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WHO WE ARE

GS1 UK is a not-for-profit organisation owned by its 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.

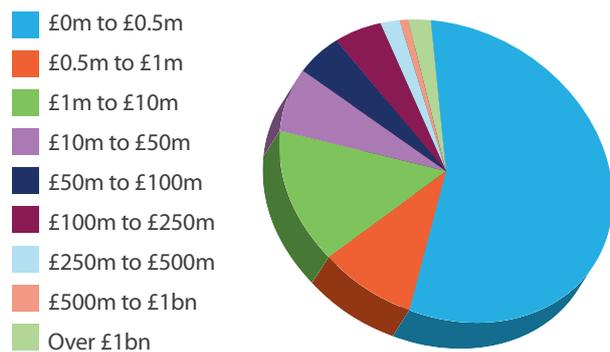
We operate across a variety of sectors including retail, food service, healthcare and online and our members range from small manufacturers to some of the world's most recognisable brands. GS1 Standards allow companies and their trading partners to use a "common language" enabling the reliable identification of locations, products, assets, and people possible. Companies can then capture these identifiers and share supply chain information globally.

Most importantly, standards enable collaboration with trading partners, an optimized supply chain, and more efficient business processes that reduce human error and cut costs. Consumers also benefit in a variety of ways including better on-shelf availability, more flexible promotions and ranges tailored to local needs as well as having access to accurate product data electronically, via smart phones and barcode-scanning mobile applications.

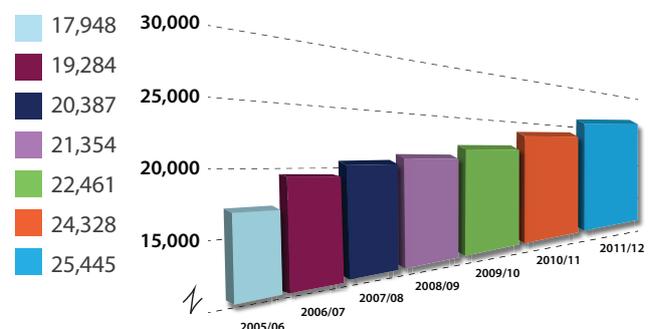
Our Standards play a part in everything: from scanning groceries at the supermarket or buying a new CD from a website, to locating equipment in a hospital quickly enough to save a life. We help our members implement GS1 Standards and solutions by providing a range of services including consultancy, training, and a data pool to enable them to share accurate, up-to-date and trusted data.

GS1 UK was founded 35 years ago and is one of over 100 GS1 member organisations that operate in over 150 countries worldwide.

Total members by turnover



Membership growth



JAMES SPITTLE

Chairman's statement



We are now two-thirds of the way through our three-year strategic plan and it has been another year of difficult trading conditions and wholesale change in the NHS. GS1 UK has had a testing year, with a significant number of personnel and structural changes, which culminated in a mixed set of results for the organisation. I am, however, pleased to report that we have achieved or exceeded four of our '5 to drive' key performance indicators. These form part of a list of achievements we made last year including:

- increasing GDS uptake in the food services sector
- over 125 sustainable implementations in the NHS
- maintaining customer satisfaction at over 91%
- the highest satisfaction rating for our annual conference
- increasing our membership by 1017 to 25,445
- maintaining stable finances in a period of great uncertainty.

Becoming the trusted source of master data: a challenging aim

You may recall that our ambition was to become the trusted source of master data in three years. With a year remaining, it is unlikely we will achieve this aim within this timeframe. Nevertheless, we are greatly encouraged by the take up of Global Data Synchronisation (GDS) among members in the food service sector and there are some promising signs that the retail industry will begin to follow suit, especially with the growing presence of the 'omni-channel' experience in the marketplace.

Breakthroughs in healthcare

The reorganisation of the NHS has added complexity to our book of healthcare projects. Despite this, GS1 UK has

delivered over 125 sustainable healthcare implementations with more in the pipeline, which has raised awareness of our standards and solutions. We have also been entrusted with providing support for GS1 product coding in the NHS supply chain, which is a major step forward in helping to reduce costs and increase the efficiency in this huge organisation.

