



Annual Review and Accounts
2008 - 2009

Who we are

GS1 UK has driven innovation in the supply chain for over thirty years. It is part of the global GS1 organisation, dedicated to the development and implementation of global data standards and solutions for the supply chain. GS1 standards are the most widely used in the world. GS1 UK helps industry to implement these data standards through the use of bar codes, RFID, Global Data Synchronisation (GDS) and electronic business messaging.

Our mission

GS1 UK aims to make it cheaper, faster and safer for its members to serve their customers by the industry wide adoption of global GS1 standards and locally delivered services.

Our members

At the end of our 2008-09 financial year, there were over 21,000 member organisations ranging from sole traders to large, multi-national companies representing a wide range of industries. Our members operate in industries such as manufacturing, retail, health, construction and automotive generating a total of £1.1 trillion in revenue every year.

Businesses become members of GS1 UK to license GS1 unique identification numbers and access the GS1 standards. These enable them to trade more efficiently by:

- automating key processes and accessing real-time information.
- improving the tracking of stocks and materials.
- reducing or eliminating out-of-stock situations.
- enabling the traceability of items.

Our role

GS1 UK offers a full range of services and solutions, all built upon the foundation of the GS1 System of standards and its GS1 Identification Keys.

Our four key product areas are:

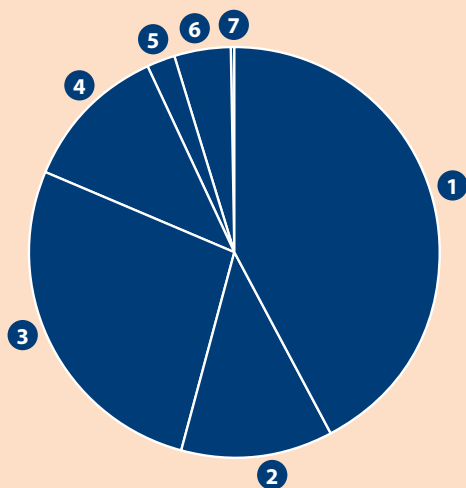
- GS1 Bar codes
- GS1 EPCglobal (RFID)
- GS1 GDSN (Global Data Synchronisation Network)
- GS1 eCom (electronic business messaging)

GS1 UK also has a full range of solutions that combine a selection of GS1 standards into a package that provides true business-focused relevance on topics such as traceability.

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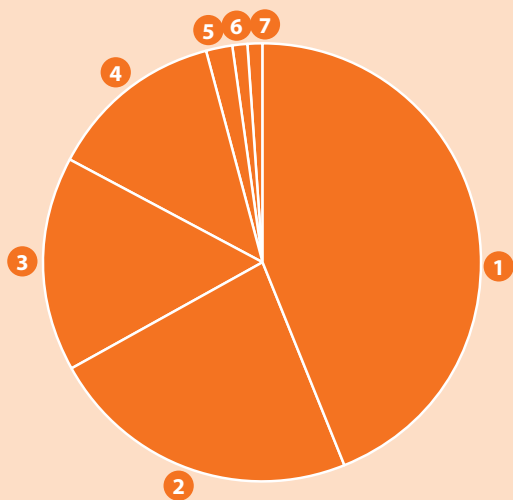
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Total Members



| Members by turnover (£) | Total Members | % of Total Members |
|-------------------------|---------------|--------------------|
| 1 0 - 0.5m | 9075 | 42.5% |
| 2 0.6m - 1m | 2541 | 11.9% |
| 3 1m - 10m | 5766 | 27.0% |
| 4 10m - 50m | 2498 | 11.7% |
| 5 50m - 100m | 512 | 2.4% |
| 6 100m - 1bn | 940 | 4.4% |
| 7 1bn+ | 21 | 0.1% |
| Total | 21354 | 100% |

Fee Income



| Industry Sector | Percentage |
|-----------------|-------------|
| 1 Manufacturing | 44% |
| 2 Wholesale | 23% |
| 3 Other | 16% |
| 4 Retail | 13% |
| 5 Agriculture | 2% |
| 6 Food Service | 1% |
| 7 Healthcare | 1% |
| Total | 100% |

Chairman's Statement



It is a pleasure to present my report and review another successful year for GS1 UK. The past year has seen GS1 UK make substantial progress in a number of directions.

Despite the increasingly difficult economic climate, the second year of our three years Strategic Plan has again been a successful one and has seen GS1 UK:

- Increase membership by almost 1,000 companies.
- There were 21,354 GS1 UK members at the end of June 2009
- Maintain high member satisfaction levels at 88%
- Deliver six solutions-based deployments of GS1 standards
- Increase the utilisation of GS1 UK's value added services by 30%

Benefitting our members

As with the previous year, in 2008/09 we have been especially successful in the delivery of Professional Services through consulting services and increasingly through the provision of managed 'on-boarding services', where we have been retained to help retailers and their suppliers to implement new processes based on GS1 standards.

