

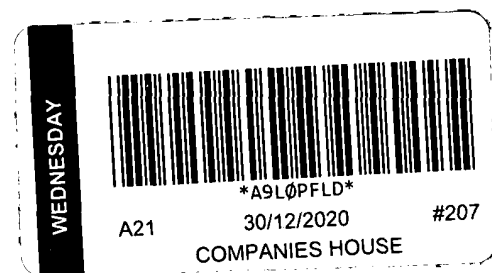
One Rebel Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 08827353



One Rebel Limited

Company Information

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

One Rebel Limited

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One Rebel Limited

Group Strategic Report For the Year Ended 31 December 2019

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:

| | 2019 | 2018 |
|---------------------|-----------|-----------|
| Turnover (£) | 8,234,387 | 5,741,454 |
| Attendance | 584,503 | 427,261 |
| EBITDA | 733,942 | (203,101) |
| Number of locations | 6 | 5 |

The Group's loss for the financial period 2019 was £253,095 (2018: £1,107,377). 2019 was an excellent year for the business, delivering continued growth in key areas. In 2019 class attendance was 585 thousand which was 37% higher than the prior year. Revenue was £8.2m which was an increase of 43% on the prior year.

The business continued its club roll out with the opening its sixth club in London, in Angel Islington, on 1 July 2019.

The rest of the London estate continued to perform well with all clubs increasing their financial contribution compared to the prior year, including the mature St Mary Axe and Broadgate Circus clubs which are now five years old. The loss for the year reflects the fact that four of the six clubs operating in the accounting period were immature.

In the second half of 2019 the company leveraged the power of the 1REBEL brand, signing franchise and licensing deals in Israel and for seven territories across the Middle East.

One Rebel Limited

Group Strategic Report (continued) For the Year Ended 31 December 2019

Future Developments

Since the year end the business enjoyed its best ever performance in January and February 2020, and on 10 March 2020 we opened our seventh club in London, at The Post Building in Holborn.

However, in March the estate was shut down in accordance with the HM Government's restrictions to combat the spread of COVID-19. At this point cash preservation became a priority and concessions were negotiated from landlords and key suppliers, and the build of the new clubs in Oxford Circus and Melbourne were paused, with revised opening dates forecasted for January 2021 and February 2021 respectively. During lockdown the business focus pivoted to digital with the roll out of RebelTV online workouts and the sale of online merchandise.

As soon as the HM Government restrictions were lifted on the 25 July 2020, all clubs reopened with new COVID-19 secure measures in place to promote the safety and peace of mind of our customers and staff.

The COVID-19 secure requirements around social distancing have meant that class sizes have been restricted to half their normal size, which has placed an artificial cap on performance. The uncertainty around how long restrictions will remain in place means that cost control remains a priority. Discussions with landlords and other key suppliers around payment restructuring are continuing, and the agreed temporary pay reduction for management and staff remains in place.

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 |
|----------------------------|---|--|
| Economic Conditions | Changes in economic conditions can affect consumer confidence and disposable income. | <ul style="list-style-type: none">• Fitness market monitored to ensure customers are offered value for money |
| Competition | 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">• Continued investment and innovation to ensure we offer a market leading customer experience• Careful selection of new sites for our clubs |
| Customer Experience | <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">• Continued investment and innovation to ensure we offer a market leading experience• Commitment to obtaining and acting on customer feedback |

One Rebel Limited

Group Strategic Report (continued) For the Year Ended 31 December 2019

Principal risks and uncertainties (continued)

| Risk | Description & potential impact | Mitigation |
|----------------------------|--|--|
| Organic Rollout | <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"> • Several Board Members with extensive experience of successful club roll out within the fitness industry • Feasibility and financial models prepared for all potential sites • All new sites need to be approved by the Board |
| Staff Retention | <p>The business is reliant on being able to recruit and retain high calibre staff at all levels of the organisation to deliver a premium customer experience and drive profitable growth.</p> | <ul style="list-style-type: none"> • Competitive remuneration packages offered • Rigorous interview and probation period • High proportion of staff are offered share options in the company |
| Operational Gearing | <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"> • 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 23 December 2020 and signed on its behalf by:



G Dean
Director

One Rebel Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

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 £253,095 (2018 - loss £1,107,377).

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. During the year the group sought to mitigate this risk with regards to the construction of the Australian club through the purchase of Australian dollars via forward contracts.

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 Limited

Directors' Report (continued) For the Year Ended 31 December 2019

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.

