
VIVOBAREFOOT
2018
END OF YEAR

EXECUTIVE DIRECTORS	G J D Clark (Managing Director) A M Clark D Peat P R Walker M Arnold A Sumra
NON-EXECUTIVE DIRECTORS	N A Beart (Chairman) L Chen Li Ming
COMPANY SECRETARY	Marc Arnold
REGISTERED NUMBER	03474829
REGISTERED OFFICE	Vivobarefoot .Ltd 28 Britton Street London EC1M 5UE
ACCOUNTANTS	Blick Rothenberg Chartered Accountants 1st Floor 7 10 Chandos Street London W1G 9DQ

YEAR END REPORT

REPORT FROM MD, GALAHAD CLARK

Dear Shareholder,

It all began when Tim Brennan, an industrial design student at the Royal College of Art, cut the cushioned sole off a pair of Nike Huaraches and stitched on a moccasin-like sole out of a tennis racket cover. Through shared Somerset heritage he found me cobbling away in Terra Plana and it was in about 2004 that we made the first foot shaped shoe prototypes together, literally modelled on our own feet. The first Vivobarefoot shoes had zips around them so you could easily replace the sole and change the upper, but, like most multi-use products (the sofa-bed, trouser-shorts) they weren't particularly good at either function, not to mention that the zip kept breaking or misaligning!

It was not until 2008 that we made the first integral Vivobarefoot shoes. We weren't selling many, but we started to wear them every day (and found it increasingly hard to wear any other shoes) and in 2010, when Christopher McDougall's seminal book 'Born to Run' was published, presenting the logical case behind barefoot that also caught the public imagination, we suddenly started to grow and introduced our first performance shoes. So, in 2012, Asher and I launched Vivobarefoot as a standalone business. We became two black sheep in a long line of cobblers with a counterintuitive zeal to convince people that the modern shoe industry had "soled" you a lie. We were also starting our never-ending quest to make the perfect shoe... perfect for feet and shoes with minimal impact on the planet. "Follow your feet... not the rules" was never going to be easy but I am proud of how far we have come and our potential is awe inspiring.

We could not have done to without the help of all our supporters over the years. We owe a heartfelt thank you to all our investors, customers and barefoot ambassadors around the world for joining us on our journey and sharing in what has proved to be an incredibly exciting year. We really are building a successful, global enterprise for the barefoot movement and we want to encourage and help the world to wear barefoot shoes, to move more and reconnect with the earth beneath their feet.

Vivo is still a small company. We have a long way to go and, being very human, I am sure we will make mistakes, but we are working towards a shoe business that has the smallest environmental footprint that we can achieve. We are not there yet, and it will be in many ways an eternal journey of small steps and continuous improvement, but we are working towards our dream - a world of healthier feet feeling a healthier world beneath them.

PERFORMANCE

“Make Vivobarefoot the globally loved brand that leads the Barefoot movement.”

When I last wrote to you in our six-monthly interim report published in March this year, I was happy to announce that we had made some significant steps forward in the first half of the year. As most of you will remember, we have a June year end (for reasons lost in the mists of time), and these accounts are for the full year to 30 June 2018. Our strong performance in the six months to December 2017 continued through into 2018 and this financial year to June 2018 has been our best year so far but we believe that we have only just begun to unleash the potential of the business. In the year to June we sold 430k pairs (320k 2017) an increase of 34%. This has given us sales of £19.4m (£13.0m 2017), up 50% on last year. Better yet, we made our first significant a profit after tax with a profit of £655k after tax and our results are still in line with or better than the targets set out in our original investor plan made in late 2015. We are now generating enough profits both to fund the growth of the business and to invest in growing the brand.

Whilst the last 12 months was our best year yet, it has also had some sombre aspects. In February this year, Lance Clark, my father and a former Chairman of Vivobarefoot sadly passed. Although he is sorely missed, it is fitting that he was here to see the beginning of success at Vivobarefoot. My father used to make prototype shoes in the kitchen when I was a kid, so I was always surrounded by shoes and we are only where we are today thanks to the passion, faith and belief that he always showed in Vivobarefoot. His spirit lives on in everything we do.

THE TEAM

“Be one of the best companies to work for and prove business can be a force for good.”

Everything we do and achieve at Vivobarefoot starts with our people, who have invested their careers and a huge part of their daily life into Vivobarefoot. It has been a wonderful experience, this year especially, to observe and share the sense of achievement felt by all those who have been at Vivo over the recent years as they have seen their efforts rewarded by successful and profitable growth. We are all incredibly excited by the different talents, skills, energy and enthusiasm that the newer members of the team have brought to the business in the last year and it is a rare and exciting privilege to be part of a team of enthusiasts, old and new, who really are trying to make shoes and feet better.