By focussing on the solutions that GS1 standards support, we have increased the number of engagements we have at a senior level with the major organisations. This has further driven the adoption of our standards.

This increase in service revenue has benefited the wider membership. For the second year running we have been able to freeze membership fees; especially welcomed in such a difficult financial climate.

Proving the business case for data quality

This year also saw us take on the world's most in-depth investigation into the cost and Impact of bad data in retail supply chains. The 'Back Catalogue' project aimed to accelerate the adoption of GDSN and to help position GS1 UK as a player in the 'Future Value Chain' as outlined by the Global Commerce Initiative. Our partners in the project included Asda, Morrison's, Sainsbury's, Tesco, Nestle, Unilever, P&G, Mars, IBM, IGD & Cranfield University.

Other achievements

Away from our core sector of FMCG retail, we have continued to grow healthcare and now have over 200 NHS hospital members in England. This year saw GS1 standards recommended by PASA for use in the national programme for electronic procurement and we kicked off a GDS initiative with NHS Supply Chain.

In June '09 we completed the decommissioning of the increasingly unreliable membership system. We managed to replace it without any major impact for our members and we now have the IT architecture and basic systems we need to build an improved online delivery capability going forward.

As in previous years, we had a small number of programmes where we did not achieve what we set out to do at the beginning of the year. The most significant of these being the delivery of an integrated end-to-end on boarding experience for members. This was due to the difficulty of integrating with the System and the non-delivery of a robust version of the US-developed 'barcode' on-boarding application 'Data Driver'. It will now be incorporated in the GS1 On-line strategy next year.

Thanks and appreciation

In conclusion to my annual report, I would like to thank the Supervisory Board members and of course the staff, who together have worked extremely hard in implementing the objectives and aims of GS1 UK, both strategically and operationally. I would wish to recognise the contribution of our Supervisory Board member Chris Edmondson whom stands down as Chairman of the Audit Committee and as Supervisory Board member at the AGM. Chris is a highly involved member of the board who has shown commitment to the current well being of GS1 UK and the success of our many initiatives.

James E D Spittle
Chairman
GS1 UK



In common with many of our members, we expect to find trading conditions much tougher in 2009/10. It is therefore even more important that we continue our practice of delivering value at the lowest possible cost to members. We will also continue to take a conservative view on budgeted income and membership growth.

We intend to continue to target and measure three key components of the Operating Plan:

- 1 Membership Growth
- 2 Additional Services
- 3 Customer Satisfaction

In addition to these, we have added:

- 4 Seven managed deployments of GS1 standards
- 5 Deploy phase two of GS1 UK On-line

Back catalogue/MyPIM

As well as highlighting the cost of bad data to industry, a major conclusion of the Back Catalogue work last year was that demand for product data is going to increase dramatically in the next few years as more allergen, environmental and lifestyle data is required.

In order to manage this growing demand for data we intend to develop a MyPIM web service holding up-to-date information covering all of the products available in the UK. This will enable GS1 UK to be at the centre of the growing market for on-demand mobile and internet applications requiring access to such data. It will also provide the platform to secure GS1 UK's future position as an 'information broker' supporting the data requirements of the 'Future Value Chain' and act as the

catalyst for adoption of GDSN within the UK.

MyPIM will be deployed as a major component of the GS1 Online strategy.

GS1 UK Online – a platform for the future

GS1 UK Online is a continuation and a broadening of the 'integrated on-boarding' strategy embarked on two years ago. The aim is to build a platform for future growth and help us ensure that we can add value in an increasingly online world.

We are a service-based organisation which aims to make it faster, cheaper and safer for our members to serve their customers. Business today is conducted 24/7 and it is essential that we make the appropriate level of investment so that we can provide the best possible online service to our members.

Last year we replaced the membership system and the members' area with an easier to navigate and more stable environment. We now need to move beyond basic tools and static content to a full function rich, online delivery capability.

Through GS1 UK Online we will be able to better support our members' complete GS1 on-boarding requirements with their retailer - from the initial bar code for Point-of-Sale, through to the deployment of all of their other bar coding requirements such as SSCCs and on to EDI, GDSN and RFID.

Sector Focus

For 2009/10 the Sector Management team will continue to focus efforts on Retail, Healthcare, Foodservice and Trade Sales. In addition, it will look to validate two potential new sectors: Apparel and Transport & Logistics.

The Apparel sector relies heavily on the use of various assets within the supply chain and we believe there the sector could benefit from a GS1 asset tracking solution. We will develop an asset tracking proof of concept and establish a credible case study in order to validate the sector/solution. There is also a GS1 global initiative for Transport and Logistics that is mainly built on the use of RFID. We believe there is significant opportunity here for GS1 in the UK and we will be working with industry experts in order to scope this out further. In addition, we will continue to explore the Utilities sector and its the need for a standard electronic billing message using GS1 XML. A workgroup has now been established to define requirements and, if agreed, will rollout in Q1 2010 to Utility companies and their customers (public and private sectors).