Post balance sheet events

Events after the reporting period are disclosed in note 31 of the financial statements.

Going concern

The Directors believe that, in all other than remote scenarios, the Group has sufficient cash and committed facilities to finance its continuing operations for the foreseeable future. This conclusion is based upon a reverse stress test applied to the Group's financial projections, which includes the evaluation of significant downside scenarios such as a second lockdown period extending to five months, from November 2020 to March 2021, and then a 50% class capacity restriction for a further three months, and further assumptions with regards to future additional temporary lockdown.

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

One Rebel Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Auditor

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

This report was approved by the board on 23 December 2020 and signed on its behalf by:



G Dean
Director

One Rebel Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2019

The directors are responsible for preparing the Group strategic report, the directors' report and the consolidated audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 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 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.

One Rebel Limited

Independent Auditor's Report to the Members of One Rebel Limited

Opinion

We have audited the financial statements of One Rebel Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, 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).

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 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

One Rebel Limited

Independent Auditor's Report to the Members of One Rebel Limited (continued)

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's 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 Limited

Independent Auditor's Report to the Members of One Rebel Limited (continued)

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.

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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located 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.

BDO LLP..

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 28 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

One Rebel Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|--------------------|
| Turnover | 4 | 8,234,387 | 5,741,454 |
| Cost of sales | | (1,629,177) | (1,215,480) |
| Gross profit | | 6,605,210 | 4,525,974 |
| Administrative expenses | | (7,092,400) | (5,608,288) |
| Other operating income | | 23,445 | - |
| Other operating charges | | (15,620) | - |
| Operating loss | 5 | (479,365) | (1,082,314) |
| Interest receivable and similar income | 9 | 15,680 | 9,725 |
| Interest payable and expenses | 10 | (231,700) | (34,788) |
| Changes in fair value of investments | 11 | (60,864) | - |
| Loss before tax | | (756,249) | (1,107,377) |
| Tax on loss | 12 | 503,154 | - |
| Loss for the financial year | | (253,095) | (1,107,377) |
| Loss for the year attributable to: | | | |
| Owners of the Parent Company | | (253,095) | (1,107,377) |
| | | (253,095) | (1,107,377) |

The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited
Registered number:08827353

Consolidated Statement of Financial Position
As at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 155,912 | 142,396 |
| Tangible assets | 14 | 9,581,895 | 7,292,704 |
| | | <u>9,737,807</u> | <u>7,435,100</u> |
| Current assets | | | |
| Stocks | 16 | 145,874 | 61,812 |
| Debtors: amounts falling due after more than one year | 17 | 1,017,896 | 683,927 |
| Debtors: amounts falling due within one year | 17 | 1,645,343 | 792,407 |
| Cash and cash equivalents | 18 | 2,295,506 | 1,066,852 |
| | | <u>5,104,619</u> | <u>2,604,998</u> |
| Creditors: amounts falling due within one year | 19 | <u>(2,371,671)</u> | <u>(1,497,111)</u> |
| Net current assets | | <u>2,732,948</u> | <u>1,107,887</u> |
| Total assets less current liabilities | | <u>12,470,755</u> | <u>8,542,987</u> |
| Creditors: amounts falling due after more than one year | 20 | (5,395,941) | (1,219,632) |
| Net assets | | <u><u>7,074,814</u></u> | <u><u>7,323,355</u></u> |
| Capital and reserves | | | |
| Called up share capital | 25 | 98,878 | 98,878 |
| Share premium account | 26 | 11,341,253 | 11,341,253 |
| Foreign exchange reserve | 26 | 4,581 | 27 |
| Profit and loss account | 26 | (4,369,898) | (4,116,803) |
| | | <u><u>7,074,814</u></u> | <u><u>7,323,355</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

G Dean
Director



The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited
Registered number:08827353