Delivery and support excellence

There is strong evidence of high levels of member satisfaction with our services, notably from our Service and TrueSource On-boarding teams. Once again, we have exceeded industry standards by delivering an overall customer satisfaction target of 91%. Our Professional Services team have delivered 20 projects this year and we have no doubt that the organisations concerned will reap the benefits from their close collaboration with GS1 UK.

Stable finances

Our financial position changed significantly in 2011/12. We began the year with considerable uncertainty and, therefore, GS1 UK adopted a de-risking strategy and mitigation plan to ensure that the organisation broke even if we didn't manage to reach our revenue targets. In fact, these fears were not realised and GS1 UK has ended the year on a very sound financial footing.

All these achievements were the result of a hard-working team of people at GS1 UK as well as the guiding hand of our Supervisory Board. Thank you to everyone who has contributed over the past year and I look forward to building on the stable foundation that we have maintained throughout a difficult year.

GARY LYNCH

Chief Executive's statement



The predictions for the UK economy over the next 18 months and further cuts in government expenditure mean that, perhaps more than ever, there is a demand for expertise that only GS1 UK can provide. Our forthcoming programmes will focus on helping our members to remain competitive in this difficult environment. At the same time, we will redouble our efforts to assist our members in the healthcare sector to improve the quality of patient care with the fewer resources that they have.

Trusted product data for all

GS1 UK will remain focused on helping our members share trusted product information by building on the good progress made by the food service sector in cooperation with GS1 UK. Our pioneering TrueSource service is now firmly in place, and in 2012/13, we plan to make further improvements to its functionality and scope. We anticipate these changes will help members supply the data to service both supply chain and merchandising requirements through a single service and provide further safeguards to brand owners from the hazards of misrepresentation.

Responding to industry and consumer concerns

Our members will also benefit from the development of new solutions this year. In close collaboration with the most influential retail and CPG (Consumer Packaged Goods) companies we will help develop and deploy a common set of practices for the automated goods receipt process. We also intend to help our stakeholders respond to consumer demand for a more proactive approach to corporate social responsibility by working with industry to help it reduce food and packaging waste.

Exploring new applications for GS1 standards

In the year ahead, we intend to explore applications for GS1 standards in new sectors, including how they can be used to identify and provide greater traceability for regulatory documentation and correspondence. This is good news for existing members as we have found in the past that when we broaden the number of sectors we serve, we also increase the value our members get from their investment in GS1 standards.

Broadening our healthcare programmes

With the continued backing of the Department of Health, GS1 UK will continue its healthcare programmes aimed at helping hospital trusts improve care delivery processes such as pharmacy, sterile services and medical record tracking using GS1 standards. With the efficiency drive in the NHS continuing to gather pace, we will also help the NHS develop and deploy a programme to deliver significant cost savings in procurement processes where we know significant improvements can be made through the adoption of a common system of data standards.

Continue to invest in our people and members

Service excellence remains a business imperative for GS1 UK and we will remain focused on improving the functionality of our website, ensuring that gs1uk.org is the destination of choice for all enquiries on a range of supply chain topics. This includes enhancing the member portal so that members can easily service their own account. To support this we will also continue to enhance the knowledge and skill-sets of our member facing staff through our organisational excellence programme.

**REDUCE
COSTS,
INCREASE
PROFITS,
IMPROVE
SUPPLY CHAIN
EFFICIENCY
AND
CONSUMER
LOYALTY
WITH OUR
STANDARDS**

RETAIL/CPG

More than any other sector, the retail industry has shown what can be achieved by adopting a common set of supply chain data standards. Retailing contributes around 8% of GDP and is one of the UK's most successful sectors. Manufacturers, distributors and retailers have contributed to this success by improving supply chain efficiency, consumer loyalty and profits using GS1 standards. Nonetheless, the retail sector knows that it cannot be complacent. The UK economy is far from healthy and new technology and shopping habits are changing the marketplace rapidly. According to the British Retail Consortium, around 9% of total retail sales were made online last year.

