

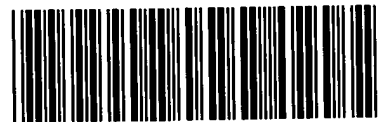
VIVOBAREFOOT

10 YEAR ANNIVERSARY EDITION

# UNFINISHED BUSINESS

INTEGRATED ANNUAL REPORT 2021/2022

THURSDAY



\*ABVKØZD5\*

A12

19/01/2023

#162

COMPANIES HOUSE



Certified



Corporation



## CO-FOUNDERS & LEGAL DIRECTORS

Galahad Clark | Ecosystem

Asher Clark | Biome

Nicholas Beart | Chairman (resigned Feb 2022)

Willem Haitink | Chairman (appointed Feb 2022)

Jennifer Roebuck | NED

Lawrence Chen | NED (resigned May 2022)

Joseph Sung | NED (appointed May 2022)

## BOARD ADVISOR

Robert Perkins | Board Advisor

## LEADERSHIP TEAM 2021-22

Galahad Clark | Ecosystem

Asher Clark | Biome

Marc Arnold | Finance

Paul Walker | Commercial

Zoe Bayliss Wong | Impact

Bayarma Clark | Kids

Louise Noble | Active

Sarah Gillam | Outdoor

Julian Good | Operations

Charlotte Beyer | Company Secretary

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# WE ARE VIVOBAREFOOT

## WHY

Reconnect people into  
the natural world.

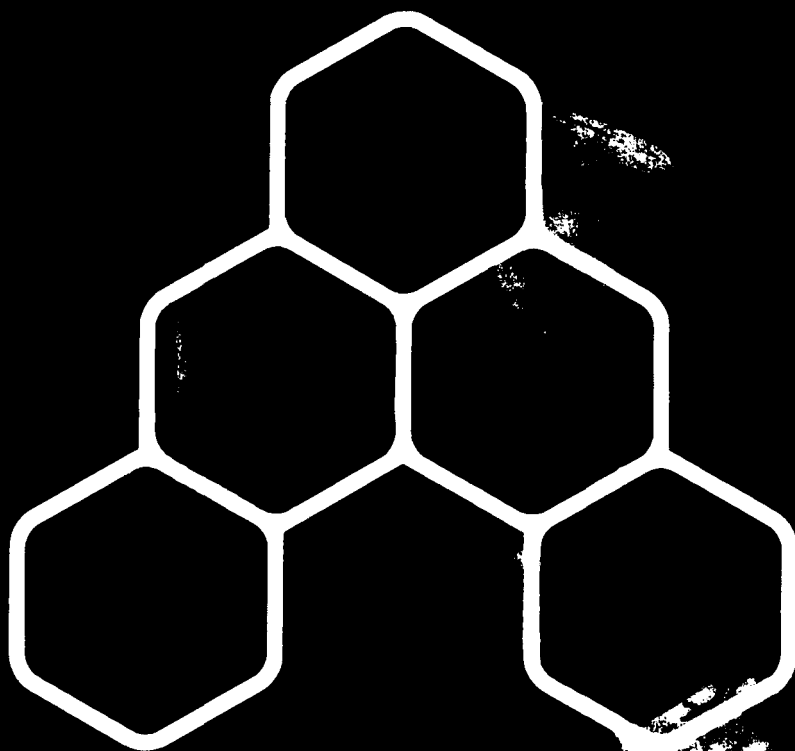
## HOW

By inspiring natural  
health journeys.

## WHAT

Create regenerative footwear  
and experiences that bring us  
closer to natural health and  
our natural potential. And it  
starts with your feet!





# 10 YEAR VIVOBARE

ARS OF  
REFOOT

# LETTER FROM THE ECOSYSTEM LEAD

UPDATED FROM CHIEF ECOSYSTEM OFFICER -  
'CHIEF' AND 'OFFICER' ARE AT ODDS WITH  
A FLAT NETWORKED ORGANISATION

## OUR AH-HA MOMENT

The only thinkable reason for selling more stuff is if it helps humans connect to nature and/or improves natural health. When we realised this, we stopped making other shoes and focused on Vivobarefoot.

10 years ago, Asher and I decided to do all we could to stay independent. Rather than be a slave to short-term impatient capital, we knew that financial independence meant we could pursue a broad regenerative agenda: in how we run our business, make our products and serve our community.

Sometimes, it's daunting how much further there is to go. But that's why we call this report Unfinished Business.

I can't claim the world has improved in the last 10 years, but I can see a growing consciousness swimming ever more firmly against the tide. We are proud to be part of that community – that movement – of thousands of businesses putting nature at the top of the hierarchy. As far as we're concerned, Mother Nature is the boss.

## TAKING STOCK

In 2022, our 10<sup>th</sup> year, we sold 773k pairs of shoes, grew our community to over one million people and hit almost £50m of sales (36% growth despite low stocks – as (some of) the world started to wake up and take nature and health seriously!).

However, we were not as profitable as we planned, and trade has been up-and-down in the first six months of 2022 (second half of our financial year). Factory closures forced over £1m of unbudgeted airfreight and we had to spend £1.6m in excess semi-variable performance marketing. Despite holding over £1.3m of overheads back, we were significantly less profitable than planned for the year.

We have written a very exciting growth budget for 22/23, but we are aware of these stag-flationary times! The 'natural' path we have chosen is more complicated and more challenging – but so is every path worth taking.

**"Every year feels like Day One! But that's why we call this report Unfinished Business."**

— GALAHAD CLARK

## TIMELINE

- 2004 ● Vivobarefoot 1.0 gestated for eight years as a sub-brand of Terra Plana, with lots of false starts and failed (zipped!) products.
- 2012 ● Vivobarefoot 2.0 started in 2012. The first few years as a standalone brand were a panicked fight for survival. In 2016, we crowdfunded and have since been profitable in cohorts with the great Re-Generation!
- 2022 ● Vivobarefoot 3.0 starts in 2022! As we become a leading B Corp and a self-managed ecosystem (see p20), we will combine natural health customer journeys with industry-disrupting scan-to-print ancient shoemaking. Vivobarefoot is now a natural health lifestyle brand.



HERE I AM STRUGGLING WITH 'NORMAL' SHOES IN PRE-VIVO COBBLING DAYS, WHEN 'NATURAL' BARE-FOOTWEAR WAS JUST A TWINKLE IN MY EYE.

10,000 YEARS AGO

Shoes were footwear,  
perfect for feet: wide, thin and  
flexible. Made locally from  
regenerative materials, person  
by person, foot by foot.



10 YEARS AGO

We launched Vivobarefoot as a  
standalone brand because we  
realised modern shoes had taken a  
wrong turn and humanity needed  
to get their connection to nature  
(and feet) back.



Sustainable bare-footwear  
is a start. But it isn't enough.  
Regenerative natural health is  
the imperative and we've only  
just begun!



TODAY

## THE SHIFT TO CATEGORIES

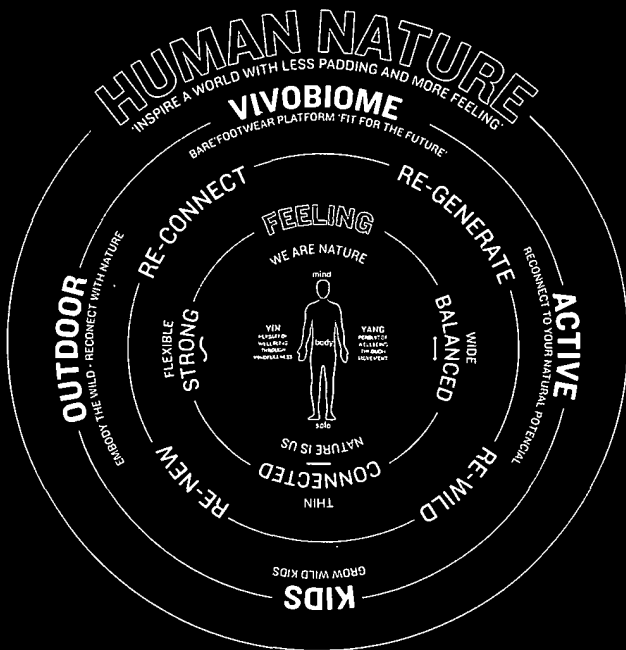
Last year, we recalibrated our business into categories - **OUTDOOR** (includes VIVOHEALTH), **ACTIVE**, and **KIDS** (includes ReVivo).

In just one year, this shift gave us a big step up in expertise, allowing our teams to really focus on delivering the best possible barefoot experience for our community. At the same time, the restructure continues to reduce hierarchy, while increasing creativity and agility.

We're also nurturing a nascent category - **VIVOBIOIME**, which (we hope) will bring some much-needed disruption to the global shoe industry (see p36 for more on this).

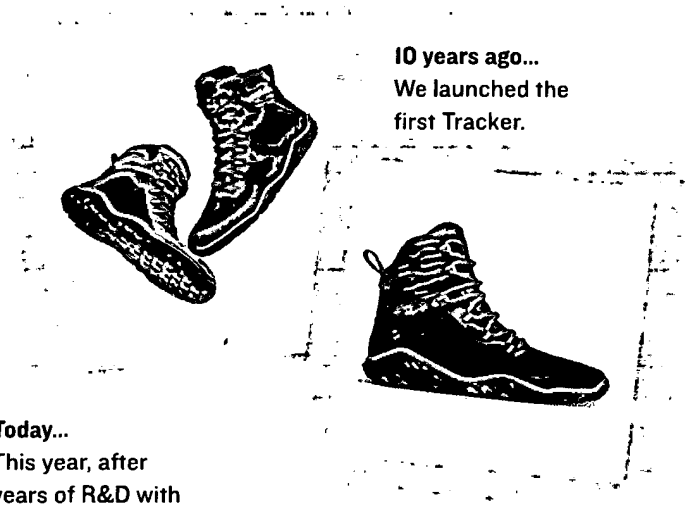
## COMPANY-WIDE ALIGNMENT

10 years ago, we imagined the flywheel of customer experience. This year, we are proud to bring it to life:



# OUTDOOR

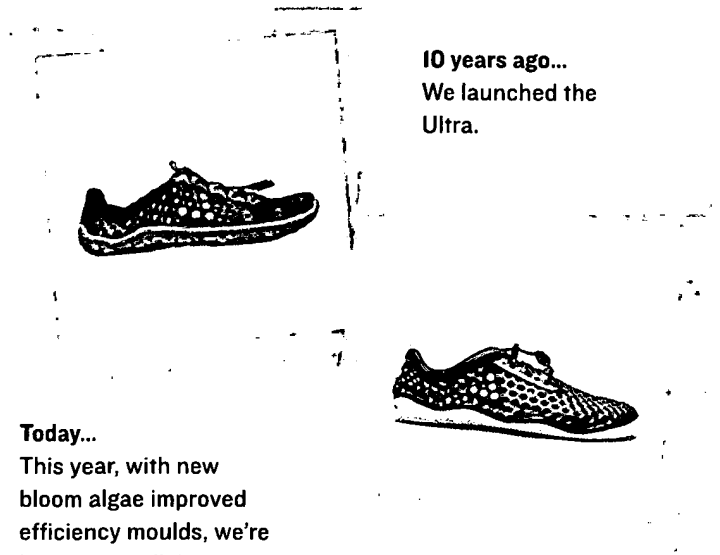
Our outdoor business has grown into its own category, inspiring hundreds of thousands of people to reconnect with nature.



10 years ago...  
We launched the first Tracker.

### Today...

This year, after years of R&D with Wild Human, we're launching the first Ecological Survival Collection for the temperate biome: the Forest.



10 years ago...  
We launched the Ultra.

### Today...

This year, with new bloom algae improved efficiency moulds, we're launching collaborations with Oxygen (to stop deep seabed mining) and the Oceans Prize with Innovation 4.4 (to encourage plant-based solutions in 3D printing).

# ACTIVE

The new Active / VIVOHEALTH category formed this year, with extremely exciting launches coming in.

10 years ago...  
We launched the Evo Lite



Today...  
We sold over 100k pairs of Primus, our best-selling iconic trainer (+10% of the business).



10 years ago...  
We started building a global network of coaches.

Today...  
We are rebuilding and enhancing that network through the far-reaching platform of VIVOHEALTH.



# KIDS (& REVIVO)

This year, we created the kids and services category, looping in ReVivo and making the team responsible for accessories.

10 years ago...  
We made our first kids' shoe.

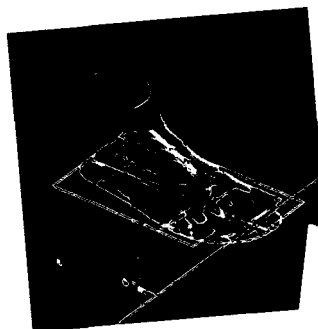


Today...  
The Kids category has shifted from unprofitable and neglected to an important pillar of the business.



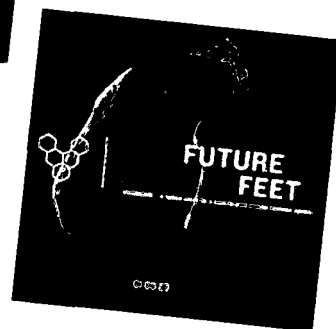
# VIVOBIOIME

VIVOBIOIME is inspired by how humans made shoes thousands of years ago. It's our investment focus for the future.



10 years ago...  
VIVOBIOIME was clear in our hearts if not yet our minds.

Today...  
Using technology to re-imagine manufacturing the way indigenous footwear has been made for a millennia: person by person, foot by foot.



## TEAM VIVO

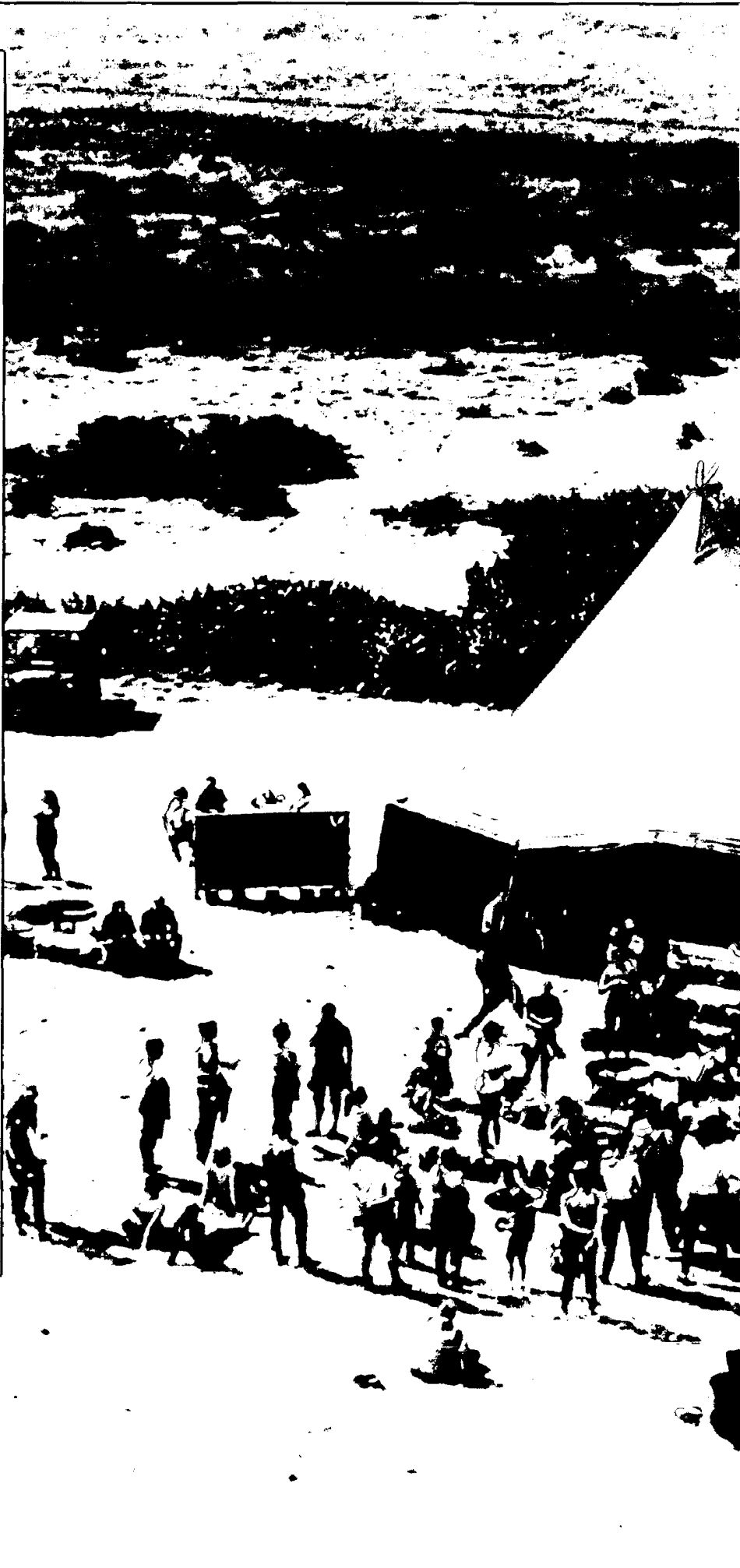
None of this would be possible without the brilliant team at Vivobarefoot going on their own transformative journeys of natural health and natural movement.

Thank you to everyone, whether today's your first day, or you've been with us for years. We've done a lot to build the 'Vivo Way' in the last year. You'll see more on this in the Regenerative Leadership section on p20.

- **Upright posture** - clear and robust structure
- **Lots of little steps** - agile, fail fast
- **Relax** - enjoy the movement and aspire to a fast springy tension!
- **Sensory feedback** - most importantly, allow for maximum feedback in movement, particularly be open to the painful feedback that quickly allows us to course correct

It's thrilling to see so many Vivonistas (in the organisation, in our wider network and those who have moved on to pastures new) becoming regenerative leaders. I'm most honoured and challenged to make this ecosystem as resilient as possible to the upcoming storms we all face. We are on a mission to reconnect people to the natural world, guided by our values of:

- **Dance** (continuous improvement)
- **Diversity** (creativity and innovation) and
- **Simplicity** (honest and transparent feedback).



## PAUL WALKER

JOINED IN: 2015

FIRST PAIR: Breathos, blue and white.

TOTAL COUNT: 10 or 15 pairs under the stairs, but probably 100 in the loft.

SPECIAL POWER: Writing grumpy emails.

HOW YOU STARTED: I was already interested in minimalist footwear, and I joined as head of ecommerce.

CURRENTLY WORKING ON: I'm commercial lead.

"We're going to sell more than a million pairs this year. We have weeks in ecommerce now that are bigger than entire previous years."

WE SPOKE TO SOME OF OUR  
LONGEST-SERVING VIVONISTAS TO  
FIND OUT WHERE IT ALL STARTED  
(AND WHY THEY'RE STILL WITH US)

## DALE TURRELL

JOINED IN: 2013

FIRST PAIR: Evos, black and yellow.  
Still love them.

TOTAL COUNT: Probably close to 100 pairs.  
They hold such fond memories. I can't throw them away.

SPECIAL POWER: Writing short emails.

HOW YOU STARTED: I was a trail runner and got injured. I started wearing Vivos and it just made sense to join the company.

CURRENTLY WORKING ON: I head up the Neal Street store in Covent Garden.

"Our customers are our best ambassadors because they won't shut up about our shoes."

## LUCY STEWART

JOINED IN: 2016

FIRST PAIR: Raspberry Ones.

TOTAL COUNT: Easily 50 or 60 pairs

SPECIAL POWER: Writing long emails.

HOW YOU STARTED: I was bored of my job in fashion. In my interview, I had to take off my shoes so Galahad could look at them, and at my feet.

CURRENTLY WORKING ON: I head up the Active category.

"Vivo hasn't changed.  
Our shoes are the same.  
Our mission is the same.  
It's exciting that more people are on the same page as us."

## DAIMO PEAT

JOINED IN: 2006, before Vivo was even Vivo

FIRST PAIR: Root. With zip on soles. In brown.

TOTAL COUNT: Four big bags on their way to ReVivo and 50 pairs on top of my wardrobe.

SPECIAL POWER: Tea making.

HOW YOU STARTED: I knew Galahad and Asher from back home, so I knocked on the door and asked for a job.

CURRENTLY WORKING ON: Coaching and a development and leadership program.

"We've made a real effort to maintain our culture, and resist turning into a corporate machine."



## A BAREFOOT PILGRIMAGE

To celebrate 10 years of Vivobarefoot, we made a barefoot pilgrimage to the Engare Sero footprints in Tanzania - film crew in tow (watch this space!)

The Engare Sero footprints are so evocative because they record specific journeys, and they are so mysterious because we know nothing of the walkers and runners who left them. Like the daubed handprints on the cave walls at Lascaux, they are the marks of exact and unrepeatable acts – they remind us of a kinship of motion that stretches back as far as 3.6 million years to the earliest bipedal hominids.

Other than that, almost nothing is known.

Who made these marks that are so particular and so generic?

What were they feeling as they left them??

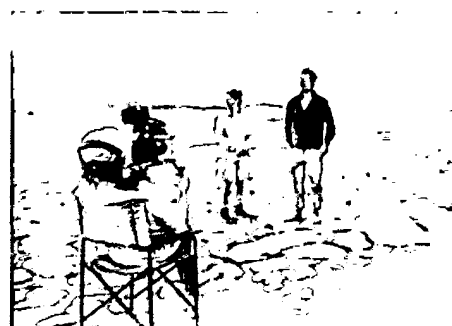
Who are we and how did we come to behave as we do?

What deep ancestral currents still flow through these modern veins of such ancient design?

How much of our love, hate, violence, kindness and our clever fabrications belong to the Engare Sero family too?

Pondering – if not answering – these questions can help us. And I think it's fair to say we need the help!

The 450 Engare Sero footprints contain all our modern foot sizes, from children to large males. To track them is to sense a sudden whisking back to our common ancestors. It's an uncanny experience, a feeling of co-presence: the pre-historic and the present matching up such that it is unclear who walks in whose tracks. It's this combination of intimacy and remoteness that gives these tracks their unsettling power. They are among the earliest texts, from a period of history devoid of recorded narrative. Following them, we are reading one of our earliest stories, told not in print but in footprint.



WALKING DOWN FROM THE VOLCANIC HIGHLANDS, LENGAI, DOWN INTO THE RIFT VALLEY ESCARPMENT, LAKE NATRON AND LITERALLY IN THE ANCIENT ENGARE SERA FOOTPRINTS

"We shall not cease  
from exploration  
And the end of all  
our exploring  
Will be to arrive  
where we started  
And know that place  
for the first time."

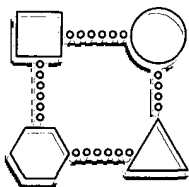
— T. S. ELIOT





## REGENERATIVE LEADERSHIP

Our Regenerative Leadership self-management (r)evolution is working. Our people are fixing problems themselves.



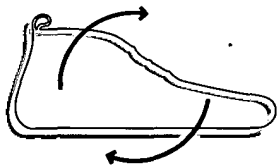
## SUCCESSFUL RESTRUCTURE

Shift to categorisation has been a big success – allowing teams to become much more expert, and ultimately make better footwear.



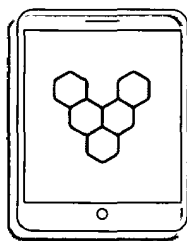
## SORTING SALARIES

We now have a MUCH more transparent salaries progression.



## RENTING CHILDREN'S FOOTWEAR

ReVivo has started its first rental trial with Bundlee.



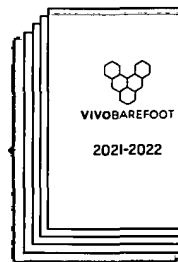
## NEW ONLINE JOURNEY FOR KIDS

We're creating a dedicated online customer journey for kids' footwear, including educational content about why barefoot is so important for growing feet.



## THE LIVEBAREFOOT FUND

Thousands invested in research, innovation and good causes.

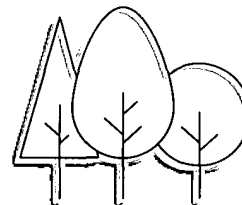


## SHORT AND SWEET

We made Unfinished Business much shorter this year.

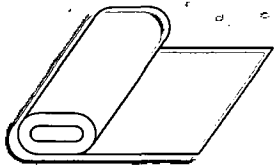
## OUR 2

# CHAMI MOM



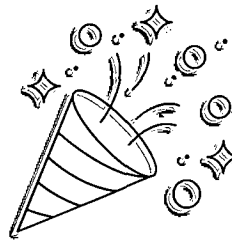
## LOOKING IN

We held our first external proprioceptors group at Springwood, 'sensing in' to how Vivo exists eternally.