In 2009/10 we also intend to continue to develop the solutions we have and augment them with four new areas: upstream integration, food and product safety, reverse logistics and shrinkage.

In conclusion

We look forward to an exciting year of change at GS1 UK in which we drive forwards some key initiatives that we strongly believe will continue to enhance the value we deliver to our members and UK industry as a whole.

Gary Lynch
Chief Executive
GS1 UK

Directors



Malcolm Bowden
Business Development Director

Malcolm joined GS1 UK as Business Development Director in March 2008, responsible for growing the value that GS1 UK provides to its members through improving and expanding its portfolio of products and services.

With experience as Sales & Marketing director in a number of blue chip UK retail organisations, Malcolm was most recently with GXs, where he was responsible for sales of the whole of the company's Electronic Commerce portfolio including EDI VAN services, B2B e-commerce outsourcing, supply chain visibility solutions, supply chain extranets, marketplaces and Global Data Synchronisation Networks.



Andrew Osborne
Chief Technical Officer, GS1 UK

Andrew is Chief Technical Officer at GS1 UK where he is responsible for maintaining technical integrity in all GS1 UK activities and managing the interface with GS1 internationally. He has been a central figure in the development of GS1 standards for business data, bar coding, RFID and EDI since 1979.

An active participant in GS1 globally, he is a past chair of the GS1 Technical Steering Team and is currently a member of the group that advises the Management Board on GS1 system architecture.



Graham Clarke
Chief Financial Officer, GS1 UK

Graham joined GS1 UK in July 2004 as Chief Financial Officer with responsibility for ensuring the continued integrity of GS1 UK's financial processes. He also has responsibility for the organisation's other support functions.

Graham spent his early career with Kraft Foods and Group 4 Security qualifying as a Chartered Management Accountant in 1989. He then joined Xansa UK as Divisional Finance Director in 1998 and spent six years supporting the growth of the business whilst working to integrate Xansa's financial operations in the UK and India.



Alaster Purchase
Operations Director

Alaster joined the team in April 2003. As Operations Director, he is responsible for delivering business growth and driving customer value through our people and services, such as the GS1 UK Professional Services and the development of web-services tools to support our members online 24/7.

Prior to joining GS1 UK, Alaster spent over 10 years in senior European and Global positions leading business growth strategies and value creation in the AIDC (Automatic Identification and Data Capture) industry.



Gary Lynch
Chief Executive, GS1 UK

Gary joined GS1 UK in May 2002 and was appointed by the Supervisory Board as Chief Executive in April 2007. As CEO he is responsible for leading the formulation and successful implementation of the organisation's strategic plan. Gary is Vice Chair of GS1 in Europe and a member of GS1's Advisory Council.

Gary worked previously for Avaya as e.business Director responsible for the international deployment of their customer relationship management systems for their business partners. Prior to this he held senior positions at UUNET (a global network provider) and e.Logistics (an online logistics marketplace) in a marketing and business development capacity and with various organisations implementing electronic commerce solutions.

Supervisory Board

as at 30 June 2009



James Spittle - Chairman

James brings to GS1 UK over 30 years of experience in retailing, manufacturing and supply chain management. He has previously worked with DSGI, Whitbread, Kingfisher,

Tesco Stores, Grand Metropolitan and Imperial Tobacco. James is Vice President and Council Board Member for the Chartered Institute of Logistics and Transport, on the Board of Taygroup, Chairman of CAN and finally an Advisory Board Member at Cranfield University Supply Chain and Logistics.



Chris Tyas - Vice Chairman

Chris is Business Services and Supply Chain Director responsible within Nestlé UK and Ireland for Logistics, Business and Information Systems, Purchasing and

Facilities. He also participates in an advisory group establishing logistics and IS strategy for Nestlé worldwide. Chris has a range of experience dealing with government and government bodies, sits on the BERR Ministerial Advisory Group on Manufacturing and is co-Chair of ECR UK and a former member of their European board.



Tom Barry

Tom brings a wealth of retail and consumer experience built with several major businesses. His unique experience covers all business disciplines including supply

chain, customer Service and fulfillment, Buying and marketing, retail operations, Colleague development, Internet, financial services and B2B.

Previous roles include Managing Director TechGuys and group financial services at DSGI, Supply Chain and services Director and Deputy Managing Director with Comet, and Buying Director and Logistics Director with sister company B&Q plc.

Tom is Chairman of Fulham FC Foundation, a member of the IOD, Cambridge Sustainability Network and Henley Business School Alumni. His new business venture, "Cracked Egg Ltd", provides professional services to retailers, suppliers, consumer focused businesses and the financial services sector.



Richard Copperthwaite

Richard is IT Director at Tesco.com, having previously been UK IT Director for Head Office functions at Tesco PLC, delivering daily service and strategic developments for

areas from sourcing through merchandising to finance, as well as managing the development and deployment of global MIS systems.

Richard has worked with many leading retailers in an IT and operations career spanning 20 years, specialising in non-food, logistics and the challenges of fast moving, high growth operations.



