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.	**N Beart** Director, Nemadi General Partners Limited Director, Nemadi Advisors Limited Director, 3Sixty Restaurants Limited **A Clark** Director, Mozekiel Investments Limited **G Clark** Director, Street Trustee Family Company Limited Director, Terra Plana International Limited **Willem Haitink** Non-Exec Director/Chair, Koio collective, Inc Non-Exec Director/Chair, Ecstase Ltd (Aday) **J Roebuck** 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	✓

WE ARE VIVOBAREFOOT
REGENERATIVE BUSINESS
REGENERATIVE COMMUNITY
REGENERATIVE PRODUCTS
APPENDIX

INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESS 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).	This report discloses the principle material risks and opportunities facing the company. 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.	✓
ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS AND CAPITAL ALLOCATION FRAMEWORK. How the highest governing body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	The Board reviews key performance indicators on the company's social and environmental performance in relation to all decisions including all capital investments. See KPIs on p12.	✓

PLANET

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
CLIMATE CHANGE		✓ Yes ✓ Partially ✗ Not yet
GREENHOUSE GAS (GHG) EMISSIONS 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.	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. Our Scope 1 emissions for 2020 are as follows: **2.83 MT CO2e**	✓
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: **23.13 MT CO2e**	✓
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!	✓

IMPACT OF GHG EMISSIONS Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions.	It took us much longer to calculate our Scope 3 baseline for 2019 and 2020 than we had anticipated. Category 1. 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.	✗
Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	As above.	✗
TCFD IMPLEMENTATION 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.	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.	✗
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.	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 & 3 will align to the goals of the Paris Agreement.	✓
PARIS-ALIGNED GHG EMISSIONS TARGETS 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.	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, insetting 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.	✗

NATURE LOSS		
LAND USE AND ECOLOGICAL SENSITIVITY 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).	Our office and store in Central London are leased sites and are not situated in or adjacent to protected and/or key biodiversity areas.	✓
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).	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.	✗
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.	We do not yet collect this data.	✗

Report for operations (if applicable) and full supply chain (if material): Percentage of land area in Point I 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.	✗
IMPACT OF LAND AND CONVERSION 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.	✗
FRESHWATER AVAILABILITY		
WATER CONSUMPTION AND WITHDRAWAL IN WATER-STRESSED AREAS 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.	✗
Impact of freshwater consumption and withdrawal. Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.	As above.	✗
WATER POLLUTION		
NUTRIENTS 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.	✗
IMPACT OF WATER POLLUTION 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.	✗
AIR POLLUTION		
AIR POLLUTION 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.	✗
IMPACT OF AIR POLLUTION 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.	✗
SOLID WASTE		
SINGLE USE PLASTICS 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.	✗
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.	✗
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 parters 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

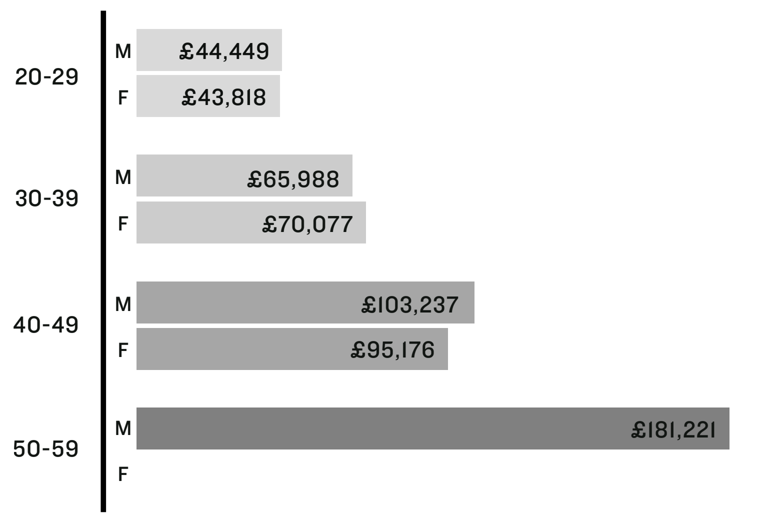
WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
DIGNITY AND EQUALITY		✓ Yes ✓ Partially ✗ Not yet