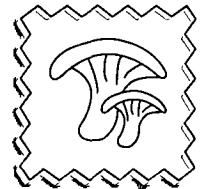
### BRILLIANT BASICS

Big shout out to the Design, Development, Product and Regen teams for achieving brilliant basics on the long road to materials innovation.



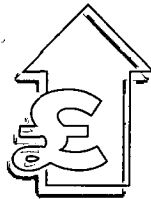
### PARTY TIME

We had a wicked 10 year anniversary party down in Bantham.



### SAMPLING NEW MATERIALS

We started sampling with two exciting bio-material companies. Watch this space.



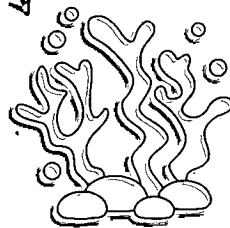
### GROWTH

We've seen great growth in revenue (36%) and units (21%).



### VIVOHEALTH IS LIVE!

We launched the VIVOHEALTH platform! 1000s have engaged with our assessment tool, courses and other VIVOHEALTH hub content.



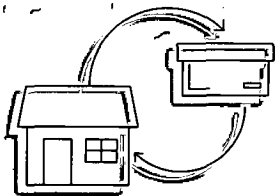
### OCEANS PRIZE

We've helped launch the Oceans Prize to source a new biopolymer material.



### DATA-DRIVEN FIT

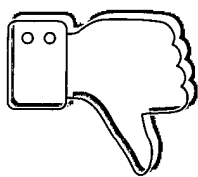
We've created a first-of-its-kind data-driven fit for VIVOBIOIME, based off millions of foot scans.



### TAKING BACK MORE

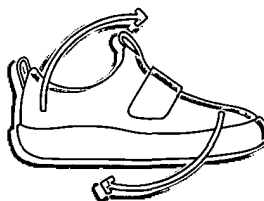
ReVivo expanded free shipping for the Take Back scheme from the UK to the EU and US.

021-22  
**PAGNE**  
**MENTS**



### DIGITAL MARKETING COSTS

Need to move spend away from performance towards brand building.



### REVIVO FOR KIDS

For various reasons, we haven't made ReVivo work for Kids shoes yet. We're working on a solution.



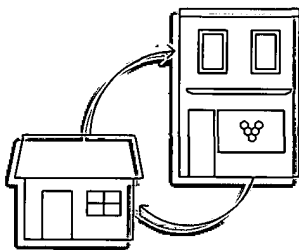
### NO NEW MAT

We didn't actua new material i year, which is



### STOCK ISSUES

We haven't sorted out our stock issues for kids shoes yet – we keep having the wrong stock in the wrong season.



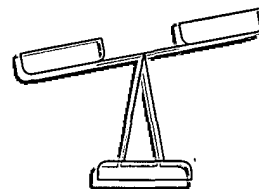
### HYBRID WORKING

How do we increase connection, while adapting to the new normal? No seriously, does anyone know?



### LEAD TIMES AND AIR FREIGHT

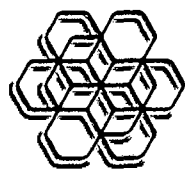
Lead times remain a massive challenge (mainly post factory).



### TOO MUCH WORK

We're still struggling to manage workload within our team, and provide priorities and clarity.

# OUR 2 FANT FAILU



## SERIALS (YET)

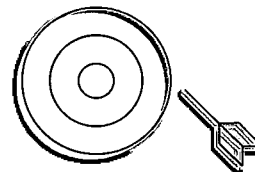
ly launch any  
novations this  
disappointing.

## VIVOBIOIME

We failed to launch the customer ready  
scan-to-print footwear system this financial  
year. We continue to test, fail, learn,  
repeat and will launch in May 2024.

## INTEGRATED IMPACT REPORTING

Monthly impact reporting is  
still a work in progress.



## PRODUCT GOALS

We had to backtrack on our 'Big  
Hairy Audacious Product Goals'  
from last year's report. But we want  
to strike the right balance between  
ambition and realistic targets.

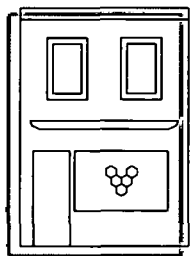
2021-22

# ASTIC JRES



## VMATRIX SCORE

We didn't quite meet some  
of our VMatrix scoring goals.  
We'll keep working on it.



## VIVO HOMES

London and Nature  
home's very slow  
to progress.



## PRIMUS REPAIRS

We attempted Primus Light  
repairs through ReVivo.  
But the repairs didn't last and we  
disappointed a few customers.



## WOMEN'S FOOTWEAR

Product and marketing for  
women isn't hitting the mark.

# REGENERATIVE BUSINESS



# ALTERNATIVE BUSINESS

# METRICS

We compiled the metrics below to give us a holistic overview of the key issues we really care about.

## METRIC

### REGENERATIVE BUSINESS Generate profit whilst having a net

B CORP
REVENUE
ECOMMERCE FREE CONTRIBUTION
EBITDA
LEAD TIME

### REGENERATIVE PRODUCT Be regenerative to feet, human mov

REVIVO REPAIRS
PRODUCT VMATRIX
TRANSPARENCY OF VALUE CHAIN (TIER 2)
ENVIRONMENTAL IMPACT MONITORING
VIVOHEALTH

### REGENERATIVE COMMUNITY Bring people closer to nature a

RETAINED CUSTOMER GROWTH
CUSTOMER HAPPINESS
COMMUNITY SIZE
WOMEN'S CONTRIBUTION MIX
INTERNAL HAPPINESS

\*There has been a change in measurement in our VMatrix tool and as such the comparative score is not reflective.

2021-2022

2020-2021

2019-2020

positive impact on societal and environmental health.

113.3	106	99
£49.4m	£36m	£34m
29%	31%	30%
1.0%	1.5%	1.7%
232	183	211

ment and planetary health.

30.5k	20k	N/A
47%	45%	N/A
60%	30%	10%
20%	10%	5%
£3.4k	N/A	N/A

and their natural potential, through healthy connections.

23%	-0.8%	N/A
69	60	55
1.3m	0.9m	0.7m
36%	36%	35%
8.0	7.7	7.1

# AGILE AMID TURMOIL



WILLEM HAITINK  
CHAIRMAN

On average, our feet travel an impressive equivalent of four times around the planet.

Happy and free feet are critically important for the right posture and alignment. Vivo, as the leader in barefoot footwear, inspires millions of people to live a healthy and natural lifestyle.

After spending a career in sports, technology and footwear around the world it is a distinct pleasure to join Vivo as chair. Besides being a leader in barefoot footwear, I am thoroughly impressed by the unique ecosystem that is so special and inspiring. An ecosystem that starts with innovative product, combined with a distinct focus on people and planet, creating a special and emotional connection with our community. In summary, Vivo is a way of life as an innovator and a trailblazer for a better and regenerative future.

In 2021/2022, Vivo made impressive progress in growing our brand presence around the globe. As a result, we're well positioned for our next phase of expansion. An exciting new phase that will bring the benefits from the early barefoot pioneers to an increasingly growing group of Viconistas.

It is no coincidence that next to the UK, we will focus on further investing in the key markets of USA and Germany. These are huge and fast-growing territories with unique characteristics and one thing in common: a tremendous and powerful community of people that aspire to live a healthy life connected to nature.

As a team and organisation, we're coming of age. Having recently celebrated our 10<sup>th</sup> anniversary, we are maturing and professionalising, setting ourselves up for many more decades of success. To fulfill our barefoot mission, we will prioritise financial strength and resilience, driving performance across the organisation. We will do this with youthful enthusiasm and irreverence, combining an entrepreneurial spirit with the conviction that we can and will change the world.

I'd like to thank everyone who is part of the Vivo community for your exceptional work and continuous dedication to our mission. It's an enormous privilege to be part of this extraordinary journey!

**"The human foot is a masterpiece of engineering and a work of art ."**

—LEONARDO DA VINCI



# FINANCIAL UPDATE



MARC ARNOLD  
FINANCE DIRECTOR

Yet again, I must open my statement by highlighting how trivial it seems to discuss the financial performance of one footwear company compared to what's happening in the world.

The Russian invasion of Ukraine has led to death and suffering not seen in Europe in decades. This summer, as wildfires raged across Europe, the UK saw record-breaking heat waves, decades ahead of scientific predictions. Such temperatures will become ever more common. Meanwhile, developed nations are suffering from inflation rates not seen in generations.

In last year's report I talked about a return to a version of 'normality'. I was wrong - there is still so much uncertainty ahead. Vivobarefoot is tackling this through several measures, including the move to a less hierarchical, more responsive structure. This makes us more agile in reacting to changes and challenges as they arise.

Because we believe business must address these issues holistically, we present an integrated impact report, which includes an account of our financial performance.

Covid-19 continued to indirectly impact our business. We experienced production delays due to lockdowns in Vietnam and China, where our main suppliers are based.

This was compounded by global distribution challenges, due to pent up demand and staff shortages across the industry. Despite these headwinds, we had a strong year top line but did not see the profits we were hoping for.

## BAREFOOT SALES

This year, we sold just over three quarters of a million pairs of barefoot shoes, up nearly 21% from last year. We saw sales of £49.4m this year, 36% more than last year's record number (£36.2m). However, this year our EBITDA was £0.4m, quite a way short of our expected figure. This was in part due to Covid-19 impacts, which meant we air freighted stock to meet demand. Our performance marketing wasn't as efficient as we'd hoped it to be.

Our business is split between Direct-to-Consumer (DTC) ecommerce, retail and marketplace platforms, and Business-to-Business (B2B) wholesale and distributor partners. This year, our ecommerce platforms grew 37% to £28.2M. ReVivo, our re-commerce platform, made £2.9m (£1.5M last year) while saving over 36k pairs of shoes from landfill. Our Neal Street store saw a return to pre-pandemic sales levels of £1.4M - up 216% on the previous year. Our distributors have grown equally rapidly, with sales up 38% to £13.6M. The remainder of our sales (£3.3m) came from other channels such as marketplace and wholesale.

As our barefootprint continues to spread, sales grew by 44% to £13.1M in the UK and by 21% to £14.8M in the rest of Europe and by 44% to £21.5M in the US and the rest of the world.

## PROFIT WITH PURPOSE

We report a small profit before tax of £15k (last year £392k) and a profit after tax of £386k (£935k previous year). The profit after tax figure of £386k includes two factors:

1. We carried forward losses of £7.3M, which results in a total potential deferred tax asset of £1.3M to use against future profits. This year, we recognised £366k of the asset, a reduction of £113k on last year. Considering the continuing current global uncertainty, we only partially recognised this in 2021/22 against profits we expect to make in the next year's trading.

2. We claimed research and development (R&D) tax credits of c. £492k. R&D tax credits are a government incentive designed to reward UK companies for investing in innovation. This allows us to accelerate our R&D, hire new staff and continue to grow.

We continued to invest in our people, with staff costs making up more than 30% of our admin expenses both this and last year. We also continue to invest in marketing and product development, which combined, accounted for 9% of admin expenses.

## LONG-TERM GROWTH

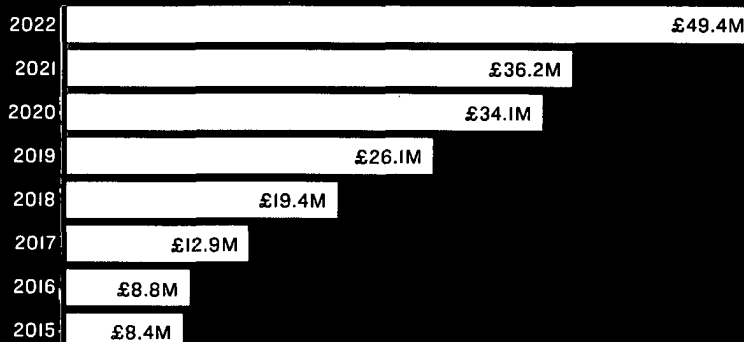
Business growth is a delicate balance. While we must continue to invest in talent and innovation, we need to make sure our cash position remains healthy. Getting this balance right during this particular global economic environment is even more challenging. We remain grateful to HSBC, our banking partners, for their support over the years. They again extended our trade loan facility from \$5m to \$7m — which we used to facilitate stock purchases so that we aren't bringing new people into our community only to search through 'sold out' signs.

We focused on managing short-term cash challenges, while maintaining adequate stock levels for our growth to ensure the long-term health of Vivo.

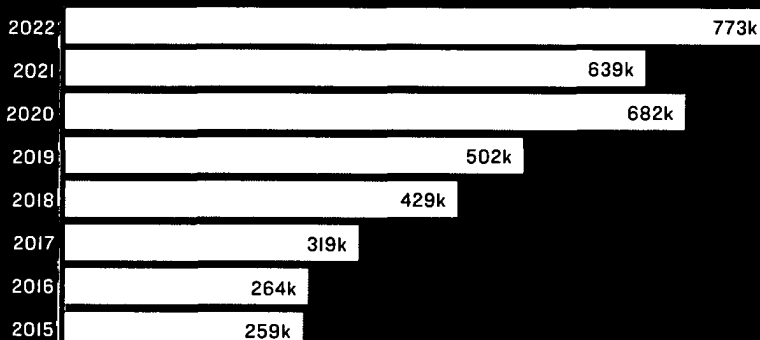
We had £1.3m more stock inbound at the period end than last year, contributing to stock levels of £8.8m — up some 60% on last year. However, this stock negatively impacted our working capital cycle, meaning that cash was £2.1m at the year end, down £1.3m on last year.

So, although we could have had stronger financial results, we remain in a strong financial position. We are the same independent, private and largely self-funded family business and remain committed to help more people reconnect with their feet, their bodies and the natural world.

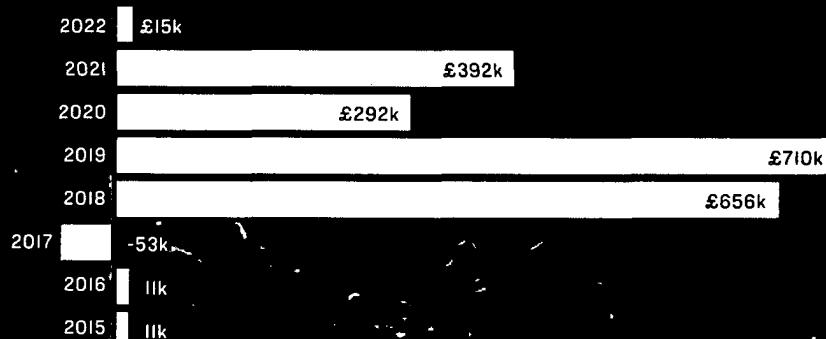
### SALES VALUE



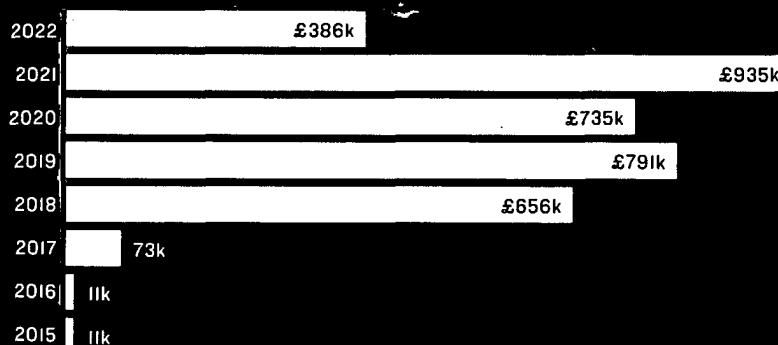
### SALES UNITS



### PROFIT BEFORE TAX



### PROFIT AFTER TAX



# FINANCIAL STATEMENTS

## PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 2 JULY 2022

		53 weeks 2 July 2022	52 weeks 26 June 2021
	Note	£	£
Turnover	4	49,364,488	36,209,560
Cost of sales		<u>(25,991,034)</u>	<u>(19,948,114)</u>
<b>Gross Profit</b>		<b>23,373,454</b>	<b>16,261,446</b>
Administrative expenses		<u>(23,301,855)</u>	<u>(15,910,441)</u>
Other operating income	5	<u>36,531</u>	<u>101,054</u>
Operating profit	6	108,130	452,059
Interest receivable and similar income	9	3	2
Interest payable and similar expenses	10	<u>(93,126)</u>	<u>(59,652)</u>
<b>Profit before tax</b>		<b>15,007</b>	<b>392,409</b>
Tax on profit	11	<u>370,964</u>	<u>542,724</u>
<b>Profit for the financial 53 weeks/52 weeks</b>		<b><u>385,971</u></b>	<b><u>935,133</u></b>

There are no items of other comprehensive income for either the 53 week period or the prior 52 week period other than the profit for the period. Accordingly, no statement of other comprehensive income has been presented.

The notes on pages 52 to 61 form part of these financial statements.



# **BALANCE SHEET AS OF 2 JULY 2022**

	Note	2 July 2022 £	26 June 2021 £
<b>Fixed assets</b>			
Intangible assets	12	624,601	644,288
Tangible assets	13	484,575	341,674
Investments	14	<u>101</u>	<u>101</u>
		1,109,277	986,063
<b>Current assets</b>			
Stocks	15	8,797,350	5,279,776
Debtors: amounts falling due within one year	16	5,529,506	4,056,962
Cash at bank and in hand	17	<u>2,077,351</u>	<u>3,438,581</u>
		16,404,207	12,775,319
<b>Total assets</b>		<u>17,513,484</u>	<u>13,761,382</u>
<b>Capital and reserves</b>			
Called up share capital	21	4,595,795	4,595,795
Other reserves	22	421,327	416,435
Profit and loss account	22	<u>(1,928,521)</u>	<u>(2,314,492)</u>
<b>Shareholders' funds</b>		3,088,601	2,697,738
<b>Creditors</b>			
Amounts Falling Due Within One Year	18	13,625,876	9,779,346
Amounts Falling Due After More Than One Year	19	<u>799,007</u>	<u>1,284,298</u>
<b>Total equity and liabilities</b>		<u>17,513,484</u>	<u>13,761,382</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G J D Clark, Director

Date: 16<sup>th</sup> November 2022

The notes on pages 52 to 61 form part of these financial statements.



# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 2 JULY 2022

	Called up share capital	Share option reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 28 June 2020</b>	<b>4,595,795</b>	<b>352,343</b>	<b>(3,249,625)</b>	<b>1,698,513</b>
Profit for the 52 weeks	-	-	935,133	935,133
Share-based payment expense	-	64,092	-	64,092
<b>At 26 June 2021</b>	<b>4,595,795</b>	<b>416,435</b>	<b>(2,314,492)</b>	<b>2,697,738</b>
Profit for the 53 weeks	-	-	385,971	385,971
Share-based payment expense	-	4,892	-	4,892
<b>At 2 July 2022</b>	<b>4,595,795</b>	<b>421,327</b>	<b>(1,928,521)</b>	<b>3,088,601</b>

The notes on pages 52 to 61 form part of these financial statements.



## STATEMENT OF CASH FLOWS FOR THE 53 WEEKS ENDED 2 JULY 2022

	2 July 2022 £	26 June 2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial 53 weeks	<b>£385,971</b>	935,133
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>173,330</b>	145,072
Depreciation of tangible assets	<b>166,218</b>	138,734
Interest paid	<b>93,126</b>	59,652
Interest received	<b>(3)</b>	(2)
Taxation credit	<b>(370,964)</b>	(542,724)
(Increase) in stocks	<b>(3,517,574)</b>	(612,294)
(Increase) in debtors	<b>(1,366,886)</b>	(578,206)
Increase in creditors	<b>3,750,530</b>	2,629,159
Corporation tax received	<b>265,306</b>	242,139
Share based payments expense	<b>4,892</b>	64,092
<b>Net cash generated from operating activities</b>	<b>(416,054)</b>	2,480,755
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	<b>(153,643)</b>	(184,523)
Purchase of tangible fixed assets	<b>(309,119)</b>	(136,171)
Interest received	<b>3</b>	2
<b>Net cash from investing activities</b>	<b>(462,759)</b>	(320,692)
<b>Cash flows from financing activities</b>		
Repayment of other loans	<b>(389,291)</b>	(350,000)
Interest paid	<b>(93,126)</b>	(59,652)
<b>Net cash used in financing activities</b>	<b>(482,417)</b>	(409,652)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,361,230)</b>	1,750,411
Cash and cash equivalents at beginning of 53 weeks	<b>3,438,581</b>	1,688,170
<b>Cash and cash equivalents at the end of 53 weeks</b>	<b>2,077,351</b>	3,438,581
<b>Cash and cash equivalents at the end of 53 weeks comprise:</b>		
Cash at bank and in hand	<b>2,077,351</b>	3,438,581

# STRATEGIC REPORT

FOR THE 53 WEEKS ENDED 2 JULY 2022

## BUSINESS ENVIRONMENT

We run our business from the United Kingdom, source our footwear from Ethiopia, Portugal, China and Vietnam and sell internationally via ecommerce platforms and through a network of distributors. Details of our value chain and of our product manufacturing are included in the Manufacturing and Value Chain Transparency section starting on p39.

The footwear sector has continued to face challenges globally, with some elements fairing better than others; formal wear continue to struggle post pandemic as people's working arrangements have evolved. The invasion of Ukraine by Russia has in part led to inflation at levels not seen in 40 years. We know that the economic environment is changing more rapidly and more significantly than it has in recent memory, making a return to relative stability unlikely, at least in the short-term.

### KPIs

In case you missed them, our KPIs (Metrics) can be found on p12.

## STRATEGIC MANAGEMENT & FUTURE DEVELOPMENTS

We continue to believe that the resale market could be bigger than fast fashion before too much longer, with younger consumers driving change. Details of ReVivo; our resale platform can be found on p34 (we're very proud of it!).

Our long-term sustainability and innovation goals are to invest in healthy products and experiences sold through healthy digital ecommerce, which continues to set Vivobarefoot up for strong, sustained success. Further details about our plans to make our products healthier can be found in VIVOHEALTH (p25), VIOBIOME (p36) and Product goals (p38).

Vivobarefoot has invested in Regenerative Leadership training for all staff, equipping the business to sense and respond to threats and opportunities as they arise and ensure agility in its actions. Details of this can be found on p20.

## RISKS

Our Strategic Risks are detailed on p17.

All policies are subject to Board approval and ongoing review by the Board and management. Compliance with regulation, legal and ethical standards is a high priority for Vivobarefoot and the Legal Board takes on an important oversight role in this regard, with input from expert third parties where necessary.

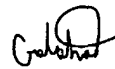
We maintain a formal risk schedule (see right), which details the key risks that could affect Vivobarefoot in the future. This register details the risks, the level of impact and likelihood of these risks, as well as potential mitigations.

In addition to the formal risk register we maintain, the Board and the Leadership Team regularly discuss and debate potential risks to Vivobarefoot. Most Board meetings do not have specific time dedicated to the discussion of risks; debates on risks often percolate to the surface naturally during meetings. These risks are not always added to the formal register as they may be deemed not relevant enough or too unlikely.

The expertise and varied backgrounds of the Board members and the Leadership Team means that a variety of perspectives and opinions are brought to the risk assessment process.

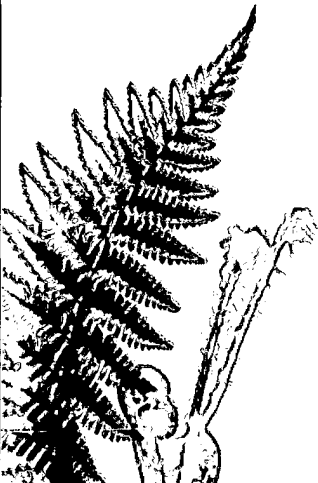
## BUSINESS PERFORMANCE

The full details of this year's performance can be found on p15-16 and if you're really interested, detailed notes to the accounts are available from p52.



