GS1 UK

The Global Language of Business

Annual report and financial statements
for the year ended 30 June 2020

Company Registration no: 01256140 (England and Wales)

Contents

Members of the supervisory board and administration

Directors

C Tyas	Chair and Chair of nominations committee
P Pondaven	Vice-chair and Chair of remuneration committee (Appointed 7 November 2019)
G R J Lynch	Chief executive
N Austin	
G R Biggart	
G J Boyle	
A Cairns	
D N Crapnell	Chief financial officer
H Gore	Staff director
D A Hix	Chair of audit and risk committee
A Hughes	(Appointed 15 July 2019)
M Lambell	(Appointed 7 November 2019)
W Manning	(Appointed 7 November 2019)
R G S Sadler	
M C Watson	
M Dunsmore	(Resigned 7 November 2019)
T Murphy	(Resigned 7 November 2019)

Secretary D N Crapnell

Company number 01256140

Registered office
Hasilwood House
60 Bishopsgate
London
EC2N 4AW

Auditors
Moore Kingston Smith LLP
Chartered Accountants
Devonshire House
60 Goswell Road
London
EC1M 7AD

Strategic report

The directors present the strategic report and financial statements for the year ended 30 June 2020.

Business review

The year was the second of the Company's current 3-year strategic plan which aims to bring robust growth in both membership and data services. Progress was made in both areas, but growth of the membership base and data services was curtailed by the emergence of coronavirus during the year. The company has been successfully working remotely since mid-March 2020 and has maintained its service levels to members throughout. Despite the challenges presented by coronavirus both during the year and for the foreseeable future the Company remains in a sound financial position and is well placed to continue to serve its membership in developing, promoting and establishing supply chain standards and best practice, and data services.

Key performance indicators

GS1 UK continued to extend its reach and influence across an increased membership base of 42,000 members in its core sectors of retail, healthcare, marketplaces and SMEs. Turnover increased by 6% to £12.3m with a net surplus after tax of £850k and closing reserves of £4m.

The impact of coronavirus led to a much lower level of operating expenses in the last quarter which in turn produced an unplanned operating surplus, but our increased reserves provide further security in dealing with the uncertainties that coronavirus has introduced into our society.

The Company's strategic objective is to be seen as vital to its members success by solving industry challenges through trusted data.

The company measures progress against its objective and goals using the following key performance measures:

Key Performance Indicator	Target	Result
Net membership growth	3,500	2,576
Service adoption*	100	15
Customer satisfaction**	72	72
Turnover	£12.3m	£12.3m

* Service adoption is calculated using an index which measures the increase in subscribers to the company's core services.

** Customer satisfaction is measured using a Net Promoter Score methodology.

Future developments

The Company's current three-year strategic plan (2018-21) builds on the progress made during the previous plan and has identified the critical role of trusted data for our members and for GS1 UK achieving its longer-term objectives. Our vision has been refined to "Solving industry challenges through trusted data" and this will be achieved through continued growth in our membership base and the increased development of supporting data services. This strategy will focus on four stakeholder communities', retail, healthcare, marketplaces and SMEs.

Principal risks and uncertainties

The Company maintains and reviews on a regular basis a corporate risk register and additionally as part of its strategic planning and monitoring process considers any risks and uncertainties that might threaten the achievement of its strategic objectives or that influence future strategy.

Key risks/uncertainties impacting the company include:

Economic conditions

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

In light of the possible impact of the COVID-19 pandemic on the UK economy a sensitivity analysis has been conducted to assess the level of risk to the Company's operating result using a range of different scenarios. This has concluded that the Company is well placed to react to any impact of the pandemic on its membership base and in turn future revenue.

The Company has reviewed the possible implications of "Brexit" and has concluded that it does not pose a significant risk, although this review will be maintained over the coming months in view of the uncertainty on the precise nature of the country's departure from the European Union.

Relevance in the digital economy

With the ever-increasing influence of the digital economy the Company needs to ensure that GS1 core standards retain their relevance to our members. The Board has continued to sanction investment in strategies to support this area of the economy and provide additional services to members.

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 reliant on IT systems for the delivery of services to members. A project to replace all core business systems with an integrated solution came to fruition during the year which will provide a robust platform for the further development of the Company in future years.

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.

On behalf of the board

C Tyas
Chair

Directors' report

The directors present their annual report and financial statements for the year ended 30 June 2020. In accordance with s414C(11) of the Companies Act 2006, the information relating to future developments and financial risk management are included in the Strategic Report.

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 and small companies, 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.