Company Statement of Financial Position
As at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 138,075 | 142,396 |
| Tangible assets | 14 | 9,402,496 | 7,292,704 |
| Investments | 15 | 57 | 57 |
| | | <u>9,540,628</u> | <u>7,435,157</u> |
| Current assets | | | |
| Stocks | 16 | 145,874 | 61,812 |
| Debtors: amounts falling due after more than one year | 17 | 918,990 | 683,927 |
| Debtors: amounts falling due within one year | 17 | 2,084,761 | 792,407 |
| Cash at bank and in hand | 18 | 2,294,146 | 1,066,852 |
| | | <u>5,443,771</u> | <u>2,604,998</u> |
| Creditors: amounts falling due within one year | 19 | (2,356,647) | (1,494,984) |
| Net current assets | | <u>3,087,124</u> | <u>1,110,014</u> |
| Total assets less current liabilities | | <u>12,627,752</u> | <u>8,545,171</u> |
| Creditors: amounts falling due after more than one year | 20 | (5,395,941) | (1,219,632) |
| Net assets | | <u><u>7,231,811</u></u> | <u><u>7,325,539</u></u> |
| Capital and reserves | | | |
| Called up share capital | 25 | 98,878 | 98,878 |
| Share premium account | 26 | 11,341,253 | 11,341,253 |
| Profit and loss account brought forward | | (4,114,592) | (3,009,426) |
| Loss for the year | | (93,728) | (1,105,166) |
| | | <u>(4,208,320)</u> | <u>(4,114,592)</u> |
| Profit and loss account carried forward | | <u><u>7,231,811</u></u> | <u><u>7,325,539</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

G Dean
Director



The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited

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 |
| Comprehensive loss for the year | | | | | |
| Loss for the year | - | - | - | (253,095) | (253,095) |
| Total comprehensive loss for the year | - | - | - | (253,095) | (253,095) |
| Foreign exchange movement | - | - | 4,554 | - | 4,554 |
| At 31 December 2019 | 98,878 | 11,341,253 | 4,581 | (4,369,898) | 7,074,814 |

The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2018

| | Called up share capital | Share premium account | Foreign exchange reserve | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|--------------------------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ |
| At 1 January 2018 | 87,958 | 9,556,056 | - | (3,009,426) | 6,634,588 |
| Comprehensive loss for the year | | | | | |
| Loss for the year | - | - | - | (1,107,377) | (1,107,377) |
| Total comprehensive loss for the year | - | - | - | (1,107,377) | (1,107,377) |
| Shares issued during the year | 10,920 | 1,785,197 | - | - | 1,796,117 |
| Foreign exchange movement | - | - | 27 | - | 27 |
| At 31 December 2018 | 98,878 | 11,341,253 | 27 | (4,116,803) | 7,323,355 |

The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited

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 |
| Comprehensive loss for the year | | | | |
| Loss for the year | - | - | (93,728) | (93,728) |
| Total comprehensive loss for the year | - | - | (93,728) | (93,728) |
| At 31 December 2019 | 98,878 | 11,341,253 | (4,208,320) | 7,231,811 |

Company Statement of Changes in Equity For the Year Ended 31 December 2018

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2018 | 87,958 | 9,556,056 | (3,009,426) | 6,634,588 |
| Comprehensive loss for the year | | | | |
| Loss for the year | - | - | (1,105,166) | (1,105,166) |
| Total comprehensive loss for the year | - | - | (1,105,166) | (1,105,166) |
| Shares issued during the year | 10,920 | 1,785,197 | - | 1,796,117 |
| At 31 December 2018 | 98,878 | 11,341,253 | (4,114,592) | 7,325,539 |

The notes on pages 19 to 47 form part of these financial statements.

One Rebel Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2019

| | 2019 £ | 2018 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Loss for the financial year | (253,095) | (1,107,377) |
| Adjustments for: | | |
| Amortisation of intangible assets | 59,879 | 42,392 |
| Depreciation of tangible assets | 1,214,292 | 836,821 |
| Loss on disposal of tangible assets | 64,607 | - |
| Interest paid | 231,700 | 34,788 |
| Interest received | (15,680) | (9,725) |
| Taxation charge | (503,154) | - |
| (Increase) in stocks | (84,060) | (30,223) |
| (Increase) in debtors | (662,308) | (482,675) |
| Increase in creditors | 958,139 | 602,964 |
| Net fair value losses recognised in P&L | 60,864 | - |
| Corporation tax received | 13,153 | - |
| Foreign exchange | 15,616 | - |
| Net cash generated from operating activities | 1,099,953 | (113,035) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (114,728) | (104,866) |
| Purchase of tangible fixed assets | (2,971,716) | (4,825,655) |
| Sale of tangible fixed assets | 50,010 | - |
| Interest received | 15,680 | 9,725 |
| Net cash from investing activities | (3,020,754) | (4,920,796) |
| Cash flows from financing activities | | |
| Issue of ordinary shares | - | 1,796,117 |
| Repayment of loans | - | (90,909) |
| Other new loans | 3,550,000 | - |
| Debt issue costs incurred | (135,250) | - |
| Repayment of finance leases | (218,315) | (398,088) |
| Interest paid | - | (565) |
| Finance leases interest paid | (35,908) | (34,223) |
| Net cash used in financing activities | 3,160,527 | 1,272,332 |

