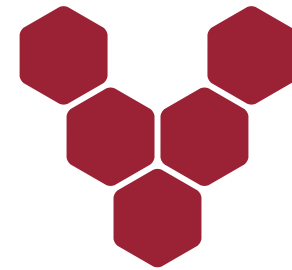




**VIVOBAREFOOT**

INTERIM REPORT & ACCOUNTS - DECEMBER 2016.



**VIVOBAREFOOT**

YOUR FEET HAVE HUNDREDS  
OF THOUSANDS OF NERVE ENDINGS  
THE SAME AS YOUR HANDS  
THIS IS JUST A REMINDER THAT...

**FEELING IS EVERYTHING.**



**PRIMUS FAMILY**  
PRIMUS LITE, PRIMUS JUNIOR & MINI PRIMUS.

**EXECUTIVE DIRECTORS**

G J D Clark (Chief Executive)

A M Clark

A Harrison

D Peat

P R Walker

**NON-EXECUTIVE DIRECTORS**

N A Beart (Chairman)

L P Clark

L Chen Li Ming

**COMPANY SECRETARY**

P Bahanda

**REGISTERED NUMBER**

03474829

**REGISTERED OFFICE**

Vivobarefoot .Ltd  
28 Britton Street  
London  
EC1M 5UE

**ACCOUNTANTS**

Shelley Stock Hutter LLP  
Chartered Accountants  
1st Floor  
7 10 Chandos Street  
London  
W1G 9DQ

This interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The accounting policies and presentation applied to the interim figures is consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

The financial information has been prepared in accordance with the accounting policies adopted within the financial statements for the year ended 30th June 2016. The company has adopted FRS 12 (Provisions, Contingent Liabilities and Contingent Assets) which has had no impact on the current or prior periods. The financial information contained in this interim statement does not constitute statutory accounts as defined by the Companies Act 2006. The information for the full preceding year is based on the statutory accounts for the year ended 2nd July 2016, which were signed on 15th November 2016.



## INTERIM RESULTS

### REPORT FROM MD, GALAHAD CLARK

VIVOBAREFOOT had an encouraging first half of the year. Ahead of budgeted sales and on track at the bottom line. After a challenging start the team did a fantastic job to recover the results by the end of the period. Sales have been particularly encouraging in wholesale driven by higher than expected orders in Europe.

Vivobarefoot continues to make great strides in its mission to be the most influential shoe brand in the world and challenge the industry to make barefoot the gold standard in healthy functional footwear.

The 2nd Barefoot Revolution (as they are calling it in the USA) is afoot: a more considered intelligent approach to 'going barefoot'. Walk before you can Run. Keep your kids feet healthy. Start to run and do sports once you have regained some flexibility and stronger feet. The company is making strides to take down the barriers to entry, encourage a 'try' of the brand and ultimately a successful transition to Live Barefoot. We've also been making some pretty incredible shoes!

## OFF ROAD

In 2016 we introduced the whole new Off Road collection with new enhanced natural shape and two new and improved tread patterns (Soft Ground & Firm Ground). The Primus Trails are blazing new standards in the category and through our elite team are standing atop podiums all over the world.

We are the new international sponsors of Otillo Swimrun: the fastest growing and most natural outdoor sport in the world. Come and join us at one of the "unique races in unique places" this year.

The sprint is really accessible to all: [www.otilloswimrun.com/races](http://www.otilloswimrun.com/races)



TRACKER



PRIMUS TRAIL



ULTRA

## WILD ADVENTURE



ISN'T JUST  
FOR DRY LAND.







## EXERCISE

The Primus Lite and Wing Lux have taken our Exercise shoes to the next level and we are always honoured and inspired by all the amazing moves people make in the Motus – our ultimate movement shoe.



