



Annual Review 2009-2010



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GS1 UK is a not-for-profit organisation owned by its *circa* 22,000 members.

We develop and implement global supply chain standards to make it faster, cheaper and safer for our members to serve their customers, regardless of where they are in the world.

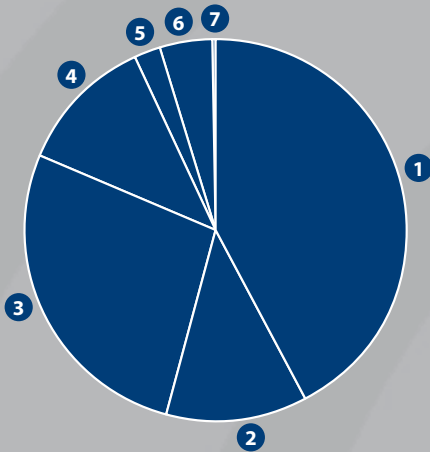
The basis of our standards is the accurate identification of items such as products, pallets and patients. We license globally unique numbers so that organisations can identify their items and develop global standards to help them share accurate data with their trading partners.

We use our standards to develop solutions such as asset tracking, master data management and hospital efficiency which help tackle real issues in supply chains.

Throughout our existence, we have contributed to some of the most important technological innovations in the world of business. Today, in particular, we are helping organisations to take advantage of the internet and mobile phone technology. We also help our members implement GS1 standards and solutions by providing a range of services including consultancy, training and a data pool to enable them to share accurate, up-to-date and trusted data.

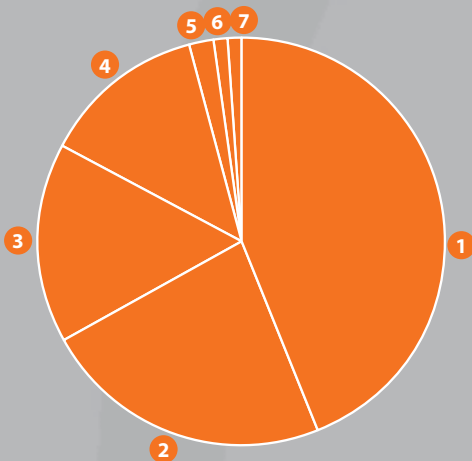
GS1 UK was founded over 30 years ago and is one of 108 GS1 membership organisations that operate in over 150 countries worldwide.

Total Members



Members by turnover (£)	Total Members	% of Total Members
1 0 - 0.5m	10988	49%
2 0.6m - 1m	2317	10.3%
3 1m - 10m	5340	23.8%
4 10m - 50m	2355	10.5%
5 50m - 100m	522	2.3%
6 100m - 1bn	754	3.3%
7 1bn+	185	0.8%
	22461	100%

Fee Income



1 Manufacturing	39%
2 Wholesale	27%
3 Other	16%
4 Retail	14%
5 Agriculture	2%
6 Food Service	1%
7 Healthcare	1%
	100%



James Spittle:
Chairman

I welcome this opportunity to communicate the significant progress we have made during 2009/10.

The past year has presented many challenges and our members are still operating in an uncertain economic environment. However, I am pleased that we are in a strong position to help them meet some of their future challenges.

GS1 UK has now completed the last year of its 3 year Operating Plan where we have:

- increased our membership by 1,107 to 22,461
- increased customer satisfaction to 91%
- successfully deployed phase two of GS1 UK Online
- introduced new services such as GS1 Applied and bar code generation

New gateway to a wealth of online services

GS1 UK Online was an ambitious project to dramatically improve the way we engage with our members through an updated public website and an improved members' area. The project was delivered on time and on budget and so far we have received very positive feedback.

Members are now able to access a range of online services including bar code creation, member forums and group collaboration on a site that is vastly more user-friendly and designed with their needs in mind.

Cutting costs in the retail supply chain

The reaction to the publication of the Data Crunch Report in October 2009 has been astonishing. The report identified that the retail industry could save over £1 billion by addressing the problem of bad data in the supply chain.

Data Crunch has reached a global audience and has made retailers sit up and take notice of how the implementation of GS1 standards could dramatically cut their operating costs.

More efficient and safe NHS

Nearly 300 NHS hospital trusts have registered to use GS1 standards to improve efficiency and protect the safety of patients.

Up and down the country, pioneering hospitals have developed highly effective systems based on our standards to trace blood products, identify babies, counterfeit drugs and a host of other excellent applications.