PAY EQUALITY (%)

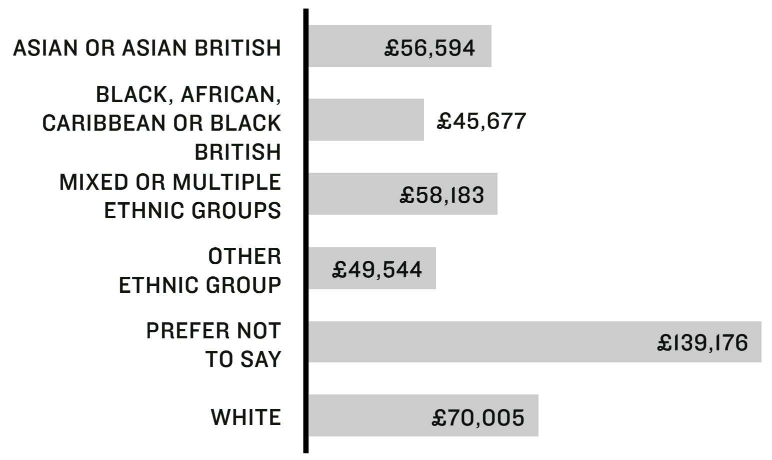
Ratio of the basic salary and remuneration of each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.

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.

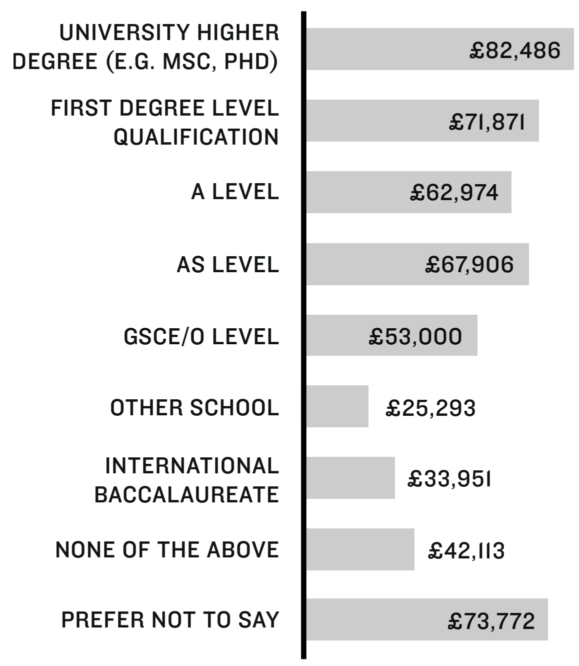
ANNUAL PAY BY AGE



ANNUAL PAY BY ETHNICITY



ANNUAL PAY BY EDUCATION LEVEL



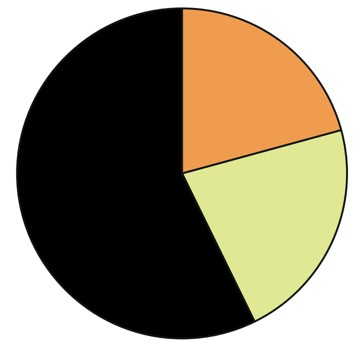
Disclosed: ✓

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
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	✓
RISK FOR INCIDENTS OF CHILD, FORCED OR COMPULSORY LABOUR 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.	✓
PAY GAP (%,#) 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.	✓
DISCRIMINATION AND HARASSMENT INCIDENTS (#) AND THE TOTAL AMOUNT OF MONETARY LOSSES ($) 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).	✓
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AT RISK (%) 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.	✓
HUMAN RIGHTS REVIEW, GRIEVANCE IMPACT AND MODERN SLAVERY (#,%) 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 accesible for all T1 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.	✓