Chris Edmondson

Chris served the Association as Honorary Treasurer from 1994 until the appointment of the Financial Director in 2002, at which point he became chairman of the Audit

Committee. In recent years Chris has held senior Finance and IT roles at J Sainsbury and The Corps of Commissionaires.



Stefan Hesse

Stefan joined the UK team at Makro in 2005 as the Finance and Administration Director, with responsibility for overall supply chain and logistics management, finance and

information management.

He has over 13 years' experience within the METRO Group in various Finance roles in the German-based headquarters and several other countries, including in the mature and highly competitive markets of the Netherlands, establishing the Cash & Carry organisation in a green field investment at Metro Bulgaria, playing a pivotal role in the phased turnaround and high speed expansion of Metro Stores in the Romanian market and as Corporate Financial Controller of the whole METRO Group in Germany.



John Macfarlane

John has extensive experience of working with major retailers in the UK. He has held senior management positions within Unilever in both the Customer and Category Development

functions and is currently Customer Development Operations Director for Unilever UK. He has worked closely with Tesco, Asda, Morrisons, Sainsbury, Wilkinson and the Discount Channel in the Food and Non-Foods Divisions of Unilever, bringing him a wealth of business experience.

John has overall responsibility for the GDS initiative for Unilever UK, and development of e-Business processes. Working closely with GS1 UK, his team is actively involved in the DSG working groups and the UK Technical Advisory Committee, driving business benefits through the adoption of global standards



Stewart Oades

Stewart is Chairman of wesupply, a leading software company providing on-demand electronic trading, Supply Chain and decision support software services to

manufacturers, distributors and retailers.

Stewart was previously Chief Executive of Christian Salvesen Plc, and an Executive Board Director of Exel PLC and has held senior contract and food logistics roles.



Richard Pratt

Richard was appointed to the Mitchells & Butlers Board as Commercial Director responsible for Procurement, Supply Chain and Electronic

Leisure in 2002, having joined the company, then part of Bass Plc, in 1994 as Retail Director responsible for the Pub Restaurants in the north of England and Scotland. Previously, Richard held a variety of operational, procurement and marketing roles within the pub retail division of Diageo (then Grand Met).

Richard is a member of the Chartered Institute of Purchasing and Supply and the Chartered Institute of Marketing. He was a founder member and Director of OFSCI, the industry body set up to increase the efficiency of the foodservice supply chain, which is now the GS1 UK Foodservice Interest Group.



Matthew Stephenson

Matthew is a partner in Deloitte, responsible for the firm's Oracle practice and also for leading Consulting in the South West of

England. His client focus is on the consumer and manufacturing sectors. He has 20 years' consulting experience, supporting clients in the alignment of information systems and business strategy. Matthew leads Deloitte's relationship with GS1 UK, and has a focus on master data management, data synchronisation and sustainability.

He has a degree in Modern Languages (Spanish and Portuguese) from the University of Oxford and an MBA from the University of Bath. Matthew is also a visiting fellow at the University of Bristol's school of management.



Lee Tate

Lee has been involved in the IT Industry for over 40 years. He has held board level positions in publishing, retail, banking, software and

hardware technology and manufacturing, including a number of high tech companies in the UK and Silicon Valley California.



Karen Winney

Karen is Business Services Director, at Procter & Gamble, where she is responsible for the IT & Shared Service Strategy for the UK, Ireland and Nordic. This includes

the delivery of more than 85 services from Supply Network Solutions, Financial Services, Business Building Services (Consumer & Customer), to Employee, Workplace & Infrastructure services within P&G. Karen's previous experience as Director, Retail Solutions, included developing P&G's global Retail Execution strategy and managing the delivery of Retail Execution solutions & services. Before joining P&G, Karen held a number of international roles with The Gillette Company.

Mr S Cross and Mr P Jordan resigned on 4 November 2008.

Ms K Winney was appointed to the board on 5 November 2008.

Mr G Clarke, Mr G Lynch and Mr A Osborne also serve as members of the Supervisory Board.

Report of the Supervisory Board

The Supervisory Board is pleased to submit its report and the audited financial statements for the year ended 30 June 2009.

Principal activities

The principal activity of the company is to take the lead in developing, promoting and establishing supply chain standards and best practice. The company represents its membership, drawn from large companies and small, across multiple business sectors, from both the public and the private sectors. Its system for the identification of goods, services and locations, and for related communications, is based on global business-led standards agreed through GS1. The objective is to increase the efficiency of trade and add value to the partners concerned and to the consumer. We aim to make it faster, cheaper and safer for our members to serve their customers. This is achieved by the industry wide adoption of global GS1 standards and locally delivered services.

Business Review

The following business review has been provided by the directors in accordance with the Companies Act 2006.

A detailed review of the company's activities is included in the Chairmans statement.

