraded to the Platinum Trusted Service Award in early 2020, showing that our people and processes are giving our customers a great experience. We also won the prestigious Financial Reporter Award for 'Best Unsecured Lender 2019' and reached the final in the 2020 Awards and we are looking to build on this success through powering our people's potential.

Loan book

£125m

27% higher than previous year

25,211

customers at year end

13,036

new loans approved in 2019/20

Car Finance

Oplo's car product offers customers loan amounts up to £20,000 and terms of up to 5 years. We offer our products through a selected network of the Automotive Management Online's top 100 franchised and top 50 independent dealers, through credit brokers and also via our online presence.

The focus of the business throughout 2019 was to ensure we were delivering a flexible and easy to understand product with a customer experience that complemented the customer's car buying experience. In a changing regulatory environment for the car market we are well placed to push on to deliver the growth required through our best-in-class service with focus on the latest technological innovation and the highest standards of regulatory compliance.

The business's focus on customer service has delivered a Gold Trusted Customer Service Award through Feefo in 2019 confirming the customer centricity of Oplo and we will be looking to further enhance this moving forward by helping our customers power their potential.

The Pillars

Oplo is built on the desire to power people's potential. To enable this we have designed 4 distinct pillars across 3 identified segments.

Customer/Member

The end-user of our products

Our Team

Our fully trained staff looking to assist our members and introducers

Introducers

Our differing acquisition partners and other 3rd parties who help Oplo deliver our brand goals and vision

Customer Pillars



Oplo Rate Reducer

Putting the customer first; we will be regularly reviewing our customers' credit scores, automatically reducing their monthly repayment as their credit score improves.



Oplo Track

Being open and transparent; with the credit score ever present in a customer's personal dashboard, they can keep informed – rather than keeping their fingers crossed.



Oplo Financial Fitness

Making life simpler and better; from broadband providers to new mortgage lenders we open the door to savings and special offers from trusted providers.



Oplo Assist

Going beyond borrowing; we provide our customers with the financial support they seek, through Loop, our friendly AI chatbot.

Customer Base

The growth of the business has been based on the belief that an individual's potential is far more important than their past and has helped consumers meet their financial needs for over 10 years.

Over the past financial year, the business has experienced strong growth in customer numbers through the interaction of improved technology and personal customer contact resulting in the Feefo Platinum Trusted Service award in January 2020, which is awarded to businesses that have achieved Gold standard for three consecutive years.

1.5m

New
Applications

625,631

Responsibly
Approved

16,750

New Loans
Granted

4.8/5

Feefo
Rating

Platinum

Feefo Award
January 2020

1,426

Customer
Reviews

31,897

Customers at
year end

19,106

Improved Customer
Credit Scores

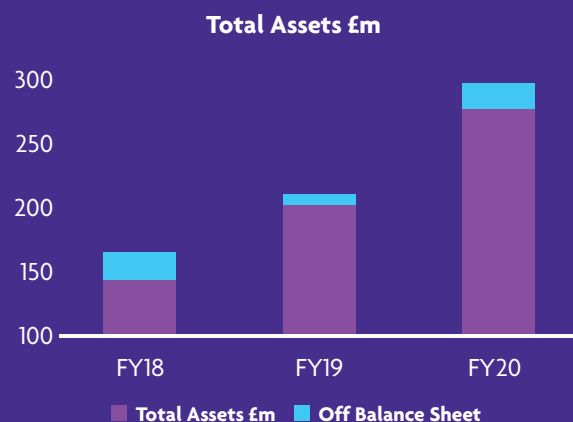
1m

Transactions
Processed

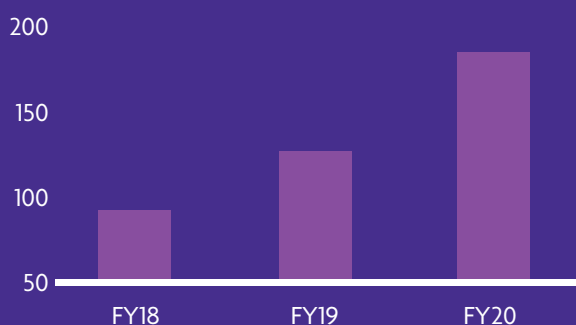
Creating Value

Total Assets

Total assets grew to £274.9m (FY19 £200.9m) in line with the growth in the customer loan book.



New Lending £m

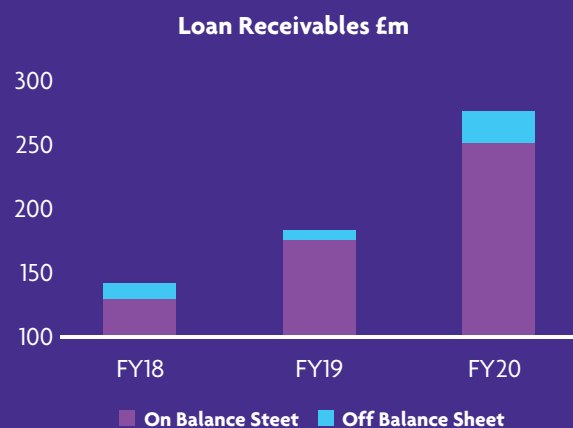


New Originations

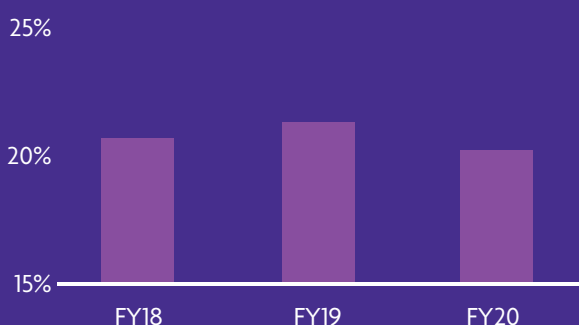
We originated £182m of new loans across the year through a combination of on balance sheet lending and a new forward flow arrangement with a strategic partner.

Loan Receivables

Combined assets under management increased 47% year on year, with growth in all divisions.



Income Yield

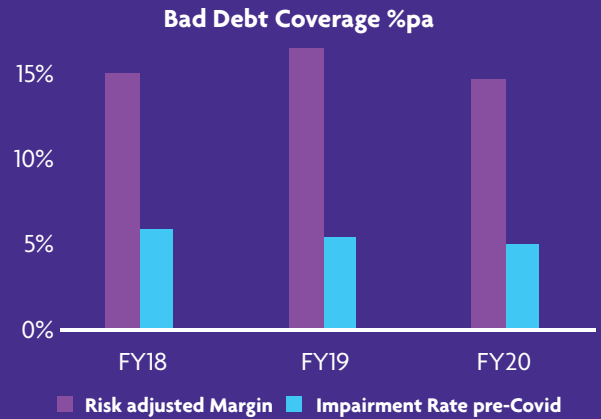


Income Yield

Income yield against the year end loan book was similar to last year with changes in the product mix offsetting the impact of price variations.

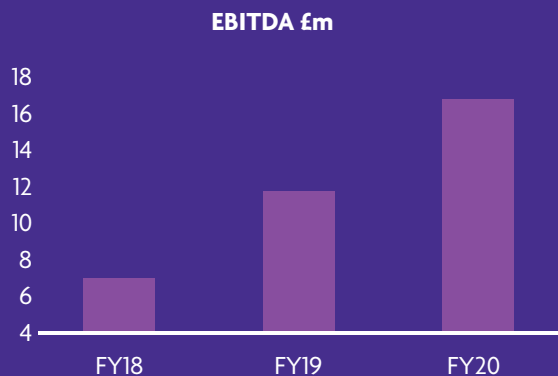
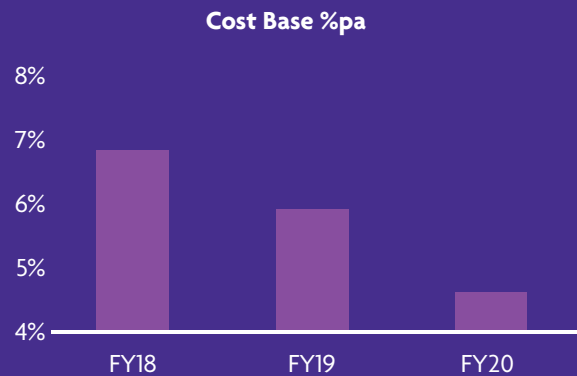
Impairment Rate

The impairment rate reduced again year on year, excluding the additional Covid related provision. Including the additional Covid related provision, the rate was 7.5%pa.