To help deal with these new challenges, GS1 UK will roll out a new set of tailored features on its TrueSource platform that will help the industry meet its particular master data management issues. In cooperation with our members we will also develop a new solution specifically aimed at improving the flow of shipments between trading partners. The primary aim of this is to remove unnecessary costs from the supply chain and to help our members respond to consumer demand in the most efficient manner.

GS1 UK directly helps its members in a variety of ways. For example, work has already begun with one major retailer who is in the process of implementing a new warehouse management system. Needing to automate their goods receipting process, GS1 UK was asked to help ensure that the development and deployment were standards compliant. Through a combination of workshops and the creation of supporting guidelines, GS1 UK has helped redefine their supplier delivery process.



£10.5bn p/a

Saved by using the bar code, at the point of sale, in the retail sector

Cranfield School of Management, 2012

“MEETING THE INFORMATION NEEDS OF ALL OUR CUSTOMERS SO THAT THEY CAN EFFICIENTLY MAKE OUR PRODUCTS AVAILABLE TO CONSUMERS IS VITAL TO THE WAY WE DO BUSINESS IN THE UK. BY ADHERING TO THE GS1 GLOBAL STANDARDS AND ADOPTING A STRONG AND SUCCESSFUL DATA QUALITY PROGRAMME, WE CAN BE CONFIDENT THAT THE DATA WE SUPPLY IS OF THE HIGHEST QUALITY.”

John Macfarlane, Customer Director for Convenience, Unilever

IMPROVE PATIENTS' SAFETY AND EFFICIENCY WITH OUR STANDARDS

HEALTHCARE

The Chief Executive of the NHS, Sir David Nicholson, said recently, "At its best, the NHS is world class. But it can and must improve." The NHS is now under increasing pressure to reduce costs whilst improving the quality of care and patient safety. In the next few years, the organisation aims to save £20 billion through greater efficiency and cost reduction programmes.

Sir David has called on NHS trusts to embrace GS1 standards as part of the efficiency drive. "The NHS must share data so that we can see the prices that different organisations are paying for the same goods and services, and it must do more to make collaborative procurement a reality. I want to see NHS trusts publish all tender and

contract information for contracts over £10,000, and I want to see good procurement practice spread quickly and effectively – in particular the use of GS1 coding."

These comments echo recommendations, made by the Department of Health, the National Audit Office and the Public Accounts Committee, that NHS trusts and their suppliers should use GS1 standards to improve procurement. The use of our standards in procurement enables trusts to identify products accurately so they can compare prices with each other and therefore get better value for money. Accurate product data also helps improve stock control processes as well as patient safety.

Next year, GS1 UK will support further adoption of GS1 standards among NHS trusts and their suppliers with a revitalised healthcare programme. This will enable trusts to improve procurement performance as well as open up other opportunities to make improvements to efficiency and safety in patient, location and asset identification as well as pharmacy, sterile services and medical record tracking.

GS1 UK will be working with the Department of Health to reinforce the relationships we have with hospitals and to understand how best we can continue to embed common codes and standards through guidance and best practice.



OUR INITIAL MEDICAL TRACKING DEPLOYMENT GUIDELINES SHOW HUGE BENEFITS FOR HOSPITALS. FOR EXAMPLE, PILOT

£20bn

NHS efficiency savings target by 2015

SITE ROYAL BOLTON HOSPITAL HAS IDENTIFIED THE POTENTIAL TO CUT DOWN THE TIME SPENT LOOKING FOR MISFILES BY 80% WHILST SIGNIFICANTLY REDUCING LOST REVENUE DUE TO CODING TIME-OUTS. BY REPLACING MANUAL PROCESSING OF RETURNED RECORDS WITH AN AUTOMATED SYSTEM THE DEPARTMENT COULD SAVE TIME AND MONEY. FURTHERMORE, BY AUTOMATING LOCATION TRACKING THROUGHOUT THE HOSPITAL IT COULD SAVE EVEN LARGER AMOUNTS."