Our latest health report found that doctors and nurses felt the NHS could be much more efficient and that the use of standards-based technology would make a significant and beneficial impact.

Other achievements

In line with our pledge to deliver more value to our members, we have developed our professional services capability. Small and medium sized business can now take advantage of our GS1 UK Applied service where we review their processes and requirements and then recommend how GS1 standards could benefit them.

We have also formed a strategic alliance with IBM. Our two organisations share a number of key priorities and I expect our relationship to deliver a great number of benefits to our members.

In conclusion

I would like to thank our Supervisory Board and our staff who have made our ambitious Strategic Plan a reality.

Sadly, this year we are saying goodbye to a number of Supervisory board members: Tom Barry, Richard Pratt, Matthew Stephenson, Karen Winney and my Vice Chairman Chris Tyas who is moving to Nestlé head office in Switzerland. They have all have made significant contributions to GS1 UK's objectives.

I look forward to the challenges ahead and strongly believe that we can deliver on our future objectives.



Gary Lynch:
Chief Executive

Last year's achievements have given us the confidence to set out an even more ambitious programme over the next three years. As our members come to terms with new economic and political circumstances, we will be there to help them meet some of their greatest challenges, including:

- cutting costs from the supply chain and operations by improving efficiency
- addressing concerns about food and product safety
- making hospitals more efficient without compromising patient safety

To give us focus and a clear direction, our new strategy is underpinned by our five key objectives – our 'Five to Drive':

1. Become the trusted source of master data in the UK

To accommodate the changing demands of the consumer, manufacturers need a better way to make accurate, up-to-date and standardised product information available.

Our intention is to launch a new service to enable manufacturers to make trusted data about their products available in a single place so that retailers and other companies can use it to deliver innovative services such as mobile phone applications.

2. Increase deployment of GS1 solutions

We want to make it easier for our members to get the most out of our standards, which means helping them implement solutions that solve the problems they face. Whether it's tackling counterfeiting, reducing shrinkage or improving patient safety, we want to work more closely with our Solution Partners to bring together GS1 standards, services and advice with the best solutions on the market.

3. Build a sustainable healthcare community

It's encouraging that so many hospitals are using our standards to improve efficiency and patient safety. We want to spread the use of GS1 standards beyond these pockets of innovation and make them an integral and indispensable part of NHS processes and practice.

4. Ensure delivery and support excellence

New services will only benefit our members if they are delivered with a focus on quality. We will therefore continue to aim for high levels of customer satisfaction in everything we do.

5. Maintain a sustainable financial model

In order to bring about the change we need, the GS1 UK Supervisory Board have authorised the use of some of our reserves to make a series of careful investments which will bring significant value to our members and, in the longer term, replenish the funds invested.

Strategic research partnership

Our past collaboration with Cranfield University helped us to identify where our standards could be used to solve real problems in the sectors we serve.

We have now built a dedicated research capability at GS1 UK which will work with Cranfield and other academic institutions to produce new insights into industry requirements and trends. This research will be used to help us introduce new (and improve existing) services to our members.

In conclusion

Our ambitious programme will no doubt present some challenges, but we are very optimistic that we can provide even more value to our members this year and continue to make it faster, cheaper and safer for them to serve their customers.



James Spittle: Chairman

James has 30 years of experience in retailing, manufacturing and supply chain management. He's worked with DSGi, Whitbread, Kingfisher and Tesco Stores.

James is also on the board of Taygroup, Chairman of the trustees of CAN, Vice President and Council Board Member for the Chartered Institute of Logistics and Transport and an Advisory Board Member at Cranfield University Supply Chain and Logistics.



Chris Tyas: Vice Chairman

Chris has plenty of experience running supply chains, and also dealing with government and public bodies. Chris is Business Services and Supply Chain Director for Nestlé UK and Ireland – a £2.5bn turnover business. He's responsible for logistics, business and information systems and purchasing and facilities. Chris is also part of an advisory group establishing logistics and IS strategy for Nestlé worldwide, advises BERR (UK Department for Business Enterprise & Regulatory Reform), is Co-chair of ECR UK and is a former member of their European board.



Tom Barry

Tom's experience in supply chain management comes from the retail sector and his own business venture. He's been responsible for after sales service, commercial and buying, home delivery and transport, stores and business-to-business. Before joining our board, Tom was the Managing Director of The TechGuys and Group Services at DSGi, Supply Chain Director and Deputy Managing Director with Comet and Buying Director and Logistics Director with Comet's sister company B&Q plc.