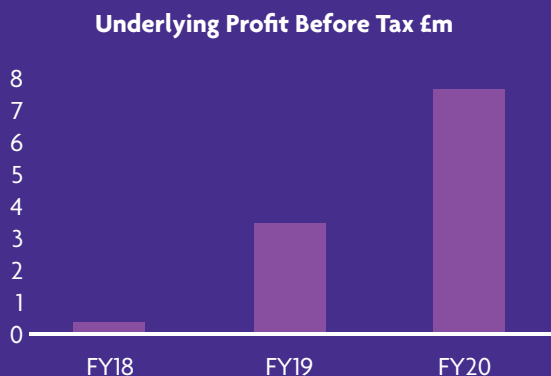
Cost Base

The cost base reduced to 4.5%pa of closing receivables through economies of scale and automation.



EBITDA - Pre Covid Provision

Loan book growth coupled with the relative reduction in cost base (as a percentage of the loan book) has driven EBITDA to £17.1m pre Covid provision.



Underlying Profit Before Tax

Income increased to £43.8m (FY19 £32.5m) as a result of receivables growth resulting in underlying profit before tax of £7.7m. A bridge to the statutory reported profit is shown on p22.

Distribution Partners



Digital Platform

Technology is truly at the heart of Oplo and is a critical enabler to allow us to serve customers and help them get better with money and power their potential. We continue to invest in and build out our new digital platform.



We expect to deliver continuous improvement and new features to customers on a regular basis.

We've focused on customer centricity and usability to drive best in class experiences with everything required to help customers financially all in one place. We are driving efficiency and automation that is proving to significantly lower cost and allow us to scale services.

We are taking advantage of cloud and modern technology to increase security for Oplo, our partners and our customers.

We have significantly improved performance with our new platform, especially for quotations which saw speeds move from minutes to milliseconds.

Board



Paul Pester
Non-Executive Director

We are pleased to welcome Paul who was appointed on 22 April 2020. Over the past twenty years Paul has built and led some of the most disruptive and established consumer financial services businesses in the UK and overseas. He has held a number of executive and non-executive roles across the financial services and technology sectors, including as the founding Group Chief Executive Officer at Virgin Money and the CEO of TSB Bank.



Alex Mollart
Chief Executive Officer

Alex has held Senior Director positions in the Credit industry in which his career has spanned 25 years. After beginning his career at Yorkshire Bank he went on to work at Welcome Finance in Branch, Area and Regional Manager roles running 60+ Branches across Northern England and Scotland. After a 10 year period of exceptional growth he left to found Oplo (formerly 1st Stop Group) in 2004, and has overseen the business's last 15 years of expansion.



Mark Robins
Chief Financial Officer

Over 30 years' experience in the UK and Europe across a range of sectors including senior finance roles in consumer financial services for over 14 years. His career started in manufacturing before moving to financial services. Following a number of senior roles in Barclaycard, he moved to Richmond Group restructuring the business to focus on Amigo Loans. Mark is a Chartered Management Accountant, Associate Corporate Treasurer and joined Oplo (formerly 1st Stop Group) in April 2016.



Lindsey McMurray
Institutional Director

Lindsey founded Pollen Street Capital in 2013 and is the Managing Partner as well as Chairman of the investment committee. Lindsey has been a private equity investor for more than 20 years with a particular focus on the Financial Services sector. She led the team managing the £1.1bn Special Opportunities Fund within RBS and spent 6 years as a Partner at Cabot Square Capital, focusing on operating investments in real estate and financial services.



Matthew Potter
Institutional Director

Matthew is founding a partner of Pollen Street Capital. He has focused on investing in operating companies and credit opportunities across a range of lending markets. Prior to joining the team, Matthew qualified as a Chartered Accountant with PwC and spent four years in their Corporate Finance Department focusing on mid-market transactions.



Duncan Gerard
Institutional Director

Duncan sits on the Board as part of the private equity investors, Pollen Street. He has been with the equity firm since 2017. Previous to which was focused on financial services mergers and acquisitions, principally advising private equity firms on the disposal and acquisition of mid-market portfolio companies. He is qualified as a Chartered Financial Analyst and accountant which he gained whilst at EY.



Steve Baker
Non-Executive Director

Steve has been in Financial Services for 46 years and has had Board level positions held with HFC Bank (Sales Director, Retail), GE Capital (Sales Director), Halifax Card Services (Sales Director), Britannic assurance (Chief Operating Officer), Littlewoods Shop Direct Financial Services (Sales and Marketing Director), Close Brothers Credit Management (Chief Executive Officer) and Together (Group Operations Director). Steve has also run consultancy assignments with the likes of Warranty Group and Admiral Loans in the areas of Lean Six Sigma Deployment, Change Management and Collections.



Brian Brodie
Non-Executive Director

Brian has held senior positions in a range of FS businesses including CEO of Freedom Finance Ltd, Sales & Marketing Director for Virgin Money and was one of the executive team which floated the business in 2014. Prior to that Brian was CEO of HML Ltd which was and still is the largest mortgage servicer in the UK. Brian brings significant experience of large scale change and digital transformation as well as significant presence in the finance market. Brian is also Chairman of The Northern School of Contemporary Dance and a Fellow of the Chartered Institute of Bankers in Scotland. Brian joined the business in June 2019.

Senior Management



Steve Beard
Managing Director
Mortgage Division

Steve has held various senior management roles in consumer financial services during his 20-year career. His financial services career began at Cattles PLC where he carried out a number of roles culminating in branch management for Welcome Finance and head of lending for Dial 4 A Loan. He joined Oplo (formerly 1st Stop Group) in 2005 and has held several senior management positions across various markets during his 15 years' service.



Richard Sharp
Managing Director
Consumer Division

Richard has held a number of senior roles across the Consumer Lending sector spanning more than 20 years and has vast experience in delivering effective financial solutions within dynamic environments with a customer first attitude. His financial services experience has seen him hold senior roles across large PLC's including GE Capital, Bank of Ireland, Cattles, Dollar and Everyday Loans. Richard joined the business in December 2018.



Mark Akerman
Chief Technology Officer

Mark has held senior roles over his 25 year career across large FS companies including HBOS, LBG, HSBC, RBS, Nationwide, Aviva and Admiral and recently consulting for DevOps Group and Amazon Web Services. He has driven great improvements through the combination of Cloud, DevOps and Scaled Agile working. He has a genuine passion for the possibilities that are opened up by technology and on making customers lives simpler but with an eye on the ethics of using data and tech responsibly. Mark joined the business in April 2020.



Ajay Mitha
Director of Group Servicing

Ajay has over 15 years' experience working within the regulated financial services market, having worked within Debt Purchase, Contingent Collections and Auto Finance lending, he specialises in strategic operational leadership and management within Customer Support Operations. His previous roles including senior management positions with Cabot Financial, Apex Credit Management, The Car Finance Company, Go Car Credit and most recently with the debt purchaser Perch Group. Ajay recently joined the business in August 2020.



Debbie Waterman
Director of Central Services

Debbie has over 25 years' experience working in the finance industry at businesses such as Welcome Finance, Dial 4 a Loan and for the past 15 years at Oplo (formerly 1st Stop Group). Debbie has held a variety of senior positions throughout her working career. Debbie would be described as an empowering leader who supports companies and top executives with a unique perspective and appreciation that human capital is every organisation's greatest asset. Debbie has been in the business since June 2005.

Stakeholder Engagement

This section of the report describes how the Directors have had regard to the matters in section 172 (1) of the Companies Act. The Directors have acted in a way that they consider, in good faith, to promote the success of the Company for the benefit of all its stakeholders, having regard amongst other things to:

- the likely consequences of any decision in the long term
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the Company.

The Company's key stakeholders are detailed below along with how we have engaged with them and key deliverables for each group over the course of the financial year.

STAKEHOLDER

Customers

Our customer base is made up of individuals seeking consumer finance products.

HOW WE ENGAGE

We engage with our customers through a range of communication channels giving our customers the flexibility they require throughout their credit lifecycle with us.

Alongside direct feedback from customers we obtain feedback from customer satisfaction scores, surveys and by monitoring customer complaints.

STAKEHOLDER

Employees

Our employees are critical to the successful implementation of our strategy. We prioritise employee engagement and development.

HOW WE ENGAGE

Staff conferences are held to share the strategy and business plans with all employees.

Regular surveys are conducted throughout the year providing everyone the opportunity to provide feedback to the Company. This is a useful tool for the Board to measure engagement and for employees to highlight specific points of interest.