G J D Clark  
Director

Date: 16<sup>th</sup> November 2022



# RISK REGISTER

RISK	MITIGATION	IMPACT	LIKELIHOOD
Global recession, consumer disposable income pressures, household inflationary pressures	Better customer understanding and premium brand positioning.	HIGH	HIGH
Transitioning Germany from B2B to DTC/ Reliance on US growth / UK Economic pressures	Better forecasting, risk management and scenario planning.	HIGH	MEDIUM
Not having enough money to self-fund our business plans	Increased bank facility secured with HSBC.	HIGH	LOW
Barefoot shoe brand competition	Keeping an eye on key markets, ensuring we protect brand assets.	MEDIUM	HIGH
Lack of awareness of Livebarefoot experiences	Bringing VIVOHEALTH to life — emphasising education and experiences.	LOW	MEDIUM
Ordering too much or not enough stock	Investing in strengthening forecasting, better demand planning.	HIGH	MEDIUM
Supply Chain disruption resulting in airfreighting of stock	Improved sourcing arrangements.	HIGH	HIGH
Not looking after or growing loyal customer network	Tempering digital marketing, lifestyle not product advertisements.	MEDIUM	MEDIUM
Covid-19 lockdowns in Asia manufacturing value chain	Contingency planning, worst-case scenario planning.	MEDIUM	LOW
Human rights issues in factories	Strengthened value chain partnerships, contracts and technology.	HIGH	LOW
Environmental disasters	Materiality assessment, investment in innovation and activism.	HIGH	LOW
Unwittingly contributing to sustainability issue in factories	Uncompromising requirements for transparency.	HIGH	MEDIUM
Product compliance failures	Strengthened testing regime.	MEDIUM	MEDIUM
Not growing our community	Reframing our message, widening brand entry points.	HIGH	HIGH
Not preventing kids from getting in cushioned, narrow footwear	Providing education material for schools, increasing resourcing.	HIGH	MEDIUM
Having a data or security breach	Increasing IT spend, strengthening security processes.	HIGH	MEDIUM
Digital system failure	Digital integration, contingency planning.	MEDIUM	LOW
Not spending enough on digital innovation	Setting up democratised project council aligned to brand mission.	HIGH	LOW
Key person illness or injury	Assistant hire, succession and contingency planning.	HIGH	HIGH

# THE LIVEBAREFOOT FUND

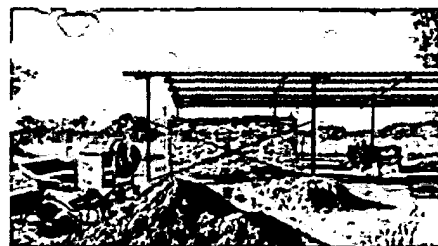


The Livebarefoot Fund is how we initiate, nurture and fund social and environmental impact programs aligned with our mission.

You will find these stories throughout the report – just look out for the LBF stamp.

## OPENING OF COBBLERS' WORKSHOP

The grand opening of the workshop for the Ju'/hoansi San people in Namibia will take place in October, providing a sustainable space for them to continue using their ancestral knowledge to produce the original barefoot shoes.



## ONE EARTH

Our One Earth project partnership launched on Earth Day in April. Check out our blog to read more about how we're supporting Ethiopian farming, an Amazon community and Navaho sheep farming.



## THE SPARK TO FIGHT BIG OIL

The Amazon's ancestral guardians are the best protectors of its biodiversity. Here's how Amazon Frontlines help them do it.

[LEARN MORE](#)



## SAVING SEEDS, SOWING KNOWLEDGE

Ethiopia's MELCA project works with communities to champion the value of traditional farming knowledge.

[LEARN MORE](#)



## TRADITIONAL VALUES, 21ST CENTURY VISION

Times have been tough on the Navajo Nation. The Rainbow Co-op tell us why traditional shepherding skills are vital for cultural identity and earth-connection.

[LEARN MORE](#)

# OUR REWILDING PROJECTS



## WE STARTED SUPPORTING SOMERSET WILDLANDS

The Somerset Levels used to be a wildlife haven, hosting pelicans, lynx, beavers and giant river sturgeons. It was a vast wetland teeming with wildlife, much of it now gone.

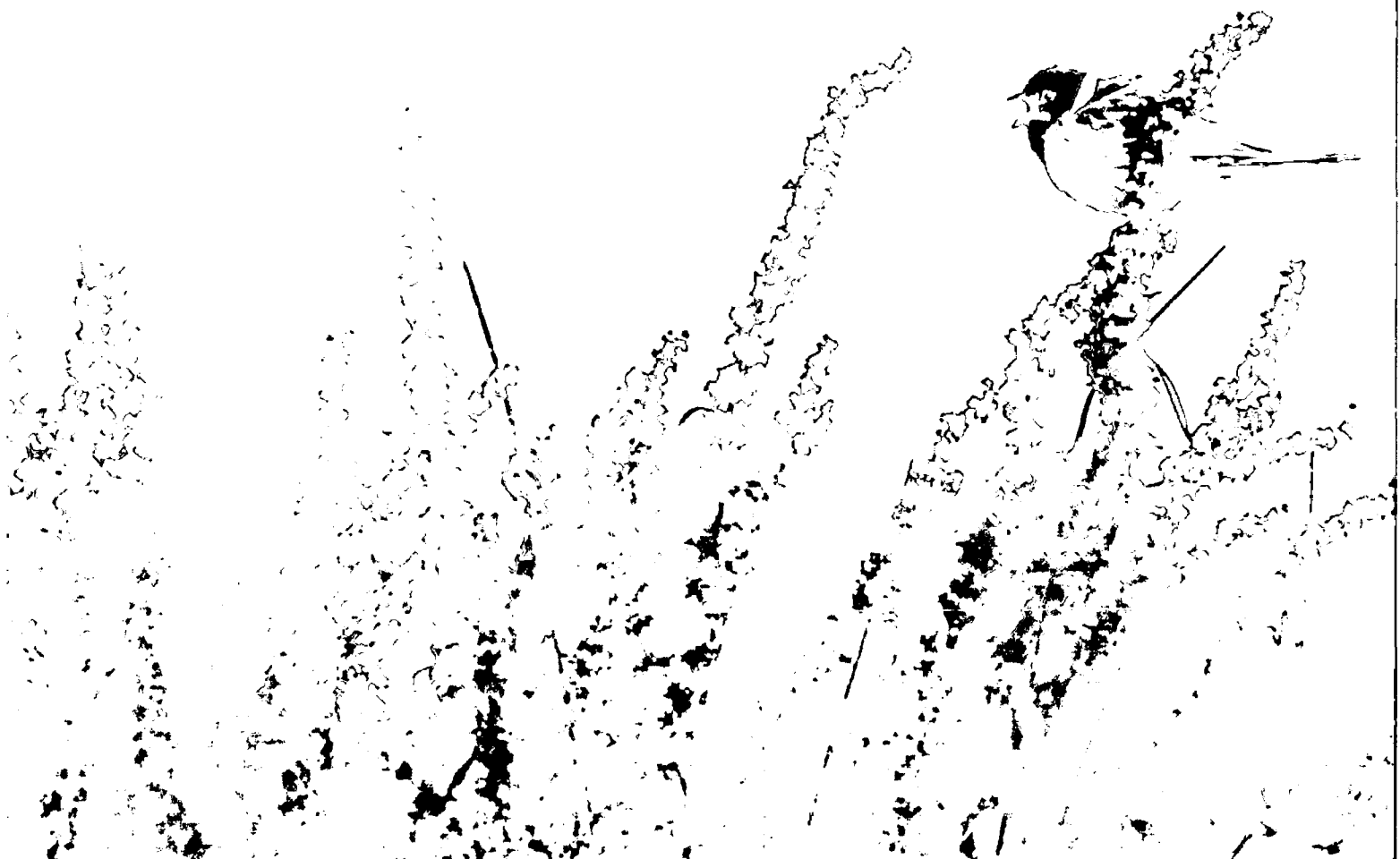
Somerset Wildlands is acquiring plots of land to create a distributed network of rewilded sites, boosting wildlife populations and providing opportunities for wildlife to spread and adapt naturally. Instead of focusing on protecting existing biodiverse areas, Somerset Wildlands buys ordinary farmland and gives nature free reign to turn it into something extraordinary.



## AND WE CONTINUED SUPPORTING THE DEVON ENVIRONMENTAL FOUNDATION

We're proud to continue supporting DEF in their work to protect and restore Devon's environment by funding local nature regeneration.

Recent funding successes include a nursery producing native tree saplings, a breeding programme for wild release of native reptiles and amphibians, a regenerative agriculture training programme and a collaboration among local landowners to increase habitats for some of Britain's rarest insects.





# REGENERATIVE COMMUNITY

APPENDIX

REGENERATIVE PRODUCTS

REGENERATIVE COMMUNITY

REGENERATIVE BUSINESS

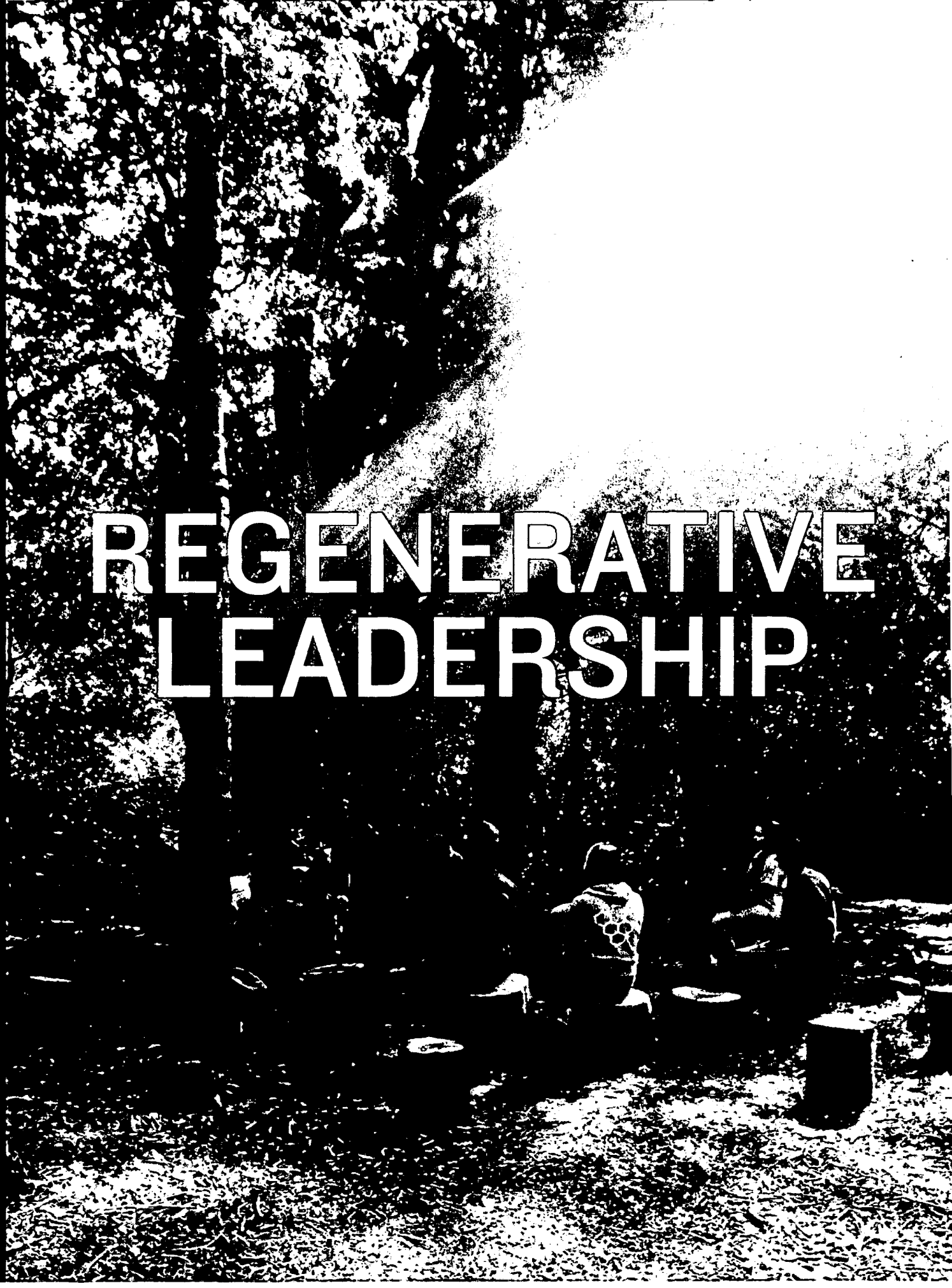
WE ARE VIVOBAREFOOT





# ERATIVE UNITY

# REGENERATIVE LEADERSHIP



# HEARTS, MINDS AND BARE FEET

We continue our inner evolution as a business, walking our own path towards regenerative culture, values and behaviours.

Our transformation isn't just about making Vivo an amazing place to work, it's a critical step to how we achieve our mission. The evidence? ReVivo (p34), VIVOBIOOME (p36) and VIVOHEALTH (p25) all originated from our new self-managing, agile way of working.

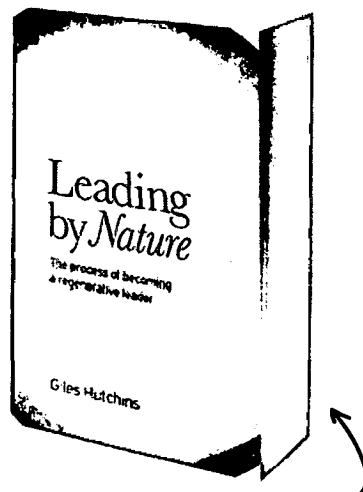
## RADICAL RESTRUCTURE

Since last year's Unfinished Business, we've restructured from a traditional hierarchy to an increasingly interconnected and interdependent matrix (see fig. 1). This restructure gives people more agency to make decisions and invites them to bring more of themselves to work. Although some hierarchy remains, we're consciously shifting our individual and organisational relationship with power and control — from a parent-child to an adult-adult coaching culture.

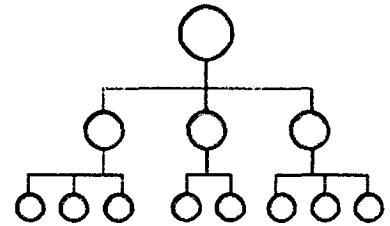
So far, it seems to be working. Our good friend Giles Hutchins has been with us every step of the way, helping foster these changes across Vivobarefoot.

"Ultimately, Vivo has broken beyond the status quo amid a challenging and volatile business climate. Resisting a strong temptation to play it safe, the company is a beacon of light inspiring others to transform. It's telling that leaders of organisations across Vivo's ecosystem who have witnessed their transformation first hand often enquire about embarking on something similar for themselves."

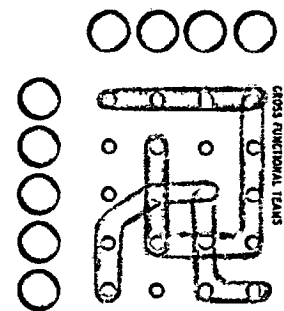
— GILES HUTCHINS



WE STARTED WORKING WITH GILES AFTER READING HIS BOOK REGENERATIVE LEADERSHIP. AND NOW WE FEATURE IN HIS NEW BOOK - LEADING BY NATURE!



YEAR 0: HIERARCHY



YEAR 2: MATRIX

fig. 1 The organisational restructure

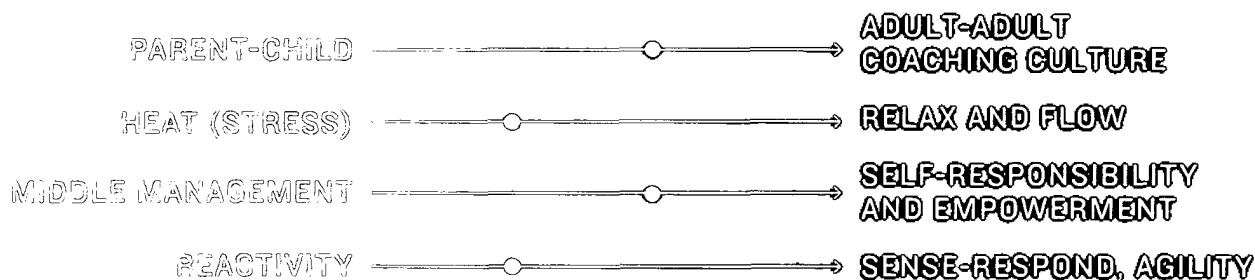
WANT MORE ON ALL OF THIS?  
PLEASE SEE LAST YEAR'S  
UNFINISHED BUSINESS FOR  
A DEEPER DIVE ON OUR  
REGENERATIVE LEADERSHIP  
PROCESSES AND PRINCIPLES.



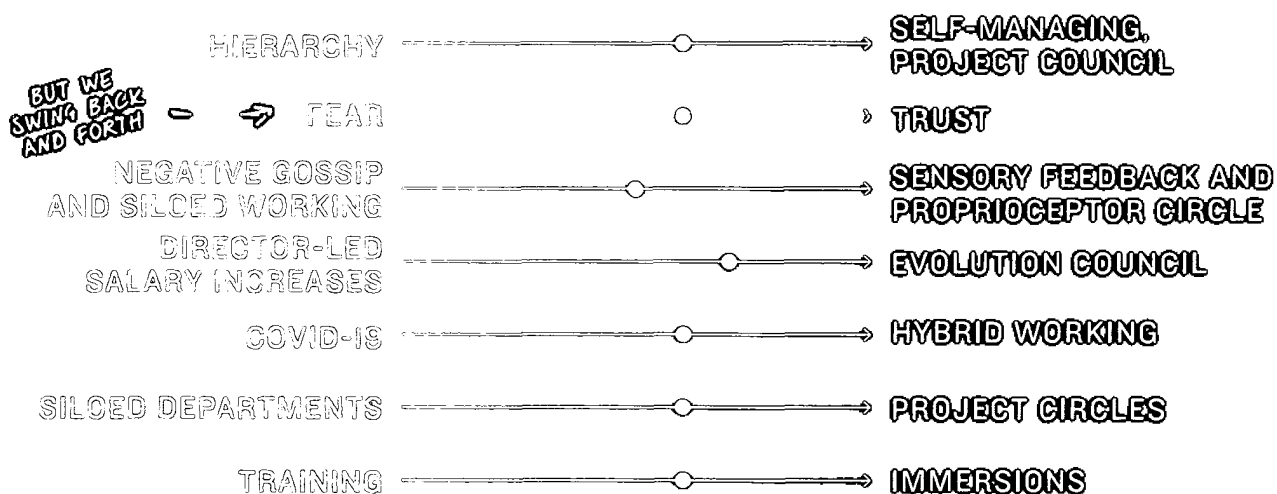
# OUR 2022/23 PEOPLE STRATEGY

WE ARE NOT PERFECT  
IN ANY OF THIS,  
BUT AIM FOR THE  
STARS AND LAND ON  
THE MOON, RIGHT?

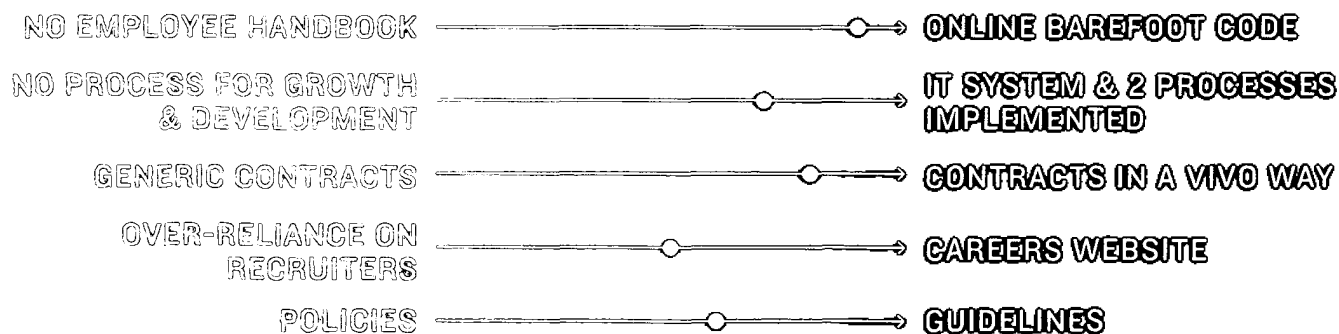
## THRIVING CULTURE



## HIGH PERFORMING TEAMS



## SYSTEM WORKFLOW



## \*WHAT IS EVOLUTION?

The growth, development, reward and recognition of our people is very close to our hearts. We call this Evolution. Our new approach is managed by a cross-functional multi-level 'Evolution Council'.

We've structured our rewards, roles and remuneration around inspiring our people to truly live barefoot. This is broken down into two key areas:

1. Our awesome benefits
2. Rewards and remuneration

Our new approach to Evolution is designed to avoid restrictive, 'make or break' narrow rules, and instead inspire us to innovate, develop and progress in a meaningful way.

## WHAT WE'VE DONE

**Proprioceptor Feedback Circles:** Our 'proprios' are now helping resolve issues (as well as identify them).

**Onboarding PODs with Giles:** New joiners get onboarding time with Giles & Ash, who help them settle into Vivo's 'livebarefoot' culture.

*MOST OF THESE SESSIONS HAPPEN IN THE WOODS WITH BARE FEET*

**Coaching Cohort:** We successfully launched our first cohort of coaches, and we're now launching a second round.

**Round Table Feedback Circles:** Our leaders went to the woods to share some honest feedback, and define their learning edges.

**External Proprioceptors:** We've launched a small group of external proprioceptors to help us understand how we show up 'out there', and how to better collaborate and change.

**Access to Regenerative Leadership expertise:** Anyone can now get time with Giles, whether in a 121 coaching format or a team immersion at Springwood.

## WHAT WE'VE DONE

**Evolution\* Guidelines:** Our Barefoot Code (on Trello) now contains guidelines for meaningful personal development.

**Evolution Process:** We're using OpenBlend (an online tool), plus new processes and training, to embed evolution across our system.

**Evolution Council:** We've formed a new cross-functional team to steer company-wide pay decisions.

**Hybrid Working & Job Title Guidelines:** We've removed traditional job titles and created (ever-evolving) hybrid working guidelines to embed the change. They are all available on the Barefoot Code.

**Self-Management Guidelines:** We reimagined our guidelines on making decisions, how and when to seek advice, and giving and receiving epic feedback.

*WE'RE STILL FAR FROM PERFECT HERE - LOTS OF WORK TO DO!*

**Evolution Lead Immersions:** Immersive workshops and training at Springwood for our Evolution Leads ('line managers').

**Project Circles:** We encourage everyone at Vivo to be a part of at least one XF team ('Project Circle') to diversify their exposure and keep them connected.

**Project Council:** We started this new XF team to help prioritise projects and resource across the system.

*WE DIDN'T QUITE CRACK IT, BUT WE'RE LOOKING TO REINVIGORATE IT NEXT YEAR.*

## WHAT WE'VE DONE

**People Guidelines Update:** We've updated our people guidelines to better support our team - all in the Barefoot Code.

*THIS LIVES IN TRELLO BUT WE'RE THINKING OF DEVELOPING OUR OWN INTRANET. LET'S SEE HOW THAT ONE GOES ;)*

**People Resource Map:** We've started mapping our salaries and people resources to improve decision-making in a fiercely volatile economic environment.

**Rewilding our People Ecosystem:** We've partnered with new lawyers and updated our contracts so employee engagement is a lot more 'human'.

**Careers Platform:** We've built our own applicant tracking system on Team Tailor so we can access our talent pool directly.

# THE HAPPINESS INDEX

We work with the Happiness Index to understand how all this transformation is really affecting people at Vivo.

This external, anonymous feedback platform measures employee engagement and wellbeing and helps us understand where we need to improve.

Since 2020, our loyalty and satisfaction score has risen from -25 to +26, and overall employee happiness has increased 36%, from 5.9 to 8.0. Part of this improvement comes from us taking action on issues raised, such as personal development and internal communication.

ALTHOUGH WE STILL HAVE A FAR WAY TO GO ON INTERNAL COMMS!

## DIVERSITY, EQUALITY AND INCLUSION

We're working hard to create the culture, systems and frameworks to make sure everybody feels part of the team and that they get to fulfil their potential.

Our Happiness Index scores indicate these efforts aren't in vain. However, we haven't yet done enough to make sure we're getting a diverse and representative range of applicants and therefore new people coming into our business. We know we have more work to do.

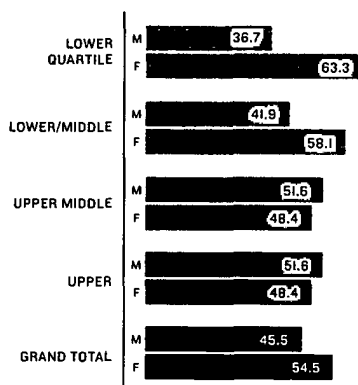
## GENDER PAY GAP

We're making a few changes to the way we calculate our diversity, equity and inclusion data, including moving toward the UK Government guidelines on calculating gender pay gap data. Unfortunately we missed the snapshot date, so this year our data is based on full year averages. On this page we've included just the gender pay gap calculations and as you can see, we've still got work to do to reduce the gap. More data is included in our disclosure index in the appendix.

### GENDER PAY GAP

Mean: 25.6%  
Median: 17.3%

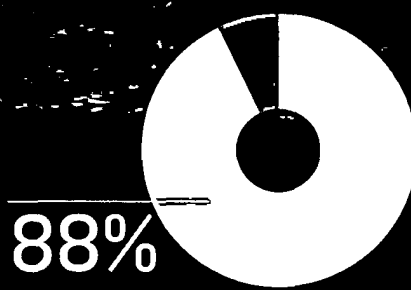
### GENDER SPLIT BY QUARTILE



"We want to build an entrepreneurial company that's resilient to a fast-changing world. To develop this entrepreneurship, we need our teams to find their own flow and to create a culture that allows everyone to flourish in a psychologically safe, yet developmentally challenging, environment. This is what we call *living barefoot*—our own way of moving beyond our traditional "ego-cushioned" lives, courageously showing up as ourselves while aligning with Vivo's mission. Unfinished Business indeed."