One Rebel Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2019

| | 2019 £ | 2018 £ |
|---|------------------|--------------------|
| Net increase/(decrease) in cash and cash equivalents | 1,239,726 | (3,761,499) |
| Cash and cash equivalents at beginning of year | 1,066,852 | 4,828,324 |
| Foreign exchange gains and losses | (11,072) | 27 |
| Cash and cash equivalents at the end of year | 2,295,506 | 1,066,852 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 2,295,506 | 1,066,852 |
| | 2,295,506 | 1,066,852 |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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 3).

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 reconciliations 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.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

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.

The Company for the year ended 31 December 2018 did not prepare consolidated financial results as its wholly-owned subsidiary 1R Australia Pty Ltd was not material to the Company or Group financial results. For the year ended 31 December 2019 1R Australia Pty Ltd has been consolidated and its results are presented within the current year and comparative year financial results.

2.3 Going concern

In March 2020 HM Government implemented national restrictions to mitigate the spread of the COVID-19 pandemic which required that the Company's UK sites be closed from 21 March 2020.

After a four-month lockdown, the restrictions were lifted, and the UK clubs resumed trading on 25 July 2020. Since reopening the clubs have been operating in accordance with the fitness industry's COVID-secure guidelines, which includes implementing social distancing, enhanced cleaning protocols, customer health checks and the implementation of protective screens and barriers.

The social distancing requirements have reduced class capacity, therefore temporarily limiting the revenue potential of the business. In addition, attendance at the central London clubs has been weaker due to the high proportion of customers who have been working from home for a prolonged period.

From the start of the pandemic the business has placed an increased focus on cost control and cash management. The actions taken have included management and staff pay cuts, and the renegotiation of payments to key suppliers, including landlords and asset finance providers.

On the 5th November 2020 HM Government implemented new national restrictions which required the closure of the UK sites until the 2nd December 2020, and notwithstanding prospects for the introduction of a vaccine ongoing social distancing measures during 2021 remain uncertain.

The Group concluded the 2019 financial year with cash of £2.3m and subsequent to the year end have agreed terms for further facilities in form of UK and Australian convertible loan notes, issuing £410,000 and AU\$324,327 of these notes respectively.

The Directors believe that, in all other than remote scenarios, the Group has sufficient cash and committed facilities to finance its continuing operations for the foreseeable future. This conclusion is based upon a reverse stress test applied to the Group's financial projections, which includes the evaluation of significant downside scenarios such as a second lockdown period extending to five months, from November 2020 to March 2021, and then a 50% class capacity restriction for a further three months, and further assumptions with regards to future additional temporary lockdown.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern (continued)

In this regard the Directors have not identified a material uncertainty that could 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 continue to adopt the going concern basis in the preparing the accounts for the year ended 31 December 2019.

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.

2.4 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.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

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.

Revenue 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.

Revenue 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).

Revenues 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.

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.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

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

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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 Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.12 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 | - 10 years straight line |
| 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.

2.13 Impairment of fixed assets

At each reporting period end date, the Company 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 Company 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.

2.14 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 Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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 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 Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

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

2.20 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 Balance Sheet. 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.

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. This is then measured at amortised cost.

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.

2.21 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.

2.22 Retirement benefits

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

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.23 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. 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 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.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

3. Judgements in applying accounting policies (continued)

Other key sources of estimation uncertainty:

- **Intangible and tangible fixed assets (see notes 13 and 14)**
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 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:

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------------|
| Sale of goods | 395,943 | 309,047 |
| Sale of services | 7,835,309 | 5,432,407 |
| Franchise and licencing fees | 3,135 | - |
| | <u>8,234,387</u> | <u>5,741,454</u> |

All turnover arose within the United Kingdom.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

5. Operating loss

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

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets | 1,214,292 | 836,821 |
| Amortisation of intangible fixed assets | 59,879 | 42,392 |
| Exchange differences | 21,967 | 2,252 |
| Other operating lease rentals | 1,197,313 | 789,049 |
| Loss on disposal of fixed assets | 64,607 | - |

6. Auditor's remuneration

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 41,863 | 20,821 |

Fees payable to the Group's auditor and its associates in respect of:

| | | |
|------------------------------|-------|-------|
| Taxation compliance services | 4,650 | 4,650 |
| All other services | 3,450 | 1,500 |
| | 8,100 | 6,150 |