Chris Wilber, Director of Infrastructure, NHS and Department of Health

GETTING THE RIGHT PRODUCT WITH THE RIGHT INFORMATION IN THE RIGHT PLACE AT THE RIGHT TIME AND AT THE RIGHT COST

FOOD SERVICE

The UK Food Service sector is the UK's fourth largest consumer market having experienced strong growth over the past 20 years. It currently faces numerous and complex challenges. The consumer is driving the demand for greater transparency and in particular for accurate and consistent information.

The Brakes Group is a major supplier to the food service industry in the UK. The company recognised that its commitment to exceptional customer service was being hampered by the quality of product data within its end to end processes. The group's existing system for managing product data

contained a number of manual and inefficient processes.

Brakes intends to implement GDS (Global Data Synchronisation) to automate and standardise the management of product data. With the help of the GS1 UK Professional Services team, the company plans to deploy the new system, which will enable them to access and exchange product information with its customers and suppliers securely and in real time. In addition, GS1 UK's On-boarding team have conducted preliminary activity with Brakes suppliers to manage the on-boarding process.

With a more advanced system for managing product data, the Brakes Group will be in a strong position to meet growing demands for more detailed product information. The group's Purchasing Director, Stuart Smith, is clear about the benefits. "GDS gives you the opportunity to share and maintain accurate and up to date product data with your trading partners. The process works because everyone is looking at the same data – one version of the truth."

“ **WHETHER
OUR CLIENTS
ARE A
COMMITTEE,
CLUB, TRADITIONAL PUB,
SUPERMARKET OR HOTEL,
WE BELIEVE THEY NEED A
SERVICE THEY CAN WORK IN
PARTNERSHIP WITH TO MEET
DEMAND AND REQUIREMENTS.
WE TRY TO UNDERSTAND OUR
CUSTOMERS’ OBJECTIVES
AND HELP TO ACHIEVE
THEM THROUGH THE
SMOOTH RUNNING OF
OUR SUPPLY CHAIN. DATA
QUALITY IS IMPORTANT IN
DELIVERING THIS AIM. IT IS
KEY, THEREFORE, THAT OUR
MASTER DATA MANAGEMENT
SUPPLIER SHARES OUR
COMMITMENT TO EXPERTISE,
PROFESSIONAL SERVICE
AND UNDERSTANDS OUR
REQUIREMENTS – GS1 UK AND
ITS TRUESOURCE SOLUTION
ARE A NATURAL FIT IN
MEETING OUR NEEDS.”**

Francesca Peterson, Carlsberg UK

£150 per line

The cost of managing product information per line per year
The Food Service Information Challenge, GS1 UK, 2012



MEETING RETAILERS' REQUIREMENTS, TRACKING, MANAGING STOCK, SUPPLY CHAIN EFFICIENCIES AND GROWING BUSINESSES



Number of start-up companies
increased by 48,000 last year reaching

4.5m

small businesses in the UK
(Department for Business, Innovation
and Skills, 2011)

SMALL TO MEDIUM ENTERPRISES

Mammy Jamia's is a deliciously tasty premium range of fruit preserves, based on a family recipe, produced by one of the oldest family-owned food companies in Sittingbourne, Kent. The company is owned by Andrew, 35, and his wife Sajmira, 27 who also hold full-time jobs; Andrew works in sales for a sports medicine company and Sajmira as an analyst for an investment management firm.

The couple launched a range of preserves after Andrew's Albanian mother-in-law gave him a gift of homemade fig jam. During an initial six-week trial on a market stall in 2010 they sold 600 jars before deciding to send samples to supermarkets. Sainsbury's invited the couple to pitch to them, but said they had to improve their label.