Tom is Chairman of Trustees of Fulham Football Club Foundation. He's also a member of the Institute of Directors, the Marketing Society, Cambridge Sustainability Network and the Henley Business School Alumni.



Richard Copperthwaite

Richard is IT Director at Tesco.com, responsible for IT delivery across the Grocery and Non Food e-commerce businesses. Prior to joining Tesco.com, Richard was UK IT Director for Head Office functions at Tesco plc.

Richard has worked with many leading retailers in an IT and operations career spanning 22 years, specialising in non-food, logistics and the challenges of fast moving, high growth operations.



Mike Coupe

Mike has been Trading Director of J Sainsbury plc since June 2004 and a member of the Operating Board since October 2004.

Previously, Mike served as Managing Director of Iceland Food Stores. Mike has been Executive Director for J Sainsbury plc since August 1, 2007. He joined Sainsbury's from Big Food Group where he held the position of Board Director. He has also worked for Asda and Tesco.



Mark Ferrar

Mark leads a small team that works on three important areas: cross-government ICT collaboration from Health; technology input of UK contribution to EU eHealth activities and relationship management for all enterprise wide agreements for the NHS, including those with Microsoft, Novell, Oracle and McAfee.

He chairs the UK Government CTO Council and the cross-Government Architecture Review Board, and sits on the Public Sector Infrastructure Team Executive and the Public Sector Network Steering Group.

Mark joined the NHS in September 2004 after 17 years with ICI (since acquired by Akzo Nobel in January 2008). He held a variety of IT management and architecture roles including Global Infrastructure Manager in the Office of the Global CIO.



Stefan Hesse

Stefan is Finance Director of Makro Cash & Carry UK with additional responsibilities for Supply Chain Management and IT. He joined the UK team in 2005 and has over 14 years experience within the Metro Group.

Initially, he joined the Controlling Department of Metro Cash & Carry International and, after two years, became its head. Stefan played a key role in setting up a completely new organisation in a green field investment. Stefan moved to Metro Romania in 2000 as Administration Director and then joined the Executive Board. He played a pivotal role in the turn around and expansion of Metro Stores in the Romanian market.

He then joined the Board of Makro The Netherlands and was also responsible for Metro Cash & Carry International Finance Holding. From 2003, he became Corporate Financial Controller of Metro Group in the German Headquarters.



John Macfarlane

John has a wealth of business experience and is currently Customer Director for Business Development for Unilever UK.

He has held senior management positions in Unilever in customer and category development and has worked closely with major UK retailers, including Tesco, Asda, Morrisons, Sainsbury, Wilkinson and the Discount Channel.

John is responsible for the GDS initiative for Unilever UK, and for the development of eBusiness processes. His team works closely with GS1 UK. They take part in the DSG working groups and the UK Technical Advisory Committee that helps drive business benefits through the adoption of global standards.



Stewart Oades

Stewart is a non-executive Director of Palmer and Harvey plc, Clipper Group plc and President of the Freight Transport Association. He is also a Director and Trustee of the charity Transaid.

He 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

Until recently, Richard was Commercial Director for Mitchells & Butlers plc with responsibility for Purchasing, Food Trading, Property and IT. He was appointed to the Executive Committee in 2002.

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 food service supply chain, which is now the GS1 UK Foodservice Interest Group.



Mathew Stephenson

Until recently, Mathew was a partner in Deloitte and was responsible for the firm's Oracle practice and for leading consulting in south west England.

Mathew retired from Deloitte in 2010 to join the board of Carlton Main Brickworks Ltd. He continues to work as an independent consultant, specialising in technology-enabled change projects in the consumer products sector.

Mathew has 20 years of consulting experience, supporting clients in the alignment of information systems and business strategy. He also has an MBA from the University of Bath and is a visiting fellow at the University of Bristol's School of Management.



Lee Tate

Lee has held a number of board level positions in a long career in the IT industry including Head of Management Services for the Financial Times, Head of IT for the Government of Hong Kong and CEO of INS running the Tradanet service in collaboration with the ANA.

He has been either chairman or a non-executive director of a number of technology companies in both Europe and the USA, in a wide variety of industries including retail, banking and telecoms.

A graduate in English and Philosophy, he is also a Fellow of the British Computer Society and a Chartered IT Professional. He is the longest serving director of GS1 and has served on the Nominations Committee, the Remuneration Committee and the IT Steering Committee.