All staff have access to a dedicated online learning and development tool which delivered 1,938 different modules of training throughout the year across a variety of themes

Stakeholder Engagement

STAKEHOLDER

Suppliers

The Board recognises the key role that suppliers play in ensuring the Company delivers reliable service to our customers.

HOW WE ENGAGE

Regular strategic business reviews are carried out with our introducers and partners to ensure we are delivering to the required KPI's and making any required improvements in an informed and detailed manner.

Monthly reporting and discussion with funding partners.

STAKEHOLDER

Community

The Company's community stakeholder group includes the local community and wider environment.

HOW WE ENGAGE

Associated with local charity for Care In The Community.

Employees regularly hold charitable based events.

STAKEHOLDER

Regulators

Our three operating companies are regulated by the Financial Conduct Authority (FCA).

HOW WE ENGAGE

Member of industry bodies ensures participation in industry discussions open and transparent regulatory reporting.

Business Review

Key Performance Indicators

| | FY20 | FY19 |
|--------------------------|---------|--------------------|
| Income Yield %pa | 20.0% | 21.9% ¹ |
| Bad debt charge %pa | (5.2%) | (5.5%) |
| Risk Adjusted Margin %pa | 14.4% | 16.4% ¹ |
| Cost Base %pa | (4.5%) | (5.8%) |
| Total Assets | £274.9m | £200.9m |
| Loan Book | £257.1m | £181.0m |

Oplo Group (formerly The 1st Stop Group) wrote a total of 16,750 new loans in the year (2019: 12,160) and increased customer numbers from 26,797 to 32,475, a 21% increase. This growth was achieved from the combination of a revised product range, increased operational efficiency, easier application processes and quicker response times. Building upon the Group's existing working relationships and introducing new market leading brokers in the year also contributed to driving growth.

Oplo Holdings Ltd (formerly 1st Stop Holdings Limited) achieved substantial growth in the year increasing the loan book to £257m. Turnover increased by 35% to £44m (2019: £32m), primarily as a result of the receivables growth with revenue margins being broadly stable.

Cost of sales increased by 23% to £6.2m (2019: £5.1m) and administrative expenses increased by 56% to £26m (2019: £16.8m) as a result of business growth and higher impairment charges.

Operating profit increased from £10.7m to £11.5m, an increase of 7%.

Interest payable and expenses costs increased by 21% to £10.6m (2019: £8.8m).

The Group incurred a net loss from the market to market fair value of a hedging instrument for its finance facilities of £0.39m (2019: £0.8m).

Underlying profit before tax more than doubled to £7.7m (2019: £3.5m).

Profit Before Tax Bridge £m

| | FY18 | FY19 | FY20 |
|------------------------------|-------------|------------|------------|
| Underlying PBT | 0.4 | 3.5 | 7.7 |
| Additional Covid provision | - | - | -4.1 |
| Goodwill Amortisation | -1.2 | -1.2 | -1.2 |
| HNW Interest | -1.3 | -1.2 | -0.9 |
| Excess Covid Charge - March | - | - | -0.8 |
| Professional Fees Write Down | - | - | -0.3 |
| Statutory PBT/LBT | -2.1 | 1.1 | 0.4 |

The directors feel it is prudent due to the uncertain impact of Covid-19 to increase the level of provision held against accounts that had requested a payment deferral. An additional provision of £4.1m has been taken in the FY20 results for all accounts that had requested payment deferrals up to May 17th 2020. Any request granted beyond that date has been treated as a non-adjusting event.

The Group secured a further increase in its funding facilities during the year, increasing committed facilities to £275m. In addition, a strategic partnership to originate loans under a forward-flow arrangement was established in December 2019. This enables the Group to originate and service loans to prime customers that would otherwise lie outside the Group's current target criteria.

1. Prior year comparatives have been re-calculated in line with current year methodology.

The results for the year to March 2020 have been significantly influenced by the impact of the Covid-19 outbreak and the resulting uncertainty created in the economy generally and specifically among the Group's customer base.

The UK economy went into 'lockdown' on March 23rd 2020 but had started to slow ahead of the likely announcement. The business has delivered the ability for the workforce to work remotely during these unprecedented times and ensure the safety and wellbeing of our employees.

The financial effect on the Group from the pandemic impacted four principal areas: the level of new lending, customer payment patterns and the resultant consequences on cashflow and banking covenants.

New Lending

In mid-March, the directors took the immediate decision to significantly reduce overall lending by ceasing lending in the personal loans and car finance market while tightening criteria for the reduced level of secured loan lending. Lending in March was tracking to the highest level of the financial year prior to the Covid-19 but finished at the lowest level for FY20 following the changes as a direct impact of the outbreak.

Customer Payments

In response to the pandemic, the Group introduced a temporary forbearance policy on the 20th March 2020 to allow customers a three month payment deferral where needed. The FCA subsequently issued guidance that firms were expected to allow up to three month payment holidays for customers directly impacted by Covid-19. Group operations have worked to maintain contact with the 20% of customers granted deferrals throughout the payment holiday period to ensure that an appropriate outcome is achieved for each individual customer.

Cashflow

The Group continually monitors its liquidity position. At this time, it is not possible to provide accurate guidance on the impact of the pandemic. Therefore, management have performed appropriate financial modelling and concluded that the business will continue as a going concern despite the uncertainties introduced by Covid-19.

Covenants

Management has worked pro-actively with its funders to ensure that amendments to its facilities were secured where required as a result of the Covid-19 outbreak.

Principal risks and uncertainties

Before the start of each financial year, the Board approves detailed budgets and forecasts for the year ahead. It also approves outline projections for the subsequent two years.

Actual performance against these budgets is monitored in detail through the Group's management accounts which include key financial and non-financial performance indicators. This information is included in the key financial information section on page 22. All risks are monitored at Oplo Group Ltd (formerly The 1st Stop Group Ltd) ("Group") level.

The Board has identified that the principal risk for the Group is that customers will fail to pay on contracts for the full duration of their term. To reduce this risk continuous improvements to collections processes have been developed and implemented. Furthermore, constant improvements to the automated decision engine on applications have been introduced culminating in the application of a new scorecard system.

Interest Rate Risk

Interest rate risk exists on the Group's debt facilities utilised to fund assets, specifically as the interest rate charged is a fixed percentage over the London Inter Bank Offer Rate (LIBOR). The Group purchased an interest rate cap to mitigate this risk.

Liquidity Risk

The Group defines liquidity risk as the Group not being able to meet its liabilities as they fall due. The Group monitors its assets and liabilities on an ongoing basis to ensure that liabilities are met. The Group's strategy is to match the Group's funding profile to that of the assets which are being funded.

Credit Risk

The Group defines credit risk as loss arising from third parties and customers failing to make payments when due. The Group takes a measured approach to assessing credit risk. The Group understands that due to unforeseen circumstances individuals may experience financial difficulties which could impact their ability to make payments. To mitigate this risk, the Group undertakes a stringent decisioning process when lending to consumers, constant monitoring of arrears, combined with frequent, clear and robust communications with customers.

Operational Risk

The Group defines operational risk as the risk of loss arising from inadequate or failed internal processes, systems, people, or from external events. The Group seeks to minimise the downside risk from the impact of unforeseen operational failures within our business and in our suppliers and service providers.

Reputational risk

The Group defines reputational risk as the loss resulting from damage to the Group's reputation and does not have an appetite for accepting risks that could cause material reputational damage.

Strategic Risk

The Group defines strategic risk as loss arising from adverse business decisions, improper business implementation or a lack of responsiveness to changes in the business environment. This may result in failure to acquire and sustain business or relationships. The Group aspires to be widely recognised by our customers, stakeholders and colleagues as a high performing customer focused company. In order to meet this objective, the Group accepts that minimal risks may need to be taken to ensure the on-going development and innovation of its operations through strategic projects and initiatives. However, any risks taken are documented and have appropriate controls in place.

Corporate Governance

Introduction from our Audit Committee Chairman Steve Baker



Effective governance is at the core of Oplo's ability to operate successfully. The Board is committed to high standards which it considers are critical to business integrity and delivering shareholder confidence.

Our culture is open and collaborative, where transparency and honesty are valued.

We are on a continuous journey to improve and grow the business, with our integral focus and commitment being to our customers.

We have an established governance framework in place that supports this and provides assurance that we are a well-managed and responsible company which meets regulatory and legal requirements.

In the last 12 months, we have invested in TriLine GRC, a complete governance, risk and compliance (GRC) system to underpin our three lines of defence model and governance framework.