**MOTUS**



**PRIMUS LITE**



**WING**

## EVERYDAY

Everyday shoes drive 50% of the volume at Vivobarefoot (Off Road and Exercise 40% and Kids 10%). The Gobi, Ra and Scott continue to be strong sellers, but we are very encouraged that the Primus Lux is a stand out best seller in SS17 along with the Ababa. We also had the exciting re-launch of the Handcut range with the heel rocker, setting a new standard for Barefoot Luxury feeling. The original human running 'tool', the San-Dal (made by the Bushmen of the Kalahari) is has delivered the first 1000 pairs and the workshop is at full tilt! We encourage a visit along with the Wild Human team: [www.woodsmoke.com/wildnamibia](http://www.woodsmoke.com/wildnamibia)



**SCOTT**



**PORTO**



**RIF**

## KIDS

KIDS got a complete makeover in 2016 with an all new and improved barefoot shape and feeling. The kids Gobi and Ultra lead the way. Kids is now run as an independent business unit and is the fastest growing category.



**PRIMUS KIDS**



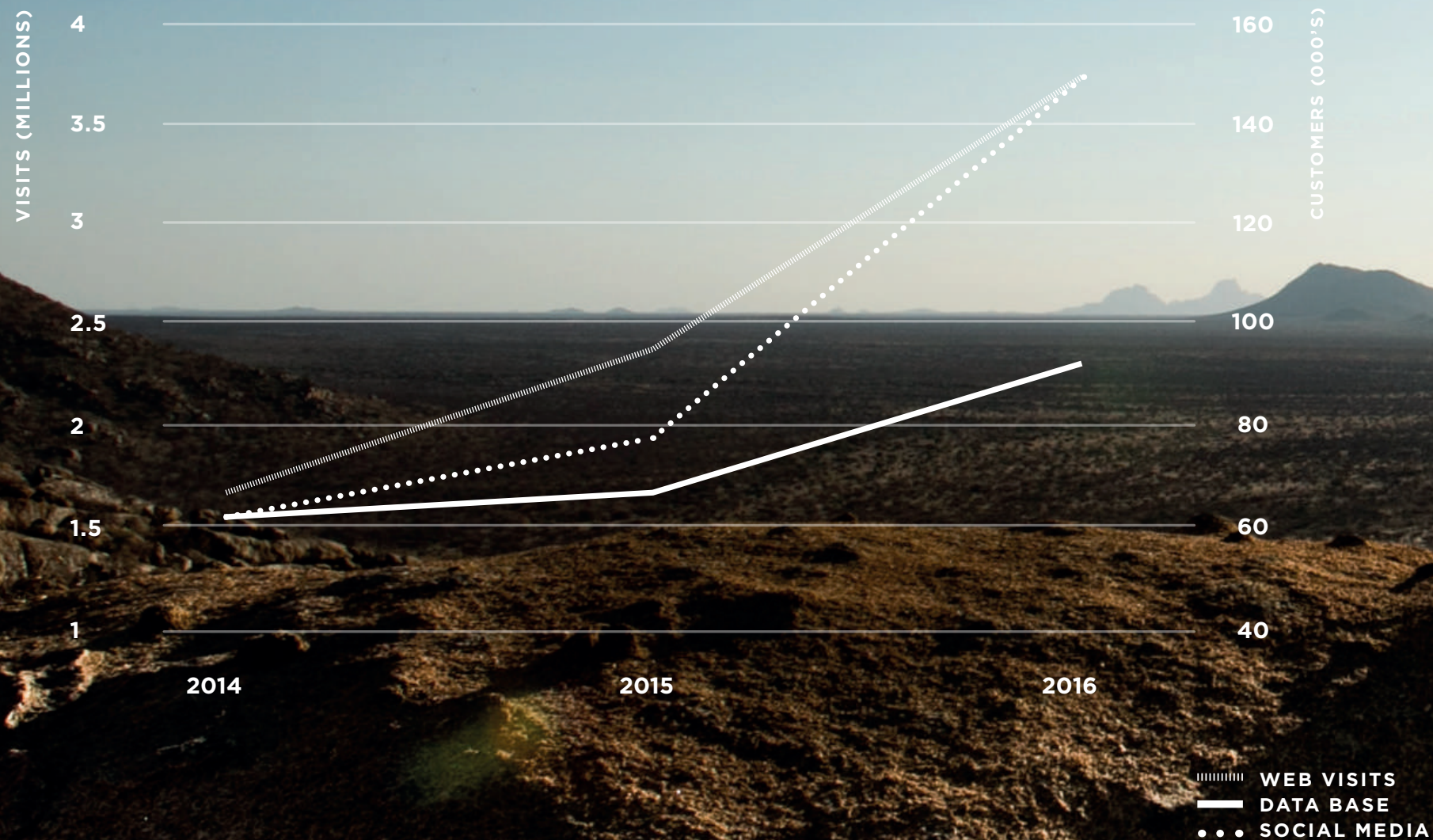
**KIDS ULTRA**



**PRIMUS MINI**



## DIGITAL ARMY GROWTH







*"We're on a mission to be the most influential shoe brand in the world".*

Our new website launched in August 2016: "Welcome Home" embodying the brand essence of 'Reconnection' and our rational USP of Sensory Feedback. And our new 'retail therapy' store concept went live: "Bring Nature Inside". First full concept store opened in Prague with follow ups in Brussels, Germany, Denmark and the UK bringing the total number of Vivo stores to over 20 with a host of new spaces planned in 2017.

Watch this space!

In 2017 we are looking forward to a host of new initiatives: Easter sees the launch of the Ultra III (an awesome update combining all the best bits of Ultra I and II in one new iconic product); May Day will bring the all new Swimrun Otillio official shoe (look out for the sunshine soles). The Primus builds in 2017 with introductions of the Primus Lux and Primus kids. This shape, accentuating the Great [big] Toe, will be a signature style for Vivobarefoot running through all categories: Off Road - Exercise - Everyday - Kids.

We are particularly proud of the progress we are making in Ladies shoes and 2017 will see the introduction of some great new shoes leading up to a big crescendo of Vivo femininity in Spring Summer 2018. Updates in lifestyle are subtle but profound as we make even more sustainable and pure barefoot shoes.

