Registered number: 08827353

ONE REBEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

ONE REBEL LIMITED

COMPANY INFORMATION

Directors	J M Balfour D S Currie G S Dean N A Grimsdick
Registered number	08827353
Registered office	63 St Mary Axe London EC3A 8LE
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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

Business review and kep perfomance indicators

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

	2021	2020
Turnover (£)	5,732,983	4,759,120
Attendence	401,445	233,818
EBITDA (£)	(838,710)	(430,826)
Number of locations	10	7
	5,295,728	4,562,119

The Group's loss for the financial period 2021 was £3,594,176 (2020: £2,788,315). Similar to 2020, 2021 trading was impacted significantly by the COVID-19 pandemic. On 16 December 2020 the UK Government elevated London to Tier 3 Covid alert level preventing the company from running fitness classes and then on 6th January 2021 a third national lockdown was implemented closing our clubs until 17 May 2021. From this point the operation of fitness classes was permitted with restricted capacity, and then on 19 July 2021 the social distancing restrictions were removed.

Despite the lifting of restrictions London footfall remained significantly below pre-pandemic levels, as evidenced by the total number of TFL journeys being 47% lower in 2021 than in 2019.

UK attendance in 2021 was 363 thousand, a 56% increase on the prior year however class occupancy remained below pre-pandemic levels.

As a consequence EBITDA for the year was negative £838,710, an increase in negative EBITDA by £0.4 million on the prior year.

Despite the challenges of COVID, management has continued to execute on the roll out strategy opening three new clubs in 2021, the majority of which were committed prior to the pandemic. In February we opened our first Australian club in South Yarra in Melbourne, and in June we opened our London flagship club at Oxford Circus. We are pleased to report that both clubs broke even on a club EBITDA level within their first six months of trading. In addition in August 2018 we opened a new smaller footprint club at Hammersmith in London in August, which launched our new RIG class concept.

Future developments

We are pleased to report that the business has continued its recovery throughout 2022, and in January 2023 it has reached record levels of attendance and revenue. The business will continue to execute on its roll out strategy in its target markets.

Principal risks and uncertainties

The ultimate responsibility for risk management of the Group rests with the Board, who delegate responsibility for identifying, monitoring and managing risk to the operational management team of the Group.

The Directors have identified the following to be the key risks associated with the business and the related mitigating steps to manage or reduce their impact:

Category	Risk Description	Mitigation
Economic Conditions (including pandemic risk)	• Changes in economic conditions, such as interest rates and inflation, can result in affect consumer confidence and disposable income. In addition it can increase cost pressure on the business which in turn can affect profitability. • Rise and spread of further COVID variants or other infectious diseases can result in government intervention negatively impacting demand or the business' ability to trade.	• Maintain and enhance our strong brand and differentiated service offering to provide pricing power Monitor the fitness market to ensure customers are offered value for money • All asset financing and other debt issued/agreed by the business is fixed rate • Maintain rigorous procurement policies and maintain strong relationships with suppliers to deliver cost efficiency • Socially distant operation protocols have been developed and refined through experience of the COVID-19 pandemic
Competition	• Potential for increased competition where competitor sites are opened in proximity to our existing clubs, which in turn could result in pricing pressure	• Continued investment and innovation to ensure we offer a market leading customer experience
Customer Experience	•The business' success relies upon attracting new customers and retaining existing ones at profitable levels	•Continued investment and innovation to ensure we offer a market-leading experience •Consistent monitoring of internal standards and trends in the market •Commitment to obtaining and acting on customer feedback

Organic Rollout	• If it is not possible to identify and secure news sites that meet our selection criteria, then our ability to execute our roll out strategy will be limited Delays in securing new sites, or agreeing to new sites on compromised terms, would have a negative impact on growth and financial returns	• Several Board Members with extensive experience of successful site roll outs • Feasibility and financial models prepared for all potential sites • All new sites need to be approved by the Board
Staff Retention	• 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	• Competitive remuneration packages offered • Rigorous interview and probation period • High proportion of staff are offered share options in the company
Operational Gearing	• The Group has a relatively high operational gearing due to its fixed cost base • This means there are limited options to reduce the cost base should revenues be lower than expected	• Monthly financial monitoring and forecasting down to club level • Avoid taking on new sites with terms that don't meet target financial criteria

This report was approved by the board on 22 March 2023 and signed on its behalf.

N A Grimsdick
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Principal activity

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

Results a dividends

The loss for the year, after taxation, amounted to £3,594,176 (2020 - loss £2,788,315).