GS1 UK's current strategic focus is to increase the number of users and utilisation of our standards and services whilst maintaining the best possible levels of customer support. We also strive to keep annual membership fees as low as possible by introducing a range of value added services which helps fund the work we do. The Supervisory Board uses a range of performance indicators to monitor the performance against these objectives, the most important are as follows:

| | 30.06.09 | 30.06.08 |
|---|----------|----------|
| 1. Customer Satisfaction (Target 87%) | 88% | 87% |
| 2. Number of Members at year end (Target 21,212) | 21,354 | 20,387 |
| 3. % of total revenue generated from additional services | 12.8% | 10.3% |

Members of the Supervisory Board

The officers and elected members of the Supervisory Board are set out on page 3. Members of the Supervisory Board are Directors under the Companies Act 2006.

The Association is limited by guarantee with each member undertaking to contribute up to £1 to the assets of the Association in the event of a winding up.

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

A copy of the financial statements for GS1 UK is available on the company website. The work carried out by the Auditors does not involve consideration of the maintenance of the website and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Disclosure of information

So far as the Directors are aware, there is no relevant audit information of which the company's Auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's Auditors are aware of that information.

The Board and Committees

At 30 June 2009 the Board comprised of ten non executive directors (2008 - eleven) plus the chairman and one vice chairman.

In addition there were three executive directors (2008 - three)
The Board, which meets on average five times a year, is responsible for the strategy and overall performance of the company. Each Board meeting is preceded by a clear agenda and any relevant information is provided to Directors in advance of the meeting.

Remuneration Committee

The Remuneration Committee consists of the vice chairman plus two non executive directors with the chief executive and the chairman in attendance. The committee meets on average three times a year to determine and agree with the Board the framework or broad policy for the remuneration of the company's chairman, chief executive and executive directors.

Nominations Committee

The Nominations Committee consists of the chairman, vice chairman and one other non executive director. The chief executive and the company secretary also attend meetings as invitees.

Audit committee

The Audit Committee comprises non-executive directors and a representative from the external auditors and meets at least twice a year with the chief executive and the finance director in attendance.

The Committee is responsible for the independent monitoring of the effectiveness of the system of internal control, compliance, accounting policies and published financial statements on behalf of the Board. This is achieved primarily through a review of the annual financial statements and a review of the nature and scope of the external audit.

IT Steering Committee

The IT Steering Committee comprises non-executive directors and meets as required during the year to review progress on major IT projects and to ensure that proposed investments in IT are supportive of the strategic aims of the business.

Technical Advisory Committee

The objective of the Technical Advisory Committee is to advise the Supervisory Board on technical strategy, formulate UK views on significant items in the Global Standards Management Process (GSMP) and provide high level, commercially-orientated technical advice to GS1 UK staff. The committee consists of a non executive director as its chair plus representatives from member companies.

Risk management and internal controls

Senior management are aware of their responsibility for managing risks within the business. Risk is regularly reviewed at board level to ensure that risk management is being implemented and monitored effectively. The board policy is to ensure that the business is run effectively and appropriately, bearing in mind the requirements for timely decision making. Insurance policies are regularly reviewed to ensure these are adequate and appropriate, in line with the nature, size and complexity of the business. Through management reports, risks are highlighted and monitored to identify potential business risk areas and to quantify and address the risk wherever possible.

Key risks impacting the company include:

Recruitment and retention of quality staff

The Company's success is dependent on its ability to continue to retain and recruit suitably qualified, high calibre staff. The board actively monitors retention rates, internal and external staff surveys and reward packages to manage and reduce this risk.

IT Systems

The company is increasingly reliant on IT systems for the delivery of services to members. To ensure high availability of these systems, a business continuity plan has been developed which is regularly tested and reviewed.

Relevance in the digital economy

With the move towards a digital economy gathering pace the Company needs to ensure that GS1 core standards retain their relevance to our members. The board has continued to sanction investment in IT systems which provide additional services to members.

Political and charitable donations

During the year the company made total charitable donations of £950 (2008: £1400) No political donations were made in either the current or prior year.

Auditors

Kingston Smith LLP have expressed their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting (AGM).

On behalf of the Supervisory Board



G Lynch

Chief Executive
15 September 2009

Independent Auditors' report

to the members of GS1 UK Limited

We have audited the financial statements of GS1 UK Limited for the year ended 30 June 2009 which comprise the income and expenditure account, the Balance Sheet, the Cash Flow Statement, 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 members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement [set out on page 6 and 7] the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements: give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Nicholas Brooks

Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor
August 2009

Devonshire House
60 Goswell Road
London EC1M 7AD

Financial statements
for the year ended 30 June 2009

Income and expenditure account

for the year ended 30 June 2009

| | Note | 2009 £ | 2008 £ |
|---|------|--------------------|-------------|
| Turnover - continuing operations | | 6,950,876 | 6,476,784 |
| Administrative expenses | | (6,805,568) | (6,404,269) |
| Operating surplus | 2 | 145,308 | 72,515 |
| Interest receivable and other income | 3 | 265,893 | 251,145 |
| Net income for the year before tax | | 411,201 | 323,660 |
| Taxation | 5 | (55,850) | (46,880) |
| Net income for the year after tax | 12 | 355,351 | 276,780 |
| Accumulated fund brought forward | | 1,975,999 | 1,699,219 |
| Accumulated fund carried forward | 12 | 2,331,350 | 1,975,999 |

Total recognised gains and losses

The company has no recognised gains or losses other than the results for the above two financial years.