Behind the scenes we continue to innovate with Vivo x Sensoria (making the smartest shoe in the world: a sneak preview was teased out at CES in Vegas in January) and Vivo Inject (radical new automated way to make all our shoes) set to launch in 2018.

Collaborations abound: the new Soul of Africa shoe is on the new fair trade production line in Addis Ababa with Pittards. The hand stitched slip-on 'Ababa' is the most barefoot feeling shoe we've ever made and we are already planning some exciting new collaborations with this shoe.

Our elite team kit collaboration with Iffley road hit stores in January. And the latest Wild Human film from our partnership with Ben McNutt of Wild Human and Lee Saxby from Born to Run. We also continue to be inspired and support cobblers around the

world linking with Catherine Willems and the Future Footwear Foundation to make the connection between indigenous shoe making and 3D printing.

On our continued quest to make the perfect shoe: perfect for your feet and zero impact on the environment... In May we will go public with Mode Tracker as the pioneering shoe brand to partner with this exciting online transparent supply chain and business tool.

Our brilliant team continue to evolve and we can safely say the health of the company is better than ever. In January we took the US business back in-house and are currently putting in place an updated team to build the brand in America.

Thank you all for your wonderful support and involvement in the brand and I'd always like us to remember the values by which Vivobarefoot lives: Honour the Foot, Innovate Sustainably, Inspire Each other and Move (in Nature) More.

The team are focussed on delivering the 5 year plan. Significant investments and learnings are being made in eCommerce and off-line partnerships to acquire new customers and effectively grow in new territories as we bring the global brand back in-house. The pixelated world is a fast-moving feast along with global currencies moving out of step with the seasons and we are adapting our operating model accordingly. Our business strategy of going direct to the consumer is allowing more flexibility with these changes - flattening out the supply chain, increasing speed to market and ultimately ramping up digital marketing progress across the organisation. We realise we need to bring more of these skills in-house and so will be looking to make bigger investments up front in 2017/18 to deliver the longer-term growth.