Looking forward, our priorities for the year ahead will be to continue to improve and strengthen our governance framework across the Group and further embed the learnings from our governance activity.

Governance Framework

Oplo's governance committee structure has been put in place to organise operational, financial, risk management, and reporting processes such that the Board receives the information it requires to effect good governance and management and the business can conduct their activities in ways that comply with regulations and ensure that our customers receive fair outcomes.

Each Committee plays an essential role in helping the Board to operate effectively within its risk appetite. The table below provides more detail on this structure and the roles of the individual Governance Committees.

Board (Monthly)

Chair: Alex Mollart

The Board is responsible for managing the strategic risks of the Oplo Group and meet formally on a monthly basis. Where appropriate the Board delegates some of its responsibilities to sub-committees to manage on its behalf and receives regular updates and feedback where this is the case. The sub-committees are set out below.

Executive (Monthly)

Chair: Mark Robins (Chief Financial Officer)

ExCo consists of the executive directors from the Group's businesses. It provides executive management and oversight of the business including performance management, resource planning and prioritisation.

Opco (Monthly)

Chair: Steve McNicholas (Leadership Consultant)

Opco is responsible for the implementation of the policies and strategy adopted by the Board. It consists of senior management from across the Group and deals with all operational matters affecting the Group.

Audit, Risk & Compliance (Quarterly)

Chair: Steve Baker (Non-Executive)

The Audit, Risk and Compliance Committee (ARC) ensures effective processes and controls are in place and adhered to on behalf of the Board. This includes review and approval of Group policies, managing the actions of internal and external audits, monitoring the effectiveness of the Group's Risk Management framework, including systems and controls, risk policies and risk appetite. ARC reviews and updates the Group's risk register and the implementation of any proposed risk mitigants.

Group Credit & Pricing (Quarterly)

Chair: Steve Beard (Managing Director - Mortgage Division)

GCPC is responsible for adherence to the Group's credit risk appetite and monitoring credit performance of the portfolio. The committee approves any changes to underwriting rules, scorecard variations, the pricing framework. This committee approves product variations and the introduction of new products.

Responsible Lending (Quarterly)

Chair: Lisa Holder (Head of Compliance)

The Responsible Lending Committee monitors the arrangements in place to ensure customer lending is responsible and that customers are treated fairly. Chaired by the Head Of Compliance, the committee ensures Oplo's lending activity does not cause harm or lead to consumer detriment.

Project (Quarterly)

Chair: Mark Akerman (Chief Technology Officer)

Oplo's Project Committee monitors the Group's ambitious programme of key projects that are helping the transformation and scalability of the business across system architecture, software enhancements and improvements in efficiency, automation and controls.

Consumer (Quarterly)

Chair: Richard Sharp (Managing Director - Consumer Division)

The Consumer Committee tracks customer behaviour to enable the enhancement of the customer journey. The committee monitors and ensures appropriate engagement with customers through a variety of communication channels and monitors the appropriateness of customer related marketing.

Responsible Collections (Quarterly)

Chair: Lisa Holder (Head of Compliance)

New Committee for 2020/21.

Audit (3 times per year)

Chair: Steve Baker (Non-Executive Director)

The Audit Committee oversees the effectiveness, independence, and knowledge of the Group's senior team to enable them to discharge their duties and responsibilities effectively. The committee is responsible for appointing the Group's external auditors, overseeing the annual external audit process and approving the annual internal audit plan.

Our three lines of defence model

To promote effective governance across all its operations, the Board has adopted the three lines of defence assurance model.

First Line Of Defence

Responsibility, Ownership and Accountability for the first line of defence sits with operational management. Their primary responsibility is to own and manage risks associated with day-to-day operational activities and to design and implement effective controls to ensure that the business operates within its risk appetite. Oplo also have an independent Quality Assurance Team, which monitor operational activity. This team reports to the Group Services Division. 7,474 pieces of quality assurance monitoring were completed.

Second Line Of Defence

The second line of defence is the **Risk & Compliance Department**, which is independent from operational areas of the business. Its activities cover several components of internal governance including risk management, compliance advice, policy management and compliance monitoring. Three Thematic Reviews were completed – 100% of actions were completed.

Third Line Of Defence

The third line of defence is contracted by the **Audit Committee** to provide independent external assurance to the business. In addition, audit activity is completed by external auditors appointed by our funders and by Pollen Street Capital. Four external funder audits completed by Grant Thornton – 100% of actions were completed, two Pollen Street Capital reviews – 100% of actions were completed.

Complaints

Oplo have an independent Complaints Team that focuses on continuous improvement within our business and ensuring our customers are receiving the best possible outcomes. This team liaise regularly with our operational functions to feedback any relevant information and this attention to detail has resulted in Oplo receiving only 39 FOS complaints in the year, and of these, 72% were found in favour of Oplo.

Regulatory bodies



Financial Conduct Authority
www.fca.org.uk



Information Commissioner's Office
www.ico.org.uk

Trade association memberships



Credit Services Association
www.csa-uk.com



Finance & Leasing Association
www.fla.org.uk

This report was approved by the Board on 30 September 2020 and signed on its behalf by:

M A Robins
Director

Directors' Report

The Directors present their report and the Financial Statements for the year ended 31 March 2020.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies for the Group's Financial Statements and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

The directors have performed a detailed assessment of the uncertainties resulting from the Covid-19 pandemic and the impact on the adoption of the going concern principle. The directors have a reasonable expectation that the Company is well placed to manage its business risks and meet its liquidity requirements over the next twelve months and therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, the directors continue to consider it appropriate to adopt the going concern basis in the preparation of the financial statements. This is further detailed in the strategic report and the notes 2 and 28 of the financial statements.

Principal activity

Oplo Holdings Ltd is a holding company. Its principal subsidiaries' activities are providing secured, unsecured and hire purchase loans to consumers also funding for entities within the holding company.

Results and dividends

The profit for the year, after taxation, amounted to £115,697 (2019 - £734,880).

Oplo Holdings Ltd paid dividends of £259,582 within the financial year (2019: £283,179). Further information can be found in note 12.

Directors

The Directors who served during the year were:

S P Baker
L V McMurray
A J Mollart
M J G Potter
M A Robins

P D Pester (appointed 22 April 2020)
D P Gerard (appointed 1 March 2020)
B Brodie (appointed 28 June 2019)
P A George (resigned 28 June 2019)

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety, and economic issues. The Group has complied with all applicable legislation and regulations.

Future developments

Oplo Group has made significant investment in its technology platform in recent years. Further enhancements are expected in FY21 and the Group will benefit directly from the efficiency gains and improvements which will enhance the customer journey. Treating customers fairly will continue to be at the centre of Oplo's future plans and all product and process improvements.

Financial instruments

Details of financial instruments are provided in note 22 on page 62.

Company secretary

During the financial year the Company had no company secretary. Eversheds Sutherland (International) LLP carried out company secretarial duties throughout the year.

Qualifying third party indemnity provisions

During the financial year and as at the date of approving the Directors' Report, the Company does not have in force nor has the Company granted indemnity to any directors in respect of proceedings brought against the company by third parties, which would be subject to the conditions set out in section 234 of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
 - The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.
-

Post balance sheet events

Details of post balance sheet events are provided in note 28 on page 66.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2020 and signed on its behalf.

This report was approved by the Board on 30 September 2020 and signed on its behalf by:

M A Robins
Director

Independent Auditors' Report

Independent Auditors' Report to the members of Oplo Holdings Ltd (formerly 1st Stop Holdings Limited)

Opinion

We have audited the financial statements of Oplo Holdings Ltd (formerly 1st Stop Holdings Limited) (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2 and note 28 of the financial statements, which describes the economic and social consequences the group and parent company is facing as a result of COVID-19 which is impacting the financial services sector. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
 - the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.
-

Other information

The other information comprises the information included in the annual report set out on pages 1-33, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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

Steven Robb, Senior Statutory Auditor

for and on behalf of

Ernst & Young LLP, Statutory Auditor, Manchester

Date: 30 September 2020

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|---|------|---------------------|--------------|
| Turnover | 4 | 43,819,400 | 32,539,460 |
| Cost of sales | 5 | (6,201,076) | (5,060,490) |
| Gross profit | | 37,618,324 | 27,478,970 |
| Administrative expenses | | (26,157,303) | (16,728,469) |
| Operating profit | 6 | 11,461,021 | 10,750,501 |
| Interest payable and similar expenses | 10 | (10,644,575) | (8,793,788) |
| Net loss from other financial instruments at fair value through the profit and loss | | (389,593) | (834,434) |
| Profit before tax | | 426,853 | 1,122,279 |
| Tax on profit | 11 | (311,156) | (387,399) |
| Total comprehensive profit | | 115,697 | 734,880 |

The notes on pages 44 to 67 form part of these Financial Statements.

