

## **One Rebel Ltd**

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 08827353



# One Rebel Ltd

## Company Information

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<b>Directors</b>	J Balfour M Balfour G Dean J Jack D Currie N Grimsdick
<b>Registered number</b>	08827353
<b>Registered office</b>	63 St Mary Axe London EC3A 8LE
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# One Rebel Ltd

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# One Rebel Ltd

## Group strategic report For the year ended 31 December 2020

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### Introduction

The principal activity of the Company and Group is the provision of boutique gym classes to the public.

The Group's business model is focused on offering a premium class fitness experience, led by expert instructors and delivered at world class design-led facilities. Classes are offered to customers on a flexible "no contract" basis.

The Company is pursuing a roll out strategy to achieve cost efficiency at scale, in turn delivering strong financial returns for investors.

### Business review and key performance indicators

The Group's key financial performance indicators during the year were as follows:

	2020	2019
Turnover (£)	4,759,120	8,234,387
Attendance	233,818	584,503
EBITDA (£)	(430,826)	733,942
Number of locations	7	6

The Group's loss for the financial period 2020 was £2,788,315 (2019: £253,095). Trading in the first two months of 2020 was excellent, with the business achieving record attendance and EBITDA.

The business continued its club roll out with the opening its seventh club in London, in Holborn, on 10 March 2020.

The remainder of the year was impacted significantly by the COVID-19 pandemic. HM Government imposed a national lockdown forcing our clubs to close from 20 March until 25 July 2020, and upon reopening, our classes were limited to 50% capacity in order to comply with social distancing regulations.

Later in the year HM Government implemented additional restrictions, imposing a second national lockdown from 5 November 2020 to 2 December 2020, and finally a third national lockdown from 20 December 2020. In total during 2020, our clubs were closed by Government mandate for five and a half months in the year, and were forced to trade with capacity restrictions for a further four months.

Management moved quickly to respond to these challenges by:

- pivoting the business to provide online fitness classes within six days of the start of the first lockdown;
- raising an additional £2 million of debt under the Coronavirus Business Interruption Loan Scheme;
- agreeing temporary pay cuts for management, staff and instructors;
- negotiating payment concessions and deferrals with landlords and key suppliers; and
- utilising the Government support available in the form of the Coronavirus Job Retention Scheme, business rates relief, Retail and Hospitality grants and VAT deferrals.

Despite these actions, class attendance for 2020 was 60% lower than the prior year at 234 thousand, and core revenue was 43% lower at £4,759,120. As a consequence EBITDA for the year was negative £430,826, a reduction of £1.2 million on the prior year.

# One Rebel Ltd

## Group strategic report (continued) For the year ended 31 December 2020

### Future developments

The Company's UK sites were closed from 20 December 2020 through to 12 April 2021 when fitness classes were allowed to restart in the UK. The Company's UK clubs resumed trading at this point, operating in accordance with the fitness industry's COVID-secure guidelines, including social distancing which reduced class capacity and limited the revenue potential of the business. These measures were lifted on 19 July 2021.

Club attendance since the peak summer holiday weeks of 2021 showed week on week growth up until November 2021. The emergence of the Omicron COVID variant at the end of November 2021 led to a decline in sales and attendance, however trading in the second half of January 2022 and into February 2022 has shown a strong recovery as the UK Government's work from home order was lifted.

The directors believe that demand will continue to recover to its pre-COVID levels, however the pandemic has emphasised the importance of managing the business in an uncertain environment. Significant progress has been made to manage and reduce the impact of COVID-19, however management remains cautious and maintains its focus on cost control and cash management.

### Principal risks and uncertainties

The emergence of and the continuing spread of the COVID-19 pandemic, and government action to control it, present a risk to the business. Trading restrictions and lockdowns have resulted in significant reductions in revenue.

The Board has and continues to monitor this risk closely to ensure we can respond to developments quickly to ensure the safety of customers and staff, and the viability of the business. Detailed financial scenario planning is performed on a monthly basis to provide guidance on where additional cost control measures or financing may be required, as well as utilising Government support schemes as appropriate.

The Group considers the following to be the other key risks associated with the business:

Risk	Description & potential impact	Mitigation
<b>Economic Conditions</b>	Changes in economic conditions can affect consumer confidence and disposable income.	<ul style="list-style-type: none"><li>• Fitness market monitored to ensure customers are offered value for money</li></ul>
<b>Competition</b>	Potential for increased competition where competitor sites are opened in proximity to our existing clubs, which in turn could result in pricing pressure.	<ul style="list-style-type: none"><li>• Continued investment and innovation to ensure we offer a market leading customer experience</li><li>• Careful selection of new sites for our clubs</li></ul>
<b>Customer Experience</b>	<p>The business offers "no contract" class packages and monthly passes. As such customers could stop using our offering at relatively short notice.</p> <p>The business' success relies upon attracting new customers and retaining existing ones at profitable levels.</p>	<ul style="list-style-type: none"><li>• Continued investment and innovation to ensure we offer a market leading experience</li><li>• Commitment to obtaining and acting on customer feedback</li></ul>

# One Rebel Ltd

Group strategic report (continued)  
For the year ended 31 December 2020

## Principal risks and uncertainties (continued)

Risk	Description & potential impact	Mitigation
<b>Organic Rollout</b>	<p>If it is not possible to identify and secure new sites that meet our selection criteria, then our ability to execute our roll out strategy will be limited.</p> <p>Delays in securing new sites, or agreeing to new sites on compromised terms, would have a negative impact on growth and financial returns.</p>	<ul style="list-style-type: none"> <li>• Several Board Members with extensive experience of successful club roll out within the fitness industry</li> <li>• Feasibility and financial models prepared for all potential sites</li> <li>• All new sites need to be approved by the Board</li> </ul>
<b>Staff Retention</b>	<p>The business is reliant on being able to recruit and retain high caliber staff at all levels of the organisation to deliver a premium customer experience and drive profitable growth.</p>	<ul style="list-style-type: none"> <li>• Competitive remuneration packages offered</li> <li>• Rigorous interview and probation period</li> <li>• High proportion of staff are offered share options in the company</li> </ul>
<b>Operational Gearing</b>	<p>The Group has a relatively high operational gearing due to its fixed cost base.</p> <p>This means there are limited options to reduce the cost base should revenues be lower than expected.</p>	<ul style="list-style-type: none"> <li>• Monthly financial monitoring and forecasting down to club level</li> <li>• Avoid taking on new sites with terms that don't meet target financial criteria</li> </ul>

This report was approved by the board on 24 February 2022 and signed on its behalf.