Galahad Clark  
Chief Executive

**VIVOBAREFOOT .LTD**  
**INTERIM RESULTS AS AT DECEMBER 2016**

	<b>JULY TO DECEMBER 2016</b>	<b>FULL YEAR 2015/16</b>
<b>SALES - PAIRS</b>		
Ecomm Pairs	35,392	72,561
Retail Pairs	4,890	9,953
Distributor Pairs	91,245	181,860
	<b>131,527</b>	<b>264,374</b>
<b>SALES - £</b>		
Ecommerce	2,670,914	4,299,625
Retail	360,526	656,376
Distributors	2,640,078	3,889,170
	<b>5,671,519</b>	<b>8,845,170</b>
<b>NET MARGIN - £</b>	<b>2,312,830</b>	<b>3,630,998</b>
Total Overheads	(2,308,558)	(3,550,580)
<b>EBITDA</b>	<b>4,272</b>	<b>80,419</b>
Depreciation	(9,157)	(22,739)
<b>EBIT</b>	<b>(4,885)</b>	<b>57,679</b>
Interest Receivable	74	338
Interest Payable	(14,511)	(46,780)
<b>EBT</b>	<b>(19,322)</b>	<b>11,237</b>
Corporation Tax	-	-
<b>RETAINED PROFIT / (LOSS)</b>	<b>(19,322)</b>	<b>11,237</b>

**VIVOBAREFOOT .LTD**  
**BALANCE SHEETS AS AT DECEMBER 2016**

	<b>DECEMBER 2016</b>	<b>JUNE 2016</b>
<b>FIXED ASSETS</b>		
Intangible Assets	7,109	7,679
Tangible Assets	102,577	19,985
	<b>109,686</b>	<b>27,664</b>
<b>CURRENT ASSETS</b>		
Stock	1,245,533	812,306
Debtors	342,434	666,874
Other Debtors	404,693	325,420
Cash	854,209	1,276,006
	<b>2,846,869</b>	<b>3,080,606</b>
<b>CURRENT LIABILITIES</b>		
Creditors	(1,158,310)	(1,281,486)
Other Creditors	(503,463)	(406,630)
Taxation & Salaries	(37,573)	(31,745)
VAT	(145,512)	(116,078)
Pou Chen		(129,235)
	<b>(1,844,858)</b>	<b>(1,965,175)</b>
<b>NET CURRENT ASSETS</b>	<b>1,002,011</b>	<b>1,115,431</b>
Provisions For Liabilities	(40,000)	(45,000)
<b>NET ASSETS</b>	<b>1,071,696</b>	<b>1,098,095</b>
<b>CAPITAL &amp; RESERVES</b>		
Shareholder Loans*	2,000,000	2,000,000
Share Capital	4,595,795	4,595,795
Share Premium	6,892,544	6,899,620
Closing Reserves	(12,416,642)	(12,397,320)
<b>SHAREHOLDERS FUNDS</b>	<b>1,071,696</b>	<b>1,098,095</b>

\* As part of the Crowdfunding process the shareholders agreed to convert a substantial portion of their debt into equity and not to use the Crowdfund money to have their debts repaid. As such this balance is treated as quasi-equity and repayable at the discretion of the board.



# ACCOUNTING PRINCIPLES

## 1. TURNOVER

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July to December 2016 turnover comprises revenue recognised by the company in respect of goods and services supplied during the 26 weeks, exclusive of Value Added Tax and trade discounts.. Full year 2015/2016 turnover comprises revenue recognised by the company in respect of goods and services supplied during the 53 weeks, exclusive of Value Added Tax and trade discounts.

## 2. INTANGIBLE FIXED ASSETS AND AMORTISATION

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Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

## 3. TANGIBLE FIXED ASSETS AND DEPRECIATION

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Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	3 years straight line
Motor vehicles	5 years straight line
Fixtures and fittings	3 years straight line
Office equipment	3 years straight line
Computer equipment	3 years straight line

## 4. INVESTMENTS

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Investments held as fixed assets are shown at cost less provision for impairment.

## 5. OPERATING LEASES

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Rentals under operating leases are charged to the Profit and Loss Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

## 6. STOCKS

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Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

## 7. FOREIGN CURRENCIES

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Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and Loss Account.



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