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
LIVING WAGE (%) 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.	✓
HEALTH AND SAFETY (%) 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.	✗
MONETISED IMPACTS OF WORK-RELATED INCIDENTS ON ORGANISATION (#£) 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.	✗
EMPLOYEE WELL-BEING (%) 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	✓
SKILLS FOR THE FUTURE		
TRAINING PROVIDED (#£) 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).	✓
NUMBER OF UNFILLED SKILLED POSITIONS (#, %) 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%	✓
MONETISED IMPACTS OF TRAINING — INCREASED EARNING CAPACITY AS A RESULT OF TRAINING INTERVENTION (%, £) 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	✓

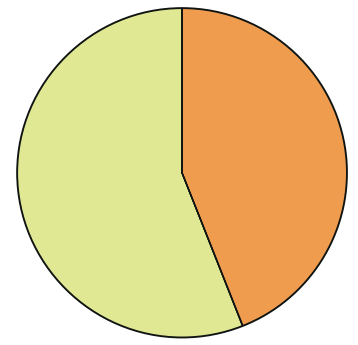
PROSPERITY

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.	✓



TOTAL TURNOVER RATE:
59 employees / 42.75% of employees

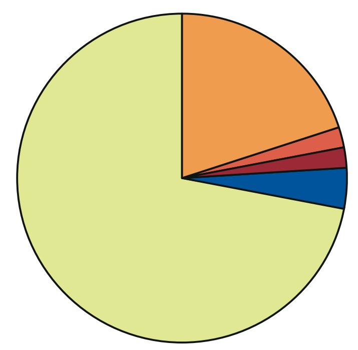
- **Male** 26 employees
- **Female** 33 employees



TURNOVER BY GENDER:

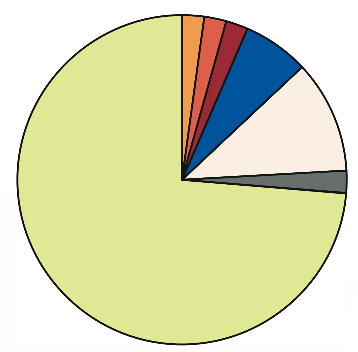
- **Male** 44%
- **Female** 56%

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



JOINERS BY ETHNICITY:

- **Asian or Asian British** 19.5%
- **Black, African, Caribbean or Black British** 2.17%
- **Mixed or multiple ethnic groups** 2.17%
- **Other ethnic group** 4.34%
- **White** 71.73%



JOINERS BY EDUCATION:

- **Diploma in Higher Ed.** 2.17%
- **GCSE/O Level** 2.17%
- **Other school (inlc. leaving exam certificate or matriculation** 2.17%
- **First Degree level qualification** 6.52%
- **University Higher Degree (e.g. MSc, PHD)** 10.86%
- **None of the above** 2.17%
- **Prefer not to say** 73.91%

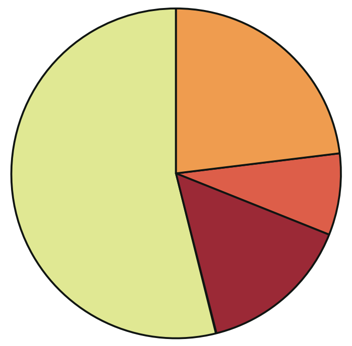
Total number and rate of employee turnover during the reporting period, by age group, gender and other indicators of diversity and region.

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

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

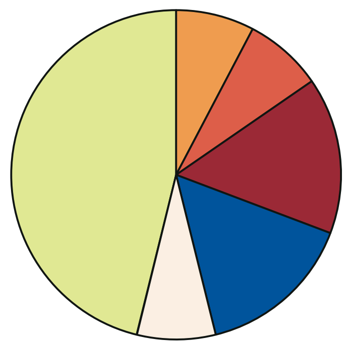
FEMALE (LEAVERS)	
15-19	0
20-29	**5 employees**
30-39	**2 employees**
40-49	0
50-59	0
60+	0

MALE (LEAVERS)	
15-19	0
20-29	0
30-39	**2 employees**
40-49	**3 employees**
50-59	**1 employee**
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
Total Economic Value Generated	**49,401**
ECONOMIC VALUE DISTRIBUTED	
EMPLOYEE WAGES AND BENEFITS	
Salaries and wages	5,905
Pension contributions	212
OPERATING EXPENSES	
Cost of goods sold	25,991
Administrative expenses	15,905
Interest payable	93
PAYMENTS TO GOVERNMENT	
Payroll tax*	741
Property tax	51
PAYMENT TO COMMUNITY	
Donations	35
Soul of Africa	0
Regenerative experiences	165
Regenerative value chain	102
Barefoot Research & Education	144
Indigenous support	32
University sponsorships	10
Total Economic Value Distributed	**49,386**
ECONOMIC VALUE RETAINED	15

* - 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 (£)

Total costs related to research and development.