**G Dean**  
Director

# One Rebel Ltd

## Directors' report For the year ended 31 December 2020

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

### Principal activity

The principal activity of the Company and Group is the provision of boutique gym services to the public.

### Results and dividends

The loss for the year, after taxation, amounted to £2,788,315 (2019 - £253,095).

### Directors

The directors who served during the year and to the date of this report were:

J Balfour  
M Balfour  
G Dean  
J Jack  
D Currie  
N Grimsdick (appointed 26 February 2020)

### Financial risk management

Ultimate responsibility for financial risk management rests with the Board of Directors. The Group's policy towards risk management is to take an active approach to identify and manage financial risks and ensure that adequate risk management systems are in place within the group such that risks are adequately identified and appropriately managed. Financial asset and liability transactions are structured to enable the achievement of planned outcomes, reduce volatility and increase certainty.

The Group has exposure to the following financial risks:

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Key market risks affecting the Group include foreign currency exchange rate risk and interest rate risk. Financial instruments affected by market risk include borrowings, deposits and derivative financial instruments.

Foreign exchange risk arises on transaction and translation exposures.

The two main types of transactions generating exposure are financing transactions and operating transactions. Financing exposures come from foreign currency financing activities such as asset purchases, asset sales, capital returns and intercompany loan repayments.

The translation exposure arises from the consolidation of the financial statements of the Company's foreign subsidiary whose presentation currency is different to that of the Group. The risk is that changes in the exchange rate will result in changes in the value of a subsidiary's assets, liabilities, income and expenses.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Significant interest rate risk does not arise from the Group's borrowings as they are at fixed interest rates. The majority of residual interest rate risk comes from deposits.

# One Rebel Ltd

## Directors' report (continued) For the year ended 31 December 2020

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### Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and derivative financial instruments. The Group's other receivables largely comprise security deposit payments, on which the credit risk is not concentrated as it is spread over several counterparties. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the maturity profiles of financial assets and operational liabilities and by maintaining adequate cash reserves.

### Future developments

A summary of future developments has been included in the Strategic report.

### Disclosure of information to auditor

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 auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

### Subsequent events

Events after the reporting period are disclosed in note 35 of the financial statements.

### Going concern

The directors have considered base case, down-side and reverse stress tests forecasts, which included the evaluation of significant downside scenarios such as an additional lock down period of two months, covering February and March 2022, or worse. Under certain scenarios, assuming that no further financial support from government and other key stakeholders is available, additional facilities or equity may be required that is not yet guaranteed. As such, the directors have identified a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern.

However based on reasonably expected scenarios and available market information, the directors have confidence in the Group and Company's ability to continue as a going concern and as such continue to adopt the going concern basis in the preparing the accounts for the year ended 31 December 2020.

For more information with regard to going concern and the basis of preparation of the financial statements see note 2.3: Going concern.

This report was approved by the board on 24 February 2022 and signed on its behalf.



**G Dean**  
Director



# **One Rebel Ltd**

## **Directors' responsibilities statement For the year ended 31 December 2020**

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The directors are responsible for preparing the Group strategic report, the Directors' report and the 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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# One Rebel Ltd

## Independent auditor's report to the members of One Rebel Ltd

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss 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.

We have audited the financial statements of One Rebel Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statement of financial position, the Consolidated and Company Statements of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty relating to going concern

We draw attention to note 2.3 to the financial statements which explains that, under certain scenarios that are not considered remote, the Company and Group may require additional facilities or equity that are not yet guaranteed. As explained in note 2.3, these events, along with the other matters set out in note 2.3, indicate that a material uncertainty exists that may cast significant doubt over and Company's and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# **One Rebel Ltd**

## **Independent auditor's report to the members of One Rebel Ltd (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic report and 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.

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 the 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements 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.

# One Rebel Ltd

## Independent auditor's report to the members of One Rebel Ltd (continued)

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### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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.

#### *Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
- making enquiries of management regarding the Group and Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - reviewing minutes of the board of Directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
  - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
    - ◆ challenging assumptions made by management in their significant accounting estimates in particular in relation to provisions for impaired or obsolete stock, provisions against accounts receivable; and

# One Rebel Ltd

## Independent auditor's report to the members of One Rebel Ltd (continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

#### *Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

- ◆ identifying and testing journal entries, in particular any journal entries to revenue not in line with expectations, journals pertaining to lease concessions and modifications, and reviewing journal entries for journals inconsistent with the usual transactions of the Group and Company.
- revenue recognition: application of cut off and existence. Our procedures have been designed to ensure revenue is recognised in the correct period with amounts appropriately deferred or accrued reflective of receipts and the timing of services or goods provided.
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Ian Clayden*

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**Ian Clayden** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

Date: 28 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC306127).

# One Rebel Ltd

## Consolidated statement of comprehensive income For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	6	4,759,120	8,234,387
Cost of sales		(1,352,038)	(1,629,177)
<b>Gross profit</b>		<b>3,407,082</b>	<b>6,605,210</b>
Administrative expenses		(6,517,634)	(7,092,400)
Other operating income	7	990,088	23,445
Other operating charges		-	(15,620)
<b>Operating loss</b>	8	<b>(2,120,464)</b>	<b>(479,365)</b>
Interest receivable and similar income	12	229,478	15,680
Interest payable and expenses	13	(464,755)	(231,700)
Changes in fair value of investments	14	60,864	(60,864)
<b>Loss before taxation</b>		<b>(2,294,877)</b>	<b>(756,249)</b>
Tax on loss	15	(493,438)	503,154
<b>Loss for the financial year</b>		<b>(2,788,315)</b>	<b>(253,095)</b>
Currency translation differences		27,102	4,554
<b>Other comprehensive income for the year</b>		<b>27,102</b>	<b>4,554</b>
<b>Total comprehensive loss for the year</b>		<b>(2,761,213)</b>	<b>(248,541)</b>
<b>Loss for the year attributable to:</b>			
Owners of the Parent Company		(2,788,315)	(253,095)

The notes on pages 20 to 50 form part of these financial statements.