After working with a designer, Andrew and Sajmira reapproached Sainsbury's, who agreed to stock their range of seven preserves in 216 stores and ordered 18,000 jars. The couple, from the Wirral, Cheshire, now also supply Ocado, Tesco and Waitrose having sold 125,000 jars with a turnover of £250,000.

The GS1 system of unique numbers are used in a bar code to identify the preserves being sold. This allows smaller and independent manufacturers a route to market without the need to invest in their own storefronts, allowing them to start selling quickly and competitively. Having an accurate and reliable set of bar codes helps Mammy Jamia's streamline processes to run more effectively and save on operational expenses as well as adhering to processes set up by the retailers.

“MEETING THE INFORMATION NEEDS OF ALL OUR CUSTOMERS SO THAT THEY CAN EFFICIENTLY MAKE OUR PRODUCTS AVAILABLE TO CONSUMERS IS VITAL TO THE WAY WE DO BUSINESS IN THE UK. BY ADHERING TO THE GS1 GLOBAL STANDARDS AND ADOPTING A STRONG AND SUCCESSFUL DATA QUALITY PROGRAMME, WE CAN BE CONFIDENT THAT THE DATA WE SUPPLY IS OF THE HIGHEST QUALITY.”

Andrew Cairns, Founder, Mammy Jamia's



MEET THE GS1 UK SUPERVISORY BOARD

The Supervisory Board is responsible for the governance of GS1 UK and the Board members perform a high level representational function. They also provide strategic guidance to the Operating Board. The elected industry experts keeping GS1 UK on track for the future are voted in at the GS1 UK Annual General Meeting.

The GS1 UK strategy, annual operating plan and budget are determined by the Supervisory Board. The Supervisory Board is responsible for the governance of the Association including:

- Establishing the strategic direction
- Advising the Chief Executive and staff
- Making sure that all members are properly represented
- Promoting the organisation to influencers and stakeholders

The Supervisory Board offers significant value to the organisation and its goals, helping GS1 UK to offer members best-of-breed solutions to the problems they face.



JAMES SPITTLE

Chairman

James has 30 years of experience in retailing, manufacturing and supply chain management and has worked for DSGI, Whitbread, Kingfisher and Tesco. He is currently Chairman of G-ILS, Chairman of the trustees of CAN and Vice President and Council Board Member for the Chartered Institute of Logistics and Transport. James is also an Advisory Board Member at Cranfield University Supply Chain and Logistics and Chairman of The Qube.



RICHARD COPPERTHWAITE

Vice Chairman

Richard is IT Director at Tesco.com and is responsible for IT delivery across the Grocery and Non Food e-commerce businesses. Before joining Tesco.com, he 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. He specialises in non-food, logistics and the challenges of fast moving, high growth operations.



MARCUS DUNSMORE

Marcus is the Customer Service & Logistics Director for Kraft, UK&I. His career has spanned the supply chain with senior leadership roles in manufacturing, logistics and customer service at Unilever, Cadbury and then Kraft Foods. After Kraft acquired Cadbury, Marcus was appointed to his current role where he is responsible for delivering the integration of Cadbury and Kraft UK operations as well as leading Kraft's UK&I Customer Service and Logistics activities. In addition to his non-executive director role at GS1 UK, he is also a member of the ECR Supply Chain Board.



ROB FRASER

Rob joined the Operating Board at Sainsbury's as IT Director in July 2009 and brought many years of IT and retail experience to the role. Rob was previously Vice President, Retail, Consumer & Transport at CSC, and spent ten years at Boots where he undertook a variety of IT roles including Group IT Director. He was also a member of the Boots Executive Committee and has worked for Rank Xerox and Marks & Spencer.



DR. STEFAN HESSE

Stefan has over 16 years experience in the retail and wholesale sector. He joined the Controlling Department of Metro Cash & Carry International before becoming Head of Controlling at Metro Bulgaria where he pioneered a team to set up a new Cash & Carry organisation. In 2000, Stefan became Finance and Administration Director in Metro Romania joining the Executive Board to play a pivotal role in Metro's turn-around and expansion.