Directors

The directors who served during the year were:

J M Balfour
D S Currie
G S Dean
N A Grimsdick
M W Balfour (resigned 4 October 2022)
J P Jack (resigned 7 September 2022)

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.

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.

Going concern

The directors have considered base case, down-side and reverse stress tests forecasts, which included the evaluation of significant downside scenarios such a material drop in demand.

The Directors recognise that the term on £5.4m convertible loan notes ends on 28 May 2023 and in the event the holders do not opt to convert to equity then the principal and interest relating to these notes will have to be repaid. In addition, as a result of deferred liabilities relating to trading during the COVID-19 pandemic the company has a working capital requirement of £4m to bridge its trading until 2024 when the Company is forecasted to become cash flow positive. As a result the company will need to secure additional equity investment or debt which has not yet been agreed.

As at the date of signature of these financial statements the company is actively conducting an equity investment process, facilitated by its professional advisers, to raise the required capital. The Directors are confident of achieving a successful outcome, however in light of the risk associated with any fundraising process, the directors have recognised this as a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern.

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

Disclosure of information to auditors

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

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

Post balance sheet events

Please see note 33 for post balance sheet events within the financial statements.

Auditors

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

This report was approved by the board on 22 March 2023 and signed on its behalf.

N A Grimsdick
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONE REBEL LIMITED

Opinion

We have audited the financial statements of One Rebel Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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).

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 2021 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONE REBEL LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements .

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:

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 revenue and management bias in accounting estimates. Audit procedures

performed by the engagement team included:

• inspecting correspondence with regulators and tax authorities

• inquires with management including consideration of known or suspected instances of non-compliance with

laws and regulations such as minimum wage legislation, health and safety legislation and fraud;

• evaluating management's controls designed to prevent and detect irregularities;

• identifying and testing journals, in particular journal entries posted with unusual account combinations, postings

with high value transactions or rounded entries; and

• challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONE REBEL LIMITED (CONTINUED)

Emma Bernardez (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 22 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	5,732,983	4,759,120
Cost of sales		(1,279,264)	(1,352,038)
Gross profit		4,453,719	3,407,082
Administrative expenses		(8,479,021)	(6,517,634)
Other operating income	5	1,001,843	990,088
Operating loss	6	(3,023,459)	(2,120,464)
Interest receivable and similar income	10	468	229,478
Interest payable and similar expenses	11	(571,185)	(464,755)
Changes in fair value of investments		-	60,864
Loss before taxation		(3,594,176)	(2,294,877)
Tax on loss	12	-	(493,438)
Loss for the financial year		(3,594,176)	(2,788,315)
Currency translation differences		33,562	27,102
Other comprehensive income for the year		33,562	27,102
Total comprehensive income for the year		(3,560,614)	(2,761,213)
Owners of the parent Company		(3,560,614)	(2,761,213)

The notes on pages 18 to 47 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		204,966		170,898
Tangible assets	15		15,252,028		14,349,681
			15,456,994		14,520,579
Current assets					
Stocks	17	76,666		132,681	
Debtors: amounts falling due after more than one year	18	1,036,113		1,012,833	
Debtors: amounts falling due within one year	18	970,435		1,617,904	
Cash at bank and in hand	19	1,756,718		1,729,508	
		3,839,932		4,492,926	
Creditors: amounts falling due within one year	20	(8,471,562)		(5,763,633)	
Net current liabilities			(4,631,630)		(1,270,707)
Total assets less current liabilities			10,825,364		13,249,872
Creditors: amounts falling due after more than one year	21		(10,139,502)		(8,936,271)
Provisions for liabilities					
Net assets			685,862		4,313,601
Capital and reserves					
Called up share capital	24		98,878		98,878
Share premium account	25		11,341,253		11,341,253
Foreign exchange reserve	25		(1,880)		31,683
Profit and loss account	25		(10,752,389)		(7,158,213)
Equity attributable to owners of the parent Company			685,862		4,313,601

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2023.