**One Rebel Ltd**  
Registered number:08827353

**Consolidated statement of financial position**  
**As at 31 December 2020**

	Note	2020 £	As restated 2019 £
<b>Fixed assets</b>			
Intangible assets	16	170,898	155,912
Tangible assets	17	14,349,681	9,443,735
		<u>14,520,579</u>	<u>9,599,647</u>
<b>Current assets</b>			
Stocks	19	132,681	145,874
Debtors: amounts falling due after more than one year	20	1,012,833	1,017,896
Debtors: amounts falling due within one year	20	1,617,904	1,895,343
Cash and cash equivalents	21	1,729,508	2,295,506
		<u>4,492,926</u>	<u>5,354,619</u>
Creditors: amounts falling due within one year	22	(5,763,633)	(2,379,340)
<b>Net current (liabilities)/assets</b>		<u>(1,270,707)</u>	<u>2,975,279</u>
<b>Total assets less current liabilities</b>		<u>13,249,872</u>	<u>12,574,926</u>
Creditors: amounts falling due after more than one year	23	(8,936,271)	(5,500,112)
<b>Net assets</b>		<u><u>4,313,601</u></u>	<u><u>7,074,814</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	98,878	98,878
Share premium account	29	11,341,253	11,341,253
Foreign exchange reserve	29	31,683	4,581
Profit and loss account	29	(7,158,213)	(4,369,898)
<b>Equity attributable to owners of the Parent Company</b>		<u><u>4,313,601</u></u>	<u><u>7,074,814</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2022.



**G Dean**  
Director

The notes on pages 20 to 50 form part of these financial statements.

**One Rebel Ltd**  
Registered number:08827353

**Company statement of financial position**  
**As at 31 December 2020**

		2020 £	As restated 2019 £
	Note		
<b>Fixed assets</b>			
Intangible assets	16	147,706	138,075
Tangible assets	17	12,416,721	9,264,336
Investments	18	1,532,455	57
		<u>14,096,882</u>	<u>9,402,468</u>
<b>Current assets</b>			
Stocks	19	128,212	145,874
Debtors: amounts falling due after more than one year	20	907,890	918,990
Debtors: amounts falling due within one year	20	2,195,515	2,334,761
Cash at bank and in hand	21	1,010,647	2,294,146
		<u>4,242,264</u>	<u>5,693,771</u>
Creditors: amounts falling due within one year	22	(5,734,125)	(2,364,316)
<b>Net current (liabilities)/assets</b>		<u>(1,491,861)</u>	<u>3,329,455</u>
<b>Total assets less current liabilities</b>		<u>12,605,021</u>	<u>12,731,923</u>
Creditors: amounts falling due after more than one year	23	(8,127,873)	(5,500,112)
<b>Net assets</b>		<u><u>4,477,148</u></u>	<u><u>7,231,811</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	98,878	98,878
Share premium account	29	11,341,253	11,341,253
Profit and loss account	29	(6,962,983)	(4,208,320)
<b>Total equity</b>		<u><u>4,477,148</u></u>	<u><u>7,231,811</u></u>



**One Rebel Ltd**  
**Registered number:08827353**

**Company statement of financial position (continued)**  
**As at 31 December 2020**

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The Company has elected to take advantage of the exemption under section 408 of the Companies Act 2006 from presenting the Parent Company Statement of comprehensive income. The Company loss for the financial year is £2,754,663 (2019: £93,728).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2022.



**G Dean**  
Director

The notes on pages 20 to 50 form part of these financial statements.

# **One Rebel Ltd**

## **Consolidated statement of changes in equity** For the year ended 31 December 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	98,878	11,341,253	4,581	(4,369,898)	7,074,814
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(2,788,315)	(2,788,315)
<b>Total comprehensive loss for the year</b>	-	-	-	(2,788,315)	(2,788,315)
Foreign exchange movement	-	-	27,102	-	27,102
<b>At 31 December 2020</b>	<b>98,878</b>	<b>11,341,253</b>	<b>31,683</b>	<b>(7,158,213)</b>	<b>4,313,601</b>

The notes on pages 20 to 50 form part of these financial statements.

## One Rebel Ltd

### Consolidated statement of changes in equity For the year ended 31 December 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	98,878	11,341,253	27	(4,116,803)	7,323,355
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(253,095)	(253,095)
<b>Total comprehensive loss for the year</b>	-	-	-	(253,095)	(253,095)
Foreign exchange movement	-	-	4,554	-	4,554
<b>At 31 December 2019</b>	<b>98,878</b>	<b>11,341,253</b>	<b>4,581</b>	<b>(4,369,898)</b>	<b>7,074,814</b>

The notes on pages 20 to 50 form part of these financial statements.

# One Rebel Ltd

## Company statement of changes in equity For the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	98,878	11,341,253	(4,208,320)	7,231,811
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(2,754,663)	(2,754,663)
<b>Total comprehensive loss for the year</b>	-	-	(2,754,663)	(2,754,663)
<b>At 31 December 2020</b>	<b>98,878</b>	<b>11,341,253</b>	<b>(6,962,983)</b>	<b>4,477,148</b>

## Company statement of changes in equity For the year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	98,878	11,341,253	(4,114,592)	7,325,539
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(93,728)	(93,728)
<b>Total comprehensive loss for the year</b>	-	-	(93,728)	(93,728)
<b>At 31 December 2019</b>	<b>98,878</b>	<b>11,341,253</b>	<b>(4,208,320)</b>	<b>7,231,811</b>

The notes on pages 20 to 50 form part of these financial statements.

# One Rebel Ltd

## Consolidated statement of cash flows For the year ended 31 December 2020

	2020 £	As restated 2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(2,788,315)	(253,095)
<b>Adjustments for:</b>		
Amortisation of intangible assets	53,692	59,879
Depreciation of tangible assets	1,575,082	1,214,292
Loss on disposal of tangible assets	1,771	64,607
Government grants	(26,212)	-
Interest payable	464,755	231,700
Interest receivable	(229,478)	(15,680)
Taxation charge	493,438	(503,154)
Decrease/(increase) in stocks	13,439	(84,060)
(Increase) in debtors	(200,572)	(912,308)
Increase in creditors	3,801,343	1,069,979
Net fair value (gains)/losses recognised in P&L	(60,864)	60,864
Corporation tax received	-	13,153
Foreign exchange	-	15,616
Interest paid	(2,079)	-
<b>Net cash generated from operating activities</b>	<b>3,096,000</b>	<b>961,793</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(65,539)	(114,728)
Purchase of tangible fixed assets	(6,379,769)	(2,833,556)
Sale of tangible fixed assets	729	50,010
Interest received	1,669	15,680
<b>Net cash from investing activities</b>	<b>(6,442,910)</b>	<b>(2,882,594)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuing convertible loan notes	839,672	3,550,000
Debt issue costs incurred	(25,307)	(135,250)
Repayment of finance leases	(214,338)	(218,315)
New finance leases	2,268,970	-
Finance leases interest paid	(69,649)	(35,908)
Government grants	26,212	-
<b>Net cash used in financing activities</b>	<b>2,825,560</b>	<b>3,160,527</b>