— ASH POLLOCK,  
PEOPLE AND CULTURE LEAD

## RESPONSE RATE



71 employees took part

## AVERAGE SCORE





# SERVING OUR COMMUNITY

Our new category structure is a perfect fit.

Vivobarefoot is transitioning from a footwear brand to a natural lifestyle brand, reconnecting people into the natural world by inspiring natural health journeys.

So far, it's going really well – and a big reason for this is because of our company restructure into categories.

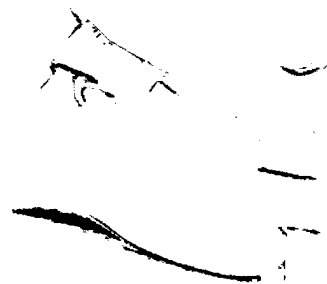
With smaller, more agile, and more focused teams, we can better meet the needs of the OUTDOOR lovers, ACTIVE movers and wild KIDS that cross our path.

As a result, our products – and the services that support them – will keep becoming more regenerative, in line with our mission.

We're also nurturing VIVOBIOIME, an emerging category that we hope will bring the next level of regenerative energy to our own business and the global shoe industry. It's all to play for.

ACTIVE

RECONNECT TO  
YOUR NATURAL  
POTENTIAL



OUTDOOR

RECONNECT  
TO NATURE



KIDS

GROW  
WILD KIDS



VIVOBIOIME

THE FUTURE  
IS AT YOUR  
FEET



# MEET THE FAMILY

The Vivobarefoot ambassador and health professional network continues to go from strength to strength, helping us launch new products, share our campaigns and educate on barefoot lifestyle.

With the expansion of our category footwear offering, online education through VIVOHEALTH and a growing community team we have seen a growth of Vivo advocates across the world. We saw a huge rise in community-related revenue, which saw an annual increase of 148%.

10,980

pieces of content created by Vivo network

UP 92.8%!

190,440,915

impressions

UP 85.9%!

11,348,526

engagement

UP 87.62%, EVEN THOUGH  
ENGAGEMENT RATES HAVE  
DROPPED ACROSS THE  
INDUSTRY

## WE'VE BEEN WORKING ON...

### Building a regenerative network

- The influencer model is traditionally 'one and done'. Instead of this transactional relationship, we prefer to build something long-term – it's better for us, and it's better for our community.

### Increasing our Outdoors community

- Our health professionals' network lacks partners who spend most of their time outdoors. Which is a shame because nature is fundamental to Vivobarefoot. We've started fixing this, and we'll continue bringing more amazing outdoors experts into our family.

### Diversifying our channels

- We love Instagram, but we don't want to rely on it too heavily. We're promoting more content on YouTube and are exploring how we can grow on TikTok, as well as other channels.

### Learning is a two-way street

- Vivobarefoot works hand in hand with experts and specialists in their field to inform product design or development – most notably with the Tracker Forest ESC. We've been working closely with elite athletes and experts to develop the next evolution of our swimrun footwear, and have some incredible projects in the pipes with ambassadors helping us develop next level footwear.

### Proprioceptor ambassador network

- Building off the success of our internal team of proprioceptors, we've launched a pilot for an external equivalent. In June, we invited a small group of ambassadors to the woods (our offline space) to 'sense in' to what they're picking up about Vivobarefoot's strengths and opportunities for improvement. It was a hugely valuable exercise, and we'll do it again soon!

JOSH HAS BEEN WITH  
US SINCE 2009

AMBASSADOR: @JOSHUAJHOLLAND



FAVOURITE PAIR: Primus Trail. Or Stealth. Or Tempest.

SUPERPOWER: Empathy. By helping others become more self-aware, they can heal and optimize themselves.

### WHEN DID YOU START WORKING WITH VIVO?

I became a certified Vivobarefoot Coach back in 2009. I learned about our feet as our foundation and the big toe as our anchor. Much of my career today stems from my education at Vivobarefoot.

ANY HIGHLIGHTS? Getting certified because it led to hosting workshops and seminars. I also love spotting people with Vivos on, and sharing a look that says, 'if you know, you know'.

WHY HAVE YOU STAYED WITH VIVO? I love that you actually care about foot health and function. And I love your overall mission of sustainability.

WHAT DOES THE FUTURE HOLD? I just want to help as many people as possible, leading by example and walking the talk.

## MORE PARTNERSHIPS!

With the launch of VIVOHEALTH we have been able to create content and education-led partnerships with other brands and businesses. As a result, we've built some brilliant new VIVOHEALTH education collabs in the last six months and have a number lined up for the coming year, including with XPT, the Bloom Method and Movement for Modern Life.

# REGENERATIVE PRODUCTS



# ERATIVE DUCT

## ACTIVE

Humans have spent millions of years moving, and only the last few decades sitting still. Our footwear connects you with your body and the world around you, unlocking your innate potential to move as nature intended.



WELCOME  
TO  
VIVOHEALTH

# MAKING EVERY BAREFOOT JOURNEY BETTER

We launched **VIVOHEALTH** in March 2022. So now, instead of (just) selling footwear, Vivobarefoot can better inspire, educate and support every member of our community on their natural health journey.

## WHAT IS VIVOHEALTH?

The **VIVOHEALTH** platform is an interactive hub of content and resources. It's home to our barefoot transition tool, as well as a growing collection of barefoot courses and coaching for customers and health professionals.

Everything we share through this hub is evidence-based - check out p27 to see our approach to research.

It starts with feet, but it doesn't end there. The **VIVOHEALTH** hub includes a wide range of inspiration and ideas from pioneering thought leaders in the natural health space. We want your gut biome to be as energised as your kinetic chain.

All this content supports and is shared by our incredible community of health professionals. Thanks to our network of ambassadors and influencers, we're helping more people than ever transform their foot health. See p23 to meet our community.

**1763** signups  
to our barefoot movement courses  
in only a few months

**22k** customers  
have asked for advice through our online  
barefoot transition tool (70% of which  
have yet to purchase our footwear)

**1m+** views  
of our free foot health education content  
on YouTube

**£5.4m** net revenue  
from our health professional network -  
that's 57,510 orders and 148% year-on-  
year growth!

All these numbers aside, it's the personal stories that matter most:

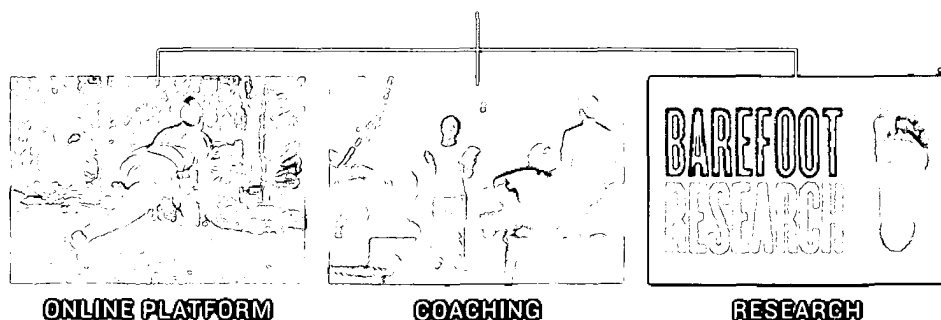
"The barefoot fundamentals course gave me the confidence and knowledge to begin running in Vivobarefoot shoes. As a personal trainer and runner, I'm really looking forward to sharing my experiences with my clients. I feel much more connected to the ground and lighter on my feet."

- **VIVOHEALTH GRADUATE**

## WHAT'S NEXT?

We want to use **VIVOHEALTH** to change the way Vivobarefoot interacts with every single customer, providing bespoke and interest-based education alongside every footwear purchase. To do this, we will create online content and programs to directly support our loyal communities of Vivo wearers.

## VIVOHEALTH



AMBASSADOR: @THEOPTIMALBODY



Partnership started: 2020-2021

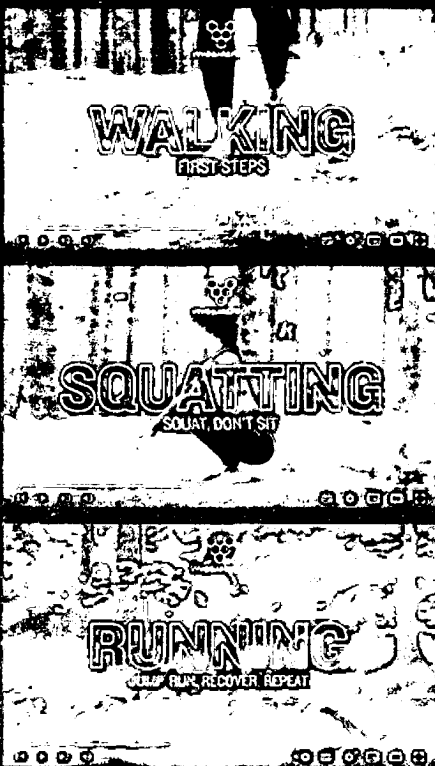
Join top-40 Physical Therapy influencer, Doc Jen, and her Physical Therapy husband Dr Dom, as they bring you the body tips and PT pearls you need to help you understand your body, relieve your pains and restrictions.

# EXPLORE THE VIVOHEALTH HUB

The VIVOHEALTH hub is all about taking people on a journey, whether they're at the start of their barefoot transition or are already evangelising about the benefits of barefoot.

## WALK, SQUAT, RUN

We want to make sure every customer transitions safely and confidently to barefoot movement. Our free three-part video series has had over one million views on YouTube in less than a year.



AN EXAMPLE OF THE COURSE CONTENT AT [VIVOBAREFOOT.COM/VIVO-COURSES](http://VIVOBAREFOOT.COM/VIVO-COURSES)

## OUR COACHING COMMUNITY

So far, 250 coaches have completed our barefoot coaching course. This is great, but it's just the beginning. We want to build a global community of barefoot experts who in turn can help more people reconnect with their bodies and the natural world. To achieve this, we will provide more courses and coaching to our health professional network, supporting them to share the benefits of barefoot with their communities.

## WHAT'S NEXT?

This year, we want 95,000 people to use our transition tool, and 4,000 of them to complete courses through the VIVOHEALTH platform. We also want to educate 600 more coaches via our workshops and courses. To achieve this, we need to:

- Improve how we support people after they've completed the transition tool
- Make our educational pages easier to access and interact with
- Convert more visitors into customers, so they get the full benefit of barefoot
- Create more content and courses, including launch of in-person coaching workshops

VENUS HAS BEEN WITH US FOR OVER 6 YEARS!

AMBASSADOR: @VENUS2BFAB



FAVOURITE PAIR: Primus IIs, and the Primus Trails.

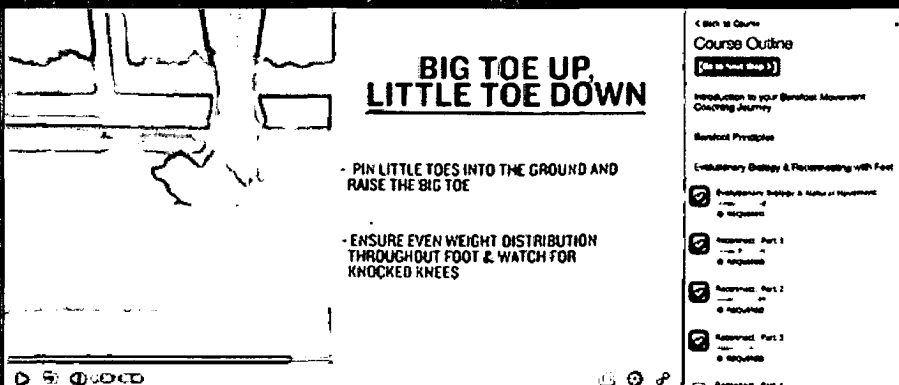
**SUPERPOWER:** Sounds weird but I'd say it's recognizing patterns in energy and movement.

**WHEN DID YOU START WORKING WITH VIVO?** I honestly don't remember but I know I have been wearing them for the last six+ years.

**ANY HIGHLIGHTS?** I've got to say being in the Vivo commercial! It was so amazing to be a part of a movement that I agree with and helps so many people move better and live better!

**WHY HAVE YOU STAYED WITH VIVO?** I love the sensation of connection to my feet. The comfort and high-quality of the shoes. The people who work for the company are incredible. I just love everything about the brand!

**WHAT DOES THE FUTURE HOLD?** My vision is just that more people find love and feel awesome within themselves so they can make an impact on the world around them.



## 2022/23 UPCOMING CONTENT

- Natural running program
- Breathwork Course with David Jackson
- Natural movement program
- Natural health course with Zach Bush MD
- In-person coaching workshops in LA, Austin, NYC, London, Berlin & Munich
- Intro to calisthenics course
- Training barefoot course
- Outdoor trail course
- Rewild your family

WHAT  
FOOT-SHAPE  
ARE YOU?

LEARN MORE

MATCH YOUR FEET



WANT TO FIND OUT?  
[VIVOBAREFOOT.COM/  
FOOT-ASSESSMENT-TOOL](https://vibobarefoot.com/foot-assessment-tool)

# RESEARCH IS KEY TO VIVOHEALTH

**We believe in an evidence-based approach to barefoot and natural health.**

Research adds credibility to our core mission across each of our product categories, while helping to challenge conventional beliefs about feet, holistic health and our connection with nature.

We have already established strong evidence demonstrating the benefits of barefoot movement. One study at the University of Liverpool showed that balance in Vivobarefoots is improved by up to 40% compared to regular padded shoes, while another showed a 58.7% improvement in foot strength after just six months of wearing our footwear.

For a good introduction to the science of barefoot, check out [www.vivobarefoot.com/uk/science](http://www.vivobarefoot.com/uk/science)

## CONSOLIDATING EXISTING RESEARCH

Working with our partner, Peter Francis, at the Carlow Institute of Technology, we are putting together a plan to consolidate all existing research on barefoot health. There are hundreds of studies out there, we plan to help connect the studies and the researchers behind them to drive a global barefoot movement. This consolidation will help other academic institutions focus their research, while also starting to create the foundations for scientific consensus.

## INVESTIGATING NEW FIELDS OF RESEARCH

We have identified three 'knowledge gaps': research areas that are relevant to our business that have not yet been scientifically investigated. While it's too soon to share any results, we have commissioned studies in the following areas:

### Movement in children

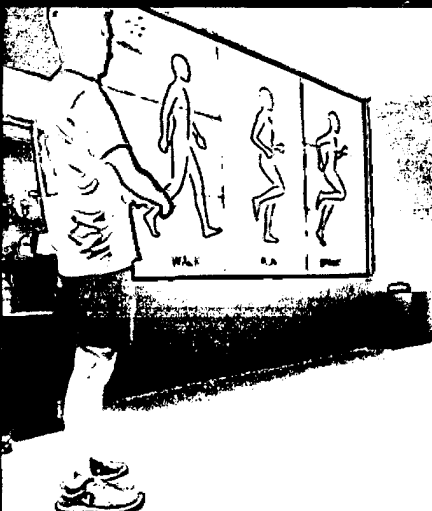
- Two projects to explore how footwear habits affect children's feet and movement - both as young people and as they age.

### Autism and barefoot footwear

- An investigation into what type/s of Autism Spectrum Disorder are most effected by minimalist footwear, and how it can impact wellbeing, behaviour and movement in children.

### Barefoot outdoor footwear

- A direct comparison between traditional hiking boots, minimalist footwear and barefoot to explore the impacts on foot function and gait in the great outdoors.



WE FUND RESEARCH THROUGH THE LIVEBAREFOOT FUND - SEE P18.



## THE VIVOBAREFOOT SCHOLARSHIP

We want to inspire the next generation of footwear designers to embrace barefoot from the start of their careers.

This year's Vivobarefoot scholarship was awarded to Sahil Doshi, a third-generation shoemaker from India who's using his time at the London College of Fashion to explore how commercial footwear can be made from production leftover and offcuts.





## OUTDOOR

Our footwear helps people connect with nature. Being outdoors restores and regenerates us. And the closer we feel to our natural world, the more we'll do to protect it.

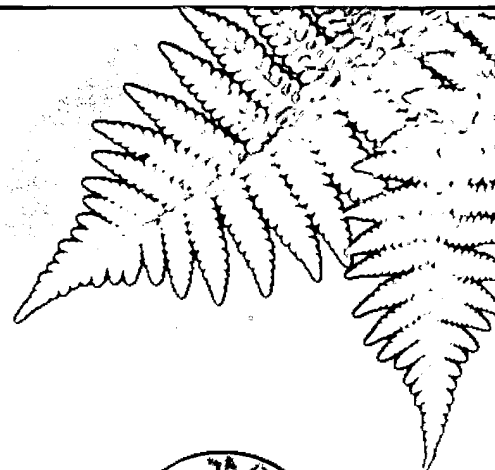


# OUR BETTER NATURE

# THE GREAT OUTDOORS SHOULD WELCOME EVERYONE



Read more at [www.openinguptheoutdoors.com/the-changemaker-programme](http://www.openinguptheoutdoors.com/the-changemaker-programme)



## THE CHANGEMAKERS

We're part of a collective of outdoor brands supporting the Opening Up the Outdoors (OUTO) Changemaker Programme.

This pilot project supports changemakers from ethnically diverse backgrounds whose initiatives are helping create a more equitable and anti-racist outdoor community.

The project is run by HATCH, a BAME female founders incubation program we support through the Livebarefoot Fund.

Read more at:  
[www.openinguptheoutdoors.com/the-changemaker-programme](http://www.openinguptheoutdoors.com/the-changemaker-programme)



**Sonny Peart**

Black Trail Runners is a community and campaigning charity seeking to increase participation, inclusion and representation of Black people in trail running. The group is breaking down barriers - access, skills and representation - and sharing the joy they have found in trail running and empowering new communities to do the same.

@blacktrailrunners  
@runnysonny



**Haroon Mota**

Muslim Hikers is a grassroots initiative under the umbrella of Active Inclusion Network CIC. It was created to help empower Muslim communities to get outdoors. The platform seeks to inspire through innovative digital content and by creating community. Their events attract hundreds of people from across the UK and promote safety, confidence, and awareness of the outdoors.

@muslimhikers  
@active.inclusion



**Marie Uri**

United We Climb is a JEDI (Justice, Equity, Diversity and Inclusion) organisation within climbing and the outdoors. The platform is creating new experiences and opportunities designed specifically for and with people currently underrepresented and under-served in climbing and the outdoors. They're creating a community where everybody has equal opportunities to experience and gain from the many benefits of climbing and the outdoors.

@unitedweclimb



**Yvette Curtis**

Wave Wahines' mission is to provide girls with affordable and supportive access to surfing. The group is tackling the lack of diversity in women's surfing. They also provide surf therapy for women experiencing trauma as a result of domestic violence. Wave Wahines uses the ocean to help reconnect and empower women and girls from a diverse range of communities.

@wave\_wahines



**Soraya Abdel-Hadi**

All The Elements CIC is a non-profit network for people creating change with diversity and accessibility for underrepresented groups in outdoor spaces across the UK. The group's work includes running networking events, offering one-to-one calls for support from community group leaders, and facilitating connections between those with similar goals.

@alltheelements\_



**Marlon Patrice**

We Go Outside Too's mission is to bring the rawness and authenticity of nature to the Black community, by aligning mental and physical wellbeing with outdoor activities. The group provides opportunities for intergenerational Black community members across Birmingham, Black Country, and West Midlands to participate in walking, nature-based learning, and holistic workshops.

@wegootsideout



**Frit Tam**

Passion Fruit Pictures has one aim: to add colour and diversity to the outdoors and adventure industries through filmmaking and photography.

@passionfruitpictures\_  
[passionfruitpictures.co](http://passionfruitpictures.co)

## AMBASSADOR: @JENNYTOUGH



Adventurer, writer, mountain lover and yes, it is her real name. Jenny's enthusiasm for all things endurance has led her to the furthest corners of the world.

Jenny is on a mission to get more people outdoors and challenging their own comfort zones, particularly women and girls.





# TRACKER DECON-STRUCTED

LAUNCHED IN  
SEPTEMBER 2022

The Tracker Decon FG2 is one of the newest styles in our Outdoor range.

Technical footwear requires complex constructions, components and materials to reach high levels of performance. From a sustainability perspective, this is challenging because the more components and materials we use, the harder it (usually) is to disassemble, repair and recycle.

Performance materials are often made from virgin synthetics - something we're actively trying to find both recycled and natural alternatives for. Here's a full component-deconstruction of the Decon so you can see what we're dealing with - the good, the bad and the ugly!

- 1. **INTERNAL HEEL WEBBING**  
100% recycled polyester
- 2. **LACE CABLE**  
90% virgin polyester • 10% elastane  
Like our wool knit blended materials, we want to eliminate the need for synthetic elastane in laces and find a better solution.
- 3. **HEEL WEBBING**  
100% recycled polyester
- 4. **TONGUE WEBBING**  
100% recycled polyester
- 5. **TURNED FOOTBED**  
100% organic cotton  
If we're using cotton, we only want to use organic cotton and in future, cotton from certified regenerative agricultural sources.
- 6. **SIZE LABEL**  
100% virgin polyester  
We're exploring options for size labels that aren't made from synthetic materials.
- 7. **LACE**  
100% recycled polyester
- 8. **VAMP**  
100% wildhide cow leather  
Our wildhide leather from Asia comes from smallholder farmers in Thailand.
- 9. **VAMP LINING**  
70% polyester, 30% wool
- 10. **HEEL LINING**  
100% wildhide cow leather
- 11. **COLLAR WING LINING FOAM PADDING**  
100% polyurethane
- 12-28. **TOP HOOK • EYELETS**  
95% zinc • 5% aluminum  
We've worked on our hardware to make it as durable as possible. However, we still want to analyse the metals we're using to make sure they're the most sustainable material possible and have full value chain traceability.
- 29. **OUTSOLE**  
100% synthetic rubber
- 30. **TONGUE/COLLAR KNITTING**  
OUTSIDE: recycled yarn  
INSIDE: 68% spandex • 32% wool  
Our wool is Woolmark® certified from Australia. We're trying to make our knits 100% natural, but durability and the stretch needed from the spandex are making this tricky. We're trialling a few natural alternatives at the moment, watch this space!
- 31. **VAMP LINING**  
100% virgin polyester
- 32. **COLLAR WING LINING**  
100% wildhide cow leather
- 33. **PUNCTURE PROOF LAYER**  
100% virgin polyester
- 34. **COUNTER WING LINING**  
100% wildhide cow leather
- 35. **COUNTER WING LINING FOAM PADDING**  
100% virgin polyurethane
- 36. **HEEL COUNTER BACKER**  
100% virgin cotton
- 37. **HEEL REINFORCEMENT**  
85% virgin olefin polymers • 11% eva adhesive • 4% polyester
- 38. **HEEL OVERLAY**  
100% wildhide cow leather
- 39. **TOE REINFORCEMENT**  
39% virgin olefin polymers • 11% eva adhesive • 4% polyester  
Reinforcements are perhaps the most challenging for us in terms of material improvements - they're nearly always made from virgin synthetics. We've tried to reduce our number of reinforcements, only using them where absolutely necessary. We're exploring recycled and natural options, but at the moment they're nowhere near good enough!
- 40. **EYELET REINFORCEMENT**  
100% virgin polyester
- 41. **TURNED FOOTBED BACKER**  
75% polyester • 25% cotton

## VALUE CHAIN PARTNERS:

- Interhides • Hai Wei • Kairui • Rhenoflex • Hua Nan • Baofa (Dongguan Yu Shen) • Ortholite
- Ruide • Fufeng • Woolmark/Weiya • Tryon • Zhuyi • Liqin • Ruiling • Guoxing

50% VMATRIX SCORE.  
UP FROM 32% FOR OUR  
PREVIOUS TRACKER

MADE FROM 41  
COMPONENTS



# THE TRACKER DECON TRANSPARENCY TREE

In pursuit of radical transparency, we wanted to show you 'behind the scenes' of the value chain that manufactures and supplies our materials, and constructs our finished products.

As you can see, information about where raw materials come from and are processed becomes increasingly obscure the deeper you go into the value chain.