There were no recognised gains and losses for 2020 or 2019 other than those included in the Income Statement and therefore no Statement of Other Comprehensive Income has been presented.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|-------------|-------------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 7,162,777 | 8,317,856 |
| Tangible assets | 14 | 968,150 | 772,794 |
| | | 8,130,927 | 9,090,650 |
| Current assets | | | |
| Debtors | | | |
| Debtors: After one year | 16 | 195,617,030 | 154,922,027 |
| Debtors: Within one year | 16 | 64,498,020 | 31,893,320 |
| Cash at bank and in hand | 17 | 6,632,658 | 4,995,531 |
| | | 266,747,708 | 191,810,878 |
| Creditors: Within one year | 18 | (5,206,455) | (5,951,786) |
| Net current assets | | 261,541,253 | 185,859,092 |
| Total assets less current liabilities | | 269,672,180 | 194,949,742 |
| Creditors: More than one year | 19 | (230,645,794) | (164,263,707) |
| Provisions for liabilities | | | |
| Net assets | | 39,026,386 | 30,686,035 |
| Capital and reserves | | | |
| Called up share capital | 24 | 44,768,957 | 36,284,722 |
| Share premium account | | 132,000 | 132,000 |
| Retained earnings | | (5,874,571) | (5,730,687) |
| | | 39,026,386 | 30,686,035 |

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.
The notes on pages 44 to 67 form part of these Financial Statements.

M A Robins
Director

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
COMPANY STATEMENT OF
FINANCIAL POSITION AS AT 31 MARCH 2020

| | Note | £ | £ |
|--|------|-------------------|------------|
| Fixed assets | | | |
| Investments | 13 | 11,428,980 | 11,428,980 |
| | | 11,428,980 | 11,428,980 |
| Current assets | | | |
| Debtors | | | |
| Debtors: After one year | 16 | 32,387,811 | 24,673,560 |
| Debtors: Within one year | 16 | 1,148,425 | 345,836 |
| Cash at bank and in hand | 17 | 14,797 | 9,391 |
| | | 33,551,033 | 25,028,787 |
| Creditors: Due within one year | 18 | (65,944) | (3,884) |
| Net current assets | | 33,485,089 | 25,024,903 |
| Total assets less current liabilities | | 44,914,069 | 36,453,883 |
| Net assets/(liabilities) | | 44,914,069 | 36,453,883 |
| Capital and reserves | | | |
| Called up share capital | 24 | 44,768,957 | 36,284,722 |
| Share premium account | | 132,000 | 132,000 |
| Profit and loss account | | 13,112 | 37,161 |
| | | 44,914,069 | 36,453,883 |

Company's profit for the financial year £235,533 (2019 £309,342)

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.
The notes on pages 44 to 67 form part of these Financial Statements.

M A Robins
Director

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|-----------------------------------|------------------------------------|--------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ | £ |
| At 1 April 2018 | 36,284,722 | 132,000 | (6,182,388) | 30,234,334 |
| Comprehensive income for the year | - | - | 734,880 | 734,880 |
| Dividends paid | - | - | (283,179) | (283,179) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 April 2019 | 36,284,722 | 132,000 | (5,730,687) | 30,686,035 |
| Comprehensive income for the year | - | - | 115,697 | 115,697 |
| Dividends paid | - | - | (259,581) | (259,581) |
| Called up share capital | 8,484,235 | - | - | 8,484,235 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 44,768,957 | 132,000 | (5,874,571) | 39,026,386 |

The notes on pages 44 to 67 form part of these Financial Statements.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|-----------------------------------|------------------------------------|--------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ | £ |
| At 1 April 2018 | 36,284,722 | 132,000 | 10,998 | 36,427,720 |
| Comprehensive income for the year | - | - | 309,342 | 309,342 |
| Dividends paid | - | - | (283,179) | (283,179) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 April 2019 | 36,284,722 | 132,000 | 37,161 | 36,453,883 |
| Comprehensive income for the year | - | - | 235,533 | 235,533 |
| Dividends paid | - | - | (259,582) | (259,582) |
| Called up share capital | 8,484,235 | - | - | 8,484,235 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 44,768,957 | 132,000 | 13,112 | 44,914,069 |

The notes on pages 44 to 67 form part of these Financial Statements.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Profit for the financial year | 115,697 | 734,880 |
| Adjustments for: | | |
| Amortisation of intangible assets | 1,155,079 | 1,179,993 |
| Depreciation of tangible assets | 325,129 | 271,421 |
| Taxation | 311,156 | 387,399 |
| (Increase)/decrease in prepayments, accrued income and other assets | 2,452,794 | 2,758,528 |
| Increase/(decrease) in accruals, deferred income and other liabilities | (1,526,984) | 1,981,717 |
| (Increase) in loans advanced to customers | (76,133,483) | (64,593,780) |
| Increase in loans and finance providers | 67,233,569 | 55,938,215 |
| Net cash generated from operating activities | (6,067,043) | (1,341,627) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (535,304) | (387,643) |
| Sale of tangible fixed assets | 14,820 | 62,382 |
| Disposal of Investments | - | 250,000 |
| Net cash from investing activities | (520,484) | (75,261) |
| Cash flows from financing activities | | |
| Dividends paid | (259,581) | (283,179) |
| Issuance of share capital | 8,484,235 | - |
| Net cash used in financing activities | 8,224,654 | (283,179) |
| Net increase/(decrease) in cash and cash equivalents | 1,637,127 | (1,700,067) |
| Cash and cash equivalents at beginning of year | 4,995,531 | 6,695,598 |
| Cash and cash equivalents at the end of year | 6,632,658 | 4,995,531 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 6,632,658 | 4,995,531 |
| | 6,632,658 | 4,995,531 |

The notes on pages 44 to 67 form part of these Financial Statements.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Oplo Holdings Ltd (formerly 1st Stop Holdings Limited) (The "Company") is a private company, limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The principal activity of the Company is to be the holding entity of Oplo Group Ltd (formerly The 1st Stop Group Limited).

2. Accounting policies

2.1 Basis of preparation of financial statements

The directors have performed a detailed assessment of the uncertainties resulting from the Covid-19 pandemic and the impact on the adoption of the going concern principle. This includes the impact of lower lending, reduced payments from customers, increasing loan losses and pressure on banking covenants.

Management have modelled forecasts and stress tests in relation to the uncertainties introduced by the Covid-19 outbreak. In all reasonable scenarios the Group maintains sufficient resources to meet its liabilities as they fall due and as such any scenario that would cause liquidity issues is considered remote for at least twelve months from the date of the approval of the financial statements.

The impact on banking covenants has been stress tested and the resulting outcomes used as a basis to negotiate amendments to existing facilities to ensure that the business continues to operate within the limits of the facilities.

Based on the assessment performed, as stated within the Directors' Report, the directors have a reasonable expectation that the Company is well placed to manage its business risks and meet its liquidity requirements over the next twelve months and therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these Financial Statements.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

2. Accounting policies(continued)

2.2 Basis of consolidation

The consolidated Financial Statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

2.3 Turnover

Turnover represents interest, commissions and fees earned in respect of loans made. Turnover is recognised in the Income Statement net of directly attributable costs incurred through customer origination, recognised using the effective interest rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset to the carrying amount of the financial asset.

All turnover arose within the United Kingdom.

2.4 Cost of sales

Cost of sales comprises of employee salaries and customer searches in respect to customer agreements.

2.5 Administrative Expenses

Administrative expenses include all indirect costs incurred by the Group within the financial period.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

2. Accounting policies(continued)

2.6 Fee income and expense

Fee income and expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Fees receivable are recognised on the accruals basis when all contractual obligations have been fulfilled. This is recorded within turnover on the Income Statement.

Other fees payable are recognised on an accrual basis when the service has been provided or on the completion of an act to which the fee relates and are inclusive of VAT where applicable.

2.7 Interest payable and expenses

Finance costs including interest payable are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of five years.