N A Grimsdick
Director

The notes on pages 18 to 47 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		183,067		147,706
Tangible assets	15		13,033,467		12,416,721
Investments	16		1,532,455		1,532,455
			14,748,989		14,096,882
Current assets					
Stocks	17	58,825		128,212	
Debtors: amounts falling due after more than one year	18	870,390		907,890	
Debtors: amounts falling due within one year	18	1,633,549		2,195,515	
Cash at bank and in hand	19	1,160,276		1,010,647	
		3,723,040		4,242,264	
Creditors: amounts falling due within one year	20	(8,127,653)		(5,734,125)	
Net current liabilities			(4,404,613)		(1,491,861)
Total assets less current liabilities			10,344,376		12,605,021
Creditors: amounts falling due after more than one year	21		(8,847,465)		(8,127,873)
Net assets excluding pension asset			1,496,911		4,477,148
Net assets			1,496,911		4,477,148
Capital and reserves					
Called up share capital	24		98,878		98,878
Share premium account	25		11,341,253		11,341,253
Profit and loss account	25		(9,943,220)		(6,962,983)
			1,496,911		4,477,148

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2023.

N A Grimsdick
Director

The notes on pages 18 to 47 form part of these financial statements.

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	98,878	11,341,253	31,683	(7,158,213)	4,313,601
Comprehensive income for the year					
Loss for the year	-	-	-	(3,594,176)	(3,594,176)
Foreign exchange movement	-	-	(33,563)	-	(33,563)
Total comprehensive income for the year	-	-	(33,563)	(3,594,176)	(3,627,739)
At 31 December 2021	98,878	11,341,253	(1,880)	(10,752,389)	685,862

The notes on pages 18 to 47 form part of these financial statements.

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
Comprehensive income for the year					
Loss for the year	-	-	-	(2,788,315)	(2,788,315)
Foriegn exchange movement	-	-	27,102	-	27,102
Total comprehensive income for the year	-	-	27,102	(2,788,315)	(2,761,213)
At 31 December 2020	98,878	11,341,253	31,683	(7,158,213)	4,313,601

The notes on pages 18 to 47 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	98,878	11,341,253	(6,962,983)	4,477,148
Comprehensive income for the year				
Loss for the year	-	-	(2,980,237)	(2,980,237)
Total comprehensive income for the year	-	-	(2,980,237)	(2,980,237)
At 31 December 2021	98,878	11,341,253	(9,943,220)	1,496,911

The notes on pages 18 to 47 form part of these financial statements.

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
Comprehensive income for the year				
Loss for the year	-	-	(2,754,663)	(2,754,663)
Total comprehensive income for the year	-	-	(2,754,663)	(2,754,663)
At 31 December 2020	98,878	11,341,253	(6,962,983)	4,477,148

The notes on pages 18 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities		
Loss for the financial year	(3,594,176)	(2,788,315)
Adjustments for:		
Amortisation of intangible assets	64,516	53,692
Depreciation of tangible assets	2,121,529	1,575,082
Loss on disposal of tangible assets	23,028	1,771
Interest payable	571,185	464,755
Interest received	(468)	(229,478)
Taxation charge	-	493,438
Decrease in stocks	56,015	13,439
Decrease/(increase) in debtors	624,187	(200,572)
Increase in creditors	2,707,929	3,801,343
Net fair value losses/(gains) recognised in P&L	-	(60,864)
Other Interest Paid	-	(2,079)
Net cash generated from operating activities	2,573,745	3,122,212
Cash flows from investing activities		
Purchase of intangible fixed assets	(91,775)	(65,539)
Purchase of tangible fixed assets	(3,287,436)	(6,379,769)
Sale of tangible fixed assets	-	729
Interest received	468	1,669
Net cash from investing activities	(3,378,743)	(6,442,910)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
Other new loans	350,000	-
Repayment of finance leases	(378,525)	(214,338)
Proceeds from issuing convertible loan notes	498,010	839,672
Debt issue costs incurred	(26,087)	(25,307)
New finance leases	643,568	2,268,970
Finance lease interest paid	(231,351)	(69,649)
Net cash used in financing activities	855,615	2,799,348
Net increase/(decrease) in cash and cash equivalents	50,617	(521,350)
Cash and cash equivalents at beginning of year	1,729,508	2,295,506
Foreign exchange gains and losses	(33,563)	(44,648)
Cash and cash equivalents at the end of year	1,746,562	1,729,508
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,756,718	1,729,508
Bank overdrafts	(10,156)	-
	1,746,562	1,729,508

The notes on pages 18 to 47 form part of these financial statements.

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 judgment in applying the Group's accounting policies (see note 3).

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

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.

2. Accounting policies (continued)

2.3 Going concern

The directors have carefully evaluated the Going Concern basis for these financial statements, including the potential ongoing impact of the COVID-19 pandemic, the prevalence of working from home, and cost inflation pressure from disruption to the global supply chain, exacerbated by the war in Ukraine.