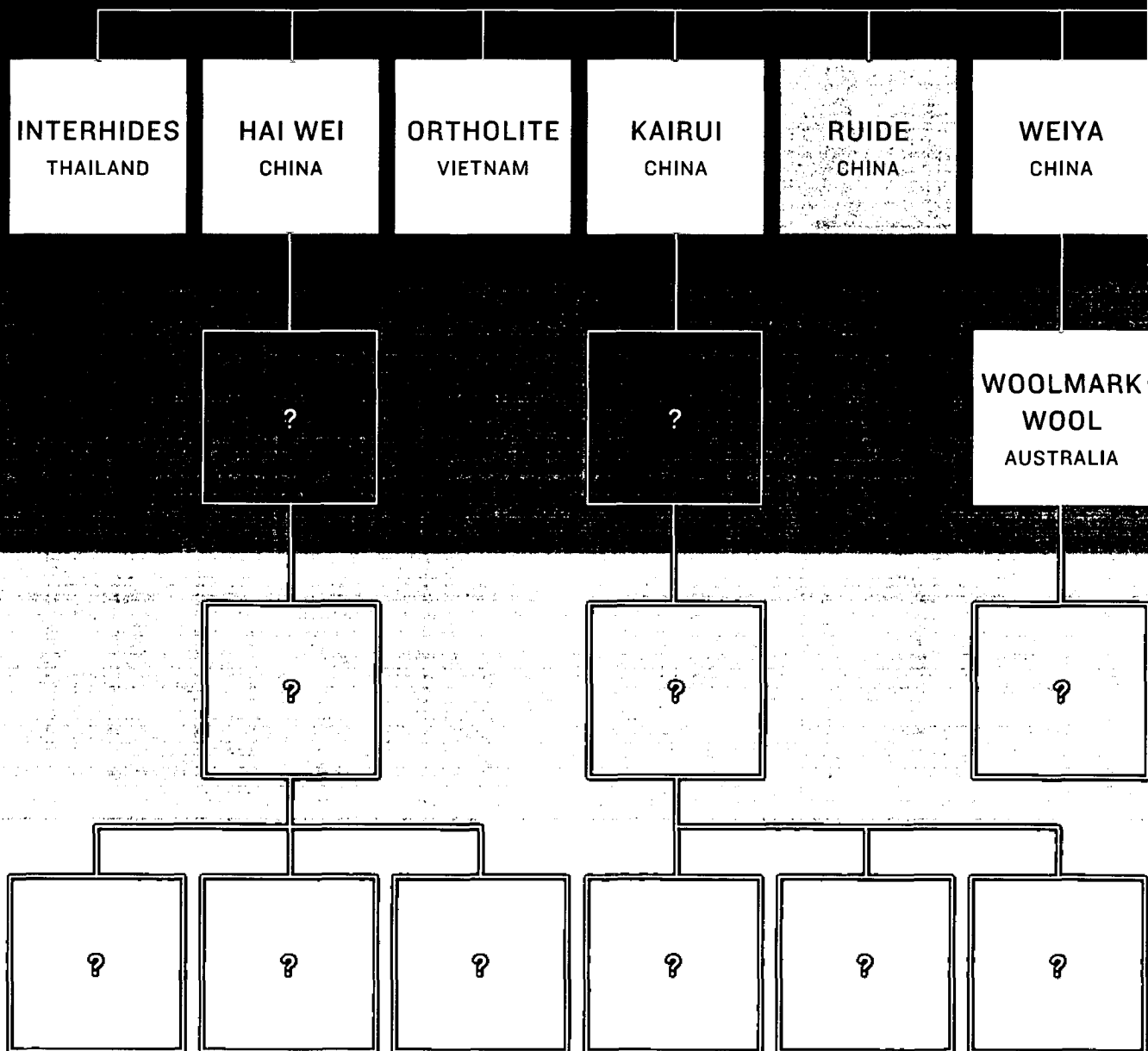
TIER 1

TIER 2

TIER 3

TIER 4

TIER 5

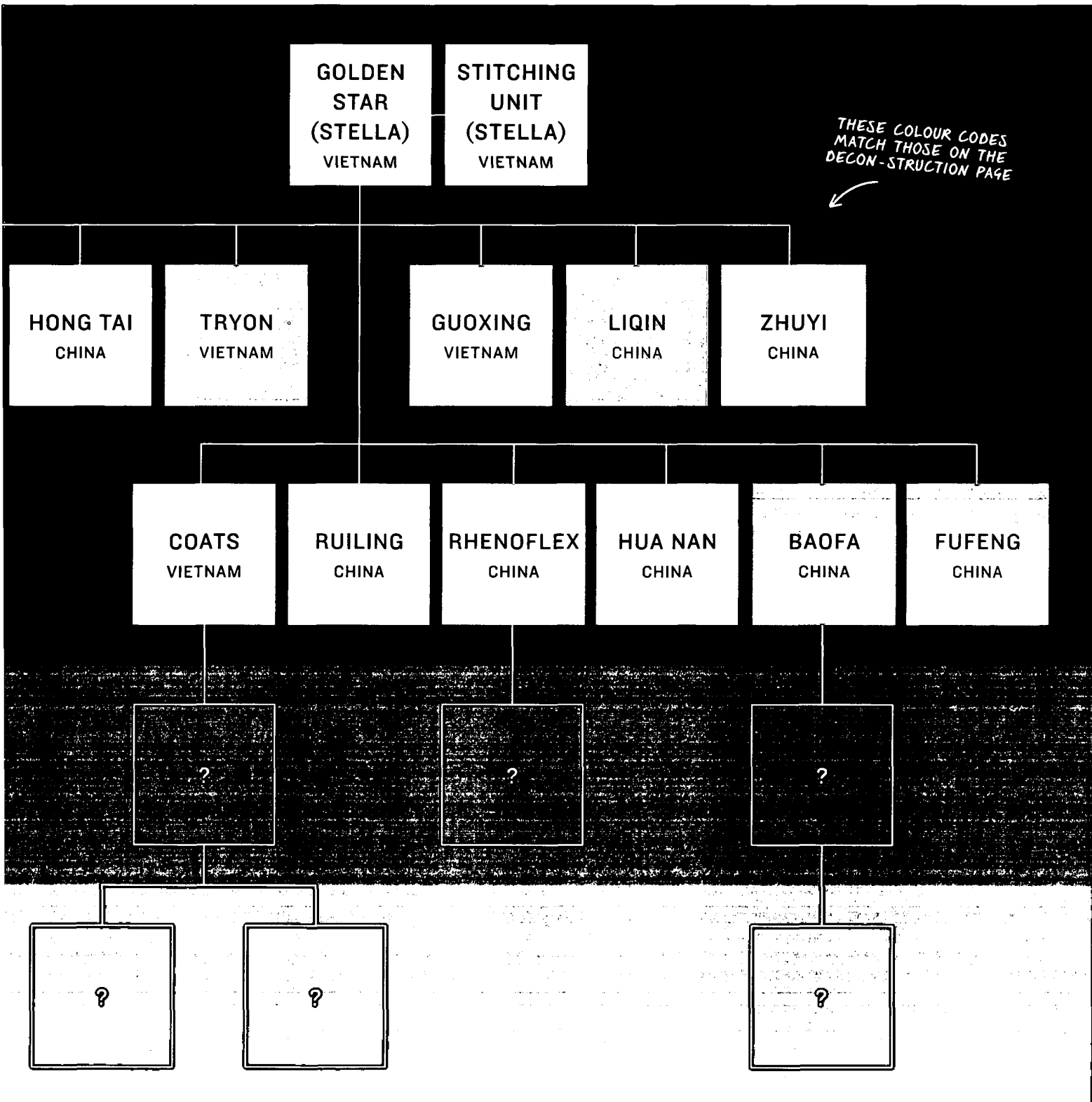


This transparency problem is endemic across the footwear and apparel industry.

We're asking our partners for 100% transparency about where all our raw materials come from, back to Tier 5.

Like most other brands, we have more work to do. We have full transparency of Tiers 1 & 2 partners, but little of Tiers 3 to 5.

We've validated material certificates and tested our products and materials for chemical compliance, but we've got a way to go before we can remove all the question marks on this tree.



## KIDS

We believe that wild, curious kids who play outside with healthy, bare feet won't just flourish as individuals, they'll grow up into the adults our planet really, really needs.



# RAISING REBELS

# VIVOKIDS

Our mission is to raise more rebels — wild and untamed — with feet on the earth, hands in the dirt and eyes on the horizon.

When we limit our kids, we limit their future. The science shows that children who grow up largely barefoot have stronger feet, and better balance and motor skills than their shod counterparts. What's more, we believe that when we support children to play naturally in the great outdoors, they grow up into wonderful humans who take better care of our world.

AMBASSADORS:  
@THEWELLFAM / @RAISINGWELLKIDS



Two chiropractors and their young boys sharing educational, accessible advice about a nomadic, barefoot lifestyle for the whole family.

## OUR KIDS' PRODUCT LINE WASN'T GOOD ENOUGH (WE'RE FIXING THAT!)

We're in the process of moving to our first ever kids-only factory. It's a huge amount of work, but 100% worth it.

The move means we can recreate all our kids' product lines. From summer 2023, our kids' footwear will be even more barefoot, sustainable, accessible, inclusive, profitable and recognisable.

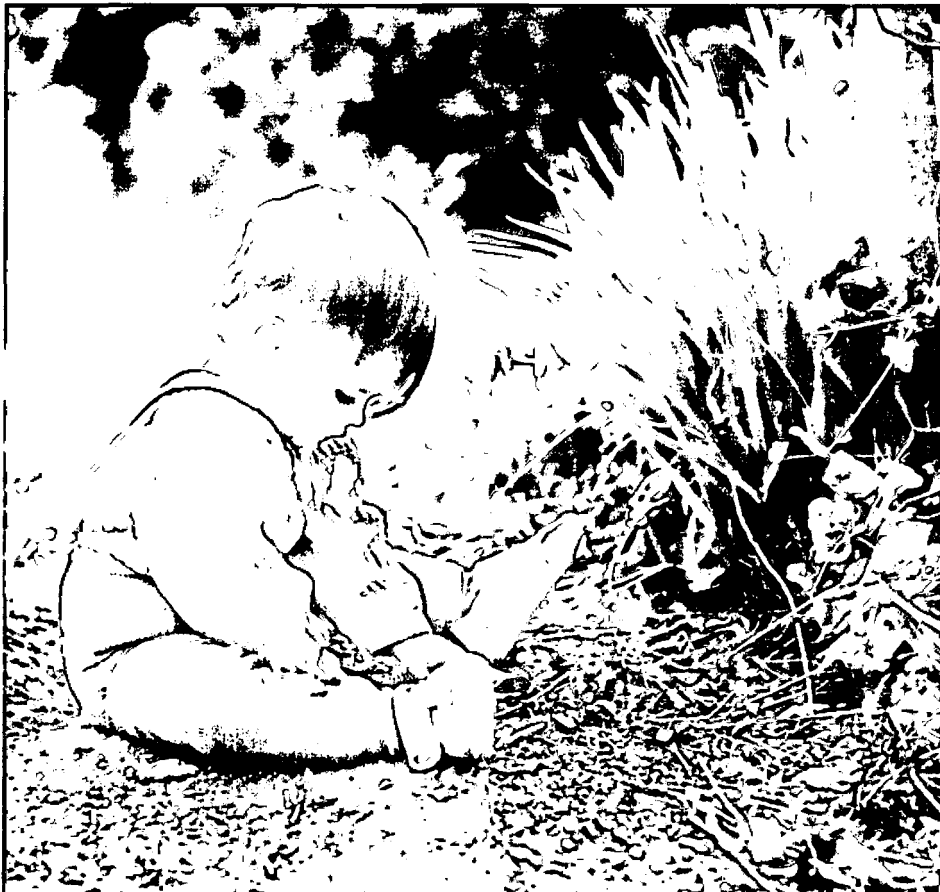
**+18%**

revenue 21/22

**+17%**

volume 21/22

←  
MASSIVE PROPS TO  
THE KIDS TEAM FOR  
A BIG YEAR.



"We're not easy to work with. Factories are used to making shoes in a particular way - backing every material with heaps of canvas and glue - it's easier to handle on the production line, and makes shoes stand up exactly as a designer's drawing (stiff!). Instead, we want them to make us deconstructed, soft shoes that move with your feet. It's the opposite request to most other brands!

- KATY FORSTER

# MORE FOR KIDS

Before we restructured to bring dedicated focus to our kids' product range, we were making kids' footwear using the same outsole compound as our adult range. That's crazy when you think about it.

By reducing the use of shoe stiffeners and switching to a new softer outsole compound, we've significantly increased the flexibility and bare-footed-ness of our kids' footwear.

## MORE REGENERATIVE

The factory move and product redesign will improve our VMatrix scores from 46% in 2022 to 60% for our 2023 product line. By using more sustainable materials and simplifying our constructions, we're scoring better on waste and complexity, end of life, durability and repair consideration.

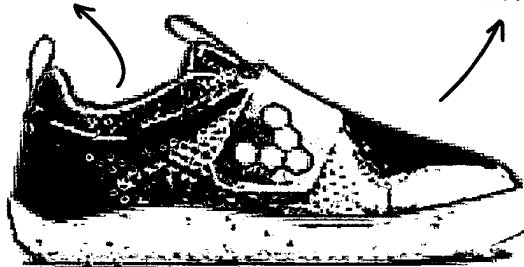
LESS STUFF OFTEN  
MEANS MORE  
REGENERATIVE

## NEW PRIMUS SPORT

RRP -£5 VS OLD

SOFTER MORE  
FLEXIBLE  
OUTSOLE

FEWER COMPONENTS,  
LESS COMPLEXITY



COLLAR CHANGED  
TO TONGUE VS  
STRETCHY SOCK

NEW 47% VMATRIX  
VS  
41% VMATRIX

## MORE ACCESSIBLE

We believe every child has the right to natural movement. Our kids' footwear is expensive compared to some conventional shoes, and we're working hard to make it more accessible to more families.

We're introducing a new product range – the Gaia. This is our most regenerative sneaker yet – and it'll cost £15 less than our next cheapest kids' trainer. We made it that cheap by ruthlessly reducing its complexity – it's literally made out of rubber and cotton (which also means it gets a great Vmatrix score!)

We're also partnering with Bundlee, an online platform for renting children's clothes. We're the first footwear company to partner with Bundlee and the trial has been very successful.

THANKS TO TANDI  
FROM REVIVO (P34)  
FOR LEADING ON  
THIS!

## MORE INCLUSIVE

Off the back of customer feedback and a research study commissioned by Vivobarefoot, we've redesigned all our kids' footwear with autism and neurodiversity in mind.

There are two key changes. First, we're moving from ankle sock pull-on's to soft tongue designs that open right up. This makes it easier for kids to put their shoes on themselves, which is often important to children with autism. And second, we're using a wider, flatter closure to reduce pressure points on the top of the foot – something children with autism can find difficult to deal with.

## MORE PROFITABLE

Always a tricky one to talk about. Kids footwear has never been (and will never be) about making lots of money for Vivobarefoot. Profitability is important for other reasons. Not least, it means we can invest in this category and increase the number of kids wearing and benefitting from barefoot.

For our two highest volume kids' styles, Primus Sport and Primus Trail, we've reduced product costs by -9.5%, which averages out at \$0.82 less per pair. The factory move meant we could be more efficient and less wasteful with our patterns and designs, finding new ways to reduce the layers of canvas and glue.

IN THE WORKS FOR 2023...

3

NEW  
PRODUCTS

2

PRODUCT  
UPGRADES

# MAKING FOOTWEAR BETTER FOR KIDS WITH AUTISM

We're still supporting Dr Sharon Kinsella with her research into the impact of barefoot shoes for children with Autism Spectrum Disorder (ASD).

As part of this, we sent shoes to eight families for them to try with their children (via an organisation called Hands on Play). We've received good feedback so far, with insights we can use to make our footwear even better for kids.

"G was thrilled to receive his Vivobarefoot shoes. He quickly got used to the different feel and now chooses them over any other shoe. He likes the shape, style and colour, and can put them on himself easily. The shoes are used indoors and out, up trees and over uneven terrain. G is surefooted and confident, he can feel what is going on under his feet more and seems to trip and stumble less. Before having these shoes G complained of foot and ankle pain often, but has not complained at all since getting these shoes. They seem to have helped build up the muscles to support his ankles better."

— PARENT



## MORE RECOGNISABLE

We're really excited to be launching new designs that align with our adult styles. From 2024, we'll be selling Tracker FGs and Magna Trail FGs... for kids!

This is our first ever kid's hiking boot, and we think it's the only barefoot hiking boot for kids on the market. Both styles were chosen to help fulfil our mission to get more kids outdoors.

## STOCK PROBLEMS

Due to the ongoing challenge of supply chain issues largely beyond our control, we keep having the wrong products in stock at the wrong times. It's frustrating, and it reduces our profitability and our customer experience. We're still on the backfoot a bit, but we're working hard to fix it so we can get our amazing new designs out there and on to little feet.



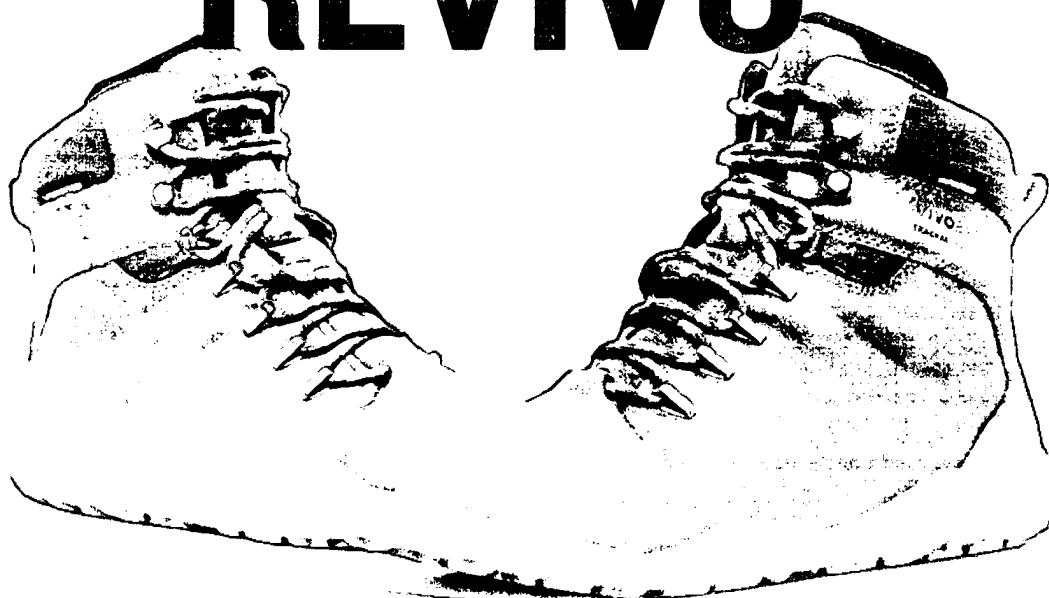
## REVIVO

ReVivo is an ideal way to purchase pre-loved, reconditioned Vivos at a lower price, as well as some returned footwear and unsold stock from previous seasons – we certainly don't want these gathering dust in our warehouse.

WHY OUR CUSTOMERS LOVE REVIVO

1. CHEAPER
2. BACK CATALOGUE
3. (EVEN MORE) SUSTAINABLE

# REPAIR REFURBISH REIMAGINE REVIVO



**REVIVO**  
BY VIVOBAREFOOT

# LONG LIVE THE REVIVO-LUTION!

In 2022, ReVivo doubled its sales from 19k to 38k pairs, reaching our 37k goal and contributing £2.9m to our top line – strong early growth!

It's exciting to see ReVivo reaching new audiences, helping more people discover the benefits of barefoot. As we learn to tell the ReVivo story better, we hope our new-to-barefoot numbers will keep growing.

As ReVivo grew, so did our take back scheme, which is now up and running in the UK, the EU and the US. About one in every seven 'take back' pairs can be refurbished and ReVivo'd. An acceptable ratio, but we'd like to improve it. One way we do that is supporting customers to take good care of their shoes, which we'll continue to do through education and repairs.

And what about the six-out-of-seven pairs that can't be refurbished and resold? If they can't be recycled, we're storing them in a big warehouse until we figure out the most responsible end-of-life solution. We have an inkling of a new partner to help with this... we'll keep you posted.

## MAKING CIRCULARITY REALITY

Last year, we sold a lot of aged stock through ReVivo – great quality, never worn. But we didn't start ReVivo to sell shoes that have never left the warehouse. Instead, ReVivo is about circularity – building the systems and mindsets that eliminate landfill waste, keep footwear in use for longer, all while increasing access to barefoot.

So, as ReVivo moves into its third year, we're looking at creative ways to leverage circular business models (like rental) to reduce the amount of aged stock on ReVivo, and increase the number of wears for each pair. Short term, we want to increase used stock on ReVivo from 25% to 60%. That will mean there's a better range of options (and prices) on ReVivo.com – great for our customers. The benefits of this mindset shift are already evident across Vivobarefoot. We're much more joined up, distributing information about repairs to various internal teams, from design to retail and customer service.

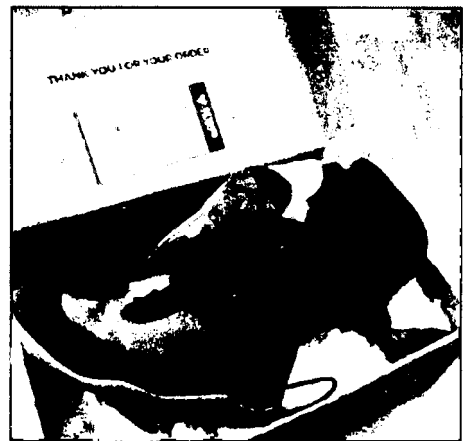
AMBASSADOR: @SERENALEECHUA



Serena is a wellness blogger based in London, focused on advocating a low waste, conscious lifestyle. Serena firmly believes that living a life aligned with our values brings happiness like no other.

## TRIALLING RENTAL

We're proud of the successful pilot we ran with Bundlee, an online platform for renting children's clothes. As the first footwear company to work with Bundlee, we're excited by the possibilities of this partnership – and others like it.



"Shoes are often the most expensive and rapidly outgrown product you can buy for a toddler, which is why I always wanted to introduce shoes to our rental platform. With Vivobarefoot's commitment to circularity and care for children's feet, it felt like the perfect partner."

- EVE KEKEH, BUNDLEE FOUNDER

# THE REVIVO STORY HAS ONLY JUST BEGUN

## STAYING ON OUR TOES

Over the last year, several footwear brands have started offering both repairs and reconditioned products. That means we're doing something right and that fewer shoes will end up in landfill. We're keen for industry collaboration. We all need partners to deliver a circular economic system – there's no way we can do it on our own.

## CIRCULAR SERVICES

It's been wonderful to see the customer interest in repairs, and we have so many shoes to refurbish for ReVivo inventory. To fulfil this potential and keep growing, we need to increase our repair capacity.

Our excellent partner, the Boot Repair Company, is moving to new premises, hiring new staff and training apprentices. Due to Brexit, we can only offer repairs to our UK customers, so we're looking for ways to increase repair capacity in other markets. We hope this will help other brands too!