Balance sheet

as at 30 June 2009

| | Note | 2009 £ | 2009 £ | 2008 £ | 2008 £ |
|---|------|--------------------|------------------|-------------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 942,592 | | 717,877 |
| Current assets | | | | | |
| Debtors | 7 | 4,244,044 | | 641,728 | |
| Cash at bank and in hand | | 3,958,700 | | 3,912,721 | |
| | | 8,202,744 | | 4,554,449 | |
| Creditors: amounts falling due within one year | | | | | |
| | 8 | (6,772,966) | | (3,261,477) | |
| Net current assets | | | | | |
| | | | 1,429,778 | | 1,292,972 |
| | | | 2,372,370 | | 2,010,849 |
| Provisions for liabilities and charges | 20 | | (41,020) | | (34,850) |
| Net assets | | | | | |
| | | | 2,331,350 | | 1,975,999 |
| Reserves | | | | | |
| Accumulated members' fund | 13 | | 2,331,350 | | 1,975,999 |

Approved by the Supervisory Board on and signed on its behalf by:

G Lynch

Chief Executive

C J M Edmondson

Chair of the Audit Committee

Cash flow statement

for the year ended 30 June 2009

| | Note | 2009 £ | 2008 £ |
|--|------|------------------|-----------|
| Net cash inflow from operating activities | 13 | 306,443 | 602,820 |
| Returns on investments and servicing of finance | 3 | 193,029 | 211,621 |
| Rental income received | 3 | 72,864 | 39,524 |
| Taxation | 5 | (42,567) | (4,104) |
| Capital expenditure and financial investment | 15 | (483,790) | (366,790) |
| Increase/(decrease) in cash | 16 | 45,979 | 483,071 |

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on fixed assets estimated to write off the cost of each asset in equal annual instalments over its estimated useful life as follows:

| | |
|---------------------------------|----------------------------|
| Short leasehold | Over the term of the lease |
| Computer equipment and software | 33.3% |
| Office equipment | 20% - 33.3% |
| Office furniture | 10% - 20% |

Pension scheme

The cost of providing pensions is charged to the income and expenditure account systematically over periods benefiting from the employees' services (note 11).

Taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

The charge for taxation is based on the results for the year as adjusted for disallowable items.

Foreign currencies

Transactions denominated in foreign currencies have been translated into sterling at the rates ruling at the date of those transactions. Amounts relating to assets and liabilities in foreign currencies at the balance sheet date are expressed in sterling at the rates ruling at the year end.

Leasing commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis.

Research and development

Research and development expenditure is charged to the income and expenditure account as incurred.

Turnover

Turnover represents membership subscriptions and the value of goods and services supplied, exclusive of value added tax. Subscription revenue is recognised on receipt of cash and is spread over the life of the subscription in equal parts. All other revenue is recognised when the invoice is raised.

Debtors

Debtors are recorded in the accounts at the time of invoice and are recognised at a fair value. Amounts may then be reduced by appropriate allowances for irrecoverable amounts as necessary.

2 Operating surplus

| | 2009 | 2008 |
|---|----------------|---------|
| | £ | £ |
| The operating surplus is stated after charging: | | |
| Depreciation - owned assets | 259,075 | 290,195 |
| Auditors' remuneration | 9,500 | 9,400 |
| Non audit fees paid to auditors | 4,834 | 5,173 |
| Operating leases - land and buildings | 241,320 | 241,320 |
| Operating leases - other | 36,231 | 36,445 |
| Loss on sale of fixed assets | - | 15,471 |

Notes to the financial statements

continued

3 Interest receivable and other income

| | 2009 £ | 2008 £ |
|------------------------|----------------|-----------|
| Bank interest received | 193,029 | 211,621 |
| Rental income received | 72,864 | 39,524 |
| | 265,893 | 251,145 |

4 Directors and employees

| | 2009 £ | 2008 £ |
|--|----------------|-----------|
| Directors' emoluments: | | |
| Remuneration and benefits | 429,690 | 376,975 |
| Contributions to a defined contribution pension scheme | 42,526 | 44,153 |
| | 472,216 | 421,128 |

During the year three Directors (2008: 3) were members of the defined contribution pension scheme. In addition the Chairman invoiced the company £52,500 (2008: £52,500) for his services as Chairman.

| | 2009 £ | 2008 £ |
|-----------------------------------|----------------|-----------|
| The highest paid Director: | | |
| Remuneration and benefits | 173,596 | 150,374 |

Contributions of £15,978 (2008: £17,472) were paid into a pension scheme in respect of the highest paid Director.