# One Rebel Ltd

## Consolidated statement of cash flows (continued) For the year ended 31 December 2020

	2020 £	As restated 2019 £
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(521,350)</b>	<b>1,239,726</b>
Cash and cash equivalents at beginning of year	<b>2,295,506</b>	<b>1,066,852</b>
Foreign exchange gains and losses	<b>(44,648)</b>	<b>(11,072)</b>
<b>Cash and cash equivalents at the end of year</b>	<b>1,729,508</b>	<b>2,295,506</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>1,729,508</b>	<b>2,295,506</b>
	<b>1,729,508</b>	<b>2,295,506</b>

The notes on pages 20 to 50 form part of these financial statements.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 1. General information

One Rebel Ltd (the "Company") is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the Company information page and the nature of the Group's and Company's operations and principal activity are set out in the Strategic report and Director's report.

### 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 judgement in applying the Group's accounting policies (see note 5).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

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.

#### Parent company exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation's for the Group and the Parent Company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

#### 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.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.3 Going concern

In March 2020 HM Government implemented national restrictions to mitigate the spread of the COVID-19 pandemic. The Company's UK sites were closed from 21 March 2020 to 25 July 2020, reopening with social distancing requirements including reduced class capacity. The Company was also impacted by reduced demand in central London clubs on account of the high proportion of customers who have been working from home for a prolonged period.

The UK Government implemented further national restrictions requiring the closure of the UK sites in both November and December 2020.

The Company's UK sites were closed from 20 December 2020 through to 12 April 2021 when fitness classes were allowed restart in the UK. The Company's UK clubs resumed trading at this point, operating in accordance with the fitness industry's COVID-secure guidelines, including social distancing which reduced class capacity and limited revenue potential of the business. These measures were lifted on 19 July 2021.

Club attendance since the peak summer holiday weeks of 2021 showed week on week growth up until November 2021. The emergence of the Omicron COVID variant at the end of November 2021 lead to a decline in sales and attendance, however trading in the second half of January 2022 and into February 2022 has shown a strong recovery as the UK Government's work from home order was lifted.

The directors believe that demand will continue to recover to its pre-COVID levels, however the pandemic has emphasised the importance of managing the business in an uncertain environment. Significant progress has been made to manage and reduce the impact of COVID-19, however management remains cautious and maintains its focus on cost control and cash management.

The Group concluded the 2020 financial year with cash of £1.7m and subsequent to the year end have agreed terms for further facilities in form of an additional loan under the terms of Coronavirus Business Interruption Loan Scheme for £350,000.

The directors have considered base case, down-side and reverse stress tests forecasts, which included the evaluation of significant downside scenarios such as an additional lock down period of two months, covering February and March 2022, or worse. Under certain scenarios, assuming that no further financial support from government and other key stakeholders is available, additional facilities or equity may be required that is not yet guaranteed. As such, the directors have identified a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern.

Based on reasonably expected scenarios and available market information the directors have confidence in the Group and Company's ability to continue as a going concern and as such continue to adopt the going concern basis in the preparing the accounts for the year ended 31 December 2020.

The financial statements do not include the adjustments that would be required if the Group and Company were unable to continue as a going concern.



# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### 2.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually at point of sale), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from contracts for the provision of services is recognised by reference to the point at which the service was delivered or consumed (i.e. class attendance).

Turnover from franchising and licensing arrangements are recognised on the basis that reflects the purpose for which the fees are charged. Where fees cannot be directly attributed to a particular service or supply as part of the franchise or licence arrangement (e.g. initial non-refundable fees) the fees are recognised by reference to stage of completion per the contractual arrangements.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.6 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.

The benefits of lease incentives received on entering into new leases are spread over the lease term.

During the year the Group has received rent concessions on leased properties. Amendments were made to FRS 102: COVID-19 related rent concessions and are mandatory for lessees for periods beginning on or after 1 January 2020. The change in lease payments have been recognised as follows:

##### i. COVID-19 related amendments

Where the following conditions are met and in accordance with the amendment to FRS 102 the Group has recognised the change in lease payments over the period that the change is intended to compensate:

- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no significant change to other term.

##### ii. Lease amendments outside the scope of FRS 102: COVID-19 related rent concessions

Where the above conditions are not met, the Group has recognised the change in lease payments over the remaining lease term.

#### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature, including i) furlough grants under the UK Government's Coronavirus Job Retention Scheme (CJRS) and ii) Business Interruption Payments (BIPs) under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS), are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

#### 2.8 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

#### 2.9 Finance costs

Finance costs 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.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

#### 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 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. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

#### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.13 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Depreciation is provided on the following basis:

Leasehold improvements	- Over lease term
Assets under construction	- Not depreciated
Fixtures, fittings and equipment	- 3-5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the Consolidated statement of comprehensive income.

#### 2.14 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

#### 2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.18 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.20 Financial instruments

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 Consolidated statement of comprehensive income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.20 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives 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 Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

#### 2.21 Convertible debt

The conversion feature of the convertible debt is first assessed to determine if the instrument should be considered as a compound instrument or single instrument.

##### Convertible debt considered to be a compound instrument

The proceeds received on issue of convertible debt are allocated into their debt and equity components and presented separately in the Balance Sheet. Transaction costs that relate to the issue of the instrument are allocated to the debt and equity components of the instrument in proportion to the allocation of proceeds.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert, less transaction costs allocated to the debt component. The debt component is subsequently measured at amortised cost using the effective interest rate method.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently re-measured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate, with no gain or loss recognised.

##### Convertible debt considered to be a single instrument

The conversion feature is then assessed to determine if the instrument should be measured as a financial liability measured at fair value through profit and loss or amortised cost.

Under the amortised cost method the instrument is initially measured at the the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert, less transaction costs that relate to the issue of the instrument. The financial liability is subsequently measured at amortised cost using the effective interest rate method.

On conversion, the financial liability is credited to share capital and share premium of the issuer of the instrument as appropriate.

#### 2.22 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.23 Retirement benefits

Employees are enrolled in a defined contribution scheme. Employer contributions to the scheme are charged as an expense as they are incurred.