**“Resale and repairs will continue, but we're thinking about what's next. What do our customers want to see from us? What do we want to see from ourselves, as leaders? A lot of other brands are entering this space now, how are we pushing the boundaries?”**

- Tandi Tuakli, Head of ReVivo

## MORE AND BETTER DATA

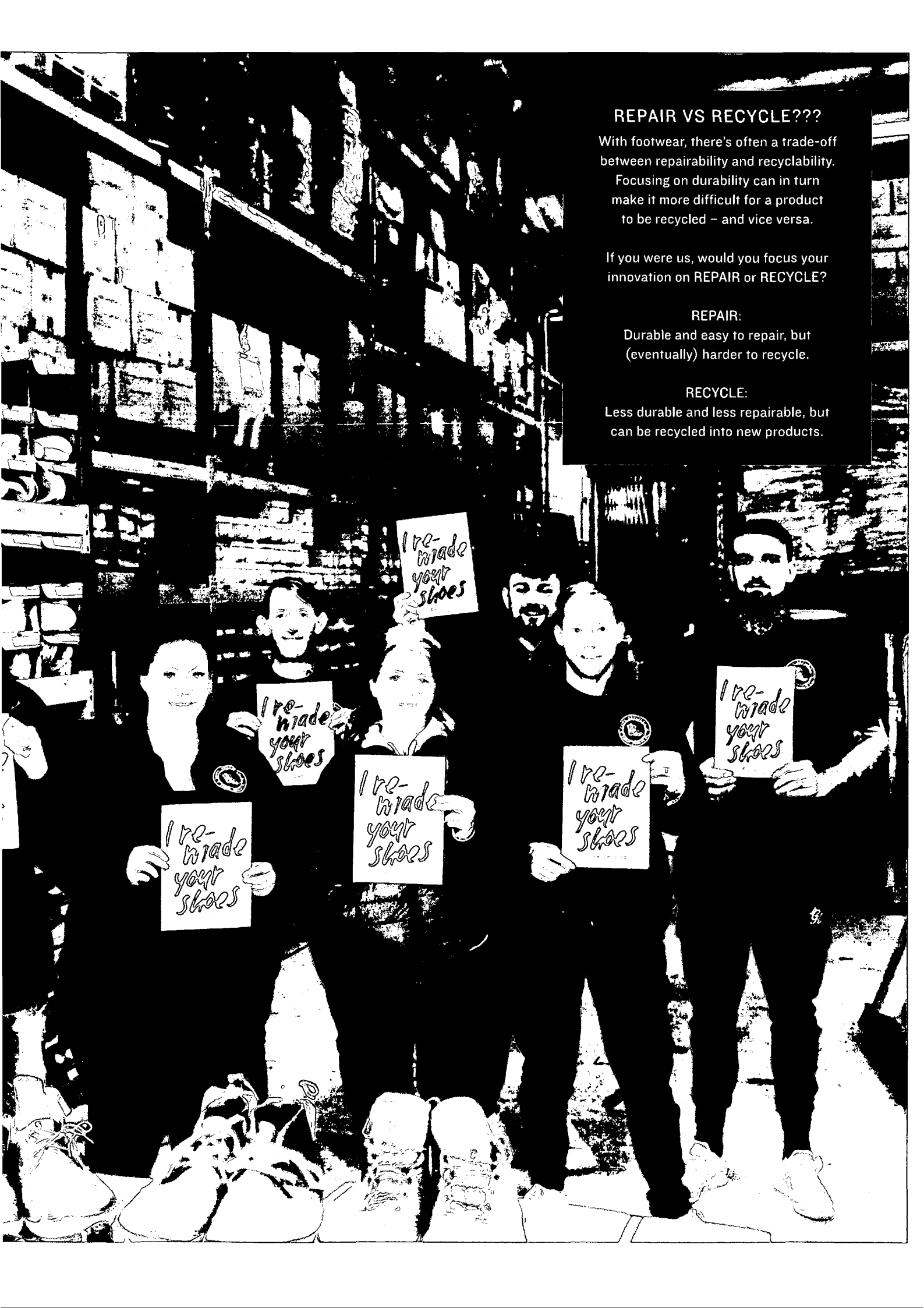
Working with the Boot Repair Company, we've built a database summarising the repairability of all the styles we've produced over the years. By making this accessible to our team, we can improve the customer experience, especially with repairs.

Ultimately, we want every pair of shoes to have data about its repairability, product name, original RRP, etc. – and for that data to be easily available. We're still figuring out how to do all this in a way that will best serve our business and our customers in the transition to a circular economy.

## UPCYCLING

We're still looking for ways to upcycle Vivo footwear that can't be refurbished and resold. We ran a pilot scheme with students last year, which taught us a lot about what is and isn't feasible. We're now exploring options to paint older stock (primarily white shoes that are in great nick apart from a few marks), and an upcycling project using offcuts from the factory floor.





## REPAIR VS RECYCLE???

With footwear, there's often a trade-off between repairability and recyclability.

Focusing on durability can in turn make it more difficult for a product to be recycled – and vice versa.

If you were us, would you focus your innovation on REPAIR or RECYCLE?

### REPAIR:

Durable and easy to repair, but (eventually) harder to recycle.

### RECYCLE:

Less durable and less repairable, but can be recycled into new products.

## VIVOBIONE

VIVOBIONE will launch in 2023 with industry-disrupting circular footwear innovation. Enabled by a coalition of changemakers, we are re-imagining manufacturing and the customer experience with footwear made locally, for individuals not mass markets.



# THE AT Y

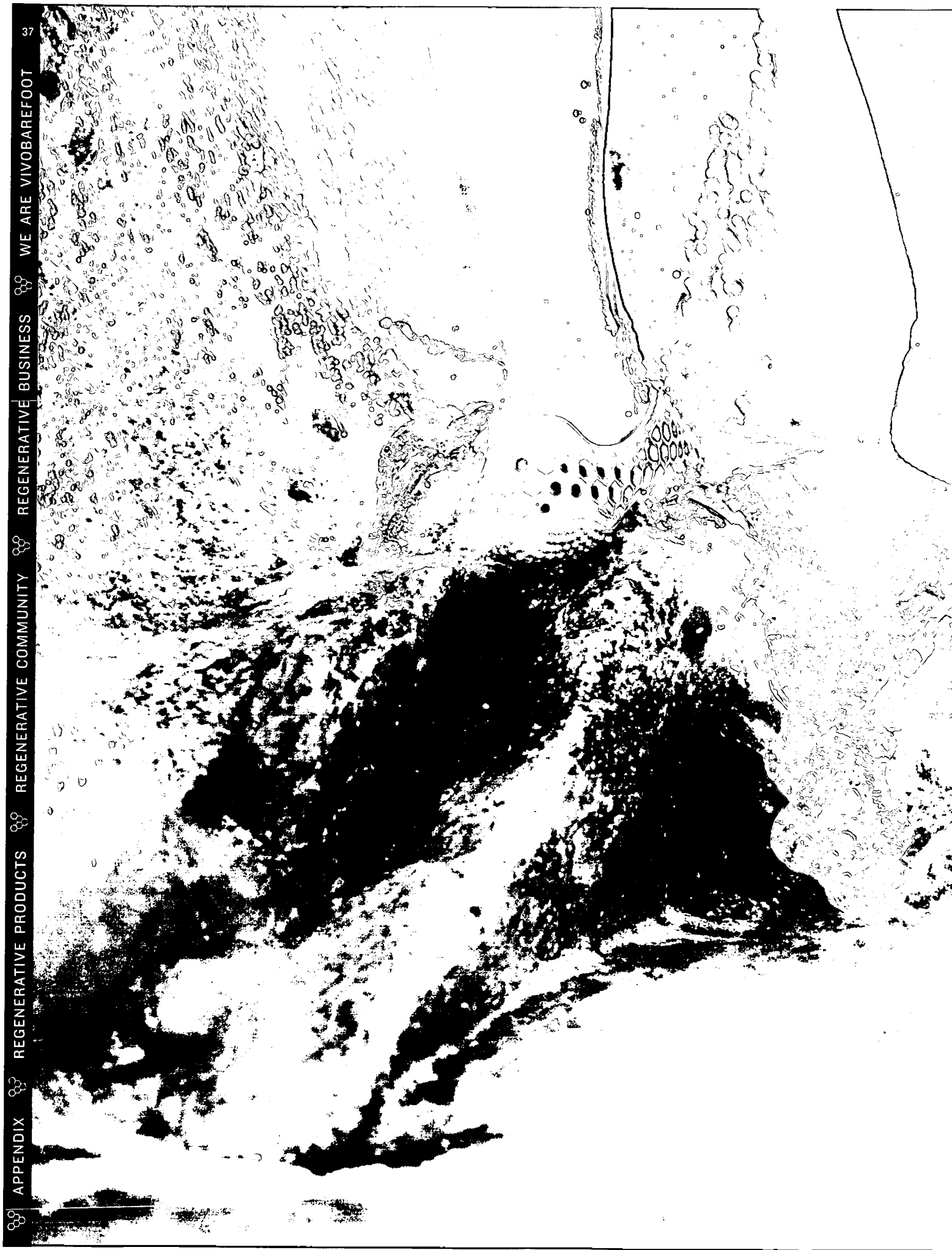
VIVOBIONE | A ra

01:05



# FUTURE IS YOUR FEET

Medical vision for a scan-to-print circular footwear system

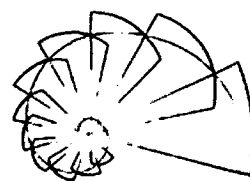


# OCEANS PRIZE 2022

In collaboration with Innovation 4.4, we are offering \$50,000 funding for the most viable 3D-printable, non-toxic biosynthetic alternative to oil-based plastics.

We will work with the winner to turn the material into a key part of our vision for the future of footwear: VIVOBIONE.

Application deadline is March 2023, and three finalists and a winner will be announced on 8<sup>th</sup> June 2023 – World Oceans Day.



INNOVATION 4.4

# PRODUCT GOALS

## A LESSON IN GOAL SETTING

Last year, Vivobarefoot transitioned to a new category structure - outdoors, active and kids. As a result, we re-evaluated our big, hairy and audacious product goals. Turns out the timelines were a bit too big and hairy.

We've learned this doesn't serve our team or our mission. So we've recalibrated a bit, to keep momentum and motivation, and provide internal clarity on the next realistic steps.

"To align our product categories with our regenerative ambitions we had to revisit our goals and collectively come up with tangible actions that we all feel committed to. Of course, it's important to have overarching North Star ambitions, but we also needed to lay out annual steps that we can realistically achieve."

- CHARLOTTE

## NORTH STAR GOALS

1

All products designed for circularity

2

Eliminate our use of non-regenerative virgin materials

3

100% transparency over our value chain

4

All products certified to meet best practice standards

5

All natural materials from regenerative sources

6

Use bio-based materials over synthetics where possible

7

Achieve true regenerative impact for all products we manufacture



# A QUICK VMATRIX UPDATE

The VMatrix is our in-house tool to guide and assess our products against our design and continuous improvement principles.

We score our products seasonally, which informs our decision-making about where to make improvements.

The more data we can get about each component and material, the better that decision-making process becomes. Our suppliers have been helping us gather this information, and STELLA in Vietnam have made the transparency in our Asia supply chain better than ever before. See the transparency tree on p31.

## OUR VMATRIX GOALS

We set yearly average VMatrix goals. This year, we wanted to achieve 60% across all categories. We fell short. Style by style, we can still see continuous improvement, but a few key offenders are dragging our average down.

The challenging styles are those that sit in our performance range because they require more complex constructions to perform at the highest level - hyper durable materials for longevity and often a mix of materials for functionality. Currently, there's a shortage of high-performing recycled materials or materials from bio-based sources, so we need to keep driving innovation in this space. See Materials on p40.

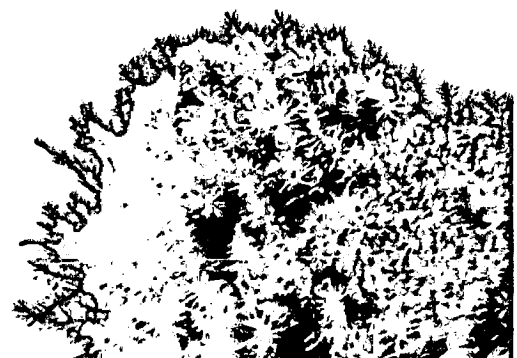
## LAUNCHING VMATRIX 3.0

We're excited to have launched a partnership with impact measurement experts Made2Flow, to figure out how best to get our VMatrix into a software solution and transform it from an incredibly nerdy excel file, into something that's easy to use. This new system will automate a lot of our data input and analysis, while adding an extra layer of environmental impact assessment, which we currently struggle to measure.

We'll blog about the 3.0 launch in full when it happens – hopefully in the next couple of months.

[www.vivobarefoot.com/blog](http://www.vivobarefoot.com/blog)

**MADE2FLOW**



# THE TRUTH WILL SET YOU FREE

← ("BUT FIRST IT WILL P\*SS YOU OFF")

## TRANSPARENCY IS HARD, BUT SO IS EVERYTHING WORTH DOING

We're on a mission to find the truth about our value chain, from tip to toe. Our long-term goal is full transparency of all materials, value chain partners, processes and facilities from raw materials to finished product. Even one gap in our supplier map is one too many.

We're not the only brand struggling with the transparency challenge - it's an industry wide problem. For a long time, the apparel and footwear industry operated with very little global regulation. There were minimal requirements to legally know who and where products and materials came from. Trust was shown through the financial transactions of 'order and supply' between brands and manufacturing partners, with transparency often seen as a mechanism for the brand to bypass a partner and cut costs.

In the last decade, people have started to really question where their materials come from - to minimise their social and environmental risks, work collaboratively with their value chain partners and identify areas to reduce their impact.

Historically, brands have kept their value chain, manufacturing and materials information secret to protect their 'intellectual property'. We think this practice is outdated and the key to unlocking true industry change is through brand collaboration. Sustainability and ultimately (we hope) regeneration is everyone's business and we'll get there much faster if we work together.

## WHERE'S OUR DATA?

Vivobarefoot has continued to gather data and map our material suppliers from tier 2 and beyond. Our suppliers are invaluable to this process, and STELLA has been particularly helpful in understanding our Asia supply chain - where most of our manufacturing happens.

We're close to publishing a live, interactive map of all our supplier data. But we've been saying that for almost two years - what's the hold up? With our supplier move came changes to our material toolbox and to some of the suppliers we're working with. We're now in a position to share more. It's not complete, but it's a good start and we'll keep updating it every six months.

← COMING SOON (LIKE, REALLY SOON).



# TRUST US

**We get it.**

**Sharing supplier information with competitors feels risky. And the bigger you are, the less incentive you have to open up. But unless we face that fear, we're complicit in the consequences.**

**Human rights abuses.**

**Exploitation.**

**Environmental degradation.**

**We have to do better.**

## **HOW DO WE DO BETTER?**

**First and foremost, proactive collaboration. We have to start working together to share information and collaborate along the value chain.**

**Our value chain partners will be the glue that holds these collaborations together. We don't just want to share information about our suppliers, we want to be actively engaging our suppliers in conversations with these other brands to accelerate transparency and reduce our shared environmental impacts.**

# THE MATERIALS INNOVATION RACE

## A SLOW AND CHALLENGING YEAR

To achieve our goal of regenerative footwear, we need to keep replacing conventional materials with regenerative ones.

The more regenerative our materials, the more regenerative our footwear. Our industry desperately needs new materials, but getting innovation to market can seem dishearteningly slow. We're learning to resist announcing exciting breakthroughs before they're ready. Instead, this year, we've invested in research and building strong foundations, and are now in a better position to support delivery on new and existing projects.

That said, we have started sampling with two very exciting bio-material companies across a few different product applications, and plan to add to this next year. This included working on mycelium foam trials.

We also have a functioning material toolbox up and running (thank you Crystall!), which means we can define a standard set of materials to construct our products from.

## WHY IT'S SO HARD

It's a bit of a jungle out there. There's a lot going on, everyone is competing, and the most promising materials are often well camouflaged!

As a smaller company, we can move and pivot quickly. But we also don't have endless time and money to make mistakes like larger brands in this space. One solution is to form consortiums with larger brands, which is facilitated by Fashion for Good. However, this can also slow things down because bigger brands tend to have more convoluted legal processes.

## WHAT WE'VE LEARNED

We need to forge our own path, rather than trying to fit someone else's. Over the last year, we've taken a close look at all the key suppliers in our material supply chain, with a particular focus on Asia. We now have a much clearer picture of what we're using and how we're using it.

Alongside this, we've been sorting through company-wide hopes and dreams for material innovation and identifying what will feasibly work for us. We've mapped these desires against what's available (or will be soon), which has involved reviewing seaweed as a feedstock, vegan leathers, regen leather, mycelium foams and other bio innovations. We've now identified a shortlist of material suppliers we would like to develop with.



## PRESS RELEASE

### THE NEXT GENERATION OF MATERIALS... FROM WASTE

FASHION FOR GOOD'S LATEST PROJECT TRANSFORMS AGRICULTURAL WASTE INTO FIBRES

22 FEBRUARY 2022



## **PLAYING TO OUR STRENGTHS**

Looking ahead, we're going to split our time and money between 'concept' and 'compromise'. This will get more materials over the line and into our supply chain. We'll renew our focus on natural and mono materials, and we're seeking ways to collaborate and share knowledge with other brands (in a way that doesn't slow us down).

### **CONCEPT MATERIALS:**

Innovative regenerative materials that require development and fine-tuning. Projects can run up to 18 months before being ready to feed into product development.

Rather than committing to one brand or material type, we'll test as we go, reviewing multiple swatches and only proceeding with the most promising results. This will save time, avoid dead ends and means we'll spend less on sampling with materials that aren't fit for purpose.

### **COMPROMISE:**

Market-ready and more (but not fully) sustainable or regenerative. These materials can be implemented with continuous improvement.

"Any time we speak to a new supplier we have to sign NDAs because bio-companies are worried a competitor will steal their 'secret science' and get it to market first. It feels so at odds with trying to make the world a better place, yet that's the price to pay to even have a conversation with most new material innovators."

- CAMILLA, OPERATION PARTNERSHIPS

# APPENDIX



# OUR DISCLOSURE INDEX

## NOTE ON THE INDICATORS

These indicators were developed by the World Economic Forum and published in its White Paper; Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation (September 2020). We have used these metrics as an opportunity to report on our work using a defined core set of metrics which were in turn based upon existing standards (notably GRI). We support the approach set out by the World Economic Forum to accelerate convergence and bring greater clarity and consistency to reporting of disclosures.

# GOVERNANCE

## WEF INDICATOR

## VIVOBAREFOOT

## DISCLOSED?

### GOVERNING PURPOSE

✓ Yes ✓ Partially ✗ Not yet

#### SETTING PURPOSE

The company has a stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders.

See 'We are Vivobarefoot' starting on p3, which includes our vision statement.



#### PURPOSE-LED MANAGEMENT

How the company's stated purpose is embedded in company strategies, policies and goals.

See Regenerative Business section starting on p11.



### QUALITY OF GOVERNING BODY

#### PROGRESS AGAINST STRATEGIC MILESTONES

Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected or have contributed to long-term value.

See KPIs on p12.



#### REMUNERATION

How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long term value.

The company's legal articles of association changed when the company became a B-Corporation. Board Rules will be updated to reflect this.

All employees have updated job descriptions to reflect integrated value goals and issues, and all employees including the Executive Team are required to have performance evaluations using OpenBlend on this basis. This year, so far 45% are yet to start this process, 8% are in progress and 46% have completed these reviews.



For the highest governance body and senior executives: Fixed pay and variable pay, including performance based pay, equity-based pay, bonuses and deferred or vested shares.

Vivobarefoot does not have performance based pay. Details of directors' remuneration can be found on p56.



For the highest governance body and senior executives: Sign-on bonuses or recruitment incentive payments.

Vivobarefoot does not provide sign-on bonuses or recruitment incentive payments.



For the highest governance body and senior executives: Termination payments.

Termination payments are agreed by the Board on an ad-hoc basis as per the Board Rules.



For the highest governance body and senior executives: Clawbacks.

Vivobarefoot does not have clawbacks.



For the highest governance body and senior executives: Retirement benefits, including the difference between benefit schemes and contribution rates.

Employers contribution rate is a flat 4% across the business. (Minimum 3% in UK).



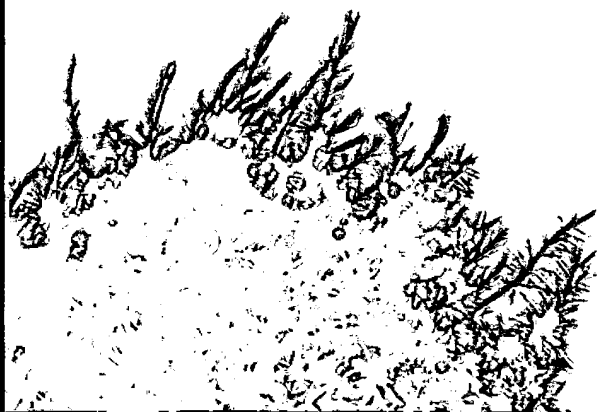
#### GOVERNANCE BOARD COMPOSITION

Composition of the highest governance body and its committees by:  
Competencies relating to economic, environmental and social topics.

The Vivobarefoot Leadership Team has a range of competencies related to economic, environmental and social topics, including formal qualifications and industry experience. Qualifications include degrees in sustainable business, anthropology, marketing, design engineering, ecommerce systems, business IT management and industrial design. Experience ranges from management roles in large multinational corporations to board roles in B Corporations, including multiple footwear, outdoor and sports brands. Particular specialisms include environmental and corporate systems, cultural narratives, consumer attitudes, responsible marketing, footwear development, sourcing, digital futures and sustainable product design.



Composition of the highest governance body and its committees by: Executive or non-executive.	W Haitink - Non-executive (Chairman) (appointed 24 February '22) A Clark - Executive G Clark - Executive (CEO) J Roebuck - Non-executive J Sung - Non-executive (appointed 26 May '22) N Beart - Non-executive (Chairman) (resigned 24 February '22) L Chen - Non-executive (resigned 26 May '22)	✓
Composition of the highest governance body and its committees by: Independence.	W Haitink - Non-executive (Chairman) (appointed 24 February '22) A Clark - Executive G Clark - Executive (CEO) J Roebuck - Non-executive J Sung - Non-executive (appointed 26 May '22) N Beart - Non-executive (Chairman) (resigned 24 February '22) L Chen - Non-executive (resigned 26 May '22)	✓
Composition of the highest governance body and its committees by: Tenure on the governance body.	N Beart (Dir) appt 01.17 - rsgn 02.22 L Chen (Dir) appt 09.10 - rsgn 05.22 A Clark (Dir) appt 01.07 G Clark (Dir) appt 09.03 J Roebuck (Dir) appt 05.20 W Haitink (Dir) appt 02.22 J Sung (Dir) appt 05.22 C Beyer (Secretary) appt 06.20	✓
Composition of the highest governance body and its committees by: # of each individual's other significant positions and commitments, and the nature of the commitments.	<b>N Beart</b> Director, Nemadi General Partners Limited Director, Nemadi Advisors Limited Director, 3Sixty Restaurants Limited <b>A Clark</b> Director, Mozekiel Investments Limited <b>G Clark</b> Director, Street Trustee Family Company Limited Director, Terra Plana International Limited <b>Willem Haitink</b> Non-Exec Director/Chair, Koio collective, Inc Non-Exec Director/Chair, Ecstase Ltd (Aday) <b>J Roebuck</b> Director, Auden Group Limited	✓
Composition of the highest governance body and its committees by: Gender.	N Beart - Male - rsgn 02.22 L Chen - Male - rsgn 05.22 A Clark - Male G Clark - Male J Roebuck - Female W Haitink - Male - appt 02.22 J Sung - Male - appt 05.22	✓
Composition of the highest governance body and its committees by: Membership of under-represented social groups	Under B-Corp regulations, the Board is qualified as a 'Diverse Board' due to diversity of gender, faith, indigenous culture and disability.	✓
Composition of the highest governance body and its committees by: Stakeholder representation.	See section on governance on Legal Advisory Board.	✓



## STAKEHOLDER ENGAGEMENT

### MATERIAL ISSUES IMPACTING STAKEHOLDERS

A list of the topics that are material to key stakeholders and the company, how the topics were identified in the process of defining report content and how the stakeholders were engaged.

Our material topics:

- Commerciality
- Community Impact
- Corporate Responsibility
- People Empowerment
- Employee development and growth
- Diversity
- Health & Wellbeing
- Regenerative sourcing practices
- Production transparency
- Sustainable materials
- Chemicals
- Waste
- Energy and Emissions
- System change
- Healthy digital



In 2022/23 we will engage further with stakeholders on our material issues.

## ETHICAL BEHAVIOUR

### ANTI-CORRUPTION

Total % of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region.

- 100% of Vivobarefoot employees including our governance body members are trained on our anti-corruption policies and procedures.
- 100% of tier one business partners receive information on our anti-corruption policies across all regions.
- 0% business partners trained on anticorruption.



Total # and nature of incidents of corruption confirmed during the current year but related to previous years.

Zero



Total # and nature of incidents of corruption confirmed during the current year, related to this year.

Zero



Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.

100% of employees have received training on Anti-Bribery and Corruption in the last two years.

Anti-Bribery and Corruption training is run once a year and is mandatory for all new joiners.



### A DESCRIPTION OF INTERNAL AND EXTERNAL MECHANISMS FOR

Seeking advice about ethical and lawful behaviour, and organisational integrity.

See our Anti-Corruption Policy  
See our policies



Reporting concerns about unethical or unlawful behaviour, and lack of organisational integrity.

See our Anti-Corruption Policy  
See our policies



### ALIGNMENT OF STRATEGY AND POLICIES TO LOBBYING

The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions and its purpose, stated policies, goals or other public positions.

The company has not engaged in political lobbying. We have advocated widely for rewilding and the protection of indigenous cultures, and advocated for measures to support SMEs on due diligence at the OECD. We provided input to the UK Government Environmental Audit Committee Inquiry into Fast Fashion and engage with multiple stakeholders on similar topics affecting our industry.



### MONETARY LOSSES FROM UNETHICAL BEHAVIOUR

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related industry laws or regulations.