7. Employees

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

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 2,309,410 | 1,911,012 | 2,221,693 | 1,911,012 |
| Social security costs | 181,966 | 153,411 | 181,966 | 153,411 |
| Cost of defined contribution scheme | 31,054 | 15,452 | 31,054 | 15,452 |
| | 2,522,430 | 2,079,875 | 2,434,713 | 2,079,875 |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Employees (continued)

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

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------|--------------------|--------------------|----------------------|----------------------|
| Club staff | 156 | 95 | 156 | 95 |
| Head office | 18 | 15 | 17 | 15 |
| | <u>174</u> | <u>110</u> | <u>173</u> | <u>110</u> |

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 and the Company to the fund and amounted to £31,054 (2018: £15,452). Group and Company contributions amounting to £7,215 (2018: £3,011) were payable to the fund at year end and are included in creditors.

8. Directors' remuneration

| | 2019 £ | 2018 £ |
|--------------------------------------|----------------|----------------|
| Remuneration paid to directors | 307,449 | 260,212 |
| Fees paid to non-executive directors | 57,947 | 26,485 |
| | <u>365,396</u> | <u>286,697</u> |

During the year retirement benefits were accruing to 4 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £109,195 (2018 - £98,105).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,188 (2018 - £701).

9. Interest receivable

| | 2019 £ | 2018 £ |
|---------------------|---------------|--------------|
| Interest receivable | <u>15,680</u> | <u>9,725</u> |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|--------------------------------------|----------------|---------------|
| Convertible loan note interest | 195,792 | - |
| Interest on other loans | - | 4,655 |
| Interest on asset finance agreements | 35,908 | 30,133 |
| | <u>231,700</u> | <u>34,788</u> |

11. Changes in fair value of investments

| | 2019 £ | 2018 £ |
|---|---------------|-----------|
| Loss on fair value of foreign exchange forward contract | <u>60,864</u> | <u>-</u> |

12. Taxation

| | 2019 £ | 2018 £ |
|---|------------------|-----------|
| Current tax | | |
| Research and development tax credit | (13,153) | - |
| Total current tax | <u>(13,153)</u> | <u>-</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (490,001) | - |
| Total deferred tax | <u>(490,001)</u> | <u>-</u> |
| Taxation on (loss)/profit on ordinary activities | <u>(503,154)</u> | <u>-</u> |

An unrecognised deferred tax asset of £162,231 (2018: £703,000) has not yet been recognised on account of the uncertainty with regard to future profits against which these are available for offset.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

12. 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% (2018 - 19%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|------------------|-------------|
| Loss on ordinary activities before tax | (756,249) | (1,105,166) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (143,687) | (209,982) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 39,468 | 1,716 |
| Fixed asset differences | 197,712 | 53,931 |
| Deferred taxation asset not recognised | (490,001) | 164,491 |
| Deferred tax previously unrecognised | (93,493) | - |
| Tax losses not utilised | - | (10,156) |
| Research and development tax credit | (13,153) | - |
| Total tax (credit)/charge for the year | (503,154) | - |

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This will increase the Group's future tax charge accordingly.

As at the year end, deferred tax balances were calculated at 17%, being the rate at which these might have been expected to unwind at that time.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Intangible assets

Group

| | Computer software £ |
|-----------------------|---------------------------|
| Cost | |
| At 1 January 2019 | 327,567 |
| Additions | 114,728 |
| Disposals | (42,500) |
| At 31 December 2019 | <u>399,795</u> |
| Amortisation | |
| At 1 January 2019 | 185,171 |
| Charge for the year | 59,879 |
| On disposals | (1,167) |
| At 31 December 2019 | <u>243,883</u> |
| Net book value | |
| At 31 December 2019 | <u><u>155,912</u></u> |
| At 31 December 2018 | <u><u>142,396</u></u> |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Intangible assets (continued)

Company

| | Computer software £ |
|-----------------------|---------------------------|
| Cost | |
| At 1 January 2019 | 327,567 |
| Additions | 96,651 |
| Disposals | (42,500) |
| At 31 December 2019 | <u>381,718</u> |
| Amortisation | |
| At 1 January 2019 | 185,171 |
| Charge for the year | 59,639 |
| On disposals | (1,167) |
| At 31 December 2019 | <u>243,643</u> |
| Net book value | |
| At 31 December 2019 | <u><u>138,075</u></u> |
| At 31 December 2018 | <u><u>142,396</u></u> |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Tangible fixed assets