#### 2.24 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

### 3. Change in accounting estimate

During the year, the Group has determined a change in the useful economic life of leasehold improvements from 10 years to over the remaining lease term. This has resulted in a reduced depreciation charge of £68,673 in the current year. Profit before tax and total assets have increased respectively as a result of this change. No adjustment has been made to prior periods.

### 4. Prior year adjustment

In the prior year, the Group entered into a new lease agreement which included a rent free period at the beginning of the lease term.

The effect on the financial statements as presented for the year ended 31 December 2019 is to reduce the Tangible Fixed Assets - costs carried forward by £138,160, increase current assets - trade receivables by £250,000, increase current liabilities - accruals and deferred income by £7,669 and increase non current liabilities - accruals and deferred income by £104,171. There was no impact to net assets or to profit for the year ended 31 December 2019.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 5. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's intangible and tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine the equity element of the convertible loan notes. The equity component is calculated as the difference between the net present value ("NPV") of future interest payments and the nominal value of the loan. Judgements are applied when calculating the discount rate applied including the size of the business and the industry it operates in.
- Determine the share option fair value at grant date.

Other key sources of estimation uncertainty:

- Intangible and tangible fixed assets (see notes 16 and 17)  
Intangible and tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Deferred tax (see notes 15 and 27)  
There are two principal drivers of the temporary differences that are available for offset against future profits of the Group and which give rise to deferred tax assets. These are capital allowances and tax losses carried forward.

Management has made various assumptions in assessing the extent to which deferred tax assets will be recovered. Uncertainties including those pertaining to the current economic climate and relevant market conditions, are taken into consideration when calculating the level of probable deferred tax utilisation. Changes to profitability forecasts and the level of losses and other assets forecast to be utilised impacts the level of unrecognised deferred tax assets.



# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 6. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sale of goods	328,231	395,943
Sale of services	4,247,195	7,835,309
Franchise and licensing fees	131,194	3,135
Other income	52,500	-
	<u>4,759,120</u>	<u>8,234,387</u>

All turnover arose within the United Kingdom.

### 7. Other operating income

	2020 £	2019 £
Other operating income	-	23,441
Government grants receivable	949,245	-
Exchange differences	40,843	4
	<u>990,088</u>	<u>23,445</u>

### 8. Operating loss

The operating loss is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	1,575,082	1,214,292
Amortisation of intangible fixed assets	53,692	59,879
Exchange differences	(37,790)	21,967
Other operating lease rentals	765,471	1,197,313
Loss on disposal of fixed assets	1,771	64,607
	<u>2,357,236</u>	<u>2,558,058</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 9. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	50,000	41,863
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	4,650	4,650
All other services	2,840	3,450
	7,490	8,100

### 10. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,401,410	2,309,410	2,327,758	2,221,693
Social security costs	181,554	181,966	181,554	181,966
Cost of defined contribution scheme	43,836	31,054	37,462	31,054
	2,626,800	2,522,430	2,546,774	2,434,713

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Club staff	199	156	199	156
Head office	22	18	21	17
	221	174	220	173

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 11. Directors' remuneration

	2020 £	2019 £
Remuneration paid to directors	208,002	307,449
Fees paid to non-executive directors	57,843	57,947
	<u>265,845</u>	<u>365,396</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £70,553 (2019 - £109,195).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,045 (2019 - £1,188).

### 12. Interest receivable

	2020 £	2019 £
Interest receivable	<u>229,478</u>	<u>15,680</u>

### 13. Interest payable and similar expenses

	2020 £	2019 £
Convertible loan note interest	382,360	195,792
Interest on asset finance agreements	80,316	35,908
Other interest	2,079	-
	<u>464,755</u>	<u>231,700</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 14. Changes in fair value of investments

	2020 £	2019 £
Gain/(loss) on fair value of foreign exchange forward contract	<u>60,864</u>	<u>(60,864)</u>

### 15. Taxation

	2020 £	2019 £
<b>Current tax</b>		
Research and development tax credit	-	(13,153)
<b>Total current tax</b>	<u>-</u>	<u>(13,153)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	551,489	(490,001)
Effect of tax rate change on opening balance	(58,051)	-
<b>Total deferred tax</b>	<u>493,438</u>	<u>(190,001)</u>
<b>Taxation on loss on ordinary activities</b>	<u>493,438</u>	<u>(503,154)</u>

An unrecognised deferred tax asset of £932,412 (2019: £162,231) has not yet been recognised on account of the uncertainty with regard to future profits against which these are available for offset.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 15. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(2,294,877)	(756,249)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(436,027)	(143,687)
Effects of:		
Expenses not deductible for tax purposes	25,482	39,468
Fixed asset differences	205,973	197,712
Higher rate taxes on overseas earnings	(2,608)	-
Deferred taxation asset not recognised/(recognised)	778,225	(490,001)
Deferred tax previously unrecognised	-	(93,493)
Remeasurement of deferred tax for changes in tax rates	(77,607)	-
Research and development tax credit	-	(13,153)
<b>Total tax charge/(credit) for the year</b>	<b>493,438</b>	<b>(503,154)</b>

#### Factors that may affect future tax charges

A change in the main UK corporation tax rate, announced in the budget on 3 March 2021, was substantively enacted on 24 May 2021. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the Group's future tax charge accordingly.

Deferred tax assets and liabilities within these financial statements are calculated at 19% (2019: 19%) as this was the enacted future rate as at the year end.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 16. Intangible assets

#### Group

	Licences and trademarks £	Computer software £	Total £
<b>Cost</b>			
At 1 January 2020	-	399,795	399,795
Additions	9,305	56,234	65,539
Disposals	-	(3,043)	(3,043)
Transfer between asset classes	69,836	(67,978)	1,858
Foreign exchange movement	401	891	1,292
At 31 December 2020	<u>79,542</u>	<u>385,899</u>	<u>465,441</u>
<b>Amortisation</b>			
At 1 January 2020	-	243,883	243,883
Charge for the year	5,827	47,865	53,692
On disposals	-	(3,046)	(3,046)
Transfer between asset classes	4,867	(4,867)	-
Foreign exchange movement	-	14	14
At 31 December 2020	<u>10,694</u>	<u>283,849</u>	<u>294,543</u>
<b>Net book value</b>			
At 31 December 2020	<u>68,848</u>	<u>102,050</u>	<u>170,898</u>
At 31 December 2019	<u>-</u>	<u>155,912</u>	<u>155,912</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 16. Intangible assets (continued)