Directors

The elected members of the Supervisory Board during the year and up to the date of this report are set out on page 3. Members of the Supervisory Board are Directors under the Companies Act 2006. The Company is limited by guarantee with each member undertaking to contribute up to £1 to the assets of the Company in the event of a winding up.

Results

The results for the year are set out on page 12.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

The board and committees

At 30 June 2020 the Board comprised of ten Non-Executive Directors (2019: nine), the Chair and Vice-chair. In addition, there were three Executive Directors (2019: three). The Board, which meets four 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-chair and two Non-Executive Directors with the Chief executive and the Chair 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 Chair, Chief executive and Executive Directors.

Nominations committee

The Nominations committee consists of the Chair, Vice-chair and one Non-Executive Director. The Chief executive and the Company Secretary also attend meetings as invitees. The objectives of the committee are to recommend to the Supervisory Board individuals who are able to fill the roles of President, Chair, Vice-chair, Chief executive, Chief financial officer, Staff director and Non-Executive Directors and to provide the Supervisory Board with advice on the structure and general composition of the Board.

Audit and risk committee

The Audit and risk committee consists of three Non-Executive Directors (2019: three) and a representative from the external auditors, the Chief executive and the Chief financial officer in attendance. The committee meets three times a year and is responsible for the oversight of the Company's audit and control functions. This includes financial reporting and accounting, external audit, regulatory compliance, the effectiveness of the internal control environment and processes, and risk management.

On behalf of the board

C Tyas
Chair

Directors' responsibilities statement

The directors are responsible for preparing the annual 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. 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 surplus or deficit 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; and
- 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.

Independent auditor's report to the members of GS1 UK Limited

Opinion

We have audited the financial statements of GS1 UK Limited for the year ended 30 June 2020 which comprise the Statement of income and retained earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Andrew Stickland (Senior statutory auditor)
For and on behalf of Moore Kingston Smith LLP,
Statutory auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of income and retained earnings for the year ended 30 June 2020

	Notes	2020 £	2019 £
Turnover - continuing operations	3	**12,372,611**	11,679,419
Administrative expenses		**(11,369,270)**	(11,690,729)
Operating surplus/(deficit)	4	**(1,003,341)**	(11,310)
Interest receivable and similar income	7	**52,468**	51,331
Interest payable and similar charges	8	**(4)**	(2,352)
Surplus before taxation		**1,055,805**	37,669
Taxation	9	**(197,124)**	(31,414)
Surplus for the financial year and total comprehensive income		**858,681**	6,255
Accumulated reserves brought forward		**3,149,442**	3,143,187
Accumulated reserves carried forward		**4,008,123**	3,149,442

Balance sheet
as at 30 June 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	10		**539,958**		400,894
Tangible assets	11		**668,127**		855,609
Total fixed assets			**1,208,085**		1,256,503
Current assets					
Debtors falling due after one year	12	**7,653**		64,283	
Debtors falling due within one year	12	**6,667,416**		6,120,990	
Cash at bank and in hand		**8,892,957**		7,731,108	
		15,568,026		13,916,381	
Creditors: amounts falling due within one year	13	**(12,569,084)**		(11,760,954)	
Net current assets			**2,998,942**		2,155,427
Total assets less current liabilities			**4,207,027**		3,411,930
Creditors: amounts falling due after more than one year	14		**(198,904)**		(262,488)
Net assets			**4,008,123**		3,149,442
Reserves			**4,008,123**		3,149,442

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2020 and are signed on its behalf by:

C Tyas
Chair

G R J Lynch
Chief executive

Company Registration No. 01256140

Statement of cash flows
for the year ended 30 June 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	18		**1,355,746**		861,235
Interest paid			**(4)**		(2,352)
Tax paid			**-**		(13,261)
Net cash inflow from operating activities			**1,355,742**		845,622
Investing activities					
Purchase of intangible assets		**(234,797)**		(220,574)	
Purchase of tangible fixed assets		**(12,564)**		(120,852)	
Interest received		**52,468**		51,331	
Proceeds from sale of fixed asset		**1,000**		3,750	
Net cash used in investing activities			**(193,893)**		(286,345)
Net increase in cash and cash equivalents			**1,161,849**		559,227
Cash and cash equivalents at beginning of year			**7,731,108**		7,171,831
Cash and cash equivalents at end of year			**8,892,957**		7,731,108
Relating to:					
Cash at bank and in hand			**8,892,957**		7,731,108

Notes to the financial statements
for the year ended 30 June 2020

1. Accounting policies

Company information – GS1 UK Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Hasilwood House, 60 Bishopsgate, London EC2N 4AW.