2.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

| | |
|-------------------------------|-------------|
| Long-term leasehold property | 5% On Cost |
| Short-term leasehold property | 5% On Cost |
| Motor vehicles | 25% On Cost |
| Office equipment | 25% On Cost |
| Computer equipment | 25% On Cost |

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate at the end of each reporting period.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

2. Accounting policies(continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours, with insignificant risk of change in value.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies(continued)

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Derivatives, including interest rate swaps, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate derivatives.

2.14 Financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement. The provision against the capital amount is recorded within administrative expenses however the provision for accrued interest income is netted against turnover.

2.15 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

- Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

2. Accounting policies(continued)

2.16 Derecognition of financial assets and liabilities

The Group derecognises a financial asset when it transfers control and substantially all the risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and judgements that affect the reported amounts of assets and liabilities. These are regularly evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. These are described below:

Effective Interest Rate (EIR)

The calculation of an Effective Interest Rate (EIR) requires the Group to undertake an assessment of the expected lives of loans and of fees to be spread over the lives of products.

In determining the expected lives of loan assets, the Group uses historical and forecast redemption data as well as management judgement. The expected lives of loan assets are periodically reassessed for reasonableness as any variation in the expected lives will change the EIR carrying value in the Statement of Financial Position and the timing of the recognition of income. This is recorded in the Statement of Financial Position within loans advanced.

Impairment losses on loans and advances to customers

The Group reviews its loan advances portfolio on a continuous basis to assess impairment. In determining whether an impairment loss should be recorded, the Group is required to exercise judgement. Impairment allowances are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows. Estimates are applied to determine prevailing market conditions and customer behaviour. The accuracy of the allowances would therefore be affected by unexpected changes to these assumptions.

The key assumption is the expected level of defaults in each category of impairment - the propensity for default. The Group has calculated these default rates from its experience over recent years plus management judgement of expected levels of default on loans and advances to customers affected by Covid-19. Impairment losses are recorded as an administrative expense in the Consolidated Income Statement.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

4. Turnover

An analysis of turnover is as follows:

| | 2020 | 2019 |
|------------------------------------|--------------------|-------------|
| | £ | £ |
| Interest fee and commission income | 52,800,677 | 38,584,652 |
| Commission & fee expense | (8,981,277) | (6,045,192) |
| | 43,819,400 | 32,539,460 |

All turnover arose within the United Kingdom.

During the year, a change in assumption relating to the recognition of acceptance fee rebates resulted in a credit of £606k to the Consolidated Income Statement.

5. Cost of sales

| | 2020 | 2019 |
|--------------------|------------------|-----------|
| | £ | £ |
| Salaries | 2,449,682 | 3,290,210 |
| Other direct costs | 3,751,394 | 1,770,280 |
| | 6,201,076 | 5,060,490 |

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

6. Operating profit

| | 2020 | 2019 |
|--|------------------|-----------|
| | £ | £ |
| The operating profit is stated after charging: | | |
| Depreciation | 328,833 | 272,976 |
| Other operating lease rentals | 211,800 | 42,022 |
| Goodwill amortisation | 1,155,079 | 1,179,993 |
| Auditors' remuneration | 108,000 | 87,200 |

7. Employees and directors

| | Group 2020 | Group 2019 | Company 2020 | Company 2019 |
|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Wages and salaries | 7,333,078 | 5,850,933 | - | - |
| Social security costs | 725,462 | 595,517 | - | - |
| | <u>8,058,540</u> | <u>6,446,450</u> | <u>-</u> | <u>-</u> |

Included within wages and salaries are contributions to a defined contribution pension scheme amounting to £121,236 (2019: £61,236).

The average monthly number of employees, including the directors, during the year was as follows:

| | 2020 | 2019 |
|---------------------------------|-------------------|------------|
| | No. | No. |
| Directors and management | 10 | 12 |
| Customer team and admin support | 217 | 158 |
| | <u>227</u> | <u>170</u> |

The Company has no employees other than the directors, who did not receive any remuneration (2019 -£nil).

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Directors' remuneration

| | 2020 | 2019 |
|-------------------------|----------------|---------|
| | £ | £ |
| Directors' remuneration | 462,601 | 621,160 |
| | 462,601 | 621,160 |

The highest paid director received remuneration of £240,524 (2019: £222,370). No accrued pension provision is required.

9. Interest receivable

| | 2020 | 2019 |
|---------------------------|-------------|------|
| | £ | £ |
| Other interest receivable | - | - |
| | - | - |

10. Interest payable and similar expenses

| | 2020 | 2019 |
|--|-------------------|-----------|
| | £ | £ |
| Loan interest payable | 10,644,575 | 8,765,015 |
| Loans from group undertakings | - | 27,154 |
| Finance leases and hire purchase contracts | - | 1,619 |
| | 10,644,575 | 8,793,788 |

The loans from banks, finance providers and high net worth individuals (other loans) are due for repayment within 5 years and attract interest rates of up to 13%.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| a) Tax on profit on ordinary activities | | |
| Corporation Tax | | |
| Origination and reversal of timing differences | 268,557 | 66,897 |
| Prior year adjustment | 8,651 | - |
| | <u>277,208</u> | <u>66,897</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 33,948 | 305,383 |
| Prior year adjustment | - | 15,119 |
| Total deferred tax | <u>33,948</u> | <u>320,502</u> |
| Total tax charge reported in income statement | <u>311,156</u> | <u>387,399</u> |

b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Profit on ordinary activities before tax | 426,853 | 1,122,279 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%). | 81,102 | 213,233 |
| Effects of: | | |
| Expenses non-deductible for tax purposes | 19,595 | 18,727 |
| Goodwill arising on consolidation | 201,808 | 140,320 |
| Prior year adjustment | 8,651 | 15,119 |
| Total tax charge reported in income statement | <u>311,156</u> | <u>387,399</u> |

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

On 11 March 2020 the UK government announced in Budget 2020 that the headline corporation tax rate will remain at 19% in 2020. On 22 July the Finance Act 2020 received Royal Assent so the 19% tax rate is now enacted. Deferred tax assets and liabilities as at the balance sheet date are calculated by reference to the most appropriate rates based on the expected utilisation.

12. Dividends

| | 2020 | 2019 |
|-------------------------|----------------|-------------|
| | £ | £ |
| Ordinary dividends paid | 259,581 | 283,179 |
| | 259,581 | 283,179 |
| | <hr/> <hr/> | <hr/> <hr/> |

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

13. Intangible assets

| Group | Goodwill |
|-------------------------|--------------------|
| | £ |
| Cost | |
| At 1 April 2019 | 11,701,257 |
| | <hr/> |
| At 31 March 2020 | 11,701,257 |
| | <hr/> |
| Amortisation | |
| At 1 April 2019 | 3,383,401 |
| Charge for the year | 1,155,079 |
| | <hr/> |
| At 31 March 2020 | 4,538,480 |
| | <hr/> |
| Net book value | |
| At 1 April 2019 | 8,317,856 |
| | <hr/> <hr/> |
| At 31 March 2020 | 7,162,777 |
| | <hr/> <hr/> |
| Company | |
| | Investments |
| | £ |
| Cost | |
| At 1 April 2019 | 11,428,980 |
| | <hr/> |
| At 31 March 2020 | 11,428,980 |
| | <hr/> |
| Net book value | |
| At 1 April 2019 | 11,428,980 |
| | <hr/> <hr/> |
| At 31 March 2020 | 11,428,980 |
| | <hr/> <hr/> |

The list of subsidiary undertakings can be found within note 15.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

14. Tangible assets

Group

| | Long-term leasehold Property | Short-term leasehold Property | Motor vehicles | Office equipment | Computer equipment | Total |
|-------------------------------------|------------------------------------|-------------------------------------|----------------|---------------------|-----------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | | |
| At 1 April 2019 | 23,060 | 103,362 | 14,820 | 160,087 | 1,619,523 | 1,920,852 |
| Additions | - | - | - | 22,250 | 513,054 | 535,304 |
| Disposals | - | - | (14,820) | - | - | (14,820) |
| At 31 March 2020 | <u>23,060</u> | <u>103,362</u> | <u>-</u> | <u>182,337</u> | <u>2,132,577</u> | <u>2,441,336</u> |
| Depreciation | | | | | | |
| At 1 April 2019 | 9,128 | 27,433 | 2,470 | 102,094 | 1,006,933 | 1,148,058 |
| Charge for the year on owned assets | 5,765 | 5,168 | 1,235 | 23,694 | 292,971 | 328,833 |
| Disposals | - | - | (3,705) | - | - | (3,705) |
| At 31 March 2020 | <u>14,893</u> | <u>32,601</u> | <u>-</u> | <u>125,788</u> | <u>1,299,904</u> | <u>1,473,186</u> |
| Net book value | | | | | | |
| At 1 April 2019 | 13,932 | 75,929 | 12,350 | 57,993 | 612,590 | 772,794 |
| At 31 March 2020 | <u>8,167</u> | <u>70,761</u> | <u>-</u> | <u>56,549</u> | <u>832,673</u> | <u>968,150</u> |