Stefan joined the board of Makro Netherlands and was responsible for the Metro Cash & Carry International Finance Holding before becoming Vice President, Corporate Financial Control in the German Headquarters of METRO Group in 2003. From 2005 – 2011, Stefan was Finance Director of Makro Cash & Carry UK looking after SCM, IT and e-commerce. Stefan is now an entrepreneur in the area of Retail and FMCG, especially offering best practice solutions and global scaling. He also actively invests in start-ups in those areas including E-/M-/S-Commerce.



LAWRENCE HUTTER

For over 20 years, Lawrence has worked with many of the world's best-known global consumer products manufacturers on a wide variety of strategic business performance improvement initiatives across the food, beverage, personal care, and household products sectors. He is a consulting Strategy and Operations partner at Deloitte and focuses on brand protection, growth, improved profitability, trade account development and end-to-end value chain optimisation. Lawrence is well known in the industry and well-regarded throughout the Consumer Business industry and the firm. He is a frequent speaker at industry conferences throughout the world.



DUNCAN LENNARD

Duncan is responsible for the corporate business across the Brakes Group, but began his career at Unilever. Duncan trained as an engineer and then progressed through a series of cross functional roles in different parts of the world including running manufacturing plants, realigning the global R&D programme and launching an ice cream business in the Middle East. He moved to Walkers as Vice President of Supply Chain where he introduced a stockless supply chain, and then to Marketing at Coca Cola to develop the juice drinks offering. His innovative spirit saw him start, develop and sell a multi-channel retail service business that was the forerunner of the current internet trading platforms.



JOHN MACFARLANE

John has a wealth of business experience having worked with Unilever for 22 years and has recently moved to the role of Customer Director for Convenience building Unilever's business with small store and convenience retailers. He has held senior management positions in Unilever in customer and category development and has worked closely with all the major UK retailers. He also has extensive experience with Global Data Synchronisation (GDS) and GS1 standards in his previous roles in Operations with Unilever.



MONIQUE PICOU

Monique is currently the Go to Market Director for Western Europe Fabric Care, but is also the Supply Network Operations Director for Procter & Gamble in the UK & Ireland. She has worked in six locations in multiple categories across the supply chain. Monique joined P&G in North America and carried out a range of roles in manufacturing. She then moved to P&G's headquarters in Cincinnati as Category Supply Planner & Supply Chain Design leader for the company's US coffee business. From there, Monique moved into a global role and led corporate training and development programmes for product supply before taking on the management of P&G's manufacturing site in Augusta, Georgia. Then, following two years as Supply Network leader for P&G's Western European Fabric Care operations, Monique joined P&G UK & Ireland in 2010.



CHRIS POOLE

Chris is Global Customer Service Development Director at Diageo. He is responsible for driving enhanced performance in the areas of Supply Chain collaboration with Customers, Demand Planning / S&OP and supply chain process and capability. Previously, he was GB Supply Chain Director. He started his career with Procter and Gamble in Sales and then moved into Supply Chain where he ended up as UK Customer Service / Logistics Director and W. Europe Distribution Director. He also worked in Supply Chain with B&Q and PA Consulting. Chris lives in Wokingham, Berkshire and is married with three grown up children and has just become a grandfather! He likes to get out on his road bike when he can.



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. Lee is the longest serving GS1 UK director and has served on the Nominations Committee, the Remuneration Committee, the Audit and Risk Committee and the IT Steering Committee.



CHRIS WILBER

Chris is Director of Infrastructure for the NHS and Department of Health Technology Office, which provides technical advice and guidance to the entire NHS. The role reports to the NHS and Department of Health Chief Technology Officer, and encompasses Infrastructure Security, Identity and Access Management, Collaboration Systems, Platform Standards Policies and Guidance, and Digital Communications. A key component of this portfolio is the promotion of RFID and bar coding through the NHS, using GS1 standards. Prior to joining the NHS, Chris worked in the telecommunications industry and gained experience across multiple fixed and mobile network operators and consultancies throughout the world.

