



# Annual Report and Consolidated Financial Statements

For the year ended 31 March 2021

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



## **Our Purpose**

To help millions of hard working Britains make a better life for themselves and their families

And in doing so, we achieve

## **Our Mission**

To become the largest lender to the UK's new mainstream



# Powering Your Potential

## Contents

The New Mainstream.....	04	ESG Report.....	21
Curated Marketplace.....	05	Approach to risk management.....	23
Our Purpose and Brand Values.....	06	Risk management framework.....	24
CEO Statement.....	07	Principal risks.....	25
CFO Review.....	09	Board.....	26
Key Performance Indicators.....	11	Senior management.....	27
Mortgage Division.....	12	Corporate Governance.....	28
Consumer Division.....	14	Stakeholder engagement.....	32
Oplo Pillars.....	16	Directors' Report.....	34
Distribution partners.....	18	Auditors report.....	38
Technology summary.....	19	Financial Statements.....	41

# The New Mainstream

A market of c.26m UK consumers created by the increasingly dynamic nature of consumers' lives and the strategies of the high street banks.



## Drivers

- Mainstream banks still view consumers as static segments
  - Super-Prime
  - Prime
  - Near-Prime
  - Non-Prime
- Pandemic set to cause increase in Near Prime
- Traditional banks tightening risk appetite leaving behind traditional prime customers

Traditional Near-Prime

15

Near-Prime - a growing market

+5

Traditional Prime customers "left behind" by high street banks

+6

The New Mainstream

c.26m underserved UK consumers

# Creating a curated marketplace for our partners and customers

With a wide variety of risk profiles demonstrated by UK consumers, Oplo's partners have traditionally needed to develop, build and maintain the infrastructure required to connect to specialist lenders present in each risk band. Oplo's curated marketplace removes this burden.

Oplo's technology platform enables it to serve a wide range of consumer profiles and needs **"under one roof"** by enabling it to curate the ideal combination of product features, rates, funding vehicles, brand and customer service approach for a specific customer. Oplo believes this curated approach is unique in the market and provides real benefits to its partners and customers.

What's more, Oplo offers easy and efficient access to its curated marketplace via its **"Oplo Connect"** technology model.



# Our Purpose

We remain committed to our purpose of helping millions of hard working Britons make a better life for themselves and their families. Today the world is sharply pivoting to social equality and a greener planet and Consumers are quickly switching to companies that help them make better choices. We have a great opportunity to support our customers with financial tools that help them level up in their lives and with product features that will accelerate the transition to a greener economy. In 2020 we released our first initial steps supporting these goals and whilst there is much more we will do, we are delighted to be at the front of this change.

# Our Brand Values

These four core values underpin everything we do and are our guiding principles. These are front of mind during all our interactions with our customers, people and partners.

## Understanding

We take time to get to know you and understand your situation. We'll always look for possibilities not problems.

## Enabling

We take a practical approach and empower you by giving you the tools and opportunities to help yourself.

## Fair

We believe everyone deserves an equal opportunity to better themselves, so we always keep an open mind and look at your character, not your past.

## Enterprising

We go the extra mile and always use our initiative because we genuinely believe that when you fulfill your potential everyone succeeds.

# CEO Statement

**This last year will be forever remembered for Covid-19.** The loss and suffering throughout the UK and the world will leave long and lasting scars for families, businesses and governments.

2020/21 was a year that demanded resilience of our people, adaptability of our technology and loyalty from our customers. I couldn't be prouder of how our employees reacted, our technology flexed and our customers engaged, enabling the business to deliver remarkable financial results and most importantly great outcomes for all the customers that needed our help when it truly mattered.



**“2020/21 was a year that demanded resilience of our people, adaptability of our technology and loyalty from our customers”**

Alex Mollart, Chief Executive Officer

## The New Mainstream

Covid has materially increased the speed of change in our current markets. Banks and so called Mainstream lenders have accelerated their withdrawal from traditional “Mid Prime” customer segments leaving many more consumers behind. This large market shift has given Oplo the opportunity to serve a wider group of circa 30m customers that we refer to as “The New Mainstream”.

## Oplo Connect

In order to support the New Mainstream we continue to build out and move products and services to our Curated Market Place, “Oplo Connect”. This digitally connected platform allows us to respond quickly with new product launches, white labelled or own branded loan propositions, broader rates from 4.9% - 39.9% through on and off balance sheet funding integrations and with API market leading consumer finance “tools”.

## New Originations

The business took several Lending decisions in order to safely navigate the impacts of Covid. Our Second Mortgage Lending division continued to operate but restricted loans to applicants within the retail, travel and hospitality sectors. Our Personal Loan division paused lending for six months, gradually reopening from September, and we temporarily closed our Car Finance division for 12 months using the time to rebuild its originations onto Oplo Connect and to transfer the physical operation from Durham to Blackpool HQ. It's pleasing to report that even with these temporary measures the business originated £161m in new loans and was back to pre-pandemic levels in Feb 21. The loan book and AUM grew from £257m to £353m and our business plan for the next year sees this reach £648m. We expect all business lines to be fully opened again and at increased velocity from Q1 of the new financial year as lockdown restrictions are gradually lifted.

## New Products

Oplo is widely recognised as being at the forefront of the digital experience within the Second Mortgage markets. We see our technology and the way we underwrite giving us a strategic advantage with the higher LTV first mortgage and we believe the market is ready for innovation. Our application to the FCA for first mortgages permissions has been submitted and we expect to see our first early pilot cases being funded in H2 of 2021/22. This is a huge market and one that will provide us with significant scale in the mid term.

## Our Pillars

Being close to our customers and building personal relationships is an important pillar of our service and one which proved vital last year. To support this we have built and launched a new Customer Account Management Area (CAMA) within Oplo Connect. Alongside the usual capabilities within a customer portal we have added several new Pillars. "Oplo Track" which gives customers the access to their credit file with useful hints and tips, "Oplo Financial Fitness" which gives access to a customer's bank account with summarised spending and a Financial Fitness score and "Oplo Assist" which provides useful connections for bill switching, benefits checkers, value my house, value my car and many more. We aim to develop our CAMA to become an app based expression of our curated market place, Oplo Connect.

## Provision

Through a combination of tailored new lending, personalised bespoke customer support and the hard work of our staff, our loan book performance has held up well. Provision reduced overall for the year to 8.6% with only 848 customers remaining in payment holidays from a total successfully exited population of 6,282. The business has decided to retain the excess Covid overlay provision taken in the previous year.

## Connecting Credit

I'm pleased with how we have handled every aspect of last year, but like most I'm looking forward to moving beyond Covid. Oplo is exceptionally placed at a unique time to become the UK's largest Lender to the New Mainstream. As Oplo Connect's reach grows we will integrate new brands, new products, new rates and new consumer tools as we continue to build out Oplo's connected Marketplace to in excess of one billion pounds.

# CFO Review

**Oplo's performance throughout FY21 was significantly impacted by the Covid-19 pandemic**, with the Consumer division ceasing lending altogether for several months and a planned reduction in activity in the Mortgage division. The Group's financial performance has been strong considering the economic and operational backdrop to the year with a 7242% increase in profit after tax and an increase in Assets Under Management to £353m.