Despite this challenging environment, trading since the balance sheet date has shown a positive trend with monthly attendance and revenue increasing through 2022, factoring in expected seasonality. Most notably in January 2023 the Group has returned to EBITDA profitability with a number of clubs beating their pre-COVID performance.

The directors have considered base case, down-side and reverse stress tests forecasts, which included the evaluation of significant downside scenarios such as a material drop in demand.

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 2021.

The directors recognise that the term on £5.4m convertible loan notes ends on 28 May 2023 and in the event the holders do not opt to convert to equity then the principal and interest relating to these notes will have to be repaid. In addition, as a result of deferred liabilities relating to trading during the COVID-19 pandemic the company has a working capital requirement of £4m to bridge its trading until 2024 when the Company is forecasted to become cash flow positive. As a result the company will need to secure additional equity investment or debt which has not yet been agreed.

As at the date of signature of these financial statements the company is actively conducting an equity investment process, facilitated by its professional advisers, to raise the required capital. The Directors are confident of achieving a successful outcome, however in light of the risk associated with any fundraising process, the directors have recognised this as a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern.

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.

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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably (Eg: class attendance); and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue from franchising and licensing arrangements are recognised on the basis that reflect 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 (eg: initial non-refundable fees) the fees are recognised by reference to stage of complete per the contractual arrangements.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

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 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 profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Taxation

Tax is recognised in profit or loss 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.

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. Accounting policies (continued)

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tenagible 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 ofo the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an idvidiual 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 the reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an 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. Accounting policies (continued)

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 Statement of Financial Position. 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.

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 profit or loss.

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.

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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 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.

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 company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.21 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the Statement of Financial Position.

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.

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 remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

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.

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. Accounting policies (continued)

2.24 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.25 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting 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 Group 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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

In preparing these finacial 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 of 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 are 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 14 and 15)

Intangible and tangible fixed assets, 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 valie assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Deferred tax (see notes 12 and 24)

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.

4. Turnover

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

	2021 £	2020 £
Sale of goods	249,173	328,231
Sale of services	5,146,271	4,247,195
Franchise and licencing fees	337,539	131,194
Other income	-	52,500
	5,732,983	4,759,120

	2021 £	2020 £
United Kingdom	5,342,250	4,759,120
Rest of the world	390,733	-
	5,732,983	4,759,120

5. Other operating income

	2021 £	2020 £
Government grants receivable	1,001,843	949,245
Exchange differences	-	40,843
	1,001,843	990,088

6. Operating loss

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

	2021 £	2020 £
Depreciation of tangible fixed assets	2,121,529	1,575,082
Amortisation of intangible fixed assets	27,994	53,692
Exchange differences	13,493	(37,790)
Other operating lease rentals	1,604,209	765,471
Loss on disposal of tangible fixed assets	23,028	1,771

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2021 £	2020 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	41,500	50,000

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,174,856	2,609,412	1,705,058	2,535,760
Social security costs	195,780	181,554	195,780	181,554
Cost of defined contribution scheme	39,386	43,836	39,386	37,462
	2,410,022	2,834,802	1,940,224	2,754,776

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Club staff	201	199	172	199
Head office	23	22	19	21
	224	221	191	220

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	192,513	208,002
Fees paid to non-executive directors	57,500	57,843
	250,013	265,845

The highest paid director received remuneration of £132,730 (2020 - £70,553).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,319 (2020 - £1,045).

10. Interest receivable

	2021	2020
	£	£
Other interest receivable	468	229,478
	468	229,478

11. Interest payable and similar expenses

	2021	2020
	£	£
Convertibe loan note interest	339,834	382,360
Interest on asset finance agreements	231,351	80,316
Other interest payable	-	2,079
	571,185	464,755

12. Taxation

	2021	2020
	£	£
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	551,489
Changes to tax rates	-	(58,051)
Total deferred tax	-	493,438
Taxation on profit on ordinary activities	-	493,438

Factors affecting tax charge for the year

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

	2021	2020
	£	£
Loss on ordinary activities before tax	(3,594,176)	(2,294,877)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(682,893)	(436,027)
Effects of:		
Expenses not deductible for tax purposes	30,000	25,482
Fixed asset differences	200,000	205,973
Higher rate taxes on overseas earnings	-	(2,608)
Deferred taxation asset not recognised	452,893	778,225
Remeasurement of deferred tax for changes in tax rates	-	(77,607)
Total tax charge for the year	-	493,438

Factors that may affect future tax charges

Legislation will be introduced to charge corporation tax and set the main rate at 25% and the small profits rate at 19% for the financial year beginning 1 April 2024.