Karen Winney

Until recently Karen was the Senior VP IT Europe for TJX Europe, parent company of TK Maxx.

Her previous experience as Director of Retail Solutions included developing P&G's global Retail Execution strategy and managing the delivery of retail execution solutions and services. Before joining P&G, Karen held a number of international roles with the Gillette Company.



Gary Lynch: Chief Executive

Gary joined GS1 UK in 2002 and in 2007, the Supervisory Board appointed him Chief Executive. As CEO, Gary is responsible for leading the formulation and successful implementation of our strategic plan. Gary is Vice Chair of GS1 in Europe and a member the Regional Executive Committee and GS1's Advisory Council.

Before joining GS1, Gary was Avaya's eBusiness Director, responsible for the international deployment of their CRM systems for their business partners. He has also worked in senior marketing and business development positions at UUNET (a global network provider) and eLogistics (an online logistics marketplace).



Graham Clarke: Chief Financial Officer

Graham joined GS1 UK in 2004 as Chief Financial Officer. He is responsible for the integrity of GS1 UK's financial processes, and for other support functions.

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



Andrew Osborne: Chief Technical Officer

As our Chief Technical Officer, Andrew is responsible for maintaining our technical integrity and managing the interface with GS1 internationally.

Andrew has been a central figure in the development of GS1 standards for business data, bar coding, RFID and EDI since 1979. He is an active participant in GS1 globally – a past chair of the GS1 Technical Steering Team, and a current member of the group that advises the Management Board on GS1 System architecture.



Malcolm Bowden: Business Development Director

Malcolm joined GS1 UK as Business Development Director in 2008. He is in charge of developing the products and services available to GS1 UK members.

Malcolm has held the post of Sales and Marketing Director at a number of blue-chip UK organisations including GXS where he managed sales of its electronic commerce portfolio including EDI VAN services, B2B e-commerce outsourcing, supply chain visibility and extranets, marketplaces and Global Data Synchronisation Networks.



Alaster Purchase: Operations Director

Alaster joined us in 2003. As Operations Director, he delivers business growth and drives customer value through services like GS1 UK Professional Services and the development of web-services tools. Before joining GS1 UK, Alaster spent over 10 years in senior European and global positions leading business growth strategies and value creation in the Automatic Identification and Data Capture (AIDC) industry.

We have audited the financial statements of GS1 UK Limited for the year ended June 2010 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 by law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely for the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken 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 11] 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 June 2010 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 matters 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

Date: 21st September 2010

Devonshire House
60 Goswell Road
London EC1M 7AD



The Supervisory Board is pleased to submit its report and the audited financial statements for the year ended 30 June 2010.

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 Chairman's 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 the following:

	<u>30th June 2010</u>	<u>30th June 2009</u>
1. Customer Satisfaction (Target 89%)	91%	88%
2. Number of Members at year end (Target 21,354)	22,461	21,354
3. Percentage of total revenue generated from additional services (Target 11.1%)	10.8%	12.8%

Members of the Supervisory Board

The officers and elected members of the Supervisory Board are set out on page 6. 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 Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Corporate Governance

The Board and Committees

At 30th June 2010 the Board comprised of eleven non-executive directors (2009 : ten) plus the chairman and one vice-chairman.

In addition there were three executive directors (2009 : 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 and Risk Committee

The Audit and Risk 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. The committee also has responsibility for ensuring that the risk register is regularly reviewed and that any newly identified risks are escalated to the Board.

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 support the strategic aims of the business.

Technical Advisory Committee

The objective of the Technical Advisory Committee is to advise the 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.

Economic conditions

With a broad based membership, GS1 UK is susceptible to any worsening in general economic conditions. We will continue to consider new sectors and to provide added value services in addition to number provision as a means of reducing attrition amongst the membership.

Political and charitable donations

During the year the company made total charitable donations of £1,650 (2009: £950) No political donations were made in either the current or prior year.

Research and Development

During the year, the company made significant investment into new products and services which will add value to existing and new members. The main areas for investment in the period included a new member portal, the development of a major new application, and the KTP relationship with Cranfield University.