Zero



<b>INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESS</b>	This report discloses the principle material risks and opportunities facing the company.	
Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks).	See Risks on p17.	✓
The company appetite in respect of these risks.	See Risks on p17.	✓
How these risks and opportunities have moved over time and the response to those changes.	See Risks on p17.	✓
<b>ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS AND CAPITAL ALLOCATION FRAMEWORK.</b>	The Board reviews key performance indicators on the company's social and environmental performance in relation to all decisions including all capital investments.	
How the highest governing body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	See KPIs on p12.	✓

## PLANET

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
<b>CLIMATE CHANGE</b>		✓ Yes ✓ Partially ✗ Not yet
<b>GREENHOUSE GAS (GHG) EMISSIONS</b>	Over the course of 2021/22 we have worked with ADEC Innovations to complete GHG Protocol compliant GHG inventories, for our scope 1, 2 & 3 emissions for calendar years 2019 and 2020. We are now working to baseline our emissions for calendar year 2021 and to support our increased understanding of our scope impacts, we will also set absolute reduction roadmaps in order to define and prioritise our ongoing GHG reduction activities.	✓
For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e): GHG Protocol Scope 1.	Our Scope 1 emissions for 2020 are as follows:  <b>2.83 MT CO2e</b>	
For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e): GHG Protocol Scope 2.	Over the course of 2021/22 we have worked with ADEC Innovations to complete GHG Protocol compliant GHG inventories, for our scope 1, 2 & 3 emissions for calendar years 2019 and 2020. We are now working to baseline our emissions for calendar year 2021 and to support our increased understanding of our scope impacts, will set absolute reduction roadmaps, in order to define and prioritise our ongoing GHG reduction activities.	✓
	Our Scope 2 emissions for 2020 are as follows:  <b>23.13 MT CO2e</b>	
Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	We have now conducted a thorough analysis of our Scope 3 operations against the GHG Protocol and have compiled GHG inventories for our scope 3 emissions across the below GHG protocol categories:  Category 1. Purchased Goods and Services Category 4. Upstream Transportation and Distribution Category 9. Downstream Transportation and Distribution Category 10. Processing of Sold Products Category 12. End-of-Life Treatment of Sold Products  We were just finalising our Scope 3 emissions numbers as the report was published. We'll include next year!	✓

<p><b>IMPACT OF GHG EMISSIONS</b></p> <p>Report wherever material along the value chain (GHG Protocol Scope 1, 2 &amp; 3) the valued impact of greenhouse gas emissions.</p>	<p>It took us much longer to calculate our Scope 3 baseline for 2019 and 2020 than we had anticipated. Category I. Purchased Goods and Services required us to analyse all materials used across our production for the years 2019/2020 and there were many data gaps. We've now put in place measures across our value chain transparency programme to capture the material data we require for future GHG emissions reporting, but unfortunately due to this delay, we made the decision to push back this value analysis until we have more data. Once we've defined our 2021 baseline over the course of 2022/23, we will then calculate the valued impact of our emissions.</p>	<p>X</p>
<p>Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.</p>	<p>As above.</p>	<p>X</p>
<p><b>TCFD IMPLEMENTATION</b></p> <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation.</p>	<p>We have started the internal review process to understand how we can voluntarily integrate the TCFD reporting framework into our wider reporting processes. We hope to complete the review and confirm our intended approach over the course of 2022/23.</p>	<p>X</p>
<p>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.</p>	<p>Once our 2021 GHG emissions baseline is complete, we will have a 3 year data set to inform our approach in formalising our absolute reduction roadmaps. Due to the data gaps we found in our Scope 3 2019/2020 inventories, we made the decision to push back our target setting until our 2021 inventory work is complete. All absolute reduction roadmaps across Scope 1, 2 &amp; 3 will align to the goals of the Paris Agreement.</p>	<p>✓</p>
<p><b>PARIS-ALIGNED GHG EMISSIONS TARGETS</b></p> <p>Define and report progress against time bound sciencebased GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.</p>	<p>We have made a commitment to transition to renewable energy. We have not yet set targets for GHG emissions reductions for any scope, as our goal is to implement renewable energy sources across Scope 1-3 as far as we possibly can, with the aim of creating net positive impact through the generation and storage of energy. However, we will need to create our absolute reduction roadmaps first, that include this work alongside efficiency improvements, emissions reductions more broadly, inseting and 'offsetting' our impact along the way through our Livebarefoot Foundation work. This dual approach will help us to scale our work and reduce our impact across all scopes as fast as we can.</p>	<p>X</p>
<p><b>NATURE LOSS</b></p>		
<p><b>LAND USE AND ECOLOGICAL SENSITIVITY</b></p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>Our office and store in Central London are leased sites and are not situated in or adjacent to protected and/or key biodiversity areas.</p>	<p>✓</p>
<p>Report for operations (if applicable) and full supply chain (if material): Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).</p>	<p>Over the course of 2021 we have moved some of our manufacturing operations in Asia to a new development partner and subsequent material suppliers. This has meant that our material toolboxes have been reviewed and changed in areas. We are still in the process of confirming these toolboxes, to define a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will then allow us to report on our land use, material and value chain impacts going forwards.</p>	<p>X</p>
<p>Report for operations (if applicable) and full supply chain (if material): Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). Note supply chain figures can initially be estimated where necessary based on the mass of each commodity used and the average mass produced per unit of land in different sourcing locations.</p>	<p>We do not yet collect this data.</p>	<p>X</p>

Report for operations (if applicable) and full supply chain (if material): Percentage of land area in Point 1 above or of total planet, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalised sustainable management programme. Disclose the certification standards or description of sustainable management programmes along with the percentage of total land area, mass or cost covered by each certification standard/programme.	We do not yet collect this data.	X
<b>IMPACT OF LAND AND CONVERSION</b> Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.	We do not yet collect this data.	X
<b>FRESHWATER AVAILABILITY</b>		
<b>WATER CONSUMPTION AND WITHDRAWAL IN WATER-STRESSED AREAS</b> Report for operations where material: megalitres of consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.  Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	We are in the process of conducting value chain environmental risk mapping by geographical region and collecting primary data on our environmental impacts from our TI partners. This process includes data analysis of water withdrawal, consumption and effluent across TI manufacturing operations and we aim to publish the findings and next steps to reduce identified risks and further value chain analysis (T2 and beyond) over the course of 2023.	X
Impact of freshwater consumption and withdrawal. Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.	As above.	X
<b>WATER POLLUTION</b>		
<b>NUTRIENTS</b> Estimate and report wherever material along the value chain: metric tonnes of nitrogen, phosphorus and potassium in fertilizer consumed.	We do not yet collect this data.	X
<b>IMPACT OF WATER POLLUTION</b> Report wherever material along the value chain: the valued impact of water pollution, including excess nutrients, heavy metals and other toxins.	We are in the process of collecting primary data on water withdrawal, consumption and effluent across our TI manufacturing operations. Once we have collected sufficient data over the course of 2022, we will start the process of understanding the associated valued impact.	X
<b>AIR POLLUTION</b>		
<b>AIR POLLUTION</b> Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions. Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	We do not yet collect this data.	X
<b>IMPACT OF AIR POLLUTION</b> Report wherever material along the value chain: the valued impact of air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.	We do not yet collect this data.	X
<b>SOLID WASTE</b>		
<b>SINGLE USE PLASTICS</b> Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used, and the definition of single-use plastic used.	Over the course of 2021/22, we moved the majority of our manufacturing operations in Asia to a new development and manufacturing partner and subsequent material suppliers. This has meant that our material toolboxes have been reviewed and changed in areas. We are still in the process of confirming these toolboxes, to define a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc. which will then allow us to report on our single use plastic consumption, applications, reduction and definition.	X

## IMPACT OF SOLID WASTE DISPOSAL

Report wherever material along the value chain: the valued societal impact of solid waste disposal, including plastics and other waste streams.

We are in the process of collecting primary data on the type and volume of our manufacturing waste across our TI operations. Once we have collected sufficient information over the course of 2022, we will start the process of understanding the associated valued impact.

X

## RESOURCES AVAILABILITY

### RESOURCE CIRCULARITY

Report the most appropriate resource circularity metric(s) for the whole company and/or at a product, material or site level as applicable. Potential metrics include (but are not limited to) the Circular Transition Indicators (WBCSD), indicators developed by the Ellen MacArthur Foundation and company developed metrics.

We continue to measure the potential for our shoes to be manufactured, sold, worn and then re-collected for repair/ refurbishment, component re-use or recycling through our in-house VMatrix tool. We are currently focusing this at material and design level, integrating circular/regenerative principles into our design processes .

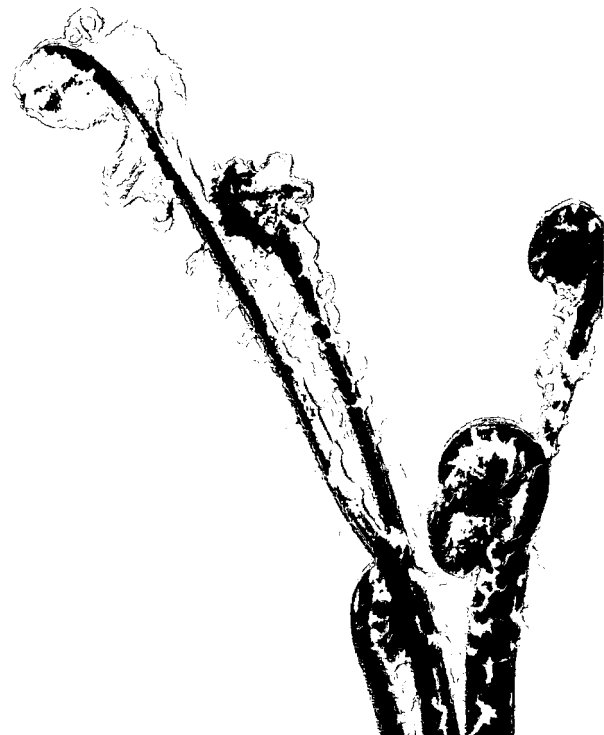
Our ReVivo programme enables us to repair and refurbish a large number of our footwear (30.5k pairs repaired and 35.7k pairs sold over 2021/22), however we're in the process of identifying partners for longer term mechanical and chemical recycling for the pairs we aren't able to repair or refurbish.

✓

Disclose the methodological approach used to calculate the chosen circularity metric(s) and the rationale for the choice of metric(s).

We continue to use our in-house VMatrix tool to analyse key areas of product design, materials, manufacture, use and end of life, in order to maximise on our progress towards product circularity.

✓



# PEOPLE

## WEF INDICATOR

## VIVOBAREFOOT

## DISCLOSED?

### DIGNITY AND EQUALITY

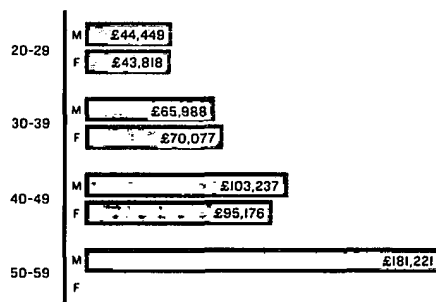
✓ Yes ✓ Partially ✗ Not yet

#### PAY EQUALITY (%)

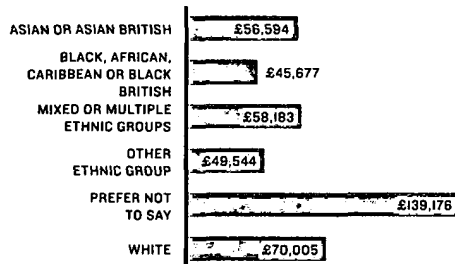
Ratio of the basic salary and remuneration of each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.

Annual salary by 'Band' by Gender, Ethnicity and Age. Please see page 22. All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.

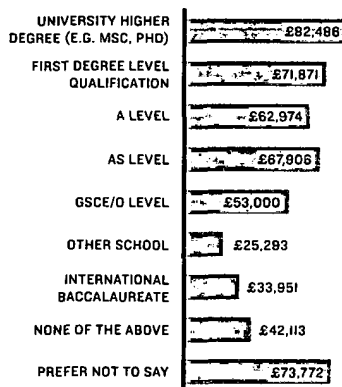
#### ANNUAL PAY BY AGE



#### ANNUAL PAY BY ETHNICITY



#### ANNUAL PAY BY EDUCATION LEVEL



#### DIVERSITY AND INCLUSION (%)

Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).

% of workforce either under the age of 24 or over the age of 50 = 8% (LY 5%)  
 % of workforce that identifies as a woman = 54% (LY 54%)  
 % of the workforce that identifies as being from a racial or ethnic minority = 24% (LY - 19%)

#### WAGE LEVEL (%)

Ratios of standard entry level wage by gender, compared to local minimum wage.

100% of retail staff are paid at least the London Living Wage, which is currently set at £10.85 per hour. During the year it was agreed that as a London based company that the minimum salary for Head Office staff should be £30k. Please see Annual salary by 'Band' by Gender, Ethnicity and Age. Please see page 22 for Gender pay gap data, and above for the other metrics.

Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	340% (LY - 209%) Median salary for employees: £56,700 CEO salary: £193,000	✓
<b>RISK FOR INCIDENTS OF CHILD, FORCED OR COMPULSORY LABOUR</b>  An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier and b) countries or geographic areas with operations and suppliers considered at risk.	We have not found any red flags for child and/or forced labour in our value chain at Tier I level. We have continued to enforce and monitor our updated Code of Conduct across all manufacturing regions and have strengthened our in-country resources to monitor compliance on the ground, including increased site visits by our head office team as Covid-19 restrictions have lifted. T2 mapping and due diligence is in active progress and a formalised plan has been confirmed for T3-T5.	✓
<b>PAY GAP (%,#)</b>  Mean pay gap of basic salary and remuneration of full time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation.	Annual salary by 'Band' by Gender, Ethnicity and Age. Please see page 22. All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.	✓
Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest paid individual) in the same country.	339% (LY - 209%) Median salary for employees: £56,700 Highest salary: £192,000  All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.	✓
<b>DISCRIMINATION AND HARASSMENT INCIDENTS (#) AND THE TOTAL AMOUNT OF MONETARY LOSSES (\$)</b>  Number of discrimination and harassment incidents, status of the incidents and actions taken.	Zero incidents.	✓
Total amount of monetary losses as a result of legal proceedings associated with: a) law violations, and b) employment discrimination	No monetary losses associated with a) and b).	✓
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AT RISK (%)</b>  Percentage of active workforce covered under collective bargaining agreements.	0%	✓
An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organisation to address these risks.	Our Code of Conduct sets out the minimum requirements for our value chain, and their values chains. It is aligned with ILO core labour standards. In 2020 we categorised child labour and forced labour as zero-tolerance issues for our business relationships. Our code is based on the ETI (Ethical Trade Initiative) code of conduct and ILO (International Labour Organisation) standards.	✓
<b>HUMAN RIGHTS REVIEW, GRIEVANCE IMPACT AND MODERN SLAVERY (#,%)</b>  Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	This year we crossed the threshold for mandatory reporting on Modern Slavery risks across our business operations and value chain. We have confirmed the rollout and next steps for key actions and continue to conduct a full human rights review by country over the course of 2022, in which we aim to disclose all findings and identified next steps in our second publication of the report in December 2022.	✓
Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.	In 2020/21 we set up a confidential grievance process and communication line, which is visible and accessible for all TI value chain partners. As we gain greater transparency over T2-T5 this process will be rolled out. To date, we have not received any grievances through this channel.	✓
Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; or b) countries or geographic areas with operations and suppliers considered at risk.	Geographic areas considered more high risk include Ethiopia, Vietnam and China.	✓

<b>LIVING WAGE (%)</b> Current wages against the living wage for employees and contractors in states and localities where the company is operating.	Retail: 100% of own operation retail workers are paid at or above the London Living Wage rate. Ethiopia: there is no minimum wage in Ethiopia, the factory we use pays 4 times higher than other similar factories. Information for other supply chain regions is not yet collected.	✓
<b>HEALTH AND SAFETY (%)</b> a) The number and rate of fatalities as a result of work-related injury; high consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. b) An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Due to opaqueness in our current supply chain this is not something we can currently disclose, but are working to increase transparency with our suppliers.	✗
<b>MONETISED IMPACTS OF WORK-RELATED INCIDENTS ON ORGANISATION (#£)</b> By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and or/of fines from regulators, property damage, healthcare costs, compensation costs to employees).	Not currently collected or calculated.	✗
<b>EMPLOYEE WELL-BEING (%)</b> a) The number of fatalities as a result of work-related ill health, recordable work-related ill-health injuries and the main types of work-related ill-health for all employees and workers. b) Percentage of employees participating in 'best practice' health and well-being programmes and c) Absentee rate (AR) of all employees.	a) not disclosed; b) +90% of employees. Please see the section on Training. c) Absentee rate: total 3 days lost to sickness in the year, absentee rate negligible	✓
<b>SKILLS FOR THE FUTURE</b>		
<b>TRAINING PROVIDED (#£)</b> a) Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). b) Average training and development expenditure per full time employees (total cost of training provided to employees divided by the number of employees).	32 hours per person / per year of paid professional development (LY - 70). This was not monitored by gender or 'band' but was available to all employees without prejudice.  Total training expenditure £208,492 (LY - £256,516) resulting in an average spend per full time employee of £2,242 (LY - £3,665).	✓
<b>NUMBER OF UNFILLED SKILLED POSITIONS (#, %)</b> a) Number of unfilled skilled positions (#) b) Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them (%).	a) 2 at year end b) 0%	✓
<b>MONETISED IMPACTS OF TRAINING — INCREASED EARNING CAPACITY AS A RESULT OF TRAINING INTERVENTION (% , £)</b> a) Investment in training as a percentage (%) of payroll. b) Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.	a) 2.6% of payroll (LY - 5.9%) b) Vivo does not yet report or quantify	✓

# PROSPERITY

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
EMPLOYMENT AND WEALTH GENERATION		✓ Yes ✓ Partially ✗ Not yet

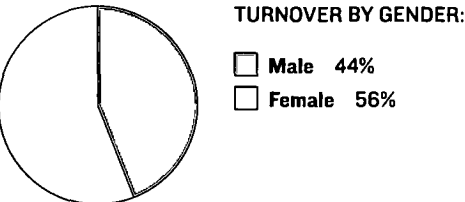
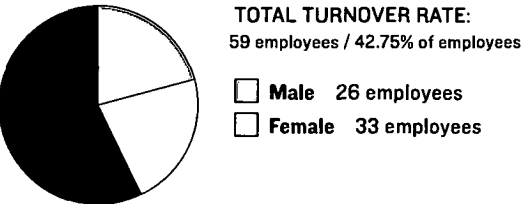
## ABSOLUTE NUMBER AND RATE OF EMPLOYMENT

Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.

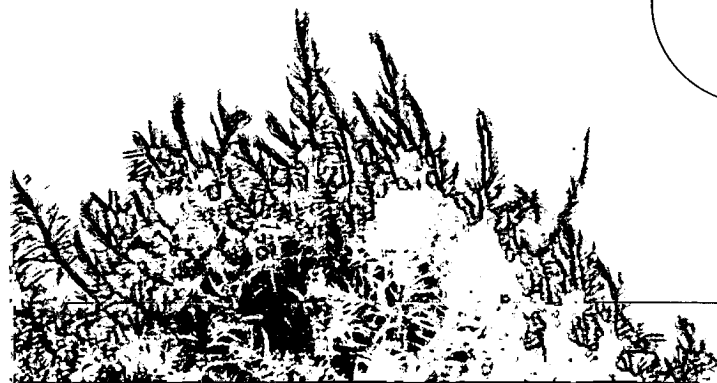
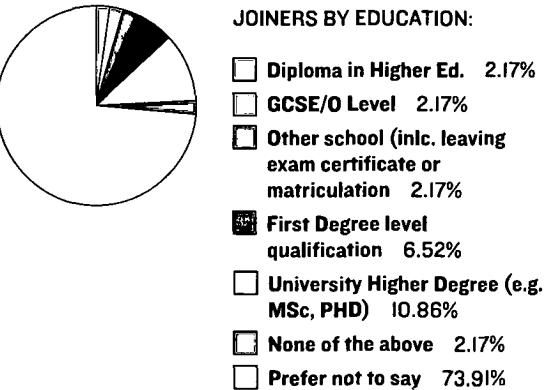
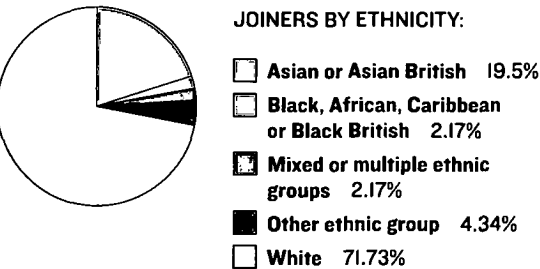
Joiners 46, 41% (LY 26, 33%)

Please see graphs for details of joiners by age, gender, ethnicity and level of education.

All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.



FEMALE (JOINERS)	MALE (JOINERS)
15-19   0	15-19   0
20-29   10 employees	20-29   7 employees
30-39   11 employees	30-39   9 employees
40-49   5 employees	40-49   1 employee
50-59   0	50-59   3 employees
60+   0	60+   0

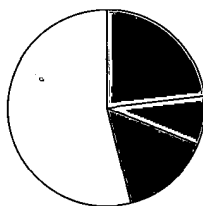


Total number and rate of employee turnover during the reporting period, by age group, gender and other indicators of diversity and region.

Leavers 13, 12% (LY 14, 18%)

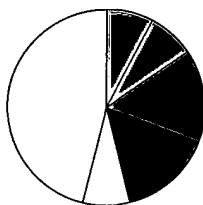
Please see graphs for details of joiners by age, gender, ethnicity and level of education.

FEMALE (LEAVERS)		MALE (LEAVERS)	
15-19	0	15-19	0
20-29	5 employees	20-29	0
30-39	2 employees	30-39	2 employees
40-49	0	40-49	3 employees
50-59	0	50-59	1 employee
60+	0	60+	0



LEAVERS BY ETHNICITY:

- Asian or Asian British 23%
- Black, African, Caribbean or Black British 7.7%
- Prefer not to say 15.3%
- White 53.8%



LEAVERS BY EDUCATION:

- Diploma in Higher Ed. 7.69%
- International Baccalaureate 7.69%
- First Degree level qualification 15.38%
- University Higher Degree (e.g. MSc, PhD) 15.38%
- None of the above 7.69%
- Prefer not to say 46.15%

## ECONOMIC CONTRIBUTION

Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments.

ECONOMIC VALUE GENERATED (£'000)	
Revenue	49,364
Other income	37
<b>Total Economic Value Generated</b>	<b>49,401</b>
ECONOMIC VALUE DISTRIBUTED	
<b>EMPLOYEE WAGES AND BENEFITS</b>	
Salaries and wages	5,905
Pension contributions	212
<b>OPERATING EXPENSES</b>	
Cost of goods sold	25,991
Administrative expenses	15,905
Interest payable	93
<b>PAYMENTS TO GOVERNMENT</b>	
Payroll tax*	741
Property tax	51
<b>PAYMENT TO COMMUNITY</b>	
Donations	35
Soul of Africa	0
Regenerative experiences	165
Regenerative value chain	102
Barefoot Research & Education	144
Indigenous support	32
University sponsorships	10
<b>Total Economic Value Distributed</b>	<b>49,386</b>
<b>ECONOMIC VALUE RETAINED</b>	<b>15</b>

\* - Employers NI only

Financial assistance received from the government: total monetary value of financial assistance received from any government during the reporting period.

