



Year end 30 June 2021

Annual report and financial statements

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For the year ended 30 June 2021

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Company information - members of the board and administration

Directors

C Tyas OBE	Chair and chair of nominations committee
P Pondaven	Vice-chair and chair of remuneration committee
A Godfrey	Chief executive (Appointed 1 January 2021)
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	
M Johnson	(Appointed 7 November 2020)
M Lambell	
W Manning	
R G S Sadler	
M C Watson	
G R J Lynch	Chief executive (Resigned 31 December 2020)

Secretary D N Crapnell

Company number 01256140

Registered office Hasilwood House
60 Bishopsgate
London
EC2N 4AW

Auditors Haysmacintyre LLP
10 Queen St Place
London
EC4R 1AG

Strategic report

The directors present the strategic report and financial statements for the year ended 30 June 2021.

Business review

The year was the third and final year of the Company's 2018-21 three-year strategic plan which aimed to bring robust growth in both membership and data services. Good progress was made in both areas, with turnover increasing by 12% and 27% respectively. The Company continued to work remotely throughout the year, having closed the office mid-March 2020, and has maintained its service levels to members throughout this extended period. Despite the challenges presented by coronavirus the Company has seen its membership base increase significantly and adoption and use of its data services grow. It remains in a sound financial position and is well placed to continue to serve its membership in developing, promoting and establishing supply chain standards, best practice and data services.

Key performance indicators

GS1 UK saw rapid growth in new membership over the year with a closing membership base of 53,300, a net increase of 26%. The membership base continued to grow across all core sectors of retail, healthcare, marketplaces and SMEs, with particularly strong growth in the SME sector. Turnover increased by 13% to £14m with a net surplus after tax of £1.8m and closing reserves of £5.8m.

The continued impact of the coronavirus pandemic, and the extended periods of lockdown and remote working, led to a lower level of operating expenses than budgeted. As a result of membership growth and reduced expenses the Company generated an unplanned operating surplus of £2.2m and is holding a higher level of reserves than expected. Given the continued uncertainty that the pandemic causes, within both the economy and society more generally, the directors believe it prudent to retain reserves for the foreseeable future at the current level but the reserves policy will be kept under regular review.

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
New members	7,500	17,187
Service adoption*	100	47.2
Customer satisfaction**	72	73
Operating result before tax	£0.1m	£2.2m

* 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 new three-year strategic plan (2021-24), "Growth with purpose", was approved by the board in June 2021. Its aim is to deliver sustainable growth, using our profit to deliver benefit to our members, UK plc and wider society. The strategy is underpinned by key drivers derived from member needs, industry trends and evolving consumer trends.

Principal risks and uncertainties

The Company maintains and reviews on a regular basis a strategic 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 and 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.

Although the Company's performance was not adversely affected by the emergence of the COVID-19 pandemic, and the subsequent extended periods of lockdown, there remains continuing uncertainty about the future possible impact of the 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.

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 in late 2019 and further investment is planned over the coming years in our membership data services systems.

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 OBE

Chair

Directors' report

The directors present their annual report and financial statements for the year ended 30 June 2021. 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 board during the year and up to the date of this report are set out on page two. Members of the 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 10.

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 2021 the board comprised of ten non-executive directors (2020: ten), the chair and vice-chair. In addition, there were three executive directors (2020: 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 two non-executive directors. The chief executive and the company secretary also attend meetings as invitees. The objectives of the committee are to recommend to the 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 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 (2020: three) and a representative from the external auditors attends each meeting. The chief executive and the chief financial officer attend as invitees. 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.

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.

On behalf of the board

C Tyas OBE

Chair

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

Opinion

We have audited the financial statements of GS1 UK Limited (the 'Company') for the year ended 30 June 2021 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of 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 2021 and of its surplus 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

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 the 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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 6, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and value added tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals; and
- challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kathryn Burton (Senior statutory auditor)

For and on behalf of Haysmacintyre LLP,
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Statement of income and retained earnings

for the year ended 30 June 2021

	Notes	2021 £	2020 £
Turnover	3	14,035,562	12,372,611
Administrative expenses		(11,800,765)	(11,369,270)
Operating surplus	4	(2,234,797)	1,003,341
Interest receivable and similar income	7	2,009	52,468
Interest payable and similar charges	8	(102)	(4)
Surplus before taxation		2,236,704	1,055,805
Taxation	9	(447,035)	(197,124)
Surplus for the financial year and total comprehensive income		1,789,669	858,681
Accumulated reserves brought forward		4,008,123	3,149,442
Accumulated reserves carried forward		5,797,792	4,008,123