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

Date: 21st September 2010



Income and expenditure account

For the year ended 30 June 2010

	Note	2010 £	2009 £
Turnover - continuing operations	1	6,711,503	6,950,876
Administrative expenses		(6,878,564)	(6,805,568)
Operating surplus	2	(167,061)	145,308
Interest receivable and other income	3	168,602	265,893
Net income for the year before tax		1,541	411,201
Taxation	5	11,193	(55,850)
Net income for the year after tax	12	12,734	355,351
Accumulated fund brought forward		2,331,350	1,975,999
Accumulated fund carried forward	12	2,344,084	2,331,350

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 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	6		1,426,596		942,592
Current assets					
Debtors	7	4,253,320		4,244,044	
Cash at bank and in hand		3,157,457		3,958,700	
		7,410,777		8,202,744	
Creditors: amounts falling due within one year	8	(6,463,462)		(6,772,966)	
Net current assets			947,315		1,429,778
			2,373,911		2,372,370
Provisions for liabilities and charges	20		(29,827)		(41,020)
			-		
Net assets			2,344,084		2,331,350
Reserves					
Accumulated members' fund	13		2,344,084		2,331,350

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

Gary Lynch
Chief Executive

Stefan Hesse
Chair of the Audit and Risk Committee

Cash flow statement

For the year ended 30 June 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	13	267,947	119,441
Returns on investments and servicing of finance	14	63,497	182,970
Rental income received	14	27,951	77,889
Taxation	5	(49,680)	(42,567)
Capital expenditure and financial investment	15	(918,922)	(483,790)
Increase/(decrease) in cash	16	/609,207fi	/146,057fi

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles), which has been applied consistently (except where otherwise stated).

Group Accounts

Each of the subsidiary companies has remained dormant throughout the period. Group accounts have not therefore been prepared. The accounts relate to the single entity GS1 UK Limited.

Depreciation

Depreciation is provided on fixed assets 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	33.3%
Office furniture	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 income is earned.

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

	2010 £	2009 £
The operating surplus is stated after charging:		
Depreciation - owned assets	435,670	259,075
Auditors' remuneration	10,600	9,500
Non audit fees paid to auditors	9,900	4,834
Operating leases - land and buildings	241,320	241,320
Operating leases - other	30,856	36,231
Profit on sale of fixed assets	752	-

3 Interest receivable and other income

	2010 £	2009 £
Bank interest receivable	124,170	193,029
Rental income receivable	44,432	72,864
	168,602	265,893

4 Directors and employees

	2010 £	2009 £
Directors' emoluments:		
Remuneration and benefits	415,913	429,690
Contributions to a defined contribution pension scheme	40,373	42,526
	456,286	472,216

During the year three Directors (2009: 3) were members of the defined contribution pension scheme. In addition the Chairman invoiced the company £61,042 (2009: £52,500) for his services as Chairman.

	2010 £	2009 £
The highest paid Director:		
Remuneration and benefits	166,487	173,596

Contributions of £14,869 (2009: £15,978) were paid into a pension scheme in respect of the highest paid Director.

	2010 £	2009 £
Total wages and salaries:		
Wages and salaries	3,041,584	2,912,844
Social security costs	353,523	345,103
Pension costs	268,529	254,148
	3,663,636	3,512,095

The average monthly number of employees was 55 (2009: 52)

5 Taxation

	2010 £	2009 £
a) Analysis of charge in the period		
Current tax:		
UK corporation tax on the results for the period	-	49,680
Total current tax (note 5b)	-	49,680
Deferred tax:		
Origination and reversal of timing differences	(11,193)	6,170
Total deferred tax (note 20)	29,827	41,020
Tax on profit on ordinary activities	(11,193)	55,850

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	1,541	411,201
Net income for the year multiplied by the standard rate of corporation tax in the UK 21% (2009: 21%)	324	86,352
Effects of:		
Expenses not deductible for tax purposes	13,681	4,062
Capital allowances	(15,786)	(4,595)
Utilisation of tax losses	1,781	(16,675)
Qualifying development expenditure	-	(19,464)
Current tax charge for the year (as shown above)	-	49,680

At the year end there were tax losses carried forward of £506,963 (2009: £498,479) for use against future trading profits.