13. Parent company profit for the year

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. The loss after tax of the parent Company for the year was £2,980,237 (2020 - loss £2,754,663).

14. Intangible assets

Group

	Licenses and trademarks	Computer software	Total
	£	£	£
Cost			
At 1 January 2021	79,542	385,899	465,441
Additions	25,516	66,259	91,775
Transfers between classes	6,809	-	6,809
At 31 December 2021	111,867	452,158	564,025
Amortisation			
At 1 January 2021	10,694	283,849	294,543
Charge for the year on owned assets	35,726	28,790	64,516
At 31 December 2021	46,420	312,639	359,059
Net book value			
At 31 December 2021	65,447	139,519	204,966
At 31 December 2020	68,848	102,050	170,898

14. Intangible assets (continued)

Company

	Licenses and trademarks	Computer software	Total
	£	£	£
Cost			
At 1 January 2021	63,854	378,140	441,994
Additions	25,516	57,275	82,791
Transfers between classes	6,809	-	6,809
At 31 December 2021	96,179	435,415	531,594
Amortisation			
At 1 January 2021	10,694	283,594	294,288
Charge for the year	34,700	19,539	54,239
At 31 December 2021	45,394	303,133	348,527
Net book value			
At 31 December 2021	50,785	132,282	183,067
At 31 December 2020	53,160	94,546	147,706

15. Tangible fixed assets

Group

	Leasehold improvements	Assets under construction	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	11,800,344	4,564,544	2,604,358	18,969,246
Additions	5,673	2,656,296	625,467	3,287,436
Disposals	(2,809)	-	(261,786)	(264,595)
Transfers between classes	3,231,459	(4,977,761)	1,739,493	(6,809)
At 31 December 2021	15,034,667	2,243,079	4,707,532	21,985,278
Depreciation				
At 1 January 2021	3,484,840	-	1,134,725	4,619,565
Charge for the year on owned assets	1,196,792	-	924,737	2,121,529
Disposals	(732)	-	(7,112)	(7,844)
At 31 December 2021	4,680,900	-	2,052,350	6,733,250
Net book value				
At 31 December 2021	10,353,767	2,243,079	2,655,182	15,252,028
At 31 December 2020	8,315,504	4,564,544	1,469,633	14,349,681

15. Tangible fixed assets (continued)

Company

	Leasehold improvements	Assets under construction	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	11,800,344	2,642,423	2,592,778	17,035,545
Additions	5,673	1,861,335	489,780	2,356,788
Disposals	(2,809)	-	(28,059)	(30,868)
Transfers between classes	3,231,459	(3,473,595)	235,327	(6,809)
At 31 December 2021	15,034,667	1,030,163	3,289,826	19,354,656
Depreciation				
At 1 January 2021	3,484,840	-	1,133,984	4,618,824
Charge for the year on owned assets	1,193,604	-	516,605	1,710,209
Disposals	(732)	-	(7,112)	(7,844)
At 31 December 2021	4,677,712	-	1,643,477	6,321,189
Net book value				
At 31 December 2021	10,356,955	1,030,163	1,646,349	13,033,467
At 31 December 2020	8,315,504	2,642,423	1,458,794	12,416,721

16. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2021	1,532,455
At 31 December 2021	1,532,455

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
1R Australia Pty Ltd	C/- Stannards Accounts & Advisors Pty Ltd, Level 1, 60 Toorok Road, South Yarra, Victoria 3141, Australia.	Ordinary	100 %
One Rebel (Hammersmith) Limited	63 St. Mary Axe, London, England, EC3A 8AA	Ordinary	100 %
One Rebel (Ealing) Limited	63 St. Mary Axe, London, England, EC3A 8AA	Ordinary	100 %

One Rebel (Hammersmith) Limited and One Rebel (Ealing) Limited were immaterial to the Group and have not been consolidated for the year ended 31 December 2021.