#### Company

	Licences and trademarks £	Computer software £	Total £
<b>Cost</b>			
At 1 January 2020	-	381,718	381,718
Additions	7,211	54,250	61,461
Disposals	-	(3,043)	(3,043)
Transfer between asset classes	56,643	(54,785)	1,858
At 31 December 2020	<u>63,854</u>	<u>378,140</u>	<u>441,994</u>
<b>Amortisation</b>			
At 1 January 2020	-	243,643	243,643
Charge for the year	5,827	47,864	53,691
On disposals	-	(3,046)	(3,046)
Transfer between asset classes	4,867	(4,867)	-
At 31 December 2020	<u>10,694</u>	<u>283,594</u>	<u>294,288</u>
<b>Net book value</b>			
At 31 December 2020	<u>53,160</u>	<u>94,546</u>	<u>147,706</u>
At 31 December 2019	<u>-</u>	<u>138,075</u>	<u>138,075</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 17. Tangible fixed assets

#### Group

	Leasehold improvements £	Assets under construction £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2020 (as restated)	9,276,518	1,153,566	2,058,618	12,488,702
Additions	1,266,568	4,654,967	458,234	6,379,769
Disposals	(2,160)	-	(866)	(3,026)
Reclassifications	1,259,418	(1,349,011)	87,735	(1,858)
Foreign exchange movement	-	105,022	637	105,659
At 31 December 2020	11,800,344	4,564,544	2,604,358	18,969,246
<b>Depreciation</b>				
At 1 January 2020	2,400,773	-	644,194	3,044,967
Charge for the year	1,084,067	-	491,015	1,575,082
Disposals	-	-	(524)	(524)
Foreign exchange movement	-	-	40	40
At 31 December 2020	3,484,840	-	1,134,725	4,619,565
<b>Net book value</b>				
At 31 December 2020	8,315,504	4,564,544	1,469,633	14,349,681
At 31 December 2019 (as restated)	6,875,745	1,153,566	1,414,424	9,443,735

The net book value of assets held under finance leases is £2,605,468 (2019: £985,750).



# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 17. Tangible fixed assets (continued)

#### Company

	Leasehold improvements £	Assets under construction £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2020 (as restated)	9,276,518	981,207	2,050,877	12,308,602
Additions	1,266,568	3,010,227	455,032	4,731,827
Disposals	(2,160)	-	(866)	(3,026)
Reclassifications	1,259,418	(1,349,011)	87,735	(1,858)
At 31 December 2020	<u>11,800,344</u>	<u>2,642,423</u>	<u>2,592,778</u>	<u>17,035,545</u>
<b>Depreciation</b>				
At 1 January 2020	2,400,773	-	643,493	3,044,266
Charge for the year	1,084,067	-	491,015	1,575,082
Disposals	-	-	(524)	(524)
At 31 December 2020	<u>3,484,840</u>	<u>-</u>	<u>1,133,984</u>	<u>4,618,824</u>
<b>Net book value</b>				
At 31 December 2020	<u>8,315,504</u>	<u>2,642,423</u>	<u>1,458,794</u>	<u>12,416,721</u>
At 31 December 2019 (as restated)	<u>6,875,745</u>	<u>981,207</u>	<u>1,407,384</u>	<u>9,264,336</u>

The net book value of assets held under finance leases is £2,605,468 (2019: £985,750).

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 18. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	57
Additions	1,532,398
At 31 December 2020	<u>1,532,455</u>

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
1R Australia Pty Ltd	C/- Stannards Accounts & Advisors Pty Ltd, Level 1, 60 Toorak Road, South Yarra, Victoria 3141, Australia.	Ordinary	100%

### 19. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	<u>132,681</u>	<u>145,874</u>	<u>128,212</u>	<u>145,874</u>

The difference between historical cost of stocks and their replacement cost is not material.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 20. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Due after more than one year</b>				
Other debtors	<u>1,012,833</u>	<u>1,017,896</u>	<u>907,890</u>	<u>918,990</u>
	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
<b>Due within one year</b>				
Trade debtors	154,204	273,917	154,204	273,913
Amounts owed by group undertakings	-	-	661,308	459,013
Other debtors	940,936	106,587	939,471	106,587
Prepayments and accrued income	442,082	1,001,810	440,532	1,001,810
Other taxation and social security	80,682	19,591	-	-
Deferred taxation	-	493,438	-	493,438
	<u>1,617,904</u>	<u>1,895,343</u>	<u>2,195,515</u>	<u>2,334,761</u>

Amounts due after one year represent leasehold property deposits.

### 21. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>1,729,508</u>	<u>2,295,506</u>	<u>1,010,647</u>	<u>2,294,146</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Trade creditors	939,787	763,776	924,467	755,837
Amounts owed to group undertakings	-	-	252	-
Other taxation and social security	77,344	76,972	77,344	76,972
Obligations under finance lease and hire purchase contracts	545,365	361,495	545,365	361,495
Other creditors	10,854	13,465	10,854	13,465
Accruals and deferred income	4,190,283	1,102,768	4,175,843	1,095,683
Financial instruments	-	60,864	-	60,864
	<b>5,763,633</b>	<b>2,379,340</b>	<b>5,734,125</b>	<b>2,364,316</b>

The directors consider that the carrying amount of trade payables approximates to their fair value.

An analysis of accruals and deferred income is provided in note 23.

### 23. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Convertible loan notes	4,615,850	3,610,542	4,186,039	3,610,542
Net obligations under finance leases and hire purchase contracts	2,394,255	525,757	2,394,255	525,757
Accruals and deferred income	1,926,166	1,363,813	1,547,579	1,363,813
	<b>8,936,271</b>	<b>5,500,112</b>	<b>8,127,873</b>	<b>5,500,112</b>

Accruals and deferred income is comprised of accrued expenditure relating to lease incentives, goods and services received not yet invoiced, and deferred income relating to long term performance obligations relating to the company's franchise and licence agreements.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Lease incentives	1,864,254	1,293,652	1,485,667	1,293,652
Deferred income	3,919,366	625,119	3,919,366	625,119
Other accrued expenses	332,829	547,810	318,389	540,725
<b>Accruals and deferred income</b>	<b>6,116,449</b>	<b>2,466,581</b>	<b>5,723,422</b>	<b>2,459,496</b>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 24. Loans