Gary Lynch, Dave Crapnell and Andrew Osborne are also members of the Supervisory Board (see overleaf).

MEET THE GS1 UK OPERATING BOARD

The Operating Board is the Chief Executive's management team, responsible for day to day running of GS1 UK on behalf of the Supervisory Board.

The primary activities of the Operating Board include the delivery of the annual Operating Plan, monitoring progress and regularly reporting against key milestones to the Supervisory Board.

The team is also focused on communicating and implementing the GS1 UK vision and objectives to both internal and external stakeholders as well as ensuring that the right resources are in place to achieve the primary goals. A major focus during 2012/2013 will be the development of the 3 year strategy in order to anticipate and meet the evolving needs of our members.



GARY LYNCH

Chief Executive Officer

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 and operating plans and ensuring that UK views are reflected in GS1's global activities and programmes. As such Gary is a member of the GS1 Advisory Council, GS1 in Europe Board, GS1 Internal Compliance Committee, B2C Project Board and a member of the GDSN Board of Governors.

Before joining GS1, Gary was responsible for business change at a senior level in a number of innovative service organisations. Gary was Avaya's eBusiness Director, responsible for the international deployment of their CRM systems and portals to better manage Avaya's business partners. At eLogistics, he was Market Development Director for one of the UK's first online logistics marketplaces and prior to this he worked at UUNET (a global internet services provider) where he was a member of the team responsible for the launch of "eChristmas", the first online store in the UK that automatically processed credit card payments.



DAVE CRAPNELL

Chief Financial Officer and Information Systems Director

Dave is responsible for the integrity of GS1 UK's financial processes and information systems.

He has more than 20 years' experience in Finance and Information Systems in a range of companies across the property, insurance and business service sectors. Prior to GS1 he spent 12 years with the Europ Assistance Group in a number of senior positions including Finance & IT Director and Operations Director. He is an experienced leader of many change management projects harnessing the business benefits of information systems and most recently the development of online solutions to improve both revenue potential and customer service.



ANDREW OSBORNE

Chief Technical Officer and Company Secretary

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.



ALASTER PURCHASE

Chief Operating Officer and Industry Engagement Director

Alaster joined us in 2003. As Chief Operating Officer, he delivers business growth and drives customer value through the Professional Services team 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.

Independent Auditors' report to the members of GS1 UK Limited

We have audited the financial statements of GS1 UK Limited for the year ended June 2012 which comprise the Income and expenditure account, the Balance sheet, the Cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 Statement of Directors' responsibilities set out on page 20 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 and express an opinion on 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. In addition we have read all the financial and non-financial information in the Report of the Supervisory Board to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

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: 11th September 2012

Devonshire House
60 Goswell Road
London EC1M 7AD

Report of the Supervisory Board

The Supervisory Board is pleased to submit its report and the audited financial statements for the year ended 30th June 2012.

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.

GS1 UK's strategic focus is underpinned by the following five key objectives:

- To become the trusted source of master data in the UK
- To increase the deployment of GS1 solutions
- To build a sustainable healthcare community
- To ensure delivery and support excellence
- To maintain a sustainable financial model

In a challenging environment the Company achieved or exceeded its targets across four of its five key objectives. As we enter the last year of our three year strategic plan our overall objectives remain the same and an Operating Plan for 2012/13 has been approved by the Supervisory Board.

KPI	Target	Result
Master data revenue	£346k	£381k
GS1 solutions deployed	20	12
Sustainable healthcare implementations	115	125
Customer satisfaction	92% / 90.6%*	92.2% / 90.6%*
Reserves	£2.14m	£2.90m

* In 2012 the Company added a further measure of customer satisfaction which resulted in the overall target reducing to 90.6%.

Members of the Supervisory Board

The officers and elected