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
	-	-
One Rebel (Hammersmith) Limited	(42,133)	(42,134)
One Rebel (Ealing) Limited	1	-

17. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	76,666	132,681	58,825	128,212
	76,666	132,681	58,825	128,212

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Other debtors	1,036,113	1,012,833	870,390	907,890
	1,036,113	1,012,833	870,390	907,890

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	65,640	154,204	65,640	154,204
Amounts owed by group undertakings	-	-	687,172	661,308
Other debtors	557,576	940,936	557,576	939,471
Prepayments and accrued income	347,219	442,082	323,161	440,532
Tax recoverable	-	80,682	-	-
	970,435	1,617,904	1,633,549	2,195,515

19. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,756,718	1,729,508	1,160,276	1,010,647

20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	10,156	-	10,156	-
Other loans	549,610	-	410,000	-
Trade creditors	2,110,532	939,787	2,072,738	924,467
Amounts owed to group undertakings	-	-	42,134	252
Other taxation and social security	660,545	77,344	660,545	77,344
Obligations under finance lease and hire purchase contracts	852,920	545,365	797,819	545,365
Other creditors	59,528	10,854	9,439	10,854
Accruals and deferred income	4,228,271	4,190,283	4,124,822	4,175,843
	8,471,562	5,763,633	8,127,653	5,734,125

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	328,051	-	328,051	-
Net obligations under finance leases and hire purchase contracts	2,199,066	2,394,255	2,009,086	2,394,255
Convertible loan notes	4,776,003	4,615,850	4,117,332	4,186,039
Accruals and deferred income	2,836,382	1,926,166	2,392,996	1,547,579
	10,139,502	8,936,271	8,847,465	8,127,873

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

22. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Finance leases	852,920	545,365	797,819	545,365
Convertible loan notes	549,610	-	410,000	-
	1,402,530	545,365	1,207,819	545,365
Amounts falling due 1-2 years				
Finance leases	1,090,431	710,953	1,015,800	710,953
Convertible loan notes	4,561,991	493,223	4,117,332	439,496
Other loans	328,051	-	328,051	-
	5,980,473	1,204,176	5,461,183	1,150,449
Amounts falling due 2-5 years				
Finance leases	1,027,531	1,561,263	993,286	1,561,263
Convertible loan notes	214,012	4,068,901	-	3,746,543
	1,241,543	5,630,164	993,286	5,307,806
Amounts falling due after more than 5 years				
Finance leases	81,104	122,039	-	122,039
Convertible loan notes	-	53,726	-	-
	81,104	175,765	-	122,039
	8,705,650	7,555,470	7,662,288	7,125,659

22. Loans (continued)

Convertible loan notes in One Rebel Ltd

In 2019 the Company agreed a facility for the issue of £6,000,000 8% secured convertible loan notes. 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. Accruing interest shall only be payable at the end of the term on amounts of principal which is not converted. In the event of non-conversion repayment must be made within three months of the end of the term. 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.

As at the start of the accounting period the convertible loan notes in issue were split into two tranches and the terms relevant to each are set out below:

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 28 May 2023.

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.

Tranche 2 - £410,000

On 24 January 2020 £410,000 of the Tranche 2 convertible loan notes were issued. The issued notes have a term to 24 January 2022. No further loan notes have been issued as at the balance sheet 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 end of 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.

Additional debt and subordination agreement

In June 2021 the Company entered into a loan agreement for a principal of £350,000, under the terms of the Coronavirus Business Interruption Loan Scheme. The loan is repaid by instalments over a term of 60 months. At the date of signing these financial statements the £350,000 loan has been drawn down.

In October 2021 the Company entered into a finance lease agreement for a principal of £398,487 to fund the fit out of new studios. The loan is repaid by instalments over a term of 60 months. At the date of signing these financial statements the £398,487 loan has been drawn down.

As part of the facilities set out above agreed above the holders of the Tranche 1 and Tranche 2 convertible loan notes issued by One Rebel Limited agreed to be subordinated behind the aggregate value of debt up to a maximum amount of £750,000. As part of this agreement the convertible loan note holders will receive an additional 4% interest per annum calculated upon the balance of the debt behind which their debt is subordinated, and it shall be allocated in proportion to number of convertible loan notes currently in issue.

The terms of the Tranche 1 and Tranche 2 convertible loan notes were further varied after the balance sheet date as disclosed in note 33.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	1,001,434	695,194	934,119	695,194
Between 1-2 years	1,194,756	704,149	1,127,441	704,149
Between 2-5 years	1,270,364	1,418,237	1,131,427	1,418,237
Over 5 years	81,014	122,039	-	122,039
	3,547,568	2,939,619	3,192,987	2,939,619

24. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
3,922,000 (2020 - 3,922,000) 39,220,070 (2020: 39,220,070) Series A shares of £0.001 each shares of £0.01 each	39,220	39,220
5,304,900 (2020 - 5,304,900) 53,048,951 (2020: 53,048,951) A ordinary shares of £0.001 each shares of £0.01 each	53,049	53,049
660,900 (2020 - 660,900) 6,608,775 (2020: 6,608,775) B investments shares of £0.001 each shares of £0.01 each	6,609	6,609
	98,878	98,878

25. Reserves

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.