6 Tangible fixed assets

	Short leasehold £	Computer equipment & software £	Office equipment £	Office furniture £	Total £
Cost					
At 1 July 2009	373,971	1,437,328	97,143	153,467	2,061,909
Additions	3,958	897,725	16,945	1,776	920,404
Disposals	-	676,895	-	-	676,895
At 30 June 2010	377,929	1,658,158	114,088	155,243	2,305,418
Depreciation					
At 1 July 2009	80,673	901,122	71,546	65,976	1,119,317
Charge for the year	37,430	343,979	24,688	29,573	435,670
Disposals	-	676,165	-	-	676,165
At 30 June 2010	118,103	568,936	96,234	95,549	878,822
Net book value					
At 30 June 2010	259,826	1,089,222	17,854	59,694	1,426,596
At 30 June 2009	293,298	536,206	25,597	87,491	942,592

Disposals made in the year include the Miller system which was taken out of service in June 2009.

These assets were fully depreciated at the end of the previous financial year and no loss on disposal was incurred.

7 Debtors

	2010 £	2009 £
Trade debtors	3,727,687	3,798,499
Other debtors	21,694	17,145
Prepayments and accrued income	503,939	428,400
	4,253,320	4,244,044

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Members' subscriptions received in advance	4,909,803	4,647,958
Bank overdraft	-	192,036
Trade creditors	409,776	516,788
Accruals	466,844	663,512
Pension	22,527	27,730
Other creditors	20,958	54,721
Social security and other taxes	633,554	620,541
Corporation tax	-	49,680
	6,463,462	6,772,966

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 2010 £	Other 2010 £	Land & buildings 2009 £	Other 2009 £
Less than one year	-	5,373	-	14,376
Within two to five years	-	15,601	-	20,781
After more than five years	344,738	-	344,738	-
	344,738	20,974	344,738	35,157

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 has been informed that they 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	31.12.09	31.12.08	31.12.07
Discount rate	5.60%	6.30%	5.90%
Price inflation	3.50%	2.90%	3.20%
Salary growth		2.90%	3.20%
LPI pension escalation	3.50%	2.90%	3.20%
Expected return on equities	7.20%	7.20%	7.70%
Expected return on bonds	6.30%	6.30%	5.90%
Expected return on cash	3.40%	3.40%	4.30%
Year ending	31.12.09	31.12.08	31.12.07
	£	£	£
Assets			
Equities	3,440,000	2,676,000	3,546,000
Bonds	2,171,000	2,039,000	1,951,000
Cash	482,000	507,000	439,000
Total market value of assets	6,093,000	5,222,000	5,936,000
Present value of scheme liabilities	8,666,000	6,947,000	7,634,000
Deficit in the scheme	(2,573,000)	(1,725,000)	(1,698,000)
Related deferred tax liability	540,330	345,000	370,120
Net pension asset	(2,032,670)	(1,380,000)	(1,327,880)

Contributions of nil (2008: nil) 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 £22,527 (2009: £27,730) 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

	2010	2009
	£	£
Results for the year attributable to members of the company	12,734	355,351
Opening members' funds	2,331,350	1,975,999
Closing members' funds	2,344,084	2,331,350

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

	2010 £	2009 £
Operating (deficit)/surplus	(167,061)	145,308
Depreciation	435,670	259,075
(Increase)/decrease in debtors	51,398	(3,592,257)
Increase/(decrease) in creditors	(51,308)	3,307,315
(Profit)/loss from sale of fixed assets	(752)	-
Net cash inflow from operating activities	267,947	119,441

14 Returns on investments and servicing of finance

	2010 £	2009 £
Interest received	63,497	182,970
Rental income received	27,951	77,889

15 Capital expenditure and financial investment

	2010 £	2009 £
Payments to acquire tangible fixed assets	(920,404)	(483,790)
Proceeds from sale of tangible fixed assets	1,482	-
	(918,922)	(483,790)

16 Reconciliation of net cash flow to movement in net debt

	2009 £	Cash flow £	2010 £
Cash at bank and in hand	3,766,664	(609,207)	3,157,457

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
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.

During the year two dormant subsidiaries: e-center Limited and e-centre Limited were dissolved.
No profit or loss on disposal was released.

18 Related party transactions

During the year the company made net purchases to the value of £56,833 (2009: £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 £11,504 (2009: nil)

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

	2010 £	2009 £
Accelerated capital allowances	29,827	41,020
Provision at start of period	41,020	34,850
Deferred tax charge in profit and loss account for period (note 5)	(11,193)	6,170
Provision at end of period	29,827	41,020

21 Option to buy Euro's

As at 30 June 2010, GS1 UK Limited has an unexpired option to buy €316,000. GS1 UK Limited has taken out this contract to hedge against foreign exchange movements, in order to reduce its exposure to foreign exchange movements.



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