Group

| | Leasehold improvements £ | Assets under construction £ | Fixtures, fittings and equipment £ | Total £ |
|---------------------------|--------------------------------|--------------------------------------|---|-------------------|
| Cost | | | | |
| At 1 January 2019 | 7,637,984 | 112,085 | 1,662,436 | 9,412,505 |
| Additions | 976,824 | 1,922,189 | 692,754 | 3,591,767 |
| Disposals | (9,979) | (7,682) | (359,748) | (377,409) |
| Transfers between classes | 809,849 | (873,025) | 63,176 | - |
| At 31 December 2019 | <u>9,414,678</u> | <u>1,153,567</u> | <u>2,058,618</u> | <u>12,626,863</u> |
| Depreciation | | | | |
| At 1 January 2019 | 1,583,843 | - | 535,958 | 2,119,801 |
| Charge for the year | 816,930 | - | 397,362 | 1,214,292 |
| Disposals | - | - | (289,125) | (289,125) |
| At 31 December 2019 | <u>2,400,773</u> | <u>-</u> | <u>644,195</u> | <u>3,044,968</u> |
| Net book value | | | | |
| At 31 December 2019 | <u>7,013,905</u> | <u>1,153,567</u> | <u>1,414,423</u> | <u>9,581,895</u> |
| At 31 December 2018 | <u>6,054,141</u> | <u>112,085</u> | <u>1,126,478</u> | <u>7,292,704</u> |

The net book value of assets held under finance leases is £985,760 (2018: £520,529).

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Tangible fixed assets (continued)

Company

| | Long-term leasehold property £ | Assets under construction £ | Fixtures, fittings and equipment £ | Total £ |
|---------------------------|---|--------------------------------------|---|------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 7,637,984 | 112,085 | 1,662,436 | 9,412,505 |
| Additions | 976,824 | 1,749,829 | 685,013 | 3,411,666 |
| Disposals | (9,979) | (7,682) | (359,748) | (377,409) |
| Transfers between classes | 809,849 | (873,025) | 63,176 | - |
| At 31 December 2019 | 9,414,678 | 981,207 | 2,050,877 | 12,446,762 |
| Depreciation | | | | |
| At 1 January 2019 | 1,583,843 | - | 535,958 | 2,119,801 |
| Charge for the year | 816,930 | - | 396,660 | 1,213,590 |
| Disposals | - | - | (289,125) | (289,125) |
| At 31 December 2019 | 2,400,773 | - | 643,493 | 3,044,266 |
| Net book value | | | | |
| At 31 December 2019 | 7,013,905 | 981,207 | 1,407,384 | 9,402,496 |
| At 31 December 2018 | 6,054,141 | 112,085 | 1,126,478 | 7,292,704 |

The net book value of assets held under finance leases is £985,760 (2018: £520,529).

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

15. Fixed asset investments

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

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

16. Stocks

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Finished goods and goods for resale | 145,874 | 61,812 | 145,874 | 61,812 |

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

17. Debtors

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due after more than one year | | | | |
| Other debtors | 1,017,896 | 683,927 | 918,990 | 683,927 |
| Due within one year | | | | |
| Trade debtors | 23,917 | 7,669 | 23,913 | 7,669 |
| Amounts owed by group undertakings | - | - | 459,013 | - |
| Other debtors | 126,178 | 179,334 | 106,587 | 179,334 |
| Prepayments and accrued income | 1,001,810 | 601,967 | 1,001,810 | 601,967 |
| Deferred taxation | 493,438 | 3,437 | 493,438 | 3,437 |
| | 1,645,343 | 792,407 | 2,084,761 | 792,407 |

Amounts due after one year represent leasehold property deposits.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

18. Cash and cash equivalents

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>2,295,506</u> | <u>1,066,852</u> | <u>2,294,146</u> | <u>1,066,852</u> |

19. Creditors: Amounts falling due within one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 763,776 | 428,561 | 755,837 | 428,284 |
| Amounts owed to group undertakings | - | - | - | 57 |
| Other taxation and social security | 76,972 | 65,594 | 76,972 | 65,594 |
| Obligations under finance lease and hire purchase contracts | 361,495 | 154,343 | 361,495 | 154,343 |
| Other creditors | 13,465 | 1,732 | 13,465 | 1,732 |
| Accruals and deferred income | 1,095,099 | 846,881 | 1,088,014 | 844,974 |
| Financial instruments | 60,864 | - | 60,864 | - |
| | <u>2,371,671</u> | <u>1,497,111</u> | <u>2,356,647</u> | <u>1,494,984</u> |

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

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Convertible loan notes | 3,610,542 | - | 3,610,542 | - |
| Net obligations under finance leases and hire purchase contracts | 525,757 | 331,173 | 525,757 | 331,173 |
| Accruals and deferred income | 1,259,642 | 888,459 | 1,259,642 | 888,459 |
| | <u>5,395,941</u> | <u>1,219,632</u> | <u>5,395,941</u> | <u>1,219,632</u> |

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 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 Notes

During 2019, 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.