26. Pension commitments

A defined contribution pension scheme is operated by the Group for One Rebel UK Limited, the parent company within the Group. The pension cost charge represents contributions payable by the Company, to the fund and amounted to £39,386 (2020: 43,836) Contributions totalling £9,008 (2020: £6,117) were payable to the fund at the reporting date and are included in creditors.

27. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £120,029 (2020: £1,245,450).

28. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,881,323	1,414,158	1,793,500	1,414,158
Later than 1 year and not later than 5 years	8,271,202	8,343,619	6,464,417	6,813,567
Later than 5 years	11,944,095	12,918,194	9,627,168	10,545,892
	22,096,620	22,675,971	17,885,085	18,773,617

29. Related party transactions

The company has taken advanatage of the exemption available under paragrpah 33.1A of the Financial Reporting Standard 102 not to disclosure transactions with other wholly owned members of the Group.

Key management personnel are considered to be the directors of the Group. The total compensation paid to key management personel for services provided of the Group was £342,770 (2020: £265,945).

At the year end, the Group owed £nil (2020: £1,000) to the directors.

30. Share based payments

The Group operates an Enterprise Management Incentive plan for certain UK employees who are employed at One Rebel UK and a similar scheme for certain employees, who are employed with the Australian subsidiary. In accordance with the provision of the plans, employees may acquire B Investment hares in the Group with their relevant Company with options vesting on the occurrence of certain exit events, us as a listing or a sale of the Company or at the discretion of directors.

No amounts are paid or payable by the recipient on receipt of the option. The options carry no other rights to dividends or voting rights.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	15.0805	11,345,780	11.8713	9,335,267
Granted during the year	7.9000	701,920	28.9476	2,100,000
Forfeited during the year	7.0879	(591,239)	6.7000	(89,487)
Outstanding at the end of the year	15.0530	11,456,461	15.0728	11,345,780

Of the total number of options outstanding at the year end, nil (2020: nil) has vested and were exercisable at the end of the year.

Nil (2020: 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.

	2021	2020
Option pricing model used	‹-Scholes-Merton Model	-Scholes-Merton Model
Weighted average share price (pence)	3.0	2.7
Exercise price (pence)	13.99	28.9
Weighted average contractual life (days)	10	10
Expected volatility	52.33	48.40%
Expected dividend growth rate	0	0%
Risk-free interest rate	0.97	0.25%

30. Share based payments (continued)

	2021 £	2020 £
Share based payment charge for the year	-	-

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 a materially accurate estimate of the fair value of the options.

No share-based remuneration expense has been recognised in 2021 (2020: £nil) as although there was a more than probable occurrence of an exit event, the share-based remuneration expense was deemed immaterial to the financial statements, therefore no expense has been recognised.

31. Controlling party

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

32. Post balance sheet events

The rise of the Omicrom COVID variant in December 2021 and the UK Government's work from home order had further negative impact on London footfall which was felt well into 2022.

Despite the lifting of the work from home order on 27th January 2022, central London footfall has taken time to recover. This is evidenced by the Transport for London data which shows the number of journeys in the first half of the year was 27% lower than 2019, and in the second half of 2022 it was 20%. In addition demand was disrupted further by numerous tube and train strikes and two heat waves.

Despite these challenges the attendance continued its recovery in 2022 and January 2023 the UK estate had over 123 thousand visits and a class occupancy of 65%.

The pandemic has presented significant challenges for the sector, however it has also presented some opportunities for growth. In April 2022 the business acquired from Core Collective Health Limited, which had entered administration, the trade and assets related to their High Street Kensington and St John's Wood sites. These sites continued to trade under the Core Collective brand until July 2022 when they were converted to 1Rebel clubs. We were delighted to expand our offering in West London and welcome new customers, trainers and employees to the brand.

In January 2022 the business introduced its new Reformer concept at Oxford Circus, a class based upon the popular Pilates Reformer bed, but enhanced with to deliver the premium workout experience 1Rebel customers have come to expect. Due to unprecedented demand the business has since added two further Reformer studios at its Victoria and Angel clubs, and converted existing studios to Reformer at its Bayswater, High Street Kensington, St John's Wood and Holborn clubs. As at the end of 2022 we had seven Reformer studios in operation and in January 2023 these studios were trading at an average occupancy in excess of 90%.