1 .1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

1 .2 Going concern

These financial statements are prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future.

The directors have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the company when considering their assessment of going concern. The company has been successfully working remotely since mid-March 2020 and has maintained its service levels to members throughout. The Board are closely monitoring the impact that COVID-19 will have on the company and the general economic conditions in the UK, especially in relation to the retail sector. Despite the challenges presented by coronavirus the Company remains in a sound financial position with strong reserves and strength in its membership base. Whilst the ultimate impact cannot be quantified, the directors do not expect the pandemic to adversely affect the ability of the Company to continue in operation for at least twelve months from the date of approval of the financial statements and accordingly the financial statements continue to be prepared on the going concern basis.

1 .3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT and other sales related taxes.

Income from annual membership fees, and any related discounts, are recognised on receipt of cash and are spread over the life of the subscription in equal parts.

Income from other subscription services, and any related discounts, are recognised when the invoice is created, and are spread over the life of the subscription in equal parts.

The company also performs other ad hoc work such as training courses and this is recognised in the month the work is incurred.

Income from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

Turnover relating to barcode image generation is recognised when invoiced as this aligns with when the services are provided.

1 .4 Intangible fixed assets other than goodwill

Intangible fixed assets are initially measured at cost and subsequently at cost, net of depreciation and any impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software – 5 years straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short leasehold – 10 years straight line over the term of the lease
Computer equipment – 3 years straight line
Office equipment – 3 years straight line
Office furniture – 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Income and Retained Earnings.

Where the company expects to have to incur dilapidations at the end of a lease, it estimates the amount it is likely to incur at the end of the lease and this is added to Short leasehold additions as per FRS 102 and is depreciated over the term of the lease.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Income and Retained Earnings, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The impairment loss is recognised in the Statement of Income and Retained Earnings.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, that are classified as debt, are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities. Trade payables are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus as reported in the Statement of Income and Retained Earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax surplus nor the accounting surplus.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Income and Retained Earnings. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in the Statement of Income and Retained Earnings in the period it arises.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

All leases are classified as operating leases. Rentals paid under operating leases are recognised as a finance cost in the Statement of Income and Retained Earnings on a straight line basis, taking into account any rent free period.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of Income and Retained Earnings for the period.

1.14 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.

2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2.1 Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions have been made for dilapidations. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Income from professional services contracts is assessed on an individual basis with income earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the time spent to date compared to the total time expected to be required to undertake the contract. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

3. Turnover and other income

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover		
Annual licence fees	**11,046,793**	10,304,711
Service income	**1,325,503**	1,371,626
Other income	**315**	3,082
	12,372,611	11,679,419
Other significant income		
Interest income	**52,468**	51,331

	2020	2019
	£	£
Turnover analysed by geographical market		
UK and Northern Ireland	**11,910,572**	11,307,118
Rest of Europe	**268,994**	207,661
Rest of the World	**193,045**	164,640
	12,372,611	11,679,419

4. Operating surplus

	2020	2019
	£	£
Operating surplus for the year is stated after charging:		
Foreign exchange loss	**-**	7,249
Amortisation of intangible assets	**95,733**	-
Depreciation of owned tangible fixed assets	**244,441**	238,530
Auditors' remuneration	**23,900**	14,500
Non audit fees paid to auditors	**6,706**	5,132
Operating lease charges	**438,658**	444,497
Profit on sale of fixed assets	**(1,000)**	(2,631)

5. Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Industry Engagement	**18**	19
Innovation and Solutions	**21**	21
Marketing and Member Experience	**17**	17
Business Support	**24**	21
	80	78

	2020	2019
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	**5,299,630**	5,399,534
Social security costs	**637,225**	605,636
Pension costs	**472,402**	425,849
	6,409,257	6,431,019

6. Directors' remuneration

	2020	2019
	£	£
Aggregate emoluments	**532,353**	575,840
Company pension contributions	**38,482**	37,376
	570,835	613,216

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£	£
Aggregate emoluments	**202,574**	218,824
Company pension contributions	**18,181**	17,619
	220,755	236,443

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	**1,006,992**	1,133,475

7. Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	**52,468**	51,331

8. Interest payable and similar charges

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	**(4)**	(2,352)

9. Taxation

	2020	2019
	£	£
Current tax:		
UK corporation tax on surplus for the current period	**111,517**	–
Adjustment in respect of prior years	**-**	13,261
Deferred tax:		
Origination and reversal of timing differences	**85,607**	18,153
Total tax charge	**197,124**	31,414

The charge for the year can be reconciled to the surplus per the Statement of Income and Retained Earnings as follows:

	2020	2019
	£	£
Surplus before taxation	**1,055,805**	37,669
Expected tax charge based on a corporation tax rate of 19% (2019: 19%)	**200,603**	7,157
Tax effect of expenses that are not deductible in determining taxable loss	**3,892**	14,423
Capital allowances	**(15,284)**	(7,636)
Other timing differences	**-**	18,153
Tax losses utilised	**(77,694)**	(13,944)
Adjustments in respect of prior years	**-**	13,261
Tax expense for the year	**111,517**	31,414

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK is 19%. Accordingly, the company's deferred tax balances at the reporting date are taxed at an effective rate of 19% (2019: 17%).

10. Intangible fixed assets

	Software
	£
Cost	
At 1 July 2019	**1,737,686**
Additions	**234,797**
Disposals	**(1,212,640)**
At 30 June 2020	**759,843**
Amortisation	
At 1 July 2019	**1,336,792**
Amortisation charged for the year	**95,733**
Eliminated in respect of disposals	**(1,212,640)**
At 30 June 2020	**219,885**
Carrying amount	
At 30 June 2020	**539,958**
At 30 June 2019	**400,894**

11. Tangible fixed assets

	Short leasehold £	Computer equipment £	Office equipment £	Office furniture £	Total £
Cost					
At 1 July 2019	698,280	269,158	246,792	209,397	**1,423,627**
Additions	44,395	10,624	1,940	–	**56,959**
Disposals	–	(11,995)	–	–	**(11,995)**
At 30 June 2020	742,675	267,787	248,732	209,397	**1,468,591**
Depreciation					
At 1 July 2019	160,665	143,241	170,713	93,399	**568,018**
Depreciation charged in the year	85,237	69,462	49,565	40,177	**244,441**
Eliminated in respect of disposals	–	(11,995)	–	–	**(11,995)**
At 30 June 2020	245,902	200,708	220,278	133,576	**800,464**
Carrying amount					
At 30 June 2020	496,773	67,079	28,454	75,821	**668,127**
At 30 June 2019	537,615	125,917	76,079	115,998	**855,609**

12. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	**5,832,055**	5,334,382
Other debtors	**57,596**	131,895
Prepayments and accrued income	**777,765**	654,713
	6,667,416	6,120,990
Amounts falling due after one year:		
Other debtors	**7,653**	–
Deferred tax	**–**	64,283
Total debtors	**6,675,069**	6,185,273

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Annual licence fees invoiced in advance	**9,033,765**	8,408,825
Trade creditors	**361,248**	865,169
Corporation tax payable	**111,517**	–
Other creditors	**43,949**	12,900
Social security and other taxes	**1,412,280**	953,311
Pension	**1,938**	1,709
Accruals and deferred income	**1,604,387**	1,519,040
	12,569,084	11,760,954

14. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Deferred tax	**21,324**	–
Accruals	**177,580**	262,488
	198,904	262,488

15. Deferred taxation

The following is the analysis of the deferred tax balances:

	Liabilities 2020	Liabilities 2019
	£	£
Balances	**21,324**	–

	2020	2019
	£	£
Deferred tax assets	**–**	64,283

The timing of the expected reversal of the net deferred tax liability is uncertain, but is expected to be in more than one year.

16. Retirement benefit schemes

Defined contribution scheme

The company operates a defined contribution pension scheme for all qualifying employees.

The charge for the year expensed in the Statement of Income and Retained Earnings in respect of defined contribution schemes was £472,402 (2019: £425,849).

17. Operating lease commitments

At the reporting end date, the company had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2020	2019
	£	£
Within one year	**550,325**	550,165
Between two and five years	**2,166,835**	2,179,600
More than five years	**805,860**	1,343,100
	3,523,020	4,072,865

18. Cash generated from operations

	2020	2019
	£	£
Operating surplus/(deficit) for the year	**1,003,341**	(11,310)
Adjustments for:		
Amortisation of intangible assets	**95,733**	–
Depreciation of tangible fixed assets	**244,441**	238,530
Profit on disposal of tangible fixed assets	**(1,000)**	(2,631)
Movements in working capital:		
Increase in debtors	**(554,079)**	(468,370)
Increase in creditors	**567,310**	1,105,016
Cash generated from operations	**1,355,746**	861,235

19. Subsidiary undertakings

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

Name of company	Description of shares held	Accounting year end
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

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

Hasilwood House
60 Bishopsgate
London. EC2N 4AW

T +44 (0)20 7092 3501
E support@gs1uk.org

www.gs1uk.org