£2,746,339
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.

	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	5,035,899	1,090,245	219,434	6,899,650
2020			1,661,314	2,121,096	1,196,100	4,978,510
2021				2,715,861	3,029,063	5,744,924
2022					14,513,805	14,513,805
	3,483,288	**4,860,585**	**8,258,410**	**9,657,357**	**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.

Payable
UK VAT £3,248,808
Dutch VAT -
Employers NI £740,735
Other EU VAT -
California Sales Tax -
Business Rates £51,371
Total £4,040,914

Receivable
UK VAT £2,810,025
Dutch VAT £857,562
Total £3,667,587

✓

TOTAL SOCIAL INVESTMENT (£)

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

	21-22	20-21	19-20
DONATIONS	34,636	-	92,829
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
TOTAL	647,448	327,501	258,739
Pre-Tax Profit	**15,007**	**392,409**	**292,207**
	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(11) 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.

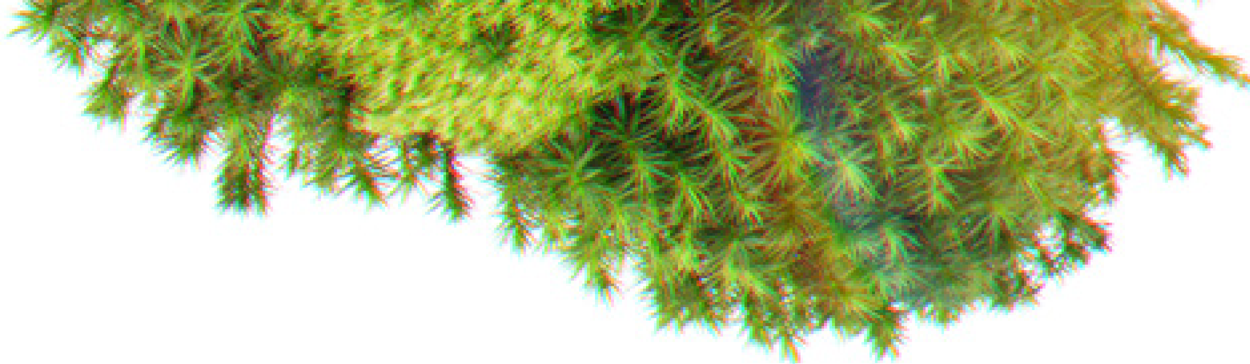
POST BALANCE SHEET EVENTS

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: 16th 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. 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: 16th November 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 2 JULY 2022

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, ECIM 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.