| | 2009 £ | 2008 £ |
|----------------------------------|------------------|-----------|
| Total wages and salaries: | | |
| Wages and salaries | 2,912,844 | 2,658,138 |
| Social security costs | 345,103 | 292,987 |
| Pension costs | 254,148 | 227,404 |
| | 3,512,095 | 3,178,529 |

The average monthly number of employees was 52 (2008: 50)

5 Taxation

| | 2009 £ | 2008 £ |
|--|---------------|-----------|
| a) Analysis of charge in the period | | |
| Current tax: | | |
| UK corporation tax on the results for the period | 49,680 | 42,567 |
| Total current tax (note 5b) | 49,680 | 42,567 |
| Deferred tax: | | |
| Origination and reversal of timing differences | 6,170 | 4,313 |
| Total deferred tax (note 20) | 41,020 | 34,850 |
| Tax on profit on ordinary activities | 55,850 | 46,880 |

b) Factors affecting the tax charge for the period

The tax assessed for the period is different to the standard rate of corporation tax in the UK (21% / 20%).

The differences are explained below:

| | | |
|--|-----------------|----------|
| Net income for the year before tax | 411,201 | 323,660 |
| Net income for the year multiplied by the standard rate of corporation tax in the UK 21% (2008: 20% / 21%) | 86,352 | 65,541 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 4,062 | 1,943 |
| Capital allowances | (4,595) | 11,353 |
| Utilisation of tax losses | (16,675) | (9,405) |
| Qualifying development expenditure | (19,464) | (26,865) |

Current tax charge for the year (as shown above) **49,680** **42,567**

At the year end there were tax losses carried forward of £498,479 (2008: £577,883) for use against future trading profits.

6 Tangible fixed assets

| | Short leasehold £ | Computer equipment & software £ | Office equipment £ | Office furniture £ | Total £ |
|------------------------|-------------------------|--|--------------------------|--------------------------|------------------|
| Cost | | | | | |
| At 1 July 2008 | 373,971 | 971,206 | 92,138 | 140,804 | 1,578,119 |
| Additions | - | 466,122 | 5,005 | 12,663 | 483,790 |
| Disposals | - | - | - | - | - |
| At 30 June 2009 | 373,971 | 1,437,328 | 97,143 | 153,467 | 2,061,909 |
| Depreciation | | | | | |
| At 1 July 2008 | 43,277 | 738,469 | 41,250 | 37,246 | 860,242 |
| Charge for the year | 37,396 | 162,653 | 30,296 | 28,730 | 259,075 |
| Disposals | - | - | - | - | - |
| At 30 June 2009 | 80,673 | 901,122 | 71,546 | 65,976 | 1,119,317 |
| Net book value | | | | | |
| At 30 June 2009 | 293,298 | 536,206 | 25,597 | 87,491 | 942,592 |
| At 30 June 2008 | 330,694 | 232,737 | 50,888 | 103,558 | 717,877 |

Notes to the financial statements

continued

7 Debtors

| | 2009 £ | 2008 £ |
|--------------------------------|------------------|-----------|
| Trade debtors* | 3,798,499 | 287,297 |
| Other debtors | 17,145 | 17,724 |
| Prepayments and accrued income | 428,400 | 336,707 |
| | 4,244,044 | 641,728 |

* There has been a change in accounting policy in 2008-09 by which the value of all invoiced but unpaid subscriptions are included in debtors. Previously these were excluded from the accounts.

8 Creditors: amounts falling due within one year

| | 2009 £ | 2008 £ |
|--|------------------|-----------|
| Members' subscriptions received in advance** | 4,647,958 | 1,882,000 |
| Bank overdraft | 192,036 | - |
| Trade creditors | 516,788 | 395,511 |
| Accruals | 663,512 | 606,791 |
| Pension | 27,730 | 20,757 |
| Other creditors | 54,721 | 27,699 |
| Social security and other taxes | 620,541 | 286,151 |
| Corporation tax | 49,680 | 42,567 |
| | 6,772,966 | 3,261,476 |

** There has been a change in accounting policy in 2008-09 by which the advance value of all invoiced but unpaid subscriptions are included in creditors. Previously these were excluded from the accounts.

9 Limited liability

The liability of each member of the Association is limited to £1.

10 Financial commitments

The company has annual operating lease commitments which expire as follows:

| | Land & buildings 2009 £ | Other 2009 £ | Land & buildings 2008 £ | Other 2008 £ |
|----------------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| Less than one year | - | 14,376 | - | - |
| Within two to five years | - | 20,781 | - | 27,512 |
| After more than five years | 344,738 | - | 344,738 | 8,932 |
| | 344,738 | 35,157 | 344,738 | 36,444 |

11 Pensions

The company contributed to a multi-employer defined benefit scheme, in respect of one employee only (of a total scheme membership of approximately 133), until the Trustees notified their intention to cease accepting payments into the scheme with effect from 31 July 2002.

The company will not be liable for any deficit remaining in the scheme in the event of the closure of the scheme operator and does not consider it necessary to make any further disclosures under FRS 17.