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Amounts falling due within one year</b>				
Finance leases	545,365	361,495	545,365	361,495
<b>Amounts falling due 1-2 years</b>				
Convertible loan notes	493,223	3,610,542	439,496	3,610,542
Finance leases	710,953	288,883	710,953	288,883
	<u>1,204,176</u>	<u>3,899,425</u>	<u>1,150,449</u>	<u>3,899,425</u>
<b>Amounts falling due 2-5 years</b>				
Convertible loan notes	4,068,901	-	3,746,543	-
Finance leases	1,561,263	236,874	1,561,263	236,874
	<u>5,630,164</u>	<u>236,874</u>	<u>5,307,806</u>	<u>236,874</u>
<b>Amounts falling due after more than 5 years</b>				
Convertible loan notes	53,726	-	-	-
Finance leases	122,039	-	122,039	-
	<u>175,765</u>	<u>-</u>	<u>122,039</u>	<u>-</u>
	<u><u>7,555,470</u></u>	<u><u>4,497,794</u></u>	<u><u>7,125,659</u></u>	<u><u>4,497,794</u></u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 24. Loans (continued)

The Company has a fixed and floating charge over all of its assets and undertakings in the event that the company becomes indebted to its banking partner through the use of its overdraft facility. As at the reporting date the company is not indebted to its banking partner. This fixed and floating charge was satisfied as of 10 March 2020.

Convertible loan note balances include accrued interest.

#### Convertible loan notes in One Rebel Ltd

During the prior year, the Company agreed a facility for the issue of £6,000,000 8% secured convertible loan notes 2021. The notes may be converted into new fully paid A Ordinary shares at the conversion price per share based on a pre-money valuation of £30,000,000. As at the year end conversion was solely at the discretion of the holder as set out below. Accruing interest shall only be payable at the end of the term on amounts of principal which is not converted. The convertible loan notes are secured by a fixed and floating charge over all of the Company's assets and undertakings.

Convertible loan note issue costs of £135,250 were incurred, which have been deducted from the initial carrying value and will be charged to profit and loss as part of the interest charge calculated using the effective interest rate method.

The convertible loan notes are split into two tranches:

#### i. Tranche 1 - £3,550,000

Tranche 1 of these convertible loan notes were fully issued as at the reporting date and had a term to 29 May 2021.

The noteholder may at its discretion serve an irrevocable notice to convert the debt to equity a minimum of 30 days prior to the intended conversion date to the company at any time during the Tranche 1 term. The company has no right to early redemption of the Tranche 1 notes.

On 14 August 2020 the term of the Tranche 1 notes was extended to 28 May 2023.

#### ii. Tranche 2 - £2,450,000

The entirety of Tranche 2 was unissued as at 31 December 2019. The company has waived its right to oblige a counterparty to purchase £2,000,000 of the Tranche 2 notes subsequent to the year end.

On 24 January 2020 £410,000 of the Tranche 2 convertible loan notes were issued to the counterparty who retains the right to the remaining £40,000 of its portion of the Tranche 2 notes. The issued notes have a term to 24 January 2022. No further loan notes have been issued since the reporting date.

The noteholder may at its discretion serve an irrevocable notice to convert the debt to equity at any time during the 30 days commencing with the Tranche 2 term. The Company may at any time by giving not less than 30 days notice repay the principal amount and accrued interest of all or a portion Tranche 2 notes.

On 28 April 2020 the terms of the Tranche 2 convertible loan notes were further varied such that any future issues of the Tranche 2 convertible loan notes shall have a term ending on the second anniversary of the date of issues of the first of such Tranche 2 notes issued.

The terms of the Tranche 1 and Tranche 2 convertible loan notes were further varied after the balance sheet date as disclosed in note 35.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 24. Loans (continued)

#### Convertible loan notes in 1R Australia Pty Ltd

In October 2020 the company's Australian subsidiary, 1R Australia Pty Limited, agreed a facility for the issue of AU\$1,600,000 7% convertible loan notes 2022, attached to capital expenditure commitments, and may be converted at the discretion of the noteholder at either a pre-money valuation of AU\$6,420,000 or AU\$12,000,000 dependent on the time expired since the commencement of trade.

The loan notes, once issued, hold additional equity investment options at pre-determined prices, with the timing at the discretion of the subsidiary. The options expire 18 months after the commencement of trading. The exercise of the options would not result in One Rebel Limited relinquishing control of the subsidiary.

During 2020 AU\$804,836 of the loan notes were issued from the facility, and after the balance sheet date a further AU\$795,164 of loan notes were issued.

### 25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Within one year	695,194	402,096	695,194	402,096
Between 1-2 years	704,149	309,725	704,149	309,725
Between 2-5 years	1,418,237	244,139	1,418,237	244,139
Over 5 years	122,039	-	122,039	-
	<u>2,939,619</u>	<u>955,960</u>	<u>2,939,619</u>	<u>955,960</u>

### 26. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial liabilities</b>				
Derivative financial instruments measured at fair value through profit or loss	-	(60,864)	-	(60,864)
	<u>-</u>	<u>(60,864)</u>	<u>-</u>	<u>(60,864)</u>

Derivative financial instruments measured at fair value through profit or loss comprise foreign exchange forward contracts.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 27. Deferred taxation

#### Group

	2020 £
At beginning of year	493,438
Derecognised in the year	(493,438)
<b>At end of year</b>	<b>-</b>

#### Company

	2020 £
At beginning of year	493,438
Derecognised in the year	(493,438)
<b>At end of year</b>	<b>-</b>

The deferred tax asset is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Tax losses carried forward	-	493,438	-	493,438

The Group has unused tax losses of £4,936,577 (2019: £3,846,010).

The Company has unused tax losses of £4,736,457 (2019: £3,711,328).



# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 28. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
39,220,070 (2019: 39,220,070) Series A shares of £0.001 each	39,220	39,220
53,048,951 (2019: 50,896,000) A ordinary shares of £0.001 each	53,049	50,896
6,608,775 (2019: 8,761,774) B investments shares of £0.001 each	6,609	8,762
	<u>98,878</u>	<u>98,878</u>

During the year, 2,152,999 B Investment shares were redesignated into 2,152,999 A Ordinary shares at £0.001 each.

Voting rights are attached to A shares with 1 vote per share. B Investment shares do not carry voting rights. All share classes rank equally for dividends.

### 29. Reserves

The Company's reserves are as follows:

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Foreign exchange reserve

The foreign exchange reserve represents exchange differences arising on the consolidation of the companies in the Group that operate in Australian Dollars.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 30. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £277,122 (2019: £1,245,450).