Balance sheet

as at 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	10		444,137		539,958
Tangible assets	11		590,422		668,127
Total fixed assets			1,034,559		1,208,085
Current assets					
Debtors	12	6,355,875		6,675,069	
Cash at bank and in hand		11,895,080		8,892,957	
		18,250,955		15,568,026	
Creditors: amounts falling due within one year	13	(13,242,874)		(12,569,084)	
Net current assets			5,008,081		2,998,942
Total assets less current liabilities			6,042,640		4,207,027
Creditors: amounts falling due after more than one year	14		(244,848)		(198,904)
Net assets			5,797,792		4,008,123
Reserves			5,797,792		4,008,123

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021 and are signed on its behalf by:

C Tyas OBE
Chair

A Godfrey
Chief executive

Company Registration No. 01256140

Statement of cash flows

for the year ended 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	18		3,250,510		1,355,746
Interest paid			(102)		(4)
Tax paid			(111,517)		-
			<u>3,138,891</u>		<u>1,355,742</u>
Net cash inflow from operating activities					
Investing activities					
Purchase of intangible assets		(36,689)		(234,797)	
Purchase of tangible fixed assets		(102,088)		(12,564)	
Interest received		2,009		52,468	
Proceeds from sale of fixed assets		-		1,000	
			<u>(136,768)</u>		<u>(193,893)</u>
Net cash used in investing activities					
Net increase in cash and cash equivalents					
			<u>3,002,123</u>		<u>1,161,849</u>
Cash and cash equivalents at beginning of year			<u>8,892,957</u>		<u>7,731,108</u>
Cash and cash equivalents at end of year			<u><u>11,895,080</u></u>		<u><u>8,892,957</u></u>
Relating to:					
Cash at bank and in hand			<u><u>11,895,080</u></u>		<u><u>8,892,957</u></u>

Notes to the financial statements

for the year ended 30 June 2021

1. Accounting policies

Company information – GS1 UK Limited is a company limited by guarantee and is 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 a 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

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

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

Software – five 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 – three years straight line

Office equipment – three years straight line

Office furniture – five 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.

The Company has no debt as at the current or prior balance sheet date and accordingly no analysis of movements in net debt is presented.

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 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 have been enacted or substantively enacted by the reporting date 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:

	2021	2020
	£	£
Turnover		
Annual licence fees	12,345,655	11,046,793
Service income	1,689,907	1,325,503
Other income	-	315
	<u>14,035,562</u>	<u>12,372,611</u>
Other significant income		
Interest income	<u>2,009</u>	<u>52,468</u>

	2021	2020
	£	£
Turnover analysed by geographical market		
UK and Northern Ireland	13,350,368	11,910,572
Rest of Europe	324,975	268,994
Rest of the World	360,219	193,045
	<u>14,035,562</u>	<u>12,372,611</u>

4. Operating surplus

	2021	2020
	£	£
Operating surplus for the year is stated after charging:		
Amortisation of intangible assets	129,378	95,733
Depreciation of owned tangible fixed assets	210,308	244,441
Auditors' remuneration	14,950	23,900
Non audit fees paid to auditors	2,750	6,706
Auditors' remuneration prior year (previous Auditors)	5,000	-
Non audit fees paid to auditors (previous Auditors)	1,148	-
Operating lease charges	444,005	438,658
Loss on disposal of intangible fixed assets	3,132	-
Loss/(profit) on disposal of tangible fixed assets	<u>13,880</u>	<u>(1,000)</u>

5. Employees

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

	2021	2020
	Number	Number
Industry Engagement	17	18
Innovation and Solutions	19	21
Marketing and Member Experience	19	17
Business Support	23	24
	<u>78</u>	<u>80</u>
	<u><u>78</u></u>	<u><u>80</u></u>
	2021	2020
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	5,413,742	5,299,630
Social security costs	652,370	637,225
Pension costs	488,100	472,402
	<u>6,554,212</u>	<u>6,409,257</u>
	<u><u>6,554,212</u></u>	<u><u>6,409,257</u></u>

6. Directors' remuneration

	2021	2020
	£	£
Salary and benefits	689,707	532,353
Company pension contributions	53,644	38,482
	<u>743,351</u>	<u>570,835</u>
	<u><u>743,351</u></u>	<u><u>570,835</u></u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2020: two).

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

	2021	2020
	£	£
Salary and benefits	190,108	202,574
Company pension contributions	23,783	18,181
	<u>213,891</u>	<u>220,755</u>
	<u><u>213,891</u></u>	<u><u>220,755</u></u>

Aggregate cost of key management personnel

The aggregate cost of key management personnel remuneration was £1,444,524 (2020 re-stated: £1,116,572).

7. Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	2,009	52,468

8. Interest payable and similar charges

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	(102)	(4)

9. Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on surplus for the current period	445,486	111,517
Deferred tax		
Origination and reversal of timing differences	1,549	85,607
Total tax charge	447,035	197,124

The charge for the year can be reconciled to the surplus per the statement of income and retained earnings as follows:

	2021 £	2020 £
Surplus before taxation	2,236,704	1,055,805
Expected tax charge based on a corporation tax rate of 19% (2020: 19%)	424,974	200,603
Fixed asset differences	7,719	3,066
Expenses not deductible for tax purposes	414	3,893
Remeasurement of deferred tax for changes in tax rates	5,489	-
Deferred tax not recognised	8,439	(10,438)
Tax expense for the year	447,035	197,124

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK is 25% (2020: 19%). Accordingly, due to the increase in the standard rate of corporation tax to 25%, this is now the basis for the deferred tax provision as at 30 June 2021.

10. Intangible fixed assets

	Software £
Cost	
At 1 July 2020	759,843
Additions	36,689
Disposals	(20,941)
At 30 June 2021	775,591
Amortisation	
At 1 July 2020	219,885
Amortisation charged for the year	129,378
Eliminated in respect of disposals	(17,809)
At 30 June 2021	331,454
Carrying amount	
At 30 June 2021	444,137
At 30 June 2020	539,958

11. Tangible fixed assets

	Short leasehold	Computer equipment	Office equipment	Office furniture	Total
	£	£	£	£	£
Cost					
At 1 July 2020	742,675	267,787	248,732	209,397	1,468,591
Additions	44,396	78,998	23,089	-	146,483
Disposals	-	(67,962)	-	-	(67,962)
At 30 June 2021	<u>787,071</u>	<u>278,823</u>	<u>271,821</u>	<u>209,397</u>	<u>1,547,112</u>
Depreciation					
At 1 July 2020	245,902	200,708	220,278	133,576	800,464
Depreciation charged in the year	94,116	47,688	28,714	39,790	210,308
Eliminated in respect of disposals	-	(54,082)	-	-	(54,082)
At 30 June 2021	<u>340,018</u>	<u>194,314</u>	<u>248,992</u>	<u>173,366</u>	<u>956,690</u>
Carrying amount					
At 30 June 2021	<u>447,053</u>	<u>84,509</u>	<u>22,829</u>	<u>36,031</u>	<u>590,422</u>
At 30 June 2020	<u>496,773</u>	<u>67,079</u>	<u>28,454</u>	<u>75,821</u>	<u>668,127</u>

12. Debtors

	2021	2020
	£	£
Amounts falling due within one year		
Trade debtors	5,401,214	5,832,055
Other debtors	231,445	57,596
Prepayments and accrued income	723,216	777,765
	<u>6,355,875</u>	<u>6,667,416</u>
Amounts falling due after one year		
Other debtors	-	7,653
Total debtors	<u>6,355,875</u>	<u>6,675,069</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Annual licence fees invoiced in advance	9,662,837	9,033,765
Trade creditors	362,755	361,248
Corporation tax payable	445,486	111,517
Other creditors	39,989	43,949
Social security and other taxes	989,525	1,412,280
Pension	52,838	1,938
Accruals and deferred income	1,689,444	1,604,387
	<u>13,242,874</u>	<u>12,569,084</u>

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

	2021	2020
	£	£
Deferred tax	22,873	21,324
Accruals	221,975	177,580
	<u>244,848</u>	<u>198,904</u>

15. Deferred taxation

The following is the analysis of the deferred tax balances:

	Liabilities 2021	Liabilities 2020
	£	£
Balances	<u>22,873</u>	<u>21,324</u>

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 scheme

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 £488,100 (2020: £472,402).

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:

	2021	2020
	£	£
Within one year	550,005	550,325
Between two and five years	2,154,070	2,166,835
More than five years	268,620	805,860
	<u>2,972,695</u>	<u>3,523,020</u>

18. Cash generated from operations

	2021	2020
	£	£
Operating surplus for the year	2,234,797	1,003,341
Adjustments for:		
Amortisation of intangible assets	129,378	95,733
Depreciation of tangible fixed assets	210,308	244,441
Loss on disposal of intangible fixed assets	3,132	-
Loss on disposal of tangible fixed assets	13,880	-
Profit on disposal of tangible fixed assets	-	(1,000)
Movements in working capital:		
Decrease/(increase) in debtors	319,194	(554,079)
Increase in creditors	339,821	567,310
Cash generated from operations	<u>3,250,510</u>	<u>1,355,746</u>

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. The registered office of both companies is Hasilwood House, 60 Bishopsgate, London EC2N 4AW.

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