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

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

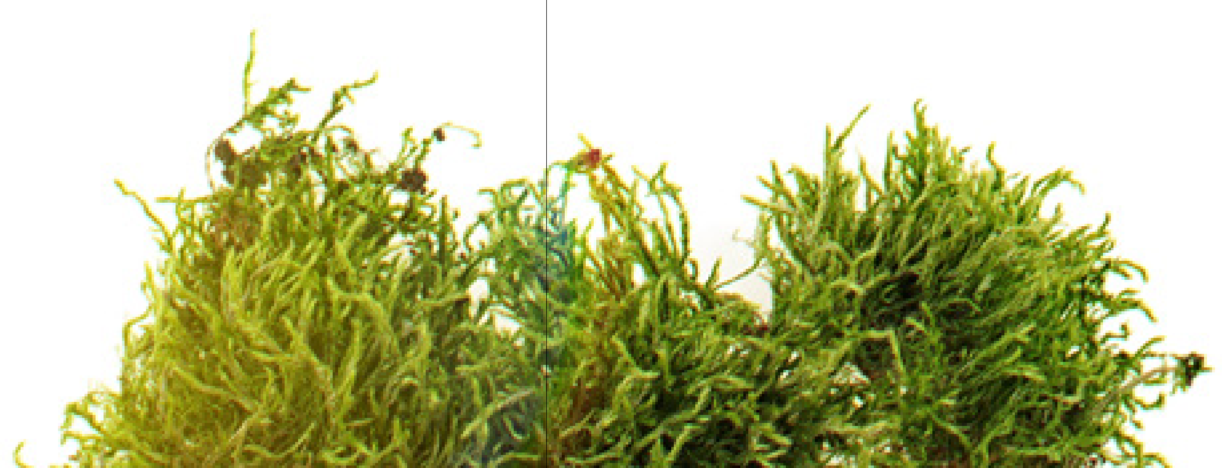
Interest income is recognised in profit or loss using the effective interest method.

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.



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.

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.

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

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.

4. Turnover

	53 weeks 2 July 2022 £	52 weeks 26 June 2021 £
Sale of goods	**49,364,488**	36,209,560

Analysis of turnover by country of destination:

	53 weeks 2 July 2022 £	52 weeks 26 June 2021 £
United Kingdom	**13,079,753**	9,077,902
Rest of Europe	**14,756,190**	12,185,299
Rest of the world	**21,528,545**	14,946,359
	49,364,488	36,209,560

5. Other operating income

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

6. Operating profit

The operating profit is stated after charging:

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

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
	6,857,346	5,029,856

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

	53 weeks 2 July 2022 No.	52 weeks 26 June 2021 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
	93	70

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
	500,942	336,721

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.

9. Interest receivable

	53 weeks 2 July 2022 £	52 weeks 26 June 2021 £
Other interest receivable	**3**	2

10. Interest payable and similar expenses

	53 weeks 2 July 2022 £	52 weeks 26 June 2021 £
Other loan interest payable	**93,126**	59,652

11. Taxation

	53 weeks 2 July 2022 £	52 weeks 26 June 2021 £
Corporation tax		
Current tax on profits for the 53 weeks	**(483,823)**	(265,306)
Total current tax	**(483,823)**	(265,306)
Deferred tax		
Movement on deferred tax	**112,859**	(277,418)
Total deferred tax	**112,859**	(277,418)
Taxation on loss on ordinary activities	**(370,964)**	(542,724)

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

11. 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	**15,007**	392,409
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	**112,859**	(277,418)
Total tax charge for the 53 weeks	**(370,964)**	(542,724)

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.

12. Intangible assets

	Intellectual Property £	Computer software £	Total
Cost			
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
Amortisation			
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
Net book value			
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 £
Cost					
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
Depreciation					
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
Net book value					
At 2 July 2022	-	-	47,588	109,588	327,399
At 26 June 2021	6,970	-	18,230	58,679	257,795

	Total £
Cost	
At 27 June 2021	781,538
Additions	309,119
Disposals	(10,968)
At 2 July 2022	1,079,689
Depreciation	
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
Net book value	
At 2 July 2022	484,575
At 26 June 2021	341,674

14. Fixed asset investments

	Investments in subsidiary companies	Unlisted investments	Total
	£	£	£
Cost or valuation			
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
	5,529,506	4,056,962

17. Cash and cash equivalents

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

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
	13,625,876	9,779,346

The following liabilities were secured:

	2 July 2022	26 June 2021
	£	£
Other creditors		
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.

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**
	799,007	**1,284,298**

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)**
At 2 July 2022	**365,665**

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**	-
	365,665	**478,524**

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

21. Share capital

	2 July 2022	26 June 2021
	£	£
Allotted, called up and fully paid		
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
	4,595,795	4,595,795

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.

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	**(1,044,298)**	389,291	(655,007)
	2,394,283	(971,939)	1,422,344

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	**58**	836,285	58	822,690

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	**4,892**	64,092

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
	156,994	277,434

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.


VIVOBAREFOOT