In 2022 the business has also faced increased costs, in particular utilities, laundry and labour. In response to this it has been necessary to implement modest price increases, however we are pleased to report that this has not impacted demand negatively. In order to maintain our competitive pricing, in the second half of 2022 we also introduced a range of minimum term memberships allowing customers to access the historic pricing if they increase their commitment. This has been positively received by our customer base with strong uptake of these memberships.

The directors believe that demand will continue to recover to its pre-COVID levels and that in the long term the business will benefit from our target demographic's enhanced focus on health and wellness, however management remains cautious and maintains its focus on cost control and cash management.

The business has continued to pursue its international growth ambitions and in October 2022 we opened our flagship club for Dubai at ICD Brookfield Place in the Dubai International Financial Centre. Also in October, we opened our second club in Melbourne, Australia.

Transactions with Core Collective Health Limited

On 14 April 2022 the Group completed a business combination as follows:

1) One Rebel Limited obtained control of certain the assets and employees of Core Collective Health Limited related to its fitness business.

2) The leases for the High Street Kensington and St John's Wood sites were assigned from Core Collective Health Limited to One Rebel (High Street Kensington) Limited, each lease with a residual term of 12 years. As a result of these transactions the Group also entered into a 3.5 year, finance lease agreement for assets located at the St John's Wood site.

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.

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 residual term on this lease was 11years. As a result of these transactions the Company entered into a 5.5 year finance lease agreement for assets located at the Covent Garden site.

Subsequent to the completion of this transaction the site began trading in June 2022. However it suffered from lower demand and higher costs than anticipated, in particular utilities. On account of the ongoing losses at the site and a reassessment of its long term potential, in October 2022 the decision was taken to terminate the lease for the Covent Garden site. The club ceased trading on 30 November 2022 and in December 2022 the surrender of the lease was agreed with the landlord.

Australian Convertible Loan Notes

In October 2020 the company's Australian subsidiary, 1 R Australia Pty Limited, agreed a facility for the issue of $1.6m Australian Dollar 7% convertible loan notes 2022, attached to capital expenditure commitments, with phased conversion rights dependent on the timing of commencement of trade which may be exercised at the discretion of the noteholder. The loan notes issued held additional equity investment options at pre-determined prices, with the timing at the discretion of the subsidiary. The options expired in August 2022, 18 months after the commencement of trading, and as such an amortising loan of $1.8m has been recognised, which includes interest accrued from the issue of each note up until the expiry of the option. In accordance with the terms of the facility this loan has no equity conversion rights, shall be repayable in quarterly instalments over a term of four years, and the outstanding balance shall attract interest of 7% per annum.

Additional financing

On the 8th April 2022 the Company and its convertible loan noteholders agreed the issue of an additional £1.4m of convertible loan notes on the same terms as the Tranche 1 notes already in issue, with an initial term ending on 28 May 2023. It was also agreed that the initial term on the £410,000 of Tranche 2 notes in issue be extended from 24 January 2022 to 28 May 2023 and that their equity conversion rights to be aligned with the Tranche 1 notes.

As such all noteholders may at their 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 initial term, ending on 28 May 2023.

The company has the right to serve a notice of repayment prior to the end of the initial term, however the noteholders have the right to pre-empt this by giving notice of conversion within 30 days of the notice of repayment.

Property Lease Commitments

In June 2022 the Company incorporated a new wholly owned subsidiary, One Rebel Middle East Fitness Limited, in the Dubai International Financial Centre (DIFC) in Dubai, United Arab Emirates. In August 2022 this subsidiary entered into a ten year lease for a new site in the DIFC. The new club at the ICD Brookfield Place opened in October 2022.

In February 2022 1R Australia Pty Ltd, the Company's wholly owned Australian subsidiary, entered into a 10 year lease for a site in Richmond, Melbourne Australia. The club fit out was completed and the it began trading in October 2022.

In August 2021 the Company entered into a lease for a new London site in Ealing. On 7 June 2022 this lease was terminated on account of the fact the directors were concerned about footfall at maturity of the development in which the site was located.

In addition the 16 December 2021 the Company entered into a new lease for additional space adjacent to the existing Angel studio in London for a term of 15 years. The unit was fit out as a new Reformer studio and it began trading in April 2022.

Granting of Share options

During 2022 and 2023 to date the Company has issued 418,460 share options under the Enterprise Management Incentive Plan with a weighted average exercise price of 7.9 pence. During the same period 657,947 share options with a weighted average exercise price of 7.9 pence have lapsed.