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.

After the reporting date 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 the the year end. The company 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.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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

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.

21. Loans

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| Amounts falling due within one year | | | | |
| Finance leases | 361,495 | 154,343 | 361,495 | 154,343 |
| | <u>361,495</u> | <u>154,343</u> | <u>361,495</u> | <u>154,343</u> |
| Amounts falling due 1-2 years | | | | |
| Convertible loan notes | 3,610,542 | - | 3,610,542 | - |
| Finance leases | 288,883 | 163,481 | 288,883 | 163,481 |
| | <u>3,899,425</u> | <u>163,481</u> | <u>3,899,425</u> | <u>163,481</u> |
| Amounts falling due 2-5 years | | | | |
| Finance leases | 236,874 | 167,692 | 236,874 | 167,692 |
| | <u>236,874</u> | <u>167,692</u> | <u>236,874</u> | <u>167,692</u> |
| | <u><u>4,497,794</u></u> | <u><u>485,516</u></u> | <u><u>4,497,794</u></u> | <u><u>485,516</u></u> |

Convertible loan note balances include accrued interest.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------|--------------------|--------------------|----------------------|----------------------|
| Within one year | 402,096 | 176,796 | 402,096 | 176,796 |
| Between 1-2 years | 309,725 | 176,796 | 309,725 | 176,769 |
| Between 2-5 years | 244,139 | 177,428 | 244,139 | 177,428 |
| | <u>955,960</u> | <u>531,020</u> | <u>955,960</u> | <u>530,993</u> |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

23. Financial instruments

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at amortised cost | <u>3,463,497</u> | <u>1,937,782</u> | <u>2,883,659</u> | <u>1,937,782</u> |
| Financial liabilities | | | | |
| Derivative financial instruments measured at fair value through profit or loss | (60,864) | - | (60,864) | - |
| Financial liabilities measured at amortised cost | <u>(7,629,777)</u> | <u>(2,651,149)</u> | <u>(7,614,752)</u> | <u>(2,649,022)</u> |

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, others debtors and amounts owed by group undertakings.

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, finance lease obligations, accruals and loan notes.

Information regarding the Group's exposure to and management of credit risk, liquidity risk, market risk, cash flow risk and foreign exchange risk is included in the Directors' report.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

24. Deferred taxation

Group

| | |
|-----------------------|-------------------------|
| | 2019 £ |
| At beginning of year | 3,437 |
| Credited in year | 490,001 |
| At end of year | 493,438 |

Company

| | |
|-----------------------|-------------------------|
| | 2019 £ |
| At beginning of year | 3,437 |
| Credited in year | 490,001 |
| At end of year | 493,438 |

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------------|---|---|---|---|
| Accelerated capital allowances | - | 3,437 | - | 3,437 |
| Tax losses carried forward | 493,438 | - | 493,438 | - |
| | 493,438 | 3,437 | 493,438 | 3,437 |

The Group has unused tax losses of £3,846,010 (2018: £3,746,707).

The Company has unused tax losses of £3,711,328 (2018: £3,711,328).

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

25. Share capital

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 39,220,070 Series A shares of £0.001 each | 39,220 | 39,220 |
| 50,896,000 A ordinary shares of £0.001 each | 50,896 | 50,896 |
| 8,761,774 B investments shares of £0.001 each | 8,762 | 8,762 |
| | <u>98,878</u> | <u>98,878</u> |

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.

26. 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.

27. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £1,245,450 (2018: £Nil).

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

28. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2019 £ | Group 2018 £ |
|--|--------------------|--------------------|
| Not later than 1 year | 1,217,500 | 966,667 |
| Later than 1 year and not later than 5 years | 4,850,787 | 4,231,005 |
| Later than 5 years | 6,163,652 | 6,417,927 |
| | <u>12,231,939</u> | <u>11,615,599</u> |

29. 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 £365,396 (2018: £286,967).