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

14. Tangible assets (continued)

The net book value of land and buildings may be further analysed as follows:

| | 2020 | 2019 |
|-----------------|---------------|--------|
| | £ | £ |
| Long leasehold | 8,167 | 13,932 |
| Short leasehold | 70,761 | 75,929 |
| | 78,928 | 89,861 |

15. Investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|--|------------------------|----------------|--|
| Oplo Group Ltd (formerly The 1st Stop Group Limited) * | Ordinary | 100% | Support company for an integrated group of businesses |
| Oplo Funding Ltd (formerly 1st Stop Funding Ltd) * | Ordinary | 100% | Providing funding for Oplo Group (formerly The 1st Stop Group) |
| Oplo Funding No. 2 Ltd (formerly 1st Stop Funding No 2 Ltd) ** | | 0% | Providing funding for Oplo Group (formerly The 1st Stop Group) |
| Oplo Reserve Ltd (formerly 1st Stop Reserve Ltd) * | Ordinary | 100% | Providing funding for Oplo Group (formerly The 1st Stop Group) |
| Oplo HL Ltd (formerly 1st Stop Home Loans Ltd) * | Ordinary | 100% | Providing secured loans to consumers |
| Oplo CF Ltd (formerly 1st Stop Car Finance Ltd) * | Ordinary | 100% | Providing finance under hire purchase agreements |
| Oplo PL Ltd (formerly 1st Stop Personal Loans Ltd) * | Ordinary | 100% | Providing unsecured loans to consumers |

Oplo Funding No 2 Limited meets the definition of a subsidiary and has been consolidated on the basis that the financial and operating decisions are made by Oplo Group Ltd.

All subsidiaries were incorporated in the UK. Those companies marked with a "*" are registered at 10 Whitehills Business Park, Whitehills, Blackpool, Lancashire, FY4 5LW with those marked with "***" at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

All subsidiaries are held by Oplo Group Ltd

The aggregate of the share capital and reserves as at 31 March 2020 can be found on the following page.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

15. Investments (continued)

| | Aggregate of share capital and reserves |
|---|--|
| | £ |
| Oplo Group Ltd (formerly The 1st Stop Group Limited) | 37,385 |
| Oplo CF Ltd (formerly 1st Stop Car Finance Limited) | (4,835,695) |
| Oplo PL Ltd (formerly 1st Stop Personal Loans Limited) | (8,599,585) |
| Oplo HL Ltd (formerly 1st Stop Home Loans Limited) | 7,353,102 |
| Oplo Funding Ltd (formerly 1st Stop Funding Limited) | 4,188,430 |
| | 2,161 |
| Oplo Funding No. 2 Limited (formerly 1st Stop Funding No 2 Limited) | 196,091 |
| Oplo Reserve Ltd (formerly 1st Stop Reserve Limited) | (1,658,110) |
| | <hr/> <hr/> |

The Directors have considered a range of internal and external factors in assessing impairment to the subsidiary investments. Following consideration, the investments are not considered to be impaired.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

16. Debtors

| | Group 2020 | Group 2019 | Company 2020 | Company 2019 |
|-------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Due after more than one year | | | | |
| Loans advanced | 195,617,030 | 154,922,027 | - | 523,188 |
| Amounts owed by group undertakings | - | - | 32,387,811 | 24,150,372 |
| Due within one year | | | | |
| Loans advanced | 61,541,646 | 26,103,167 | - | - |
| Corporation Tax debtor | 316,873 | - | - | - |
| Other debtors | 108,832 | 352,993 | 1,091,871 | 81,461 |
| Prepayments and accrued income | 2,153,784 | 5,026,327 | 56,554 | 264,374 |
| Deferred taxation | 376,885 | 410,833 | - | - |
| | <u>260,115,050</u> | <u>186,815,342</u> | <u>33,536,236</u> | <u>25,019,395</u> |

Further breakdown of financial instruments can be found in note 22.

Amounts owed by group undertakings are receivable on demand and no impairment loss has been recorded.

17. Cash and cash equivalents

| | Group 2020 | Group 2019 | Company 2020 | Company 2019 |
|--------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | <u>6,632,658</u> | <u>4,995,531</u> | <u>14,797</u> | <u>9,391</u> |
| | <u>6,632,658</u> | <u>4,995,531</u> | <u>14,797</u> | <u>9,391</u> |

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

18. Creditors: Due within one year

| | Group 2020 | Group 2019 | Company 2020 | Company 2019 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Bank loans | - | 549,804 | - | - |
| Other loans | 2,046,785 | 645,499 | - | - |
| Trade creditors | 1,196,812 | 2,255,744 | - | 3,284 |
| Corporation tax | - | 69,824 | 25,506 | - |
| Other taxation and social security | 206,670 | 183,462 | - | - |
| Other creditors | 428,780 | 867,936 | - | - |
| Accruals and deferred income | 1,327,408 | 1,379,517 | 40,438 | 600 |
| | <u>5,206,455</u> | <u>5,951,786</u> | <u>65,944</u> | <u>3,884</u> |

19. Creditors: Amounts falling due after one year

| | Group 2020 | Group 2019 |
|-------------|---------------------------|-----------------------|
| | £ | £ |
| Bank loans | 228,309,434 | 158,606,214 |
| Other loans | 2,336,360 | 5,657,493 |
| | <u>230,645,794</u> | <u>164,263,707</u> |

The loans from banks, finance providers and high net worth individuals (Other loans) are due for repayment within 5 years and attract interest rates of up to 13%.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

20. Loans

| | Group 2020 | Group 2019 |
|--|-----------------------|---------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Loan and finance providers | - | 549,804 |
| Other loans | 2,046,785 | 645,499 |
| | 2,046,785 | 1,195,303 |
| Amounts falling due 1-2 years | | |
| Other loans | 2,336,360 | 5,657,493 |
| | 2,336,360 | 5,657,493 |
| Amounts falling due 2-5 years | | |
| Loan and finance providers | 228,309,434 | 158,606,214 |
| | 228,309,434 | 158,606,214 |
| | 232,692,579 | 165,459,010 |

21. Allowance for impairment

| | £ |
|--|-------------------|
| At 1 April 2019 | 12,682,692 |
| Net of write-offs and recoveries | (10,663,927) |
| Impairment allowance net of recoveries | 19,803,480 |
| At 31 March 2020 | 21,822,245 |

Included within the current year impairment allowance is an additional specific Covid-19 related provision of £4.1m for accounts granted payment deferrals.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2020

22. Financial instruments

| | Group 2020 | Group 2019 | Company 2020 | Company 2019 |
|------------------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Loans advanced | 257,158,677 | 181,025,199 | - | 523,188 |
| Cash and cash equivalents | 6,632,658 | 4,995,531 | 14,795 | 9,391 |
| Amounts owed to group undertakings | - | - | 32,387,811 | 24,150,372 |
| Other debtors | 114,750 | 748,499 | 1,091,871 | 81,461 |
| Non-financial assets | 2,841,624 | 5,041,649 | 56,554 | 264,375 |
| | <u>266,747,709</u> | <u>191,810,878</u> | <u>33,551,031</u> | <u>25,028,787</u> |
| | <u><u>266,747,709</u></u> | <u><u>191,810,878</u></u> | <u><u>33,551,031</u></u> | <u><u>25,028,787</u></u> |
| Financial liabilities | | | | |
| Loans and finance providers | 228,309,434 | 159,156,018 | - | - |
| Other loans | 4,383,145 | 6,302,992 | - | - |
| Trade Creditors | 1,196,812 | 2,255,744 | - | - |
| Other Creditors | 635,450 | 867,936 | 25,506 | - |
| Non-financial liabilities | 1,327,408 | 1,632,803 | 40,438 | - |
| | <u>235,852,249</u> | <u>170,215,493</u> | <u>65,944</u> | <u>-</u> |
| | <u><u>235,852,249</u></u> | <u><u>170,215,493</u></u> | <u><u>65,944</u></u> | <u><u>-</u></u> |

Included within other debtors is an interest rate cap which is held at fair value through profit and loss. The interest rate cap fair value is obtained from quoted market prices in active markets.

i) Liquidity Risk

The Company defines liquidity risk as the Group not being able to meet its liabilities as they fall due. The Company monitors its assets and liabilities on an ongoing basis to ensure that liabilities are met. The Company's strategy is to match the Company's funding profile to that of the assets which are being funded.

ii) Market Risk

Interest rate risk exists on 1st Stop Group's debt facilities as the interest rate charged is a fixed percentage over the London Inter Bank Offer Rate (LIBOR). The Company monitors LIBOR rates to ensure the unhedged risk of a rise in interest rate is managed appropriately. To mitigate this risk the Group has purchased an interest rate swap on a notional £100m.