**Mark Robins,**  
Chief Financial Officer

## FY21 Highlights

- Oplo increased the size of its mezzanine facility from £30m to £35m during the year reflecting the ongoing support of our funding partners.
- Impairment and bad debt charge of £11m compared to £16m in FY20. The current year levels have been impacted by a number of factors including Covid related payment deferrals, tighter lending criteria and much reduced lending levels from what would otherwise have been the case pre-Covid. The impact of tighter lending criteria and a shift in the rate for risk model towards lower rate customers is anticipated to positively impact the level of charge going forwards.
- At its peak, Covid-19 payment deferrals were applied to 18% of the portfolio with a receivable balance of £58m. This has fallen to 3% of the portfolio at March 2021 with receivable balances of £10m. Based on the track record of accounts that have exited the deferral programme to date, the Board believes that the level of provision taken against accounts that remain in Covid-19 forbearance is adequate to offset any potential bad risk that may emerge from these accounts as the deferrals are unwound.
- Costs of £21m compared to £26m in FY20.
- Oplo continued with a number of initiatives that had been planned before the impacts of the pandemic. These included a move to a new, larger building in Blackpool and the rebrand from 1st Stop Group to Oplo, as highlighted in last year's Annual Report.
- Underlying profit rose to £12.7m (FY20 £7.7m) with statutory pre-tax profit increasing to £10.8m from £0.4m. A table reconciling the two profit measures is shown overleaf.

The last year's results have been dominated by the Covid-19 pandemic and the changing economic conditions that have unfolded over the past 12 months. The Group responded to the challenge through a variety of measures including additional customer forbearance options, colleagues working from home for the majority of the year and severe restrictions on the Group's lending and credit appetite.

Through a conservative approach to new lending, Oplo was able to support its customers and introducer partners through ongoing lending, albeit at a much reduced scale for several months through to the end of the summer period. Our car finance proposition remained closed to new lending throughout the year. New lending of £161m increased Assets Under Management to £353m across the whole portfolio. The Consumer division suffered the worst impact of the Covid-19 related restrictions which resulted in a shrinkage of the loan book from £129m at March 2020 to £98m by March 2021. In contrast, AUM in the Mortgage division increased to £255m, helped by the progressive introduction of lower rate products in line with our rate for risk pricing model.

Income increased to £47m (FY20 £44m) through a combination of increased receivables and yield reduction. Income margins for the portfolio as a whole reduced due to the weighting of the Mortgage division which represented 68% of the portfolio at the end of March 2021 (51% March 2020).

Relative financing costs remained stable across the year. Oplo worked in partnership with our funders to introduce additional forbearance measures to support customers through the pandemic while ensuring that appropriate amendments were made to facility covenants to reflect these actions, which were in large part mandated by the Financial Conduct Authority. Funding costs amounted to £10.5m for the year (FY20 £10.6m).

Oplo increased the size of its mezzanine facility from £30M to £35M during the year reflecting the ongoing support of our funding partners.

Impairment and bad debt charge of £11m compared to £16m in FY20. The current year levels have been impacted by a number of factors including Covid related payment deferrals, tighter lending criteria and much reduced lending levels from what would otherwise have been the case pre-Covid. The impact of tighter lending criteria and a shift in the rate for risk model towards lower rate customers is anticipated to positively impact the level of charge going forwards.

At its peak, Covid-19 payment deferrals were applied to 18% of the portfolio with a receivable balance of £58m. This has fallen to 3% of the portfolio at March 2021 with receivable balances of £10m. Based on the track record of accounts that have exited the deferral programme to date, the Board believes that the level of provision taken against accounts that remain in Covid-19 forbearance is adequate to offset any potential bad risk that may emerge from these accounts as the deferrals are unwound.

Costs of £21m compared to £26m in FY20.

Oplo continued with a number of initiatives that had been planned before the impacts of the pandemic. These included a move to a new, larger building in Blackpool and the rebrand from 1st Stop Group to Oplo, as highlighted in last year's Annual Report.

Underlying profit rose to £12.7m (FY20 £7.7m) with statutory pre-tax profit increasing to £10.8m from £0.4m. A table reconciling the two profit measures is shown below.

	FY19	FY20	FY21
Underlying PBT	3.5	7.7	12.7
Additional Covid provision	-	-4.1	-
Goodwill Amortisation	-1.2	-1.2	-1.2
HNW Interest	-1.2	-0.9	-0.6
Excess Covid Charge - March	-	-0.8	-
Professional Fees Write Down	-	-0.3	-
Redundancy Costs	-	-	-0.1
Statutory PBT	1.1	0.4	10.8

# Key Performance Indicators

## Summary of Statutory Results for the year

	2021	2020	+/-
Turnover	47.4	43.8	+3.5
Gross profit	41.7	37.6	+4.1
Operating profit	21.4	11.5	+9.9
Underlying profit before tax	12.7	7.7	+5.0
Total comprehensive profit for the year	8.5	0.4	+8.4
Fixed Assets	7.8	8.1	(0.3)
Current Assets	309.5	266.7	+42.8
Creditors: Within one year	(6.0)	(5.2)	(0.8)
Creditors: More than one year	(264.0)	(230.6)	(33.4)
Net Assets	47.3	39.0	+8.3
Total Assets	317.3	294.9	+42.4
Loan Book	302.4	257.1	+45.3
<b>Key performance indicators</b>			
Income Yield %pa	16.9%	21.9%	(5.0%)
Bad debt Charge %pa	-3.8%	-5.2%	+1.4%
Risk Adjusted Margin %pa	13.2%	14.4%	(1.2%)
Cost Base %pa	-3.7%	-4.5%	+0.8%

Figures presented are in £m

# Mortgage division business review

The Mortgage division provides specialist mortgage products to consumers looking to borrow up to £100,000 over terms from 3 to 25 years. Customers can access our products both directly and through our extensive network of FCA regulated introducers.

Oplo has established itself as one of the leading and largest lenders of Consumer Secured loans in the UK.

We have a reputation for providing excellent service, market-leading products and building strong relationships with both our customers and partners, and we pride ourselves in helping customers unlock their borrowing potential. Oplo's 10 years' experience as a Consumer Secured loan lender has seen us help over 17,000 customers achieve this goal.

Our expertise in product design, credit analysis, decision-making and underwriting allows us to operate across the whole Consumer Secured loan market, giving us the ability to reach more customers.



**17,000**

Customers helped achieve their borrowing potential

# Mortgage division business review

Our strategic and professional approach, throughout the year, saw us originate over

**4,000**

Loans for

**£138m**

2020 saw us successfully navigate through the challenges of Covid-19 by implementing a series of strategic changes to ensure that we continued to lend responsibly and remain active in the market. We also reacted swiftly and professionally during this period by providing our existing customers with easy access to essential support.

Our strategic and professional approach, throughout the year, saw us originate over 4000 loans for £138m. 2020 also saw us become the largest lender in the second charge market, for the first time in our history, in August and September and shortlisted

in the Mortgage Introducer Awards, Secured Loan Lender of the Year category.

The Mortgage division's key focus during 2021 will be to evolve our existing Secured product range, expand into new markets, and launch leading technology solutions.

We are an established FLA member and continue to hold Feefo's Platinum Trusted Service Award status. Our lending and servicing teams of more than 60 staff operate across both our Blackpool and Manchester sites.

# Consumer division business review

Our Consumer division currently focuses on 2 key product sets -

Personal Loans

Car Finance



## Personal Loans

Oplo offers unsecured loans of up to £15,000 over 2-6 years. Our customer journey blends the latest digital technology along with the human touch, giving us a unique position in the market which allows us to seamlessly work with a variety of digital acquisition channels. We provide a best-in-class customer journey along with the flexibility of offering this ability for other brands to access our curated marketplace via the Oplo Connect pillar.

The key focus for 2020 was to navigate the global pandemic in a very assured and controlled manner. To do this we paused lending in the unsecured market for a 6-month period and mobilised our lending teams to assist with the arrangement of payment holidays for our customers by delivering a seamless, customer-centric approach to this entirely new offering. This decision gave us more time to concentrate on our customer base that was negatively impacted by the pandemic and deliver the required support for our customers by having increased touchpoints for them.



## Finalist

Best Unsecured Lender 2020  
Financial Reporter Award

We held a Platinum Trusted Service Award from Feefo throughout 2020, showing that our people and processes are giving our customers a great experience. We also reached the final of the prestigious Financial Reporter Award for 'Best Unsecured Lender 2020' for the second year running.

We re-entered the market in July but restricted loans to specific industries that had not been negatively impacted by the pandemic, this allowed us to assist those customers who were financially able to evidence a sustainable repayment of our loans in an affordable manner. We have now returned to pre-pandemic lending levels and will be looking to grow our market share as the country navigates its way out of the pandemic.

# Consumer division business review

## Car Finance

Oplo's car product offers customers loan amounts up to £15,000 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 2020 was one of restructure and relaunch. We temporarily closed our Car Finance offering at the beginning of the global pandemic and used the time to rebuild the onboarding capabilities onto Oplo Connect and also transferred the physical operation from our office in Durham to the Blackpool Headquarters.

We will be re-entering the market with a fantastic, market disrupting product and service capability and are incredibly excited to watch this product grow.

The business's focus on customer service has delivered a Platinum Trusted Customer Service Award through Feefo in 2020, confirming the customer centricity of Oplo and we will be looking to further enhance this moving forward by helping our customers really power their potential.



**Platinum**  
Feefo Award 2020



# The Pillars

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

The first of these is **Oplo Connect**.

With Oplo Connect we can provide rich experiences for customers, Oplo staff, brokers and partners that cover all aspects of their financial health and performance and help with their borrowing needs.

We have carefully curated a set of capabilities using both home grown Oplo services and the best of the industry to deliver a comprehensive and holistic platform that can power the potential of our customers, staff, brokers and partners.



## Oplo Connect

Oplo Connect allows us to provide fantastic experiences through customer journeys, a rich set of modern API's or deeper lending as a service offerings that go beyond tech and provide services such as underwriting or our best in class vulnerable customer capability.





## Oplo Assist

Oplo Assist is delivered to our customers via our Customer Account Management Area, incorporating Oplo Track, Financial Fitness and Assist.

With Oplo Track our customers can view their credit score, track their credit score history and also identify areas of their credit profile which need improvement.

Oplo Financial Fitness uses open banking to enable our customers to view their free fitness score based on their personal banking activity and gives helpful insights so they can easily see where they can make savings, as well as hints and tips on how they can improve their health score.

Oplo Assist is the final tool we have launched with money saving offers on utilities, broadband and even a facility to check that a customer isn't missing out on benefits they are entitled to.



## Oplo Impact

Whether it's our Oplo People, our customers or the environment, at Oplo we want to do the right thing. We recognise that every business, and individual can make a difference and have a positive impact on society as a whole.

We have launched our partnership with Trees for Life with our commitment to plant a tree for every loan booked, a commitment of over £180k over the next 12 months.

Payroll Giving is live offering Oplo People the opportunity to donate to charities directly and benefit from the tax opportunities this gives.

We are also giving Oplo People the opportunity to reduce their carbon footprint by the launch of our electric car scheme where employees can lease a new electric vehicle from pre-tax income.



## Oplo Reward

Going hand in hand with Oplo Track, our new Reward product will monitor our customer's credit score and automatically adjust their monthly repayment as their score improves.

# Distribution Partners



# Technology Summary

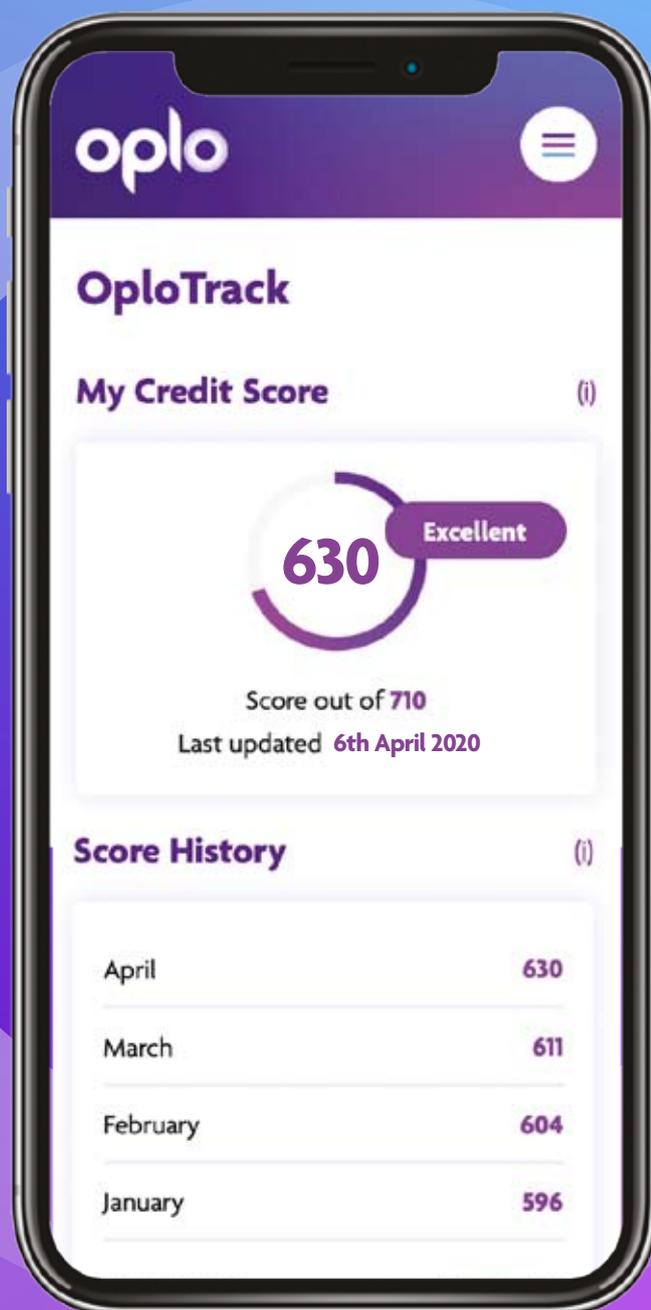
**Technology is truly at the heart of Oplo** and is a critical enabler to allow us to serve customers and help them get better with money and power their potential.

We continue to make great strides in our technology platform Oplo Connect that is enabling customers, partners and brokers to work effectively together.

We have made significant investment in this journey this year and have seen great improvements in our pace of change and ability to harness industry leading services for data and processing.

We've put powerful tools in our customers hands to help them take control and drive their finances.

We have uplifted this with our new Car Finance originations capability but we will continue to grow this into all of our offerings and across our entire lifecycle.

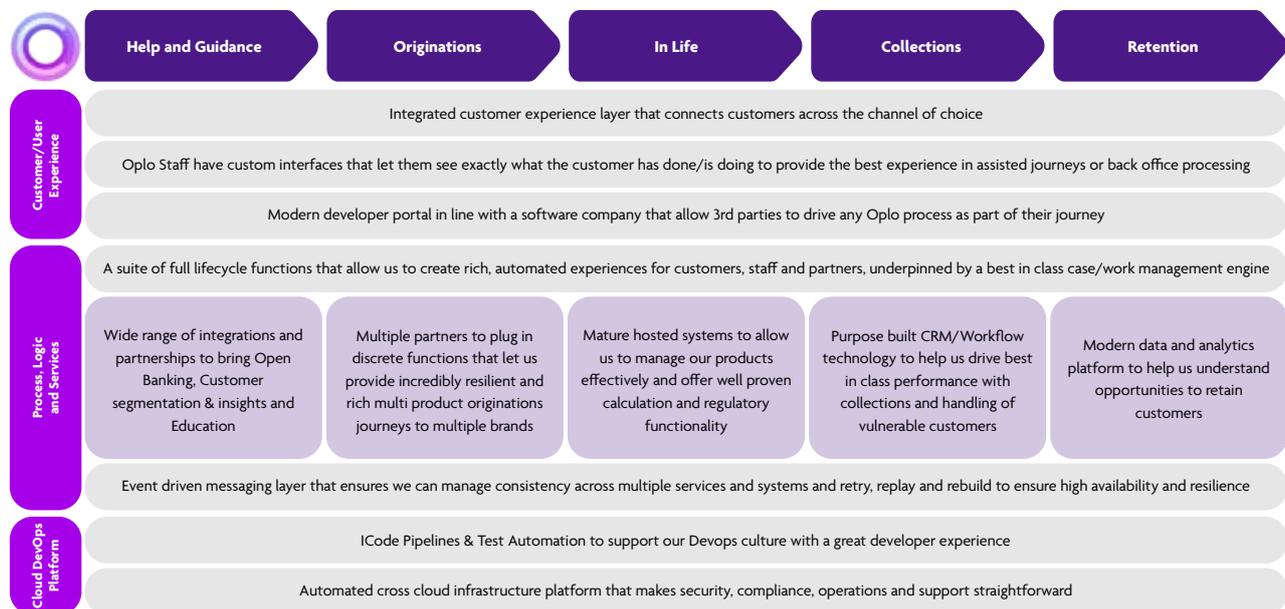
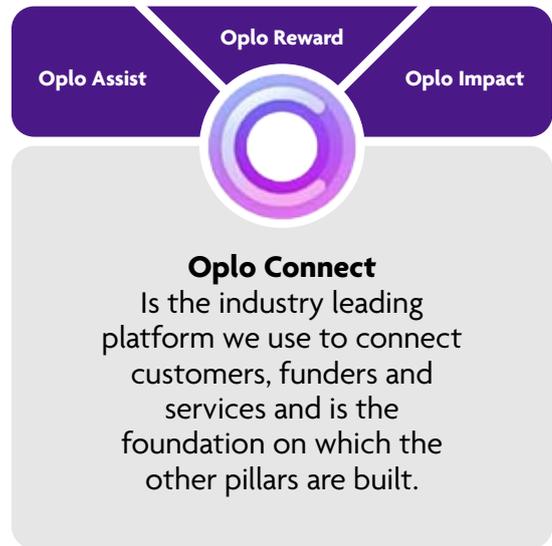


# Oplo Connect Overview

With Oplo Connect we can provide rich experiences for customers, Oplo staff, brokers and partners that cover all aspects of their financial health and performance and help with their borrowing needs.

We have carefully curated a set of capabilities using both home grown Oplo services and the best of the industry to deliver a comprehensive and holistic platform that can power the potential of our customers, staff, brokers and partners.

Oplo Connect allows us to provide fantastic experiences through customer journeys, a rich set of modern API's or deeper lending as a service offerings that go beyond tech and provide services such as underwriting or our best in class vulnerable customer capability.



# ESG Report

At Oplo environmental, social and governance issues are high on our agenda.

In 2020 we established our **ESG Committee** with representation from across the business to power Oplo's positive impact.

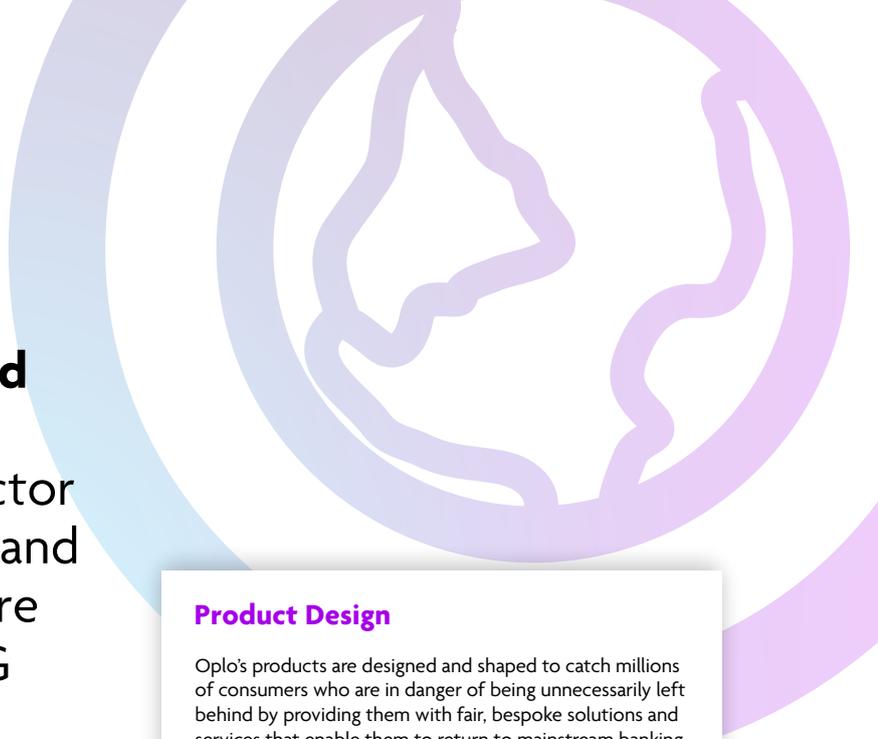


## ESG Focus

Our ESG focus for the forthcoming year is on product design, carbon neutrality, financial education and charity.

# ESG Report

**Environmental, Social and Governance:** ESG is an increasingly important factor in consumers' purchasing and loyalty decisions – so we're responding with clear ESG actions across Oplo.



## Product Design

Oplo's products are designed and shaped to catch millions of consumers who are in danger of being unnecessarily left behind by providing them with fair, bespoke solutions and services that enable them to return to mainstream banking at the appropriate time.



Credit Track Tool



Mortgage Prisoner Product



Stamp Duty Product



Rate Reducer

## Carbon neutrality for everybody

Oplo grove gives Oplo the company, our employees and its customers the opportunity to personally offset their annual carbon footprint by a simple monthly direct debit to Oplo's own rewilding plantation in the heart of Scotland.



Oplo



Employees



Customers



Partners

## Financial education for Generation Z

Oplo's suite of short form "how to" animation explainers are freely available for our customers, our employees and the next generation of British borrowers.



Mortgages Basics



My Credit Report



My Affordability



BNPL Beware

## Charity

Oplo and its employees believe that we all have a responsibility to help the community around us and through Oplo's JustGiving and employee charitable activities we will continue to provide time and to deploy funds to support our communities.



Evolve Military College



Steve Wills Foundation



Swap Shop



Local Charity Donations

# Approach to risk management

The Board is accountable for risk and control, however it delegates responsibility of risk oversight to the Audit Risk and Compliance Committee (ARC). The Committee was in operation throughout the period and is responsible for receiving assurance that the Group has robust processes and internal controls in place that are effective in identifying, managing and monitoring risk.

The effectiveness of the Groups system of internal controls is assessed based on:

- Established policies and procedures which are in place to manage perceived risks
- A continuous process for formally identifying, evaluating and managing risks
- Reports by management on the outcomes from control testing
- Any risk events
- Quality Assurance outcomes
- The outcome of routine second line compliance monitoring and thematic reviews
- Third line audit reviews and any external audit reports

Any significant risks or concerns that may impact the Group's performance or compliance with regulatory or legal requirements are escalated to Board.

Lines of responsibility and delegated authorities are clearly defined within the Committee's Terms of Reference and Oplo's Responsibility Assignment Matrix.

# Risk management framework

**Oplo's risk management framework is used to actively monitor and manage risk and compliance at a granular level across the business.**

Managed using TriLine GRC, a complete governance, risk and compliance (GRC) system, which underpins our three lines of defence model and governance framework. The system has a complete suite of modules which we utilize to manage our risk and compliance activity and Committee Maps, Statement of Responsibilities and Evidence Reasonable Steps.

All risks are linked to the Senior Management Function (SMF's) Statements of Responsibilities and are recorded on the TriLine system. Risk scores are reviewed quarterly with the SMF's, taking into consideration risk events, the outcomes from first and second-line monitoring assessments and regulatory focus and output.

## Senior Managers and Certification Regime

- Accountability and Committee Maps
- Statement of Responsibilities
- Evidencing Reasonable Steps

## Compliance

- Compliance Monitoring
- Third Party Due Diligence and Oversight
- Policy Governance
- Compliance Advice
- Compliance Sign-Off

## Risk

- Risk and Incident Event Reporting and Management
- First-line Risk Control
- Self Assessments
- Risk Assessments and Treatment Strategies

## Regulatory

- Regulatory interaction record keeping and coordination
- RegData Reporting
- Horizon Scanning

## Reporting

- ARC, Board and Department MI

# 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 Sterling Overnight Index Average interest rate benchmark (SONIA). 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.

# 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 a founding 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.



**Steve McNicholas**  
**Chief People Officer**

Steve has over 20 years of experience in financial services, holding executive leadership roles in a number of UK banks including RBS and Santander as well as several years as Managing Director across a portfolio of private equity businesses.

# Corporate Governance

Introduction from our  
Audit Committee Chairman  
**Steve Baker**



The Board of Oplo remains fully committed to the highest standards of corporate governance and continues to make significant and continued progress throughout the financial year.

Oplo has clear and articulated strategic objectives underpinned by strong organisational and procedural discipline. At the core of this operating model is an effective risk management framework that has been further enhanced through the recruitment of a strong and experienced Chief Risk Officer post year end to supplement the existing team.

The Board have further maintained their commitment to delivering fairness to both employees and customers through the launch of new and

enhanced brand values, the development of new products and services to assist customers to achieve their ambitions in life and the appointment of a highly experienced Chief People Officer to drive forward the powering of employees potential. All of this is further underpinned by a strong belief in Corporate Social Responsibility as demonstrated by the Oplo Impact Pillar.

Furthermore the Board remain committed to internal and external transparency combined with continuous self evaluation and assessment to ensure that we develop and maintain a strong corporate governance structure going forward that takes account of changing market and regulatory developments and identified customer needs.

# 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.

## **Operating Committee (Monthly)**

Chair: **Steve McNicholas** (Chief People Officer)

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.

## **ESG Committee (Monthly)**

Chair: **Ryan Heaps** (Head of Finance)

The ESG Committee's role is to drive and support the Group's commitment to environmental, social and governance matters. The Committee is responsible for ensuring that ESG is a core part of Oplo's decision-making processes and its members represent business areas from across 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.

## 1 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. 4,000 pieces of quality assurance monitoring were completed.

## 2 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.

## 3 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. Four external funder audits completed by Grant Thornton – 100% of actions were completed.

# 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 12,564 different modules of training throughout the year across a variety of themes.

#### 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.

# Directors' Report

The Directors present their report and the Financial Statements for the year ended 31 March 2021.

## 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 until at least 31 August 2022 and therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 31 August 2022. Accordingly, the directors continue to consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

## Principal activity

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

## Results and dividends

The profit for the year, after taxation, amounted to £8,494,818 (2020: £115,697).

Oplo Holdings Ltd paid dividends of £238,787 within the financial year (2020: £259,581). Further information can be found in note 11.

## 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  
B Brodie

## 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.

The Oplo Group is a low carbon business and emitted a total of 38.00 tCO<sub>2</sub>e during the financial year, consuming 151,991 kWh of energy and 1,124m<sup>3</sup> of water. These figures include Scope 1, Scope 2 and Scope 3 emissions. As this is the first year of reporting comparative figures are not available.

The Oplo Group is committed to becoming carbon neutral by the end of FY2022. During the year several initiatives were implemented to help achieve this goal including stopping the consumption of natural gas in buildings the Oplo Group operates from, the portfolio of office locations was rationalised, and electricity procured directly by the business was switched to a 100% renewable supplier. Further measures are being taken including encouraging and assisting staff to switch to electric vehicles and implementing a significant tree planting initiative to support rewilding of the Scottish Highlands.

## Future developments

Oplo Group has made significant investment in its technology platform in recent years. Further enhancements are expected in FY22 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 21 on page 63.

## Company secretary

During the financial year the company had no company secretary. Law Debenture Corporate Services Limited 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.
- 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 27 on page 67.

## 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 28 July 2021 and signed on its behalf.

This report was approved by the Board on 28 July 2021 and signed on its behalf by:

**M A Robins**  
Director

# Independent auditor's report

to the members of Oplo Holdings Ltd

## Opinion

We have audited the financial statements of Oplo Holdings Ltd ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise Consolidated Statement of Income, 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 28, 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 including 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 2021 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. We are independent of the group 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.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 31 August 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 themselves. 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 34, 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant are FRS 102, the Companies Act 2006 and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the group and parent company is complying with those frameworks by making enquiries of management to understand how the group and parent company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where relevant.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal controls and in revenue recognition. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions backing to source documentation and tested whether there was appropriate authorisation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of management, testing journals identified by specific risk criteria and inspecting board meeting minutes.

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 our 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

28 July 2021

# OPLO HOLDINGS LIMITED

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	<b>47,366,620</b>	43,819,400
Cost of sales	5	<b>(5,647,773)</b>	(6,201,076)
<b>Gross profit</b>		<b>41,718,847</b>	37,618,324
Grant Income (CJRS)		<b>557,315</b>	-
Administrative expenses		<b>(20,903,635)</b>	(26,157,303)
<b>Operating profit</b>	6	<b>21,372,527</b>	11,461,021
Interest payable and expenses		<b>(10,527,060)</b>	(10,644,575)
Net loss from other financial instruments at fair value through the profit and loss		<b>(5,918)</b>	(389,592)
<b>Profit before tax</b>		<b>10,839,549</b>	426,853
Tax on profit	10	<b>(2,344,731)</b>	(311,156)
<b>Total comprehensive profit for the year</b>		<b>8,494,818</b>	115,697

The notes on pages 47 to 67 form part of these Financial Statements.

There were no recognised gains and losses for 2021 or 2020 other than those included in the Income Statement and therefore no Statement of Other Comprehensive Income has been presented.

# OPLO HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	<b>6,002,030</b>	7,162,777
Tangible assets	13	<b>1,799,759</b>	968,150
<b>Current assets</b>			
Debtors: More than one year	15	<b>254,597,625</b>	195,617,030
Debtors: Within one year	15	<b>50,343,091</b>	64,498,020
Cash at bank and in hand	16	<b>4,604,454</b>	6,632,658
		<b>309,545,170</b>	266,747,708
Creditors: Within one year	17	<b>(6,022,999)</b>	(5,206,455)
<b>Net current assets</b>		<b>303,522,171</b>	261,541,253
<b>Total assets less current liabilities</b>		<b>311,323,960</b>	269,672,180
Creditors: More than one year	18	<b>(264,041,843)</b>	(230,646,097)
<b>Net assets/(liabilities)</b>		<b>47,282,117</b>	39,026,083
<b>Capital and reserves</b>			
Called up share capital	23	<b>44,768,657</b>	44,768,654
Share premium account		<b>132,000</b>	132,000
Retained earnings		<b>2,381,460</b>	(5,874,571)
		<b>47,282,117</b>	39,026,083

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2021.

**M A Robins**  
Director

# OPLO HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	14	11,428,980	11,428,980
		<u>11,428,980</u>	<u>11,428,980</u>
<b>Current assets</b>			
Debtors: After one year	15	32,673,815	32,387,508
Debtors: Within one year	15	855,685	1,148,425
Cash at bank and in hand	16	27,198	14,796
		<u>33,556,698</u>	<u>33,550,729</u>
Creditors: Within one year	17	(82,990)	(65,944)
		<u>33,473,708</u>	<u>33,484,785</u>
<b>Net current assets</b>		<b>33,473,708</b>	<b>33,484,785</b>
<b>Total assets less current liabilities</b>		<b>44,902,688</b>	<b>44,913,766</b>
<b>Net assets/(liabilities)</b>		<b>44,902,688</b>	<b>44,913,766</b>
<b>Capital and reserves</b>			
Called up share capital	23	44,768,657	44,768,654
Share premium account		132,000	132,000
Profit and loss account		2,031	13,112
		<u>44,902,688</u>	<u>44,913,766</u>

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2021.

**M A Robins**  
Director

## OPLO HOLDINGS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2019</b>	36,284,419	132,000	(5,730,687)	30,685,732
Comprehensive profit 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/>
<b>At 1 April 2020</b>	44,768,654	132,000	(5,874,571)	39,026,083
Comprehensive profit for the year	-	-	8,494,818	8,494,818
Dividends paid	-	-	(238,787)	(238,787)
Called up share capital	3	-	-	3
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2021</b>	<u>44,768,657</u>	<u>132,000</u>	<u>2,381,460</u>	<u>47,282,117</u>

The notes on pages 47 to 67 form part of these Financial Statements.

## OPLO HOLDINGS LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2019</b>	36,284,419	132,000	37,161	36,453,580
Comprehensive profit/(loss) for the year	-	-	235,532	235,532
Dividends paid	-	-	(259,582)	(259,582)
Called up share capital	8,484,235	-	-	8,484,235
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 1 April 2020</b>	44,768,654	132,000	13,112	44,913,766
Comprehensive profit/(loss) for the year	-	-	227,706	227,706
Dividends paid	-	-	(238,787)	(238,787)
Called up share capital	3	-	-	3
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2021</b>	<u>44,768,657</u>	<u>132,000</u>	<u>2,031</u>	<u>44,902,688</u>

The notes on pages 47 to 67 form part of these Financial Statements.

# OPLO HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	8,494,818	115,697
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,160,747	1,155,079
Depreciation of tangible assets	509,463	325,129
Taxation charge	2,344,731	311,156
(Increase) in prepayments, accrued income and other assets	(1,956,598)	2,452,794
Increase in accruals, deferred income and other liabilities	1,481,630	(1,526,984)
(Increase) in loans advanced to customers	(45,213,800)	(76,133,483)
Increase in loan and finance providers	32,730,661	67,233,569
	(448,348)	(6,067,043)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,341,072)	(535,304)
Sale of tangible fixed assets	-	14,820
	(1,341,072)	(520,484)
<b>Cash flows from financing activities</b>		
Dividends paid	(238,787)	(259,581)
Issuance of share capital	3	8,484,235
	(238,784)	8,224,654
<b>Net (decrease)/increase in cash and cash equivalents</b>	(2,028,204)	1,637,127
Cash and cash equivalents at beginning of year	6,632,658	4,995,531
<b>Cash and cash equivalents at the end of year</b>	4,604,454	6,632,658
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,604,454	6,632,658
	4,604,454	6,632,658

The notes on pages 47 to 67 form part of these Financial Statements.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. General information

Oplo 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 Limited.

### 2. Accounting policies

#### 2.1 Basis of preparation of 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.

#### 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. 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 until 31 August 2022. 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. The impact on banking covenants has also been stress tested and in all reasonable scenarios 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 until at least 31 August 2022 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.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 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
Improvements to Property	5% On Cost
Short-term leasehold property	25% 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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.13 Financial instruments

The Group primarily 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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 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.

#### 2.18 Government Grants

Government grants are recognised on the accruals model, on a systematic basis over the periods in which the related cost is incurred and when there is reasonable certainty that any conditions attached to the grant will be met and the grant will be received.

Government grants related to income are presented as operating income.

### 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.

The Board considers that the full economic impact of Covid-19 is yet to be concluded and that it remains prudent to maintain a level of specific Covid provision against any adverse customer outcomes. To this end an overlay to the provision of £5.1m has been maintained, this amount is deducted from the Debtors in the Statement of Financial Position and included in the balance on Note 20 on page 62.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 4 Turnover

An analysis of turnover is as follows:

	2021 £	2020 £
Interest and fee income	57,209,215	52,800,677
Fee and commission expense	(9,842,595)	(8,981,277)
	<u>47,366,620</u>	<u>43,819,400</u>

### 5. Cost of sales

	2021 £	2020 £
Salaries	3,241,508	2,449,682
Other direct costs	2,406,265	3,751,394
	<u>5,647,773</u>	<u>6,201,076</u>

### 6. Operating Profit

	2021 £	2020 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	509,463	328,833
Amortisation of intangible assets, including goodwill	1,160,747	1,171,885
Other operating lease rentals	261,448	212,600
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	115,000	108,000
	<u></u>	<u></u>

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7. Employees and directors

	<b>Group 2021</b>	<b>Group 2020</b>	<b>Company 2021</b>	<b>Company 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>7,529,297</b>	7,333,078	-	-
Social security costs	<b>682,695</b>	725,462	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>8,211,992</b>	8,058,540	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Included within wages and salaries are contributions to a defined contribution pension scheme amounting to £141,741 (2020: £121,236).

The Company has no employees other than the directors, who did not receive any remuneration (2020 -£nil).

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 8. Directors' remuneration

	2021	2020
	£	£
Directors' remuneration	<u>509,106</u>	<u>462,601</u>
	<u>509,106</u>	<u>462,601</u>

The highest paid director received remuneration of £278,281 (2020: £240,524). No accrued pension provision is required.

### 9. Interest payable and expenses

	2021	2020
	£	£
Loan interest payable	<u>10,527,060</u>	<u>10,644,575</u>
	<u>10,527,060</u>	<u>10,644,575</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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Taxation	2021	2020
	£	£
<b>a) Tax on profit on ordinary activities</b>		
Current tax:		
UK corporation tax charge/(credit)	2,062,741	268,557
Prior year adjustment	195,504	8,651
<b>Deferred tax</b>		
Origination and reversal of timing differences	226,891	33,948
Prior year adjustment	(140,405)	-
<b>Total deferred tax</b>	<u>86,486</u>	<u>33,948</u>
<b>Total tax charge/(credit) reported in income statement</b>	<u><u>2,344,731</u></u>	<u><u>311,156</u></u>
<b>b) Factors affecting tax charge for the year</b>		
	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	<u>10,839,549</u>	<u>426,853</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	2,059,514	81,102
<b>Effects of:</b>		
Expenses non deductible for tax purposes	11,566	19,595
Income not taxable	(1,991)	-
Goodwill arising on consolidation	220,543	201,808
Prior year adjustment	55,099	8,651
<b>Total tax charge for the year</b>	<u><u>2,344,731</u></u>	<u><u>311,156</u></u>

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

<b>11. Dividends</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Ordinary dividends paid	<b>238,787</b>	259,581
	<hr/>	<hr/>
	<b>238,787</b>	259,581
	<hr/> <hr/>	<hr/> <hr/>
 <b>12. Intangible assets</b>		
<b>Group</b>	<b>Goodwill</b>	
	<b>£</b>	
<b>Cost</b>		
At 1 April 2020	11,701,257	
	<hr/>	
<b>At 31 March 2021</b>	<b>11,701,257</b>	
	<hr/>	
<b>Amortisation</b>		
At 1 April 2020	4,538,480	
Charge for the year	1,160,747	
	<hr/>	
<b>At 31 March 2021</b>	<b>5,699,227</b>	
	<hr/>	
<b>Net book value</b>		
At 1 April 2020	7,162,777	
	<hr/> <hr/>	
<b>At 31 March 2021</b>	<b>6,002,030</b>	
	<hr/> <hr/>	

The list of subsidiary undertakings can be found within note 14.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 13. Tangible assets

Group	Long-term leasehold Property £	Short- term leasehold property £	Office Equipment £	Computer equipmen t £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	23,060	103,362	182,337	2,132,577	2,441,336
Additions	307,739	-	150,041	883,292	1,341,072
Disposals	-	-	-	-	-
At 31 March 2021	330,799	103,362	332,378	3,015,869	3,782,408
<b>Depreciation</b>					
At 1 April 2020	14,893	32,601	125,788	1,299,904	1,473,186
Charge for the year on owned assets	45,385	5,168	44,904	414,006	509,463
Disposals	-	-	-	-	-
At 31 March 2021	60,278	37,769	170,692	1,713,910	1,982,649
<b>Net book value</b>					
At 31 March 2020	8,167	70,761	56,549	832,673	968,150
At 31 March 2021	270,521	65,593	161,686	1,301,959	1,799,759

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 14. Investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Oplo Group Limited *	Ordinary	100%	Support company for an integrated group of businesses
Oplo Funding Ltd *	Ordinary	100%	Providing funding for Oplo Group
Oplo Funding No. 2 Ltd **		0%	Providing funding for Oplo Group
Oplo Reserve Ltd *	Ordinary	100%	Providing funding for Oplo Group
Oplo HL Ltd *	Ordinary	100%	Providing secured loans to consumers
Oplo CF Ltd *	Ordinary	100%	Providing finance under hire purchase agreements
Oplo PL 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 Limited.

All subsidiaries were incorporated in the UK. Those companies marked with a "\*" are registered at Viscount Court, Sir Frank Whittle Way, Blackpool, FY4 2FB with those marked with "\*\*" at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

All subsidiaries are held by Oplo Group Limited.

#### Aggregate of share capital and reserves

	£
Oplo Group Limited	(88,050)
Oplo CF Limited	(4,036,986)
Oplo PL Limited	(8,395,787)
Oplo HL Limited	15,202,525
Oplo Funding Limited	4,938,989
Oplo Funding No. 2 Limited	2,971
Oplo Reserve Limited	137,434
	<hr/>
	7,761,096
	<hr/> <hr/>

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due after more than one year</b>				
Loans advanced	254,597,625	195,617,030	-	-
Amounts owed by group undertakings	-	-	32,673,815	32,387,508
	<u>254,597,625</u>	<u>195,617,030</u>	<u>32,673,815</u>	<u>32,387,508</u>
<b>Due within one year</b>				
Loans advanced	47,774,851	61,541,646	-	-
Corporation tax debtor	-	316,873	22,626	-
Other debtors	892,061	108,832	825,000	1,091,871
Prepayments and accrued income	1,385,780	2,153,784	8,059	56,554
Deferred taxation	290,399	376,885	-	-
	<u>50,343,091</u>	<u>260,115,050</u>	<u>855,685</u>	<u>33,536,236</u>
	<b>2021</b>	<b>2020</b>		
	<b>£</b>	<b>£</b>		
<b>Aggregate amount</b>	<u><b>304,940,716</b></u>	<u>455,732,081</u>	<u>33,529,500</u>	<u>65,923,743</u>

Further breakdown of financial instruments can be found in note 21.

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

### 16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	4,604,454	6,632,658	27,198	14,795
	<u>4,604,454</u>	<u>6,632,658</u>	<u>27,198</u>	<u>14,795</u>

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 17. Creditors: Amounts falling due within one year

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Other loans	1,381,700	2,046,785	-	-
Trade creditors	1,868,886	1,196,812	-	-
Corporation tax	1,156,152	-	-	25,506
Other taxation and social security	205,972	206,670	-	-
Other creditors	333,720	428,780	82,920	-
Accruals and deferred income	1,076,569	1,327,408	70	40,438
	<b>6,022,999</b>	<b>5,206,455</b>	<b>82,990</b>	<b>65,944</b>

### 18. Creditors: Amounts falling due after one year

	Group 2021	Group 2020
	£	£
Loans and finance providers	263,264,452	228,309,737
Other loans	777,391	2,336,360
	<b>264,041,843</b>	<b>230,646,097</b>

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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 19. Loans

	<b>Group 2021</b>	Group 2020
	£	£
<b>Amounts falling due within one year</b>		
Other loans	1,381,700	2,046,785
	<hr/> 1,381,700	<hr/> 2,046,785
<b>Amounts falling due 1-2 years</b>		
Other loans	777,391	2,336,360
	<hr/> 777,391	<hr/> 2,336,360
<b>Amounts falling due 2-5 years</b>		
Loan and finance providers	263,264,452	228,309,434
	<hr/> 265,423,543	<hr/> 232,692,579
	<hr/> <hr/> 265,423,543	<hr/> <hr/> 232,692,579

### 20. Allowance for impairment

	£
<b>At 1 April 2020</b>	21,822,245
Net of write-offs and recoveries	(4,729,492)
Impairment allowance net of recoveries	10,835,004
	<hr/> 27,927,757
<b>At 31 March 2021</b>	<hr/> <hr/> 27,927,757

These provisions have been deducted from the Debtors in the Statement of Financial Position.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 21. Financial Instruments

	Group 2021 £	Group 2020 £	Company 2021	Company 2020
<b>Financial assets</b>				
Loans advanced	<b>302,372,476</b>	257,158,677	-	-
Other debtors	<b>892,061</b>	114,750	<b>825,000</b>	1,091,871
Cash and cash equivalents	<b>4,604,454</b>	6,632,658	<b>27,198</b>	14,795
Amounts owed by group undertakings	-	-	<b>32,673,815</b>	32,387,509
	<b>307,868,991</b>	263,906,084	<b>33,526,013</b>	33,494,175
Non-financial assets	<b>1,676,179</b>	2,841,624	<b>30,685</b>	56,554
	<b>309,545,170</b>	266,747,708	<b>33,556,698</b>	33,550,729
<b>Financial liabilities</b>				
Loan and finance providers	<b>265,423,543</b>	228,309,737	-	-
Other loans	-	4,383,145	-	-
Trade creditors	<b>1,705,355</b>	1,196,812	-	-
Other creditors	<b>703,223</b>	635,450	<b>82,920</b>	25,506
	<b>267,832,121</b>	234,525,144	<b>82,920</b>	25,506
Non-financial liabilities	<b>2,232,721</b>	1,327,408	<b>70</b>	40,438
	<b>270,064,842</b>	235,852,552	<b>82,990</b>	65,944

Financial assets and liabilities are debt instruments measured at cost.

Included within prepayments and accrued income 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 Oplo Group's debt facilities as the interest rate charged is a fixed percentage over the Sterling Overnight Index Average interest rate benchmark (SONIA). The reference rate for the debt facilities changed from the London Inter Bank Offer Rate (LIBOR) to SONIA. The Company monitors SONIA 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.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
<b>Estimated unhedged exposure of SONIA increase</b>		
0.25% increase	<b>535,307</b>	255,221
0.50% increase	<b>1,070,614</b>	510,441
0.75% increase	<b>1,605,921</b>	765,662
1.00% increase	<b>2,141,228</b>	1,020,883
2.00% increase	<b>4,282,455</b>	2,041,766

### 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.

	2021	2020
	£	£
<b>Gross Loan Book</b>		
Up to date	<b>285,089,534</b>	255,057,727
In arrears but not impaired	-	-
	<b>285,089,534</b>	255,057,727
In arrears and impaired	<b>38,701,820</b>	34,651,494
	<b>323,791,354</b>	289,709,221

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 £10,035 and maximum exposure against a single credit agreement of £78,790 as at March 2021. 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 company's Statement of Financial Position. Impairment losses have been disclosed within note 20.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 22. Deferred taxation

	2021	2020
	£	£
<b>At 1 April</b>	<b>376,885</b>	410,833
Amount charged to statement of comprehensive income	<b>(86,486)</b>	(33,948)
	<hr/>	<hr/>
<b>Balance at 31 March</b>	<b>290,399</b>	376,885
	<hr/> <hr/>	<hr/> <hr/>

### Deferred taxation (continued)

	2021	2020
	£	£
Accelerated capital allowances	<b>48,008</b>	(123,713)
Tax losses carried forward	<b>242,391</b>	500,598
	<hr/>	<hr/>
	<b>290,399</b>	376,885
	<hr/> <hr/>	<hr/> <hr/>

### 23. Share capital

	2021	2020
	£	£
<b>Allotted, issued and fully paid</b>		
156,000 (2020 - 144,900) 'A' Ordinary shares of £0.010 each	<b>1,560</b>	1,560
44,846,892 (2020 - 44,767,504) 'A' Non-voting Preference & Growth shares of £1.000 each	<b>44,846,892</b>	44,846,892
3,896 (2020 - 1,148) 'B' Non-voting Preference shares of £0.001 each	<b>4</b>	1
1 (2020 - 1) 'C' Non-voting Preference share of £1.000	<b>1</b>	1
1 (2020 - 1) 'D' Non-voting Preference share of £1.000	<b>1</b>	1
1 (2020 - 1) 'E' Non-voting Preference share of £1.000	<b>1</b>	1
Transaction costs	<b>(79,802)</b>	(79,802)
	<hr/>	<hr/>
	<b>44,768,657</b>	44,768,654
	<hr/> <hr/>	<hr/> <hr/>

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 issued B shares amounting to £2.90. There are no dividends in arrears as at the year end.

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 24. Leasing agreements

At 31 March 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021</b>	Group 2020
	£	£
Not later than 1 year	<b>261,665</b>	157,000
Later than 1 year and not later than 5 years	<b>514,626</b>	120,562
	<hr/>	<hr/>
	<b>776,291</b>	277,562
	<hr/> <hr/>	<hr/> <hr/>

### 25. Transactions with directors

During the year a subsidiary undertaking, Oplo HL Limited, paid rent of £7,660 (2020:£22,980) in respect of the property from which that company conducts its business to SIPP pension funds. Mr A J 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 Limited, paid rent of £7,660 (2020:£22,980) in respect of the property from which that company conducts its business to SIPP pension funds. Mr A J Mollart, a director of the company during the year, is a member of these SIPP pension funds.

During the year the directors received no dividends from the company paid on their shareholdings (2020: £nil)

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

# OPLO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 26. Related Party Transactions

During the year a subsidiary undertaking was invoiced £18,338 (2020: £13,250) by Clear Property (NW) Limited, a company with common directors. At the year end, the balance outstanding was £nil (2020: £nil).

During the year a subsidiary undertaking was invoiced £320,574 (2020: £215,990) by Glabs Digital Services Limited, a company with common directors. At the year end, the balance outstanding was £nil (2020: £nil).

During the year a subsidiary undertaking was invoiced £83,174 (2020: £35,159) by TM Legal Services Limited, a company with common key management personnel. At the year end, the balance outstanding was £nil (2020: £nil).

During the year various subsidiary undertakings were invoiced £4,223,870 (2020: £4,208,107) 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 (2020: £nil).

During the year various subsidiary undertakings were invoiced £320,574 (2020: £687,049) by Freedom Finance Limited, a company with common directors. At the year end, the balance outstanding was £nil (2020: £nil).

During the year a subsidiary undertaking was invoiced £555,270 (2020: £332,966) by Anchor Computer Systems Limited, a company with common directors. At the year end, the balance outstanding was £nil (2020: £nil).

During the year a subsidiary undertaking, Oplo CF Limited, paid rent to a SIPP of £65,000 (2020: £65,000) 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 a loan was made to a director for £300,000. Simple interest of 2.5% per annum was accrued and the loan was repaid in December 2020.

### 27. Post Balance Sheet Events

There have been no post balance sheet events.

### 28. 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**

Viscount Court,  
Sir Frank Whittle Way,  
Blackpool,  
Lancashire,  
FY4 2FB