At the year end, the Group was owed £2,350 (2018: £1,500) by the directors.

30. 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) 2019 | Number 2019 | Weighted average exercise price (pence) 2018 | Number 2018 |
|---|---|------------------|---|------------------|
| Outstanding at the beginning of the year | 6.6444 | 5,162,597 | 6.7000 | 928,245 |
| Granted during the year | 17.7102 | 4,410,676 | 6.6322 | 4,234,352 |
| Forfeited during the year | 6.7000 | (238,006) | - | - |
| Outstanding at the end of the year | <u>11.8713</u> | <u>9,335,267</u> | <u>6.6444</u> | <u>5,162,597</u> |

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

30. Share based payments (continued)

The exercise price of options outstanding at the end of the year ranged between 6.70p and 30.42p (2018: 6.70p only) and their weighted average contractual life was 9.0 years (2018: 9.6 years).

Of the total number of options outstanding at the end of the year, nil (2018: nil) had vested and were exercisable at the end of the year.

Nil (2018: 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.

| | 2019 Black- Scholes- Merton Model | 2018 Black- Scholes- Merton Model |
|---|--|--|
| Option pricing model used | | |
| Weighted average share price (pence) | 5.1 | 8.2 |
| Exercise price (pence) | 17.7 | 6.7 |
| Weighted average contractual life (years) | 10 | 10 |
| Expected volatility | 37.53% | 37.20% |
| Expected dividend growth rate | 0% | 0% |
| Risk-free interest rate | 0.62% | 1.15% |

During the year the Company issued 4,410,676 (2018: 4,234,352) 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 four (2018: three) years of comparable UK publically quoted companies.

No share-based remuneration expense has been recognised in 2019 (2018: £Nil) as the Directors consider it less than probable that an exit event will occur during the vesting period.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

31. Post balance sheet events

COVID-19 pandemic

In accordance with FRS 102, the COVID-19 pandemic is considered a non-adjusting post Balance Sheet event. The directors have considered the impact that COVID-19 may have had on the group.

As at the time of reporting, the lasting impacts of COVID-19 are uncertain and as such the impact on asset values is uncertain. However, given the nature of the groups assets, notwithstanding the element of lease terms not fully utilised, the board does not believe there to be a lasting impact on core operating asset values.

UK convertible loan notes

After the reporting date the company issued £410,000 of the Convertible Loan Notes. Details of the issue and changes to the terms of the Convertible Loan Notes can be found in note 20.

Australian convertible loan notes

In October 2020 the company's Australian subsidiary, 1R 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. On 20 November 2020 AU\$324,327 of the loan notes were issued from the facility. 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.

The noteholder where it holds greater than 30% of the equity in the subsidiary has the right to prevent the subsidiary from making any major decisions relating to business at the Capitol Grand Melbourne studio only.

One Rebel Limited as a result of these transactions has increased its shareholding in 1R Australia Pty Limited by 6,399,000 shares through conversion of receivables in the amount of AU\$2,242,300 plus transaction costs.

Finance leases

On August 2020 the Company entered into two finance leasing arrangements each for a principal of £1,000,000 to fund the fit out of the Company's new studios at Oxford Circus and Holborn in London, UK, under the Coronavirus Business Interruption Loan Scheme. The finance leases are each repayable by instalment over a term of 65 months. At the date of signing these financial statements £1,000,000 of these facilities has been drawn down.

Granting of share options

During 2020 the Company has to date issued 100,000 share options under the Enterprise Management Incentive Plan with a weighted average exercise price of 7.9 pence.

The Company has granted the option to a third party to purchase 2,000,000 A Ordinary shares at a subscription price of £0.30 per share. The option expires at the earlier of 28 May 2023 or an Exit event as defined by the Articles of Association of the Company. The options may be exercised solely at the holders discretion.

One Rebel Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

32. Controlling party

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

33. Analysis of net debt

| | At 1 January 2019 £ | Cash flows £ | New finance leases £ | At 31 December 2019 £ |
|--------------------------|------------------------------|--------------------|----------------------------|--------------------------------|
| Cash at bank and in hand | 1,066,852 | 1,228,654 | - | 2,295,506 |
| Debt due after 1 year | - | (3,414,750) | (195,792) | (3,610,542) |
| Finance leases | (485,516) | 218,315 | (620,051) | (887,252) |
| | <u>581,336</u> | <u>(1,967,781)</u> | <u>(815,843)</u> | <u>(2,202,288)</u> |