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| | 2020 | 2019 |
|--|------------------|---------|
| | £ | £ |
| Estimated unhedged exposure of LIBOR increase | | |
| 0.25% increase | 255,221 | 117,915 |
| 0.50% increase | 510,441 | 235,830 |
| 0.75% increase | 765,662 | 353,745 |
| 1.00% increase | 1,020,883 | 471,660 |
| 2.00% increase | 2,041,766 | 943,320 |

iii) Credit Risk

The Group defines credit risk as loss arising from third parties and customers failing to make payments to the Group when due. The Group takes a measured approach to assessing credit risk. The Group understands that due to unforeseen circumstances individuals may experience financial difficulties which could impact their ability to make payments. To mitigate this risk, the company undertakes a stringent decisioning process when lending to consumers, constant monitoring of arrears, combined with a best in class collections system and frequent, clear and robust communications with customers.

Gross loan book

| | 2020 | 2019 |
|-----------------------------|--------------------|-------------|
| | £ | £ |
| Up to date | 236,590,910 | 167,283,733 |
| In arrears but not impaired | 5,121,061 | 3,191,450 |
| | 241,711,971 | 170,475,183 |
| In arrears and impaired | 29,530,432 | 19,353,739 |
| | 271,242,403 | 189,828,922 |

The Group monitors the exposure to concentration risk via the Group Credit and Pricing Committee. There is no concentration risk with an average agreement balance of £8,709 and maximum exposure against a single credit agreement of £56,545 as at March 2020. The carrying amount of assets in the table above illustrates the company's maximum exposure to credit risk, summarising the quality of loans carried on the companies Statement of Financial Position. Impairment losses have been disclosed within note 21.

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23. Deferred taxation

Group

| | £ |
|--|----------------|
| At 1 April 2019 | 410,833 |
| Amount charged/(released) to Statement of Comprehensive Income | (33,948) |
| At 31 March 2020 | 376,885 |

The elements of deferred taxation are as follows:

| | Group 2020 | Group 2019 |
|--------------------------------|-----------------------|---------------|
| | £ | £ |
| Accelerated capital allowances | (123,713) | (102,684) |
| Tax losses carried forward | 500,598 | 513,517 |
| | 376,885 | 410,833 |

24. Share capital

| | 2020 | 2019 |
|--|-------------------|------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 144,900 (2019 - 133,300) 'A' Ordinary shares of £0.010 each | 1,449 | 1,333 |
| 44,767,504 (2019 - 36,283,385) 'A' Non-voting Preference shares of £1.000 each | 44,767,504 | 36,283,385 |
| 1,148 (2019 - 1,148) 'B' Non-voting Preference shares of £0.001 each | 1 | 1 |
| 1 (2019 - 1) 'C' Non-voting Preference share of £1.000 | 1 | 1 |
| 1 (2019 - 1) 'D' Non-voting Preference share of £1.000 | 1 | 1 |
| 1 (2019 - 1) 'E' Non-voting Preference share of £1.000 | 1 | 1 |
| | 44,768,957 | 36,284,722 |

The Company has five classes of Ordinary Shares, "C" & "D" shares carry rights to fixed income. The 12% cumulative coupon that applies to the "A" shares will only be paid when the directors have resolved to distribute available reserves. Further information can be found within the articles of association on companies house. All shares are non redeemable. During the year, the Company repurchased B shares amounting to £0.2. There are no dividends in arrears as at the year end.

OPLO HOLDINGS LTD (PREVIOUSLY KNOWN AS 1ST STOP HOLDINGS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR
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25. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2020 | Group 2019 |
|--|-----------------------|---------------|
| | £ | £ |
| Not later than 1 year | 157,000 | 158,820 |
| Later than 1 year and not later than 5 years | 120,562 | 255,070 |
| | 277,562 | 413,890 |

26. Transactions with directors

During the year a subsidiary undertaking, Oplo HL Ltd, paid rent of £22,980 (2019:£22,980) in respect of the property from which that company conducts its business to SIPP pension funds. Mr AJ Mollart, a director of the company during the year, is a member of these SIPP pension funds.

During the year a subsidiary undertaking, Oplo PL Ltd, paid rent of £22,980 (2019:£22,980) in respect of the property from which that company conducts its business to SIPP pension funds. Mr AJ Mollart, a director of the company during the year, is a member of these SIPP pension funds.

During the year a subsidiary undertaking, Oplo CF Ltd, paid rent to a SIPP of £65,000 (2019: £62,389) for the use of the property from which it trades. A shareholder of the ultimate parent company, Mr D Enright, is a member of this SIPP.

During the year the directors received no dividends from the company paid on their shareholdings (2019: £nil)

There are no key management personnel other than directors; please refer to note 7 for compensation of key management.

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27. Related Party Transactions

During the year a subsidiary undertaking was invoiced £13,250 (2019: £5,870) by Clear Property (NW) Limited, a company with common directors. At the year end, the balance outstanding was £nil (2019: £1,000).

During the year a subsidiary undertaking was invoiced £473 (2019: £413) by Clear Water Limited, a company with common directors. At the year end, the balance outstanding was £nil (2019: £nil).

During the year a subsidiary undertaking was invoiced £215,990 (2019: £nil) by Glabs Digital Services Limited, a company with common directors. At the year end, the balance outstanding was £10,152 (2019: £nil).

During the year a subsidiary undertaking was invoiced £35,159 (2019: £11,434) by TM Legal Services Limited, a company with common key management personnel. At the year end, the balance outstanding was £nil (2019: £nil).

During the year a subsidiary undertaking was invoiced £25,000 (2019: £65,068) by Pollen Street Capital Limited, a company with common directors. At the year end, the balance outstanding was £nil (2019: £nil).

During the year various subsidiary undertakings were invoiced £4,208,107 (2019: £2,942,547) by Cortland Capital Market Services Limited, a company acting on behalf of Shawbrook Bank and Pollen Street Capital which are entities with common directors. At the year end, the balance outstanding was £nil (2019: £nil).

During the year various subsidiary undertakings were invoiced £687,049 by Freedom Finance Limited, a company with common directors. At the year end, the balance outstanding was £nil.

Post year end, a loan was made to a director for £300,000. Simple interest of 2.5% per annum shall accrue and the loan is repayable on 31 December 2020.

28. Post Balance Sheet Events

Paul Pester was appointed as non-executive chairman on the 22 April 2020.

Subsequent to the balance sheet date there has been a significant deterioration in the economic outlook for the UK as the measures taken by government to control the virus take effect. Reduced output and an increase in unemployment is widely expected across the UK economy.

Income is expected to reduce from lower lending and increased losses are anticipated as a result throughout FY21. Payment deferrals have been provided to 22% of customers across the portfolio. Despite the significant disruption from the Covid-19 outbreak, the Group has continued to trade profitably in the first 5 months of the financial year and to maintain liquidity in line with expectations.

The Group has made all necessary preparations to maintain the ability to work remotely if required but is preparing for a gradual return to working safely from the company premises in the second half of the year. Other than the specific Covid-19 related provision for accounts granted payment deferrals, the directors consider the Covid-19 outbreak to be a non-adjusting event.

The company name was changed from 1st Stop Holdings Limited to Oplo Holdings Ltd on 3 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR
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29. Controlling Party

The ultimate controllers of the Company are PSC III, LP and PSC Investments LP, two funds managed by Pollen Street Capital Limited, a company incorporated in the United Kingdom. The registered office of Pollen Street Capital Limited is 11-12 Hanover Square, London, England, W1S 1JJ. The ownership of the company is via PSC Nominee 3 Limited, a Pollen Street Capital Limited entity which holds legal title for the benefit of the funds noted.



Oplo Holdings Ltd

(formerly 1st Stop Holdings Limited)

Registered number: 10024904

Registered Office

10 Whitehills Drive

Whitehills Business Park

Blackpool

Lancashire

FY4 5LW