The assets of this scheme are held separately from those of the company in an independently administered fund. The company is unable to identify its share of the underlying assets and liabilities.

Information relating to the current deficit of the defined benefit scheme as issued by the Actuaries is listed below:

| Year ending | 31.12.08 | 31.12.07 | 31.12.06 |
|-------------------------------------|-------------|-------------|-------------|
| Discount rate | 6.30% | 5.90% | 5.20% |
| Price inflation | 2.90% | 3.20% | 3.10% |
| Salary growth | 2.90% | 3.20% | 3.10% |
| LPI pension escalation | 2.90% | 3.20% | 3.10% |
| Expected return on equities | 7.20% | 7.70% | 6.45% |
| Expected return on bonds | 6.30% | 5.90% | 5.20% |
| Expected return on cash | 3.40% | 4.30% | 5.00% |
| Year ending | 31.12.08 | 31.12.07 | 31.12.06 |
| Assets | £ | £ | £ |
| Equities | 2,676,000 | 3,546,000 | 3,023,000 |
| Bonds | 2,039,000 | 1,951,000 | 1,898,000 |
| Cash | 507,000 | 439,000 | 416,000 |
| Total market value of assets | 5,222,000 | 5,936,000 | 5,337,000 |
| Present value of scheme liabilities | 6,947,000 | 7,634,000 | 8,162,000 |
| Deficit in the scheme | (1,725,000) | (1,698,000) | (2,825,000) |
| Related deferred tax liability | 345,000 | 370,120 | 536,750 |
| Net pension asset | (1,380,000) | (1,327,880) | (2,288,250) |

Contributions of £0 (2008: £0) were payable to the fund at the year end.

The company also operates a defined contribution pension scheme to which both the company and employees pay contributions. Contributions of £27,730 (2008: £20,757) were payable to the fund at the year end (see note 4 for total employer contributions paid during the year).

12 Reconciliation of movements in members' funds

| | 2009 | 2008 |
|---|------------------|-----------|
| | £ | £ |
| Results for the year attributable to members of the company | 355,351 | 276,780 |
| Opening members' funds | 1,975,999 | 1,699,219 |
| Closing members' funds | 2,331,350 | 1,975,999 |

Notes to the financial statements

continued

13 Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities

| | 2009 | 2008 |
|---|--------------------|---------|
| | £ | £ |
| Operating (deficit)/surplus | 145,308 | 72,515 |
| Depreciation | 259,075 | 290,195 |
| (Increase)/decrease in debtors | (3,602,316) | 713 |
| Increase/(decrease) in creditors | 3,504,376 | 223,926 |
| (Profit)/loss from sale of fixed assets | - | 15,471 |
| Net cash inflow from operating activities | 306,443 | 602,820 |

14 Returns on investments and servicing of finance

| | 2009 | 2008 |
|-------------------|----------------|---------|
| | £ | £ |
| Interest received | 193,029 | 211,621 |

15 Capital expenditure and financial investment

| | 2009 | 2008 |
|---|------------------|-----------|
| | £ | £ |
| Payments to acquire tangible fixed assets | (483,790) | (367,617) |
| Proceeds from sale of tangible fixed assets | - | 827 |
| | (483,790) | (366,790) |

16 Reconciliation of net cash flow to movement in net debt

| | 2008 | Cash flow | 2009 |
|--------------------------|-----------|-----------|------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 3,912,721 | 45,979 | 3,958,700 |

17 Subsidiary undertakings

The Association has wholly owned subsidiaries, which are registered in England and Wales, as follows:

| Name of company | Description of shares held | Accounting year end |
|---|----------------------------|---------------------|
| The Electronic Commerce Association | Limited by Guarantee | 30 June |
| Article Number Association (UK) Limited | Limited by Guarantee | 31 December |
| E-Centre Limited | Ordinary Shares of £1 each | 30 June |
| E-Center Limited | Ordinary Shares of £1 each | 31 December |
| Association for Standards and Practices in Electronic Trade - EAN UK Limited | Ordinary Shares of £1 each | 30 June |

All the above companies are dormant and no value has been attributed to these subsidiary undertakings in the accounts.

18 Related party transactions

During the year the company made net purchases to the value of £52,323 from Cranfield University, a company in which J Spittle has an interest. At the year end the balance outstanding to this company was £0 (2008: £0)

During the year the company made net purchases to the value of £501 from CLT a company in which J Spittle has an interest. At the year end the balance outstanding to this company was £0 (2008: £0)

All transactions were undertaken on standard commercial terms.

19 Capital commitments

At the year end there were no capital commitments entered into.

20 Provision for liabilities and charges

| | 2009 £ | 2008 £ |
|--|---------------|-----------|
| Accelerated capital allowances | 41,020 | 34,850 |
| Provision at start of period | 34,850 | 30,537 |
| Deferred tax charge in profit and loss account for period (note 5) | 6,170 | 4,313 |
| Provision at end of period | 41,020 | 34,850 |



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