We are now building an expanding team of barefoot professionals who will take us from a niche barefoot brand to a significant global player. It will take a few years yet but only five years ago our sales were less than £6m a year and we were losing money heel over toe. We now have sales of £19.4m, and the growth continues faster than we can sometimes handle it at the time of writing this report. Thanks to investors’ support, everyone here at Vivo and our wonderful customers can now walk and soon run towards a barefoot world of healthy feet - a world set free from crushing shoes.

Best foot forward,
Galahad

GALAHAD CLARK: MD

Galahad is a seventh generation Clark family shoemaker. His degree was in Chinese and anthropology which led him to Taiwan and China, where he studied the language and researched technical shoe production. Galahad’s philosophy is simple - “sustainable design is just good design”. Galahad ran Terra Plana in the early 2000’s and from that base launched UNITED NUDE, WORN AGAIN and VIVOBAREFOOT. From 2012 he has focused on Vivobarefoot.

ASHER CLARK: DESIGN DIRECTOR

Asher has shoemaking in his genes, if that is possible, and comes from the same line of Clarks as Galahad. This unique heritage meant growing up immersed in a world that honoured tradition whilst still pushing the boundaries of design innovation. Asher graduated in 2003 from London College of Fashion having been awarded their prize for Fashion Innovation. In the same year, he also won the Drapers Young Footwear Designer Award and was hired by Kenzo to design their first premium sport line.

In 2009 while designing VIVOBAREFOOT'S first running shoe Asher realised that the shoe industry, himself included, had lost connection to the most important thing: our feet. He went on to devote his time to unlearning everything he knew about shoes and instead worked with some of the best biomechanics, outdoor athletes, last makers, modern and indigenous shoemakers and factories all around the world to develop shoes that feet would love – Barefoot shoes.

From where I've been standing, I try to keep "sitting" for planes, cars and eating only, it's been another exhilarating year of new product launches, exciting collaborations and joined-up marketing campaigns which are not only driving the business forward but starting to showcase the massive talent, capability and enthusiasm at Vivobarefoot.

Our challenge is simple. The less shoe we put between your feet and the ground the better. It's a feet first approach coupled with a real passion for innovation that continues to inspire us to set new benchmarks in performance, durability and sustainability. Our goal being to make iconic products of the future that give ultimate foot freedom that people love to wear.
Thank you for joining us on the journey so far however what excites me most is that this is just the beginning......

Over the next 12 months our range will evolve – we will continue to focus on creating ever more sustainable shoes, improving our range and creating families of shoes around our old favourites – all the time making sure that everything we do has the Vivobarefoot D.N.A.

DAMIAN PEAT: OPERATIONS DIRECTOR

Damian has been working for Vivobarefoot for the last twelve years. He manages the entire supply chain from manufacturing to delivery to the end consumer, including purchasing, stock control, warehouse management, logistics and shipping as well as the IT systems that support and control all of this.

I am immensely proud to have been with Vivobarefoot since it began. It's been a wonderful journey filled with a lot of learning and more than a few laughs and we now have the fun and challenge of making barefoot shoes for every situation: work, walking, hiking, running, for your kids, for jumping in puddles – that's both you and the kids. After all it's not right that they have all the fun! We are still small in the shoe industry but we are a global business with all the challenges and opportunities that brings. We currently make around 95% of our shoes in two factories in China but we also make the Handcut leather collection in Portugal and we are developing a shoe making project in Ethiopia making the Ababa in conjunction with the Soul of Africa charity and Pittards.

We have learnt a lot over the years at Vivo, not least that Barefoot shoemaking is significantly more complicated than traditional shoemaking. Traditional shoes have a stiff, thick sole and usually a fairly rigid upper and they don't move very much when you wear them. It is not hard to design a rigid box even if it is hard for your feet to wear one. In contrast, Vivobarefoot's shoes have thin soles and are very flexible. This flexible movement is incredibly important for a barefoot shoe. Our shoes move around a lot more in the wild than the stiff old boxes made by others, so bonding the sole to the upper is much harder as a true barefoot shoe than it is for conventional shoes and so is making shoes that keep their shape and last. Thanks to our team in China and our long-term partnerships with our factories, we believe that we are becoming ever more competent at this rather unique process and I believe that today we are now making the best shoes we have ever made. Nevertheless, we are all too aware that everything can and must be improved and that is our eternal task.

NICK BEART: CHAIR

Nick is a chartered accountant, serial investor and entrepreneur. He has a track record of building teams and turning around businesses including Covent Garden Soup, Green & Blacks, Johnnie Boden, Whole Earth Foods, Cawston Press and Vivobarefoot. Nick sits on several boards and has been a key part of the turnaround and growth of Vivo in the last five years

When things start to go right they can go right very fast indeed as Galahad, Asher and the team have proved this year. Vivo is now a profitable business that can lead the barefoot movement and inspire consumers to move more but we want to be that and more. The team are committed to building an exemplary barefoot business that will prove that small and medium sized businesses can be a valuable force for good in society; that will reward early stage investors; and will be a life enhancing employer. Over the coming years we shall update shareholders on our progress on these objectives as part of our reporting to shareholders.

The Board

The business is growing fast and we are starting to strengthen the Board to reflect the increasing size and scale of responsibilities of the business. As a first step, we have now persuaded Don Lee from Stella to represent them more actively on the board. Stella is a global shoe manufacturer, listed in Hong Kong, with annual revenue of over $1.6bn. They manufacture shoes for six of the world's top ten casual footwear companies. Don, their CFO, brings extraordinary experience from years spent in both the shoe industry and finance. Stella own 17% of Vivobarefoot after investing in 2011 and we do not want to miss out on their expertise and experience as we grow. Looking further ahead, Galahad and I will work to add at least one other non-executive to the Board to provide advice, help and support to the team.

Lance Clark

The recent success of the business has not been luck but the result of careful planning and the hard work of everyone at Vivo over the last five years. In addition, the business and the team were always ably supported by my predecessor Lance Clark who stepped down as Chairman a little over a eighteen months ago. I originally met Lance, Galahad and Asher nearly six years ago. The energy and talent of Galahad and Asher were impossible to ignore and the blinding obviousness of the barefoot proposition was immediately compelling. Even so, at the time, the business had too much stock, too many stores and had lost its way in the US. Cash was running out and the business needed time to prove it could grow profitably.

Time really was money in those early days and no one was prepared to invest the sums required given the mountain of problems the business then faced. When things were at their darkest, Lance held fast, rallied his family and supporters and raised enough money to give the team time to start to save the business. No one else could have done it at the time or inspired the effort required from the senior team to save the business. He cajoled and charmed everyone in equal measure and later, when he stepped down as Chairman, Lance was unfailingly helpful and supportive. Such handovers can often be difficult, but Lance was always a quiet source of sage advice. He was that rare thing, a talented business man allied to a talented creative force. A man of great contradictions, a pacifist Quaker who joined the Guards and a chairman of charities who argued passionately for profits and free markets. He was funny, irreverent, often challenging and always demanding but ever keen for people around him to succeed. Lance was constantly excited and fascinated by the shoe business and throughout it all he loved his family to his very core. In private he was always modest and insightful but, on a stage, he commanded attention like few others. A great man has gone, and Lance will be sorely missed by all of us.

DON LEE: NON-EXEC DIRECTOR

Don is a chartered accountant and CFO for Stella Holdings, a leading developer, manufacturer and retailer of quality footwear products and leather goods listed on the Hong Kong Stock Exchange, with a revenue of over $1.6bn and a client base that includes some of the world's largest casual footwear companies, including Clarks, Decker's, ECCO, Timberland and Wolverine. Stella also design, develop and manufacture footwear for several high-fashion brands such as Philip Lim, Alexander Wang, Bally, Givenchy, Kenzo, Marc Jacobs, Paul Smith and Prada.

PAUL WALKER: SALES DIRECTOR

Paul spent the best part of a decade with Dixons and later Carphone Warehouse and then moved to Vivobarefoot where he has now been for nearly 5 years. Paul has been an intrinsic part of the turnaround story at Vivo and heads up the global Sales function.

Roll back the clock five years and I was taking my first barefoot steps through the doors at Vivo, and we have come a long way in that time. When I first joined, our online business was selling only 9,000 pairs a year generating just £500,000 of sales. With a lot of passion, dedication and hard work and with huge thanks to a brilliant team, annual Ecommerce revenues are now over £10m or 140,000 pairs and sales are still growing fast and much faster than two or three years ago. Today, our online business sells to over 100 countries...and we are only just getting started. In the next three years we will scale-up international Ecommerce through continued investment in systems, people, processes, technology and marketing. We will also continue to optimise our existing digital presence. We aren't resting on our laurels – we are already planning and aiming to reach far beyond £50m in the coming years. We know there is a long way to go and there will be many challenges and hurdles on the way, but we have our feet firmly facing forwards.

ANEETA SUMRA: MERCHANDISING DIRECTOR

Aneeta is the newest member of the board and joined Vivobarefoot in early 2018 as Head of Merchandising. Aneeta is responsible for all areas of product, from range building, to merchandising and from product creation to execution. Before Vivobarefoot, Aneeta was a Director and Head of Buying at Western Assembly Menswear having previously been responsible for merchandising at Burberry

As a woman and newcomer to barefoot, I pondered the great challenge of how we are to make desirable barefoot shoes for women. Wide and flat is not always how women think of shoes. However, since joining Vivobarefoot at the beginning of this year, it has become increasingly apparent that this is a brand that women (and men) are crying out for.

The health and wellness revolution has empowered and provided options for all of us to make the best choices for our bodies and our minds, and Vivobarefoot shoes provide a means to achieve this. And with the women's business growing fast, it seems that making desirable wide/thin/flexible shoes is not such a challenge after all!

We are now starting to build the best Product & Merchandising team we can and they will help product managers, merchandisers and the designers make, buy and design the best shoes that we can for our customers. We are investing significantly in planning and budgeting software that will inform our purchasing cycles and get better at the eternal challenge of buying the right quantity of the right shoes at the right time. All of this is done to make sure we can keep addressing the seemingly endless opportunities in product creation that will allow us to create the most desirable and sustainable Barefoot shoes for all feet.

BAYARMA CLARK: HEAD OF KIDS

Ours Kids range is still a small part of the Vivo business right now but we believe that it is a vital part of Vivo's future. We want everyone to take a step in our shoes but especially our children. We owe it the next generation to get them started on the right foot and keep them that way if we can. Children start their lives with healthy, natural feet and we need to keep their feet that way and not let the shoe and fashion industries mess with their naturally beautiful feet.

A few years ago our childrens' range was something of an orphan child, forgive the pun, when Galahad asked me to step in and help after the birth of our second child. I originally trained in marketing at Unilever and I had been telling everyone I could how important Barefoot shoes were for children for some years. Galahad suggested I take up the challenge directly rather than talking about it and I started working at Vivo part time just over three years ago. Everything can always be improved but we now have a beautiful range of childrens' shoes and we are getting better at talking to our consumers. We have a long way to go, we need to grow the Kids business significantly if it is to become sustainably profitable but we have taken the first steps towards a significant children's shoe range.

MARC ARNOLD: FINANCE DIRECTOR

Marc is a chartered accountant and qualified at KPMG. He has extensive post qualification experience in consumer facing businesses at McDonalds, David Lloyd, Virgin Active and Lacoste Chaussures. In addition to Finance, Marc is also responsible for Legal, Human Resources and I.T.

The original Crowdcube investment was made in early 2016. Much has changed since then and I am delighted to report that we remain very much on track to deliver the plan set out to Crowdcube investors some three years ago. In the last five years the sales growth trajectory has increased dramatically and strong growth continues at the time of writing. In 2014 we sold 258,000 pairs in total generating sales of only £6.5m. In the year to June 2018, reported here, we sold 429,000 pairs generating sales of just under £20m. The change in sales and profitability over the last five years has come through improving every aspect of the business as we have moved to increase sales directly to our consumers on our own website rather than selling to third party wholesalers and distributors.

We believe that there really is an opportunity to build a substantial global barefoot shoe business that is much, much bigger than we originally planned. We think our recent performance supports our beliefs and that the best investment we can make with our profits is a greater investment in Vivo. We are now planning to invest more than we originally planned on marketing and product development to support the momentum that we have built up over the last three years. We want to build a platform for much stronger growth in the future. In the coming year, we are now planning to spend slightly over £1m more than we originally estimated in the Crowdcube plan on marketing and product development and if that investment proves to be successful then we shall almost certainly spend more again in 2020. This will hold back profit growth over the next two years, when compared to our original plans, but the team are committed to growing profits each year, albeit at slightly lower levels than planned for in the original Crowdcube plan. We are now planning ahead and working towards selling at least 1,000,000 pairs in a few years' time and many times that in the future.

PROFIT & LOSS SUMMARY

	2018	2017
	52 weeks	52 weeks
	ended 30 June 2018	ended 1 July 2017
Sales (Pairs)		
Ecom	139,996	95,940
Retail	12,846	11,003
Distributor	276,737	212,590
	429,579	**319,533**
Sales (£)		
Sales - Domestic	4,035,288	3,199,949
Sales - Europe	8,484,368	5,423,703
Sales - Rest of world	6,902,425	4,335,347
	19,422,081	**12,958,999**
Cost of sales (£)	(10,773,898)	(7,624,475)
Gross profit (£)	**8,648,183**	**5,334,524**
Administrative expenses (£)	(7,855,211)	(5,339,270)
Other operating income (£)	132,565	88,368
Other operating charges (£)	(206,102)	(101,367)
Operating profit/(loss) (£)	**719,435**	**(17,745)**
Interest receivable and similar income	13	78
Interest payable and expenses	(63,913)	(35,441)
Profit/(loss) before tax (£)	**655,535**	**(53,108)**
Tax on profit/(loss) (£)	-	126,164
Profit for the financial 52 weeks (£)	**655,535**	**73,056**

1. Sales units have increased 34.4% in 2018 vs 2017
2. Sales £ have increased 49.8% in 2018 vs 2017
3. Profit for the 52 weeks has increased 797% in 2018 vs 2017

STATEMENT OF COMPREHENSIVE INCOME INCLUDED IN FULL ACOUNTS AT END

BALANCE SHEET

		30-Jun 2018 £		01-Jul 2017 £
Fixed assets				
Intangible assets		5,702		6,640
Tangible assets		264,119		103,265
Investments		101		101
		269,922		110,006
Current assets				
Stocks	1,602,022		1,381,169	
Debtors: amounts falling due within one year	1,542,546		1,147,718	
Cash at bank and in hand	1,660,219		1,003,221	
	4,804,787		3,532,108	
Creditors: amounts falling due within one year	(3,086,657)		(2,442,939)	
Net current assets		1,718,130		1,089,169
Total assets less current liabilities		1,988,052		1,199,175
Provisions for liabilities				
Other provisions	(168,342)		(35,000)	
		(168,342)		(35,000)
Net assets		**1,819,710**		**1,164,175**
Capital and reserves				
Called up share capital		4,595,795		4,595,795
Share premium account		6,892,644		6,892,644
Profit and loss account		(11,668,729)		(12,324,264)
Shareholders' funds		(180,290)		(835,825)
Other loans				
Shareholder loans		2,000,000		2,000,000
Total shareholders' funds		**1,819,710**		**1,164,175**

JULY 2017

Bloom

AUGUST 2017

Swimrun

SEPTEMBER 2017

Live Barefoot 24/7

NOVEMBER 2017

Primus Hi Viz

DECEMBER 2017

Winterproof

JANUARY/FEBRUARY 2018

Barefoot Innovation

MARCH 2018

Scott Desert

APRIL 2018

Wellness

JUNE 2018

Minimalism

BRING NATURE INDOORS

Our concept store in London has been updated with our “retail therapy” concept

LIGHT
Circadian rhythm lighting

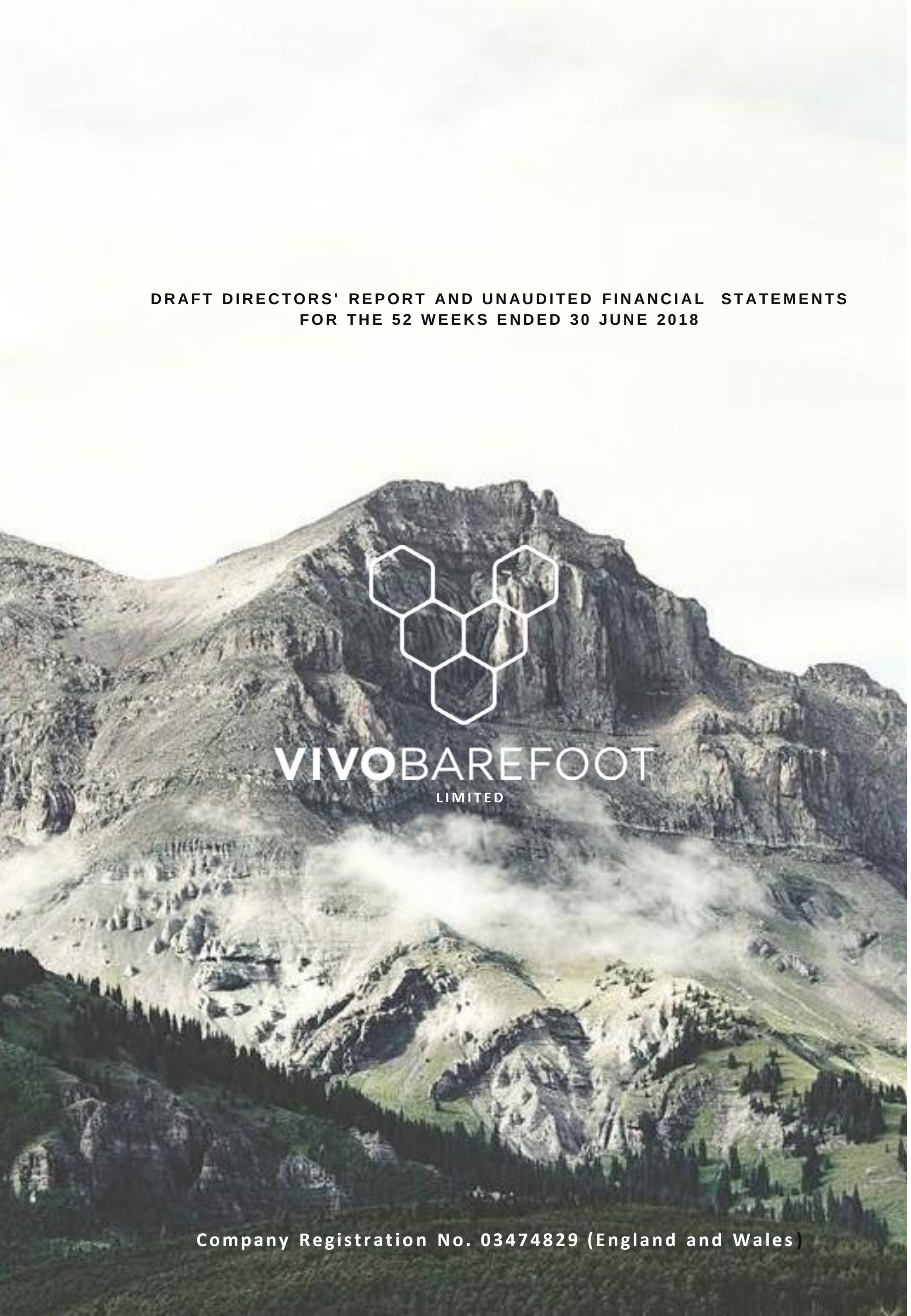
AIR
Fresh air
(from optimal air cleansing plants)

WATER
Carbonated fresh water

MOVEMENT
Natural movement aids (plantar pressure, tread mills and great coaches)

SENSORY
Natural materials of wood and stone

DRAFT DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 JUNE 2018



Company Registration No. 03474829 (England and Wales)

VIVOBAREFOOT LIMITED

COMPANY INFORMATION

Directors	Mr G J D Clark Mr L P Clark (resigned 27 February 2018) Mr A M Clark Mr L Chen Li-Ming Mr D Peat Mr P R Walker Mr N A Beart Ms A Harrison (resigned 11 July 2017) Mr M A Arnold (appointed 28 September 2017) Ms A R Sumra (appointed 1 July 2018)
Company secretary	Mr M A Arnold
Registered number	03474829
Registered office	28 Britton Street London EC1M 5UE
Trading Address	28 Britton Street London EC1M 5UE
Accountants	Blick Rothenberg Limited 1st Floor 7-10 Chandos Street London W1G 9DQ

VIVOBAREFOOT LIMITED

DIRECTORS' REPORT
FOR THE 52 WEEKS ENDED 30 JUNE 2018

The directors present their report and the financial statements for the 52 weeks ended 30 June 2018.

Principal activity

The principal activity of the Company continued to be that of the design, production and sale of footwear.

Directors

The directors who served during the 52 weeks were:

Mr G J D Clark
Mr L P Clark (resigned 27 February 2018)
Mr A M Clark
Mr L Chen Li-Ming
Mr D Peat
Mr P R Walker
Mr N A Beart
Ms A Harrison (resigned 11 July 2017)
Mr M A Arnold (appointed 28 September 2017)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

VIVOBAREFOOT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 52 WEEKS ENDED 30 JUNE 2018

We confirm that as directors we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the Company has kept adequate accounting records;
- prepare financial statements which give a true and fair view of the state of affairs of the Company as at 30 June 2018 and of profit and loss for that period in accordance with Generally Accepted Accounting Practice in the UK; and
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE DIRECTORS OFVIVOBAREFOOT LIMITED
FOR THE 52 WEEKS ENDED 30 JUNE 2018

We have reviewed the financial statements of Vivobarefoot Limited for the 52 weeks ended 30 June 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter. Our review has been undertaken so that we might state to the Company's directors those matters that we have agreed with them in our engagement letter 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 directors, as a body, for our work, for this report or the conclusions we have formed.

Directors' Responsibility for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' Responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), 'Engagements to review historical financial statements' and ICAEW Technical Release TECH 09/13AAF 'Assurance review engagements on historical financial statements'. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of the Assurance Review

A review of the financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the Company's affairs as at 30 June 2018, and of its profit for the 52 weeks then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

Blick Rothenberg Limited
1st Floor
7-10 Chandos Street
London
W1G 9DQ

VIVOBAREFOOT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 30 JUNE 2018

	Note	52 weeks 2018 £	52 weeks 2017 £
Turnover		19,422,081	12,958,999
Cost of sales		(10,773,898)	(7,624,475)
Gross profit		8,648,183	5,334,524
Administrative expenses		(7,855,211)	(5,339,270)
Other operating income		132,565	88,368
Other operating charges		(206,102)	(101,367)
Operating profit/(loss)		719,435	(17,745)
Interest receivable and similar income		13	78
Interest payable and expenses		(63,913)	(35,441)
Profit/(loss) before tax		655,535	(53,108)
Tax on profit/(loss)		-	126,164
Profit for the financial 52 weeks		655,535	73,056

The notes on pages 9 to 19 form part of these financial statements.

REGISTERED NUMBER:03474829

VIVOBAREFOOT LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Note		30 June 2018 £		1 July 2017 £
Fixed assets					
Intangible assets	5		5,702		6,640
Tangible assets	6		264,119		103,265
Investments	7		101		101
			269,922		110,006
Current assets					
Stocks	8	1,602,022		1,381,169	
Debtors: amounts falling due within one year	9	1,542,546		1,147,718	
Cash at bank and in hand	10	1,660,219		1,003,221	
		4,804,787		3,532,108	
Creditors: amounts falling due within one year	11	(3,086,657)		(2,442,939)	
Net current assets			1,718,130		1,089,169
Total assets less current liabilities			1,988,052		1,199,175
Provisions for liabilities					
Other provisions	14	(168,342)		(35,000)	
			(168,342)		(35,000)
Net assets			1,819,710		1,164,175
Capital and reserves					
Called up share capital	15		4,595,795		4,595,795
Share premium account			6,892,644		6,892,644
Profit and loss account			(11,668,729)		(12,324,264)
Shareholders' funds			(180,290)		(835,825)
Other loans					
Shareholder loans	12		2,000,000		2,000,000
Total shareholders' funds			1,819,710		1,164,175

REGISTERED NUMBER:03474829

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the 52 weeks in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 30 JUNE 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 3 July 2016	4,595,795	6,899,620	(12,397,320)	(901,905)
Profit for the 52 weeks	-	-	73,056	73,056
Shares issued during the period	-	(6,976)	-	(6,976)
At 2 July 2017	4,595,795	6,892,644	(12,324,264)	(835,825)
Comprehensive income for the 52 weeks				
Profit for the 52 weeks	-	-	655,535	655,535
At 30 June 2018	4,595,795	6,892,644	(11,668,729)	(180,290)

1. General information

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

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 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.

VIVOBAREFOOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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
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

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 the Statement of Comprehensive Income.

2.5 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 Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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.

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non- monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

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

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 03 July 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. Accounting policies (continued)

2.14 Pensions

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 the Statement of Comprehensive Income 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.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the 52 weeks in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

3. Employees

The average monthly number of employees, including directors, during the 52 weeks was 38 (2017 - 28).

VIVOBAREFOOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 JUNE 2018

4. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	440,375	200,000
Company contributions to defined contribution pension schemes	9,750	7,229
	450,125	207,229

The highest paid director received remuneration of £100,000 (2017 - £50,000).

The increase between the prior and current year highest paid director remuneration is due to several of the directors having been appointed part way through the prior period. Were the total annual remuneration of the highest paid director in the prior year to be disclosed, the comparative figure, including remuneration prior to their directorship, would be £82,500.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,583 (2017 - £4,679).

5. Intangible assets

	Trademarks
	£
Cost	
At 2 July 2017	9,375
At 30 June 2018	9,375
Amortisation	
At 2 July 2017	2,735
Charge for the year	938
At 30 June 2018	3,673
Net book value	
At 30 June 2018	5,702
At 1 July 2017	6,640

6. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 2 July 2017	-	536,101	536,101
Additions	23,900	206,395	230,295
Disposals	-	(389,300)	(389,300)
At 30 June 2018	23,900	353,196	377,096
Depreciation			
At 2 July 2017	-	432,836	432,836
Charge for the 52 weeks on owned assets	-	69,441	69,441
Disposals	-	(389,300)	(389,300)
At 30 June 2018	-	112,977	112,977
Net book value			
At 30 June 2018	23,900	240,219	264,119
At 1 July 2017	-	103,265	103,265

The net book value of land and buildings may be further analysed as follows:

	30 June 2018 £	1 July 2017 £
Short leasehold	23,900	-
	23,900	-

VIVOBAREFOOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 JUNE 2018

7. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 2 July 2017	1	100	101
At 30 June 2018	1	100	101
Net book value			
At 30 June 2018	1	100	101
At 1 July 2017	1	100	101

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Terra Plana International Limited	England and Wales	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 30 June 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves 30 June 2018 £
Terra Plana International Limited	(1,393,234)
	(1,393,234)

8. Stocks

	30 June 2018 £	1 July 2017 £
Finished goods and goods for resale	1,602,022	1,381,169

9. Debtors

	30 June 2018 £	1 July 2017 £
Trade debtors	1,186,806	844,963
Other debtors	60,313	175,928
Prepayments and accrued income	295,427	126,827
	1,542,546	1,147,718

10. Cash and cash equivalents

	30 June 2018 £	1 July 2017 £
Cash at bank and in hand	1,660,219	1,003,221
	1,660,219	1,003,221

Cash at bank and in hand is measured at fair value, which is calculated as amounts held on deposit at banks employed by the Company less any impairments. No impairments to cash balances have been made in these accounts as all cash deposits are held at credible financial institutions.

11. Creditors: Amounts falling due within one year

	30 June 2018 £	1 July 2017 £
Trade creditors	531,997	1,622,174
Other taxation and social security	502,342	136,240
Other creditors	468,026	69,127
Accruals and deferred income	1,584,292	615,398
	3,086,657	2,442,939

12. Other loans

	30 June 2018 £	1 July 2017 £
Shareholder loans	2,000,000	2,000,000

VIVOBAREFOOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 JUNE 2018

13. Loans

Analysis of the maturity of loans is given below:

	30 June 2018 £	1 July 2017 £
Amounts falling due 1-2 years		
Shareholder loans	2,000,000	2,000,000

14. Provisions

	Onerous Lease £
At 2 July 2017	35,000
Charged to profit or loss	133,342
At 30 June 2018	168,342

The above provision of £168,342 (2017: £35,000) has been made in respect of an onerous lease commitment.

15. Share capital

	30 June 2018 £	1 July 2017 £
Allotted, called up and fully paid		
2,421,423 Ordinary shares of £1 each	2,421,423	2,421,423
8,681,687 B Ordinary shares of £0.25 each	2,170,422	2,170,422
3,950,000 C Ordinary shares of £0.001 each	3,950	3,950
	4,595,795	4,595,795

16. 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 £34,396 (2017: £9,532). Contributions totalling £7,093 (2017: £3,456) were payable to the fund at the balance sheet date and are included in creditors.

17. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	30 June 2018 £	1 July 2017 £
Not later than 1 year	141,000	216,000
Later than 1 year and not later than 5 years	73,250	214,250
	214,250	430,250

18. Related party transactions

As at the balance sheet date, directors and shareholders of the Company were owed £2,000,000 (2017: £2,000,000) by Vivobarefoot Limited. These loans are unsecured and repayable at the discretion of the Board of Directors. There is no interest charged on these loan balances.

During the period Vivobarefoot paid expenses on behalf of companies under common control, amounting to £nil (2017: £107,591). During the period the Company made payments to companies under common control totalling £17,136 (2017: £67,505). As at the balance sheet date Vivobarefoot owed £nil (2017: £17,136) to companies under common control.

VIVOBAREFOOT LIMITED

MANAGEMENT INFORMATION - UNAUDITED

FOR THE 52 WEEKS ENDED 30 JUNE 2018

These pages do not form part of the financial statements

VIVOBAREFOOT LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 30 JUNE 2018

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Turnover	19,422,081	12,958,999
Cost Of sales	(10,773,898)	(7,624,475)
Gross profit	8,648,183	5,334,524
Other operating income	132,565	88,368
Operating profit	8,780,748	5,422,892
Less: overheads		
Administrative expenses	(7,855,211)	(5,339,270)
Other operating charges	(206,102)	(101,367)
Operating profit/(loss)	719,435	(17,745)
Interest receivable	13	78
Interest payable	(63,913)	(35,441)
Profit/(Loss) for the 52 weeks/period	655,535	(53,108)

VIVOBAREFOOT LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS

FOR THE 52 WEEKS ENDED 30 JUNE 2018

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Turnover		
Sales - Domestic	4,035,288	3,199,949
Sales - Europe	8,484,368	5,423,703
Sales - Rest of world	6,902,425	4,335,347
	19,422,081	12,958,999

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Cost of sales		
Opening stocks	1,381,169	812,306
Purchases	8,649,484	6,112,218
Carriage and import duty	2,345,267	2,081,120
Closing stocks	(1,602,022)	(1,381,169)
	10,773,898	7,624,475

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Other operating income		
Other operating income	48,565	2,322
Net rents receivable	84,000	86,046
	132,565	88,368

VIVOBAREFOOT LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS

FOR THE 52 WEEKS ENDED 30 JUNE 2018

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Administration expenses		
Directors salaries	440,000	200,000
Directors national insurance	54,941	24,327
Directors pension costs - defined contribution schemes	9,750	7,229
Staff salaries	1,555,440	1,237,534
Staff private health insurance	5,263	-
Staff national insurance	128,232	106,759
Staff pension costs - defined contribution schemes	24,646	2,303
Staff training	6,999	11,493
Commissions payable	128,308	64,052
Motor running costs	2,992	4,693
Entertainment	53,357	42,867
Hotels, travel and subsistence	284,009	217,589
Consultancy	202,027	502,821
Printing and stationery	13,198	8,517
Postage	23,495	13,357
Telephone and fax	34,832	30,105
Computer costs	2,755,524	1,683,412
Advertising and promotion	964,066	633,334
Trade subscriptions	13,219	272
Legal and professional	201,223	111,720
Accountancy fees	(1,294)	30,476
Bank charges	32,668	35,701
Bad debts	166,179	(31,508)
Difference on foreign exchange	174,153	(30,217)
Sundry expenses	9,797	8,088
Rent - operating leases	148,620	152,745
Rates	59,935	64,130
Light and heat	17,700	12,275
Cleaning	10,413	8,025
Service charges	18,499	-
Insurances	70,199	41,458
Repairs and maintenance	17,143	31,074
Depreciation - plant and machinery	15,741	17,686
Depreciation - office equipment	2,601	-
Depreciation - computer equipment	28,293	-
Depreciation - fixtures and fittings	22,806	-
Amortisation - intangible fixed assets	938	938
China - taxation	24,174	20,579

. **Administration expenses (continued)**

Recruitment	135,125	75,436
	7,855,211	5,339,270

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Rent - expenses	206,102	101,367

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Interest receivable		
Other interest receivable	13	78

	52 weeks ended 30 June 2018 £	52 weeks ended 1 July 2017 £
Interest payable		
Other loan interest payable	63,913	35,441