Furlough, £-  
Business Rates, £-  
Total £-

FINANCIAL INVESTMENT CONTRIBUTION																																																																								
Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Additions, £462,762 Depreciation £339,548 Net £123,214	✓																																																																						
Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	No share buybacks in this or last year.	✓																																																																						
INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED																																																																								
Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	No significant infrastructure investments in the period.	✓																																																																						
SIGNIFICANT INDIRECT ECONOMIC IMPACTS																																																																								
Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts.	We do not currently calculate this data.	✗																																																																						
Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	We do not currently calculate this data.	✗																																																																						
INNOVATION OF BETTER PRODUCTS AND SERVICES																																																																								
TOTAL R&D EXPENSES (£)	£2,746,339	✓																																																																						
Total costs related to research and development.	5.6% of revenue																																																																							
SOCIAL VALUE GENERATED (%)																																																																								
Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability changes.	99.6% revenue is from barefoot shoes (99.6% last year)  Vivobarefoot is the first patented, ultra-thin, puncture resistant soled shoe and is designed specifically to address health outcomes produced by conventional shoes, including plantar fasciitis, bunions, balance issues, bunionettes, sensory feedback, heel pain, and Morton's neuroma.	✓																																																																						
VITALITY INDEX																																																																								
Percentage of gross revenue from product lines added in the last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.	<table><thead><tr><th></th><th>17-18</th><th>18-19</th><th>19-20</th><th>20-21</th><th>21-22</th><th>TOTAL</th></tr></thead><tbody><tr><td colspan="7">NEW STYLES</td></tr><tr><td>2018</td><td>3,483,288</td><td>4,306,512</td><td>1,561,197</td><td>3,730,155</td><td>378,073</td><td>13,459,225</td></tr><tr><td>2019</td><td></td><td>554,073</td><td>5,035,898</td><td>1,090,245</td><td>218,434</td><td>6,898,650</td></tr><tr><td>2020</td><td></td><td></td><td>1,661,314</td><td>2,121,096</td><td>1,196,100</td><td>4,978,510</td></tr><tr><td>2021</td><td></td><td></td><td></td><td>2,715,861</td><td>3,028,063</td><td>5,744,924</td></tr><tr><td>2022</td><td></td><td></td><td></td><td></td><td>14,513,805</td><td>14,513,805</td></tr><tr><td></td><td>3,483,288</td><td>4,860,585</td><td>8,258,410</td><td>6,657,357</td><td>19,336,475</td><td>45,596,114</td></tr><tr><td>TOTAL REVENUE</td><td>19,422,081</td><td>26,175,858</td><td>34,075,025</td><td>36,209,560</td><td>49,364,488</td><td>165,247,012</td></tr><tr><td></td><td>17.9%</td><td>18.6%</td><td>24.2%</td><td>26.7%</td><td>39.2%</td><td>27.6%</td></tr></tbody></table>		17-18	18-19	19-20	20-21	21-22	TOTAL	NEW STYLES							2018	3,483,288	4,306,512	1,561,197	3,730,155	378,073	13,459,225	2019		554,073	5,035,898	1,090,245	218,434	6,898,650	2020			1,661,314	2,121,096	1,196,100	4,978,510	2021				2,715,861	3,028,063	5,744,924	2022					14,513,805	14,513,805		3,483,288	4,860,585	8,258,410	6,657,357	19,336,475	45,596,114	TOTAL REVENUE	19,422,081	26,175,858	34,075,025	36,209,560	49,364,488	165,247,012		17.9%	18.6%	24.2%	26.7%	39.2%	27.6%	✓
	17-18	18-19	19-20	20-21	21-22	TOTAL																																																																		
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2021				2,715,861	3,028,063	5,744,924																																																																		
2022					14,513,805	14,513,805																																																																		
	3,483,288	4,860,585	8,258,410	6,657,357	19,336,475	45,596,114																																																																		
TOTAL REVENUE	19,422,081	26,175,858	34,075,025	36,209,560	49,364,488	165,247,012																																																																		
	17.9%	18.6%	24.2%	26.7%	39.2%	27.6%																																																																		
COMMUNITY AND SOCIAL VITALITY																																																																								
TOTAL TAX PAID																																																																								
The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	<b>Payable</b> UK VAT £3,248,808 Dutch VAT - Employers NI £740,735 Other EU VAT - California Sales Tax - Business Rates £51,371 <b>Total £4,040,914</b>  <b>Receivable</b> UK VAT £2,810,025 Dutch VAT £857,562 <b>Total £3,667,587</b>	✓																																																																						

**TOTAL SOCIAL INVESTMENT (£)**

Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECF Valuation Guidance.

	21-22	20-21	19-20
<b>DONATIONS</b>	<b>34,636</b>	<b>-</b>	<b>92,829</b>
Soul of Africa spend	-	-	106,194
University sponsorships	10,000	18,552	19,053
Regenerative experiences	165,358	43,022	-
Regenerative value chain	101,746	87,836	-
Barefoot Research & Education	143,635	15,000	-
Indigenous support	31,667	30,000	-
Overheads	51,107	22,103	-
Staff time	109,300	110,989	40,663
<b>TOTAL</b>	<b>647,448</b>	<b>327,501</b>	<b>258,739</b>
<b>Pre-Tax Profit</b>	<b>15,007</b>	<b>392,409</b>	<b>292,207</b>
	4314.3%	83.5%	88.5%

✓

**ADDITIONAL TAX REMITTED**

The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.

UK VAT £3,248,808  
 Dutch VAT -  
 Employers NI £740,735  
 Other EU VAT -  
 California Sales Tax -  
**Total £51,371**

✓

**TOTAL TAX PAID BY COUNTRY FOR SIGNIFICANT LOCATIONS**

Total tax paid and, if reported, additional tax remitted, by country for significant locations.

UK VAT £438,783  
 Dutch VAT -£857,562  
 Employers NI £740,735  
 Other EU VAT -  
 California Sales Tax -  
 Business Rates £51,371  
**Total £373,327**

✓



# DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE 53 WEEKS ENDED 2 JULY 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.



# DIRECTORS' REPORT

FOR THE 53 WEEKS ENDED 2 JULY 2022

## PRINCIPAL ACTIVITY

We make barefoot shoes. See p5 for the details of why and where.

## RESULTS AND DIVIDENDS

P15-16 detail the profit we made this financial year. The directors do not recommend the payment of a dividend.

## DIRECTORS

A list of directors who served in the period can be found on p2.

## MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by s414c(1) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report found on p17.

## DISCLOSURE OF INFORMATION TO AUDITOR

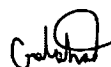
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company'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's auditor is aware of that information.

## POST BALANCE SHEET EVENTS

On 30 September 2022 the Company issued 167,257 B Ordinary shares with a par value per share of £0.25 for total consideration of £90,319. The shares were issued on the exercise of share options.

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



**G J D Clark**  
Director

Date: 16<sup>th</sup> November 2022

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIVOBAREFOOT LIMITED  
FOR THE 53 WEEKS ENDED 2 JULY 2022

## OPINION

We have audited the financial statements of Vivobarefoot Limited (the 'company') for the 53 weeks ended 2 July 2022, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the 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 company's affairs as at 2 July 2022 and of its profit for the 53 weeks 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 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.

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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, which comprise the profit and loss account and the balance sheet on page 15, the statement of cashflows and the statement of changes in equity on page 16, and the related notes on pages 52 to 61, and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 strategic report on p17 and the directors' report on p50 for the financial 53 weeks for which the financial statements are prepared is consistent with the financial statements; and

- the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

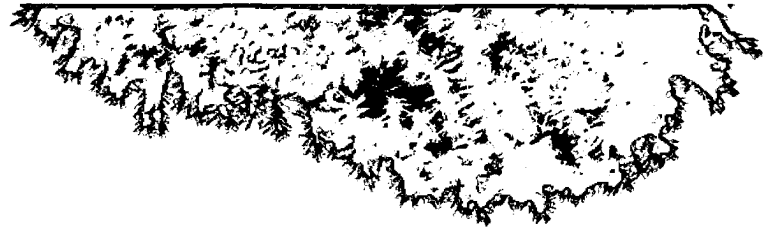
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 p50, 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 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 company or to cease operations, or have no realistic alternative but to do so.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 on p55 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF OUR REPORT

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

*Blick Rothenberg Audit LLP*

**Thomas Dickinson** (senior statutory auditor)  
for and on behalf of  
**Blick Rothenberg Audit LLP**  
Chartered Accountants & Statutory Auditor  
16 Great Queen Street, Covent Garden, WC2B 5AH

Date: 16<sup>th</sup> November 2022

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 2 JULY 2022



# NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

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## 1. General information

Vivobarefoot Limited is a private company limited by shares and registered in England and Wales. The company's registered number is 03474829 and the Company's registered office is 28 Britton Street, London, EC1M 5UE.

These financial statements have been prepared for a 53 week period from 27 June 2021 to 2 July 2022. The comparative figures reflect a 52 week period from 28 June 2020 to 26 June 2021.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

## 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 management to exercise judgment in applying the company's accounting policies (see note 3).

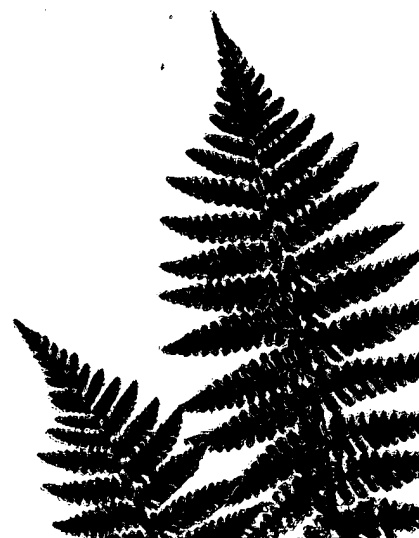
The following principal accounting policies have been applied:

### 2.2 Exemption from preparing consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

### 2.3 Going concern

Having considered post year-end trading, financial results, cash flow forecasts, cash reserves and committed borrowing facilities, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and will continue to be supported by its bankers and shareholders to meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 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 a prevailing standard rate throughout the period. Prevailing standard rates used for translation are reviewed periodically.

At each period end foreign currency monetary items are translated using the closing rate. Both non-monetary items measured at historical cost and non-monetary items measured at fair value are translated using the periodically reviewed prevailing standard rate.

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.

All foreign exchange gains and losses are presented in the statement of comprehensive income within administrative expenses.

#### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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

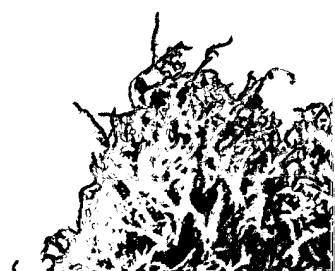
Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company 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 company 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.

Revenue from online sales is recognised on delivery of the goods to the customer.

Revenue from the sale of goods through the company's retail store is recognised at the point of sale to the customer which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

It is the company's policy to sell goods to customers with a right of return. Accumulated experience is used to estimate and provide for returns at the time of sale.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

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### 2. Accounting policies (continued)

#### 2.6 Operating leases: the company 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.

#### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.8 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 profit and loss account in the same period as the related expenditure.

Government grants comprise amounts received or receivable from HM Revenue and Customs for employees on the furlough scheme under the Coronavirus Job Retention Scheme. These are recognised in the period in which they become receivable.

#### 2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.10 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.

#### 2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the 53 weeks in which they are incurred.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 2. Accounting policies (continued)

#### 2.12 Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Amortisation is provided on the following bases:

Intellectual property	—	10 years straight line
Computer software	—	3 years straight line

#### 2.14 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Short-term leasehold property	—	Straight line over the lease term
Motor vehicles	—	5 years straight line
Fixtures and fittings	—	3 years straight line
IT	—	3 years straight line
Moulds and tooling	—	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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

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### 2. Accounting policies (continued)

#### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company 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 profit and loss account 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 2. Accounting policies (continued)

#### Impairment of financial assets

Financial assets 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 profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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

#### Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

#### 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 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 company's cash management.

#### 2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

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### 2. Accounting policies (continued)

#### 2.20 Current and deferred taxation

The tax expense for the year comprises current tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

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

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

In the application of the company's accounting policies, which are described in note 2, the following judgements and key estimates have been made by the directors:

#### Stock provisioning

The carrying value of stock, at the lower of cost and net realisable value, is dependent on key judgements and estimates that are made by management. The judgements relating to stock include an estimation of future expected average sales prices and volume of sales based on the ageing of stock. A provision is made to stock based on historical data and future expectations. Actual outcomes could be different to the assumptions used in determining the estimates.

#### Sales with right of return

It is the company's policy to sell goods to customers with a right of return. Accumulated experience is used to estimate and provide for returns at the time of sale.

#### Deferred tax asset

The company recognises a deferred tax asset in respect of brought forward tax losses. The asset is recognised to the extent that the directors believe that it is probable that the brought forward losses will be recovered and offset against future taxable profits. The value of the asset is calculated by reference to the applicable corporation tax rate at the date the losses are expected to be utilised.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 4. Turnover

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Sale of goods	<b>49,364,488</b>	<b>36,209,560</b>
Analysis of turnover by country of destination:		
	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
United Kingdom	<b>13,079,753</b>	<b>9,077,902</b>
Rest of Europe	<b>14,756,190</b>	<b>12,185,299</b>
Rest of the world	<b>21,528,545</b>	<b>14,946,359</b>
	<b>49,364,488</b>	<b>36,209,560</b>

### 5. Other operating income

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Other operating income	<b>36,531</b>	<b>10,588</b>
Government grants receivable	<b>-</b>	<b>90,466</b>
	<b>36,531</b>	<b>101,054</b>

### 6. Operating profit

The operating profit is stated after charging:

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Depreciation	<b>166,281</b>	<b>138,734</b>
Amortisation	<b>173,330</b>	<b>145,072</b>
Pension costs	<b>211,804</b>	<b>136,067</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<b>34,500</b>	<b>26,500</b>
Fees payable to the company's auditor and its associates for other services	<b>6,500</b>	<b>21,000</b>
Exchange differences	<b>267,166</b>	<b>593,780</b>
Other operating lease rentals	<b>164,916</b>	<b>143,173</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 7. Employees

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

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Wages and salaries	5,904,807	4,354,126
Social security costs	740,735	539,663
Cost of defined contribution scheme	211,804	136,067
	<u>6,857,346</u>	<u>5,029,856</u>

The average monthly number of employees, including the directors, during the 53 weeks was as follows:

	53 weeks 2 July 2022	52 weeks 26 June 2021
	No.	No.
H/O - Board	11	7
Admin	25	20
Operations	20	14
Marketing	16	13
Commercial	11	8
Retail	7	5
Innovation	2	2
LBF	1	1
	<u>93</u>	<u>70</u>

### 8. Directors' remuneration

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Directors' emoluments	482,382	323,941
Company contributions to defined contribution pension schemes	18,560	12,780
	<u>500,942</u>	<u>336,721</u>

During the 53 weeks retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes. The highest paid director received remuneration of £192,000 (2021 - £123,287).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,680 (2021 - £4,720). Other than the directors, there were no other key management personnel of the business during the current or preceding period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 9. Interest receivable

53 weeks 2 July 2022	52 weeks 26 June 2021
£	£
Other interest receivable	
<b>3</b>	<b>2</b>

### 10. Interest payable and similar expenses

53 weeks 2 July 2022	52 weeks 26 June 2021
£	£
Other loan interest payable	
<b>93,126</b>	<b>59,652</b>

### II. Taxation

53 weeks 2 July 2022	52 weeks 26 June 2021
£	£

#### Corporation tax

Current tax on profits for the 53 weeks

<b>(483,823)</b>	<b>(265,306)</b>
------------------	------------------

**Total current tax**

<b>(483,823)</b>	<b>(265,306)</b>
------------------	------------------

#### Deferred tax

Movement on deferred tax

<b>112,859</b>	<b>(277,418)</b>
----------------	------------------

**Total deferred tax**

<b>112,859</b>	<b>(277,418)</b>
----------------	------------------

**Taxation on loss on ordinary activities**

<b>(370,964)</b>	<b>(542,724)</b>
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### II. Taxation (continued)

#### Factors affecting tax charge for the 53 weeks

The tax assessed for the 53 weeks is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	53 weeks 2 July 2022	52 weeks 26 June 2021
	£	£
Profit on ordinary activities before tax	<u>15,007</u>	<u>392,409</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,851	74,558
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	12,965	14,161
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	30,235	15,993
Capital allowances for 53 weeks in excess of depreciation	(46,051)	(1,031)
Utilisation of tax losses	(483,823)	(265,306)
Impact of R&D enhanced expenditure	-	(103,681)
Previously unrecognised tax losses	<u>112,859</u>	<u>(277,418)</u>
Total tax charge for the 53 weeks	<u>(370,964)</u>	<u>(542,724)</u>

#### Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021.

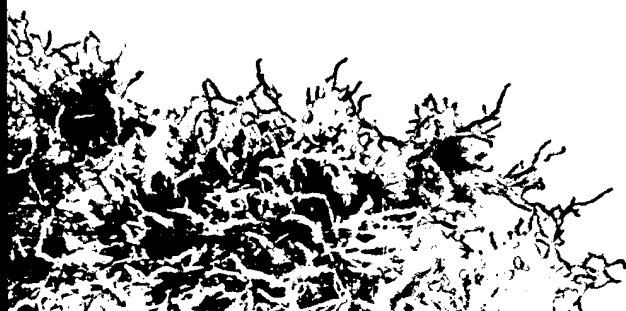
#### Deferred tax

The company has carried forward tax losses of £7,288,082 (2021: £7,204,465) resulting in a potential deferred tax asset (at the post April 2023 corporation tax rate of 25%) of £1,822,021 (2021: £1,385,120 at 19%). The directors have considered the relief of these losses against future profits. Due to the uncertainties regarding future performance as set out in the Strategic Report on p17, the directors consider it prudent for the amounts to be only partially recognised in the current period. At 2 July 2022, a deferred tax asset of £365,665 (2021: £478,524) has been recognised.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 12. Intangible assets

	Intellectual Property £	Computer software £	Total
<b>Cost</b>			
At 27 June 2021	399,837	552,747	952,584
Additions	126,124	27,519	153,643
At 2 July 2022	525,961	580,266	1,106,227
<b>Amortisation</b>			
At 27 June 2021	49,296	259,000	308,296
Charge for the 53 weeks on owned assets	43,345	129,985	173,330
At 2 July 2022	92,641	388,985	481,626
<b>Net book value</b>			
At 2 July 2022	433,320	191,281	624,601
At 26 June 2021	350,541	293,747	644,288



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 13. Tangible fixed assets

	Short-term leasehold property	Motor vehicles	Fixtures and fittings	IT	Moulds and tooling
	£	£	£	£	£
<b>Cost</b>					
At 27 June 2021	23,900	10,968	211,235	167,682	367,753
Additions	-	-	48,161	105,116	155,842
Disposals	-	(10,968)	-	-	-
At 2 July 2022	23,900	-	259,396	272,798	523,595
<b>Depreciation</b>					
At 27 June 2021	16,930	10,968	193,005	109,003	109,958
Charge for the 53 weeks on owned assets	6,970	-	18,803	54,207	86,238
Disposals	-	(10,968)	-	-	-
At 2 July 2022	23,900	-	211,808	163,210	196,196
<b>Net book value</b>					
At 2 July 2022	-	-	47,588	109,588	327,399
At 26 June 2021	6,970	-	18,230	58,679	257,795
					<b>Total</b>
					<b>£</b>
<b>Cost</b>					
At 27 June 2021					781,538
Additions					309,119
Disposals					(10,968)
At 2 July 2022					1,079,689
<b>Depreciation</b>					
At 27 June 2021					439,864
Charge for the 53 weeks on owned assets					166,218
Disposals					(10,968)
At 2 July 2022					595,114
<b>Net book value</b>					
At 2 July 2022					484,575
At 26 June 2021					341,674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 14. Fixed asset investments

	Investments in subsidiary companies	Unlisted investments	Total
	£	£	£
<b>Cost or valuation</b>			
At 27 June 2021	1	100	101
At 2 July 2022	1	100	101

#### Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Terra Plana International Limited	28 Britton Street, London, EC1M 5UE	Ordinary	100%

The aggregate of the share capital and reserves as at 2 July 2022 and the profit or loss for the 53 weeks ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserve	Profit/(Loss)
	£	£
Terra Plana International Limited	(1,393,234)	-

### 15. Stocks

	2 July 2022	26 June 2021
	£	£
Finished goods and goods for resale	8,797,350	5,279,776

There is no difference between the replacement cost of the stock and its carrying amount.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 16. Debtors

	2 July 2022	26 June 2021
	£	£
Trade debtors	3,197,150	2,052,895
Other debtors	522,423	750,877
Prepayments and accrued income	1,444,268	774,666
Deferred taxation	365,665	478,524
	<u>5,529,506</u>	<u>4,056,962</u>

### 17. Cash and cash equivalents

	2 July 2022	26 June 2021
	£	£
Cash at bank and in hand	2,077,351	3,438,581
	<u>2,077,351</u>	<u>3,438,581</u>

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

	2 July 2022	26 June 2021
	£	£
Trade creditors	5,146,873	2,756,693
Tax due to HMRC	369,808	256,823
Other creditors	6,322,767	4,234,811
Accruals and deferred income	1,786,428	2,531,019
	<u>13,625,876</u>	<u>9,779,346</u>

The following liabilities were secured:

	2 July 2022	26 June 2021
	£	£
<b>Other creditors</b>		
HSBC trade facility	5,267,238	2,985,120

Details of security provided:

A personal guarantee has been given by one of the directors for £750,000 against the HSBC trade facility. Interest of 2.72% above the base rate is charged. A fixed charge has been raised against the facility. The facility is also secured over the stock it is intended to finance.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

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

	2 July 2022	26 June 2021
	£	£
Shareholders loans falling due 1-2 years	655,007	1,044,298
Other creditors falling due 1-5 years	144,000	240,000
	<u>799,007</u>	<u>1,284,298</u>

Of the shareholder loans in issue, £399,501 (2021: £648,775) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

### 20. Deferred taxation

	2 July 2022
	£
At beginning of 53 week period	478,524
Charged to profit and loss	(112,859)
	<u>365,665</u>

The deferred tax asset is made up as follows:

	2 July 2022	26 June 2021
	£	£
Fixed asset timing differences	(129,935)	-
Tax losses carried forward	439,354	478,524
Short term timing differences	56,246	-
	<u>365,665</u>	<u>478,524</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 21. Share capital

	2 July 2022	26 June 2021
	£	£
<b>Allotted, called up and fully paid</b>		
2,421,423 (2021 -2,421,423) Ordinary shares of £1.000 each	2,421,423	2,421,423
8,681,687 (2021 -8,681,687) B Ordinary shares of £0.250 each	2,170,422	2,170,422
3,950,000 (2021 -3,950,000) C Ordinary shares of £0.001 each	3,950	3,950
	<u>4,595,795</u>	<u>4,595,795</u>

The holders of the Ordinary shares have the right to vote and to participate in the distribution of dividends.

The holders of the Ordinary B shares have the right to vote and to participate in the distribution of dividends.

The holders of the Ordinary C shares have the right to vote and to participate in the distribution of dividends only after the company has recorded profit before tax equal to or exceeding £500,000, and turnover for the same period is equal to or exceeds £20,000,000.

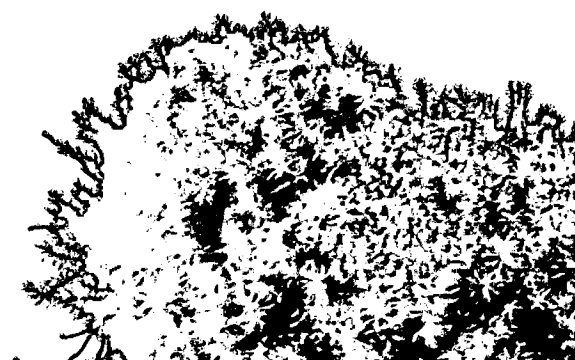
### 22. Reserves

#### Other reserves

The other reserve comprises the equity recognised in respect of the company's share-based payments. Please see note 24 for details.

#### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 23. Analysis of net debt

	At 27 June 2021	Cash flows	At 2 July 2022
	£	£	£
Cash at bank and in hand	3,438,581	(1,361,230)	2,077,351
Debt due after 1 year	<u>(1,044,298)</u>	<u>389,291</u>	<u>(655,007)</u>
	<b>2,394,283</b>	<b>(971,939)</b>	<b>1,422,344</b>

### 24. Share based payments

Vivobarefoot Limited has a share option scheme for key employees. The vesting period is either 2 or 3 years. Options are exercisable at a price equal to £0.54 for options vesting over 2 years, and £0.73 for options vesting over 3 years. Vesting of the options is subject to continued employment by the company. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The fair value of the options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	58	822,690	57	685,371
Granted during the year	73	13,595	62	137,319
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	<b>58</b>	<b>836,285</b>	<b>58</b>	<b>822,690</b>

There were 836,285 (2021: 822,690) share options exercisable at the end of the year. None of these share options have been exercised at the balance sheet date.

	2 July 2022	26 June 2021
	£	£
Share-based payment expense	<b>4,892</b>	<b>64,092</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 2 JULY 2022

### 25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £211,804 (2021: £136,067). Contributions totalling £44,750 (2021: £27,868) were payable to the fund at the balance sheet date and are included in creditors.

### 26. Commitments under operating leases

At 2 July 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 July 2022	27 June 2020
	£	£
Not later than 1 year	129,750	135,333
Later than 1 year and not later than 5 years	27,244	142,101
	<u>156,994</u>	<u>277,434</u>

### 27. Related party transactions

At the balance sheet date, directors and shareholders of the company were owed £655,007 (2021: £1,044,298) by Vivobarefoot Limited. These loans are unsecured. During the year the company made repayments of the loans totalling £389,291 (2021: £350,000). Of the loans outstanding at the balance sheet date, £399,501 (2021: £648,775) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

During the period the company made purchases totalling £4,785,343 (2021: £nil) from Stella International Trading (Macao Commercial Offshore) Limited, a company owned by the Stella Group who are shareholders of Vivobarefoot Limited. At the balance sheet date the company owed Stella International Trading (Macao Commercial Offshore) Limited £1,175,036 (2021: £nil) in respect of trading activity in the company's ordinary course of business.

### 28. Post balance sheet events

On 30 September 2022 the Company issued 167,257 B Ordinary shares with a par value per share of £0.25 for total consideration of £90,319. The shares were issued on the exercise of share options.

### 29. Controlling party

In the opinion of the directors there is no ultimate controlling party.





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