### 31. Pension commitments

A defined contribution pension scheme is operated by the Company on behalf of the employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £43,836 (2019: £31,054). Group contributions amounting to £6,117 (2019: £7,215) were payable to the fund at year end and are included in creditors.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 32. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	1,414,158	1,217,500	1,414,158	1,217,500
Later than 1 year and not later than 5 years	8,343,619	4,850,787	6,813,567	4,850,787
Later than 5 years	12,918,194	6,163,652	10,545,892	6,163,652
	<u>22,675,971</u>	<u>12,231,939</u>	<u>18,773,617</u>	<u>12,231,939</u>

Operating lease charges in future periods may exceed the minimum lease payments related to studios either as a result of turnover rent charges or to reflect the number of days a studio is open for trade.

### 33. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

Key management personnel are considered to be the directors of the Group company. The total compensation paid to key management personnel for services provided to the Group was £265,845 (2019: £365,396).

At the year end, the Group owed £1,000 to (2019: was owed £2,350 by) the directors.

### 34. Share based payments

The Company operates an Enterprise Management Incentive plan for certain UK employees, and a similar scheme for certain Australian employees. In accordance with the provision of the plans, employees may acquire B Investment shares in the Company with options vesting on the occurrence of certain exit events such as a listing or sale of the Company or at the discretion of the directors. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	11.8713	9,335,267	6.6444	5,162,597
Granted during the year	28.9476	2,100,000	17.7102	4,410,676
Forfeited during the year	6.7000	(89,487)	6.7000	(238,006)
Outstanding at the end of the year	<u>15.0728</u>	<u>11,345,780</u>	<u>11.8713</u>	<u>9,335,267</u>

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 34. Share based payments (continued)

The exercise price of options outstanding at the end of the year ranged between 6.60p and 30.42p (2019: between 6.70p and 30.42p) and their weighted average contractual life was 8.4 years (2019: 9.0 years).

Of the total number of options outstanding at the end of the year, Nil (2019: Nil) had vested and were exercisable at the end of the year.

Nil (2019: Nil) share options were exercised during the year.

The following information is relevant in the determination of the fair value of options granted during the current and previous years under the equity-settled share based remuneration schemes operated by One Rebel Limited.

	<b>2020 Black- Scholes- Merton Model</b>	<b>2019 Black- Scholes- Merton Model</b>
Option pricing model used		
Weighted average share price (pence)	2.7	5.1
Exercise price (pence)	28.9	17.7
Weighted average contractual life (years)	10	10
Expected volatility	48.40%	37.53%
Expected dividend growth rate	0%	0%
Risk-free interest rate	0.25%	0.62%

During the year the Company issued 2,100,000 (2019: 4,410,676) share options under the Company's Enterprise Management Incentive plan.

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last five (2019: four) years of comparable UK publically quoted companies.

No share-based remuneration expense has been recognised in 2020 (2019: £Nil) as the directors consider it less than probable that an exit event will occur during the vesting period.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

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### 35. Subsequent events

#### Convertible loan notes in 1R Australia Pty Ltd

Please see note 24 for details of events after the balance sheet date.

#### Transactions with Sweat IT Group

On 1 February 2022 the Group completed a business combination as follows:

- 1) One Rebel Limited obtained control of certain the assets and employees of Sweat IT Group Limited related to its fitness business for a cash consideration of £25,000.
- 2) The lease for the Covent Garden site was assigned from Sweat IT Kingsway Limited to a new wholly owned subsidiary of the Company, One Rebel (Covent Garden) Limited. The minimum commitment for the lease is £0.9m over a term of 10.75 years.

As a result of these transactions the Company entered into a £422k, 5.5 year, finance lease agreement for assets located at the Covent Garden site.

#### Additional financing

In addition to the finance lease entered into as part of the Sweat IT Group transaction the Company entered into the following financing arrangements:

- 1) In June 2021 the Company entered into a 5 year loan agreement for a principal of £350,000, under the terms of the Coronavirus Business Interruption Loan Scheme. At the date of signing these financial statements the £350,000 loan has been drawn down.
- 2) In October 2021 the Company entered into a 5 year finance lease agreement for a principal of £398,137 to fund the fit out of new studios. At the date of signing these financial statements the £398,137 loan has been drawn down.

#### UK property lease agreements

The Group, via two new wholly owned subsidiaries, has entered into two lease agreements for two new London sites in Hammersmith and Ealing, both for a 15 year term from May 2021 and August 2021 respectively. Minimum lease commitments related to these two leases for approximately £2.5m. One Rebel Ltd is acting as guarantor to both lease agreements.

The Hammersmith club fit out has been completed at a cost of c£380,000, gross of any landlord contribution, and it began trading on 18 August 2021. No club fit out contract for the Ealing site has been executed as at the date of signing of these financial statements.

In addition the Company has entered into new lease agreements for additional space adjacent to the existing Victoria, Oxford Circus and Angel studios in London. Minimum lease commitments related to these leases is approximately £1.9m, with an average lease term of 13.2 years. Contracts for approximately £2.3m have been entered into for the fit out of Oxford Circus studio, including the additional space, and also the additional space at the Victoria studio.

Minimum lease commitments due within 2021 for leases entered into before 31 December 2020 were reduced to £971,000 as a result of post year end lease concessions as well as a £128,000 retrospective credit for the year ended 31 December 2020 to be recognised in 2021.

#### Australian property lease agreements

The Group's subsidiary 1R Australia Pty Ltd has entered into a lease agreement in October 2021 for 10 years, with the option to extend for two further 5 year terms, for a new site in Melbourne. Minimum lease commitments related to the initial 10 year period for approximately AU\$1.5m.

No club fit out contract for the new site has been entered into as at the date of signing of these financial statements.

# One Rebel Ltd

## Notes to the financial statements For the year ended 31 December 2020

### 35. Subsequent events (continued)

#### Granting of share options

During 2021 the Company has to date issued 701,920 share options under the Enterprise Management Incentive Plan with a weighted average exercise price of 7.9 pence.

### 36. Controlling party

In the view of the directors there is no sole ultimate controlling party.

### 37. Analysis of net debt

	At 1 January 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	2,295,506	(521,350)	-	(44,648)	1,729,508
Debt due after 1 year - convertible loan notes	(3,610,542)	(839,672)	-	(165,636)	(4,615,850)
Finance leases	(887,252)	214,338	(2,268,970)	2,264	(2,939,620)
	<u>(2,202,288)</u>	<u>(1,146,684)</u>	<u>(2,268,970)</u>	<u>(208,020)</u>	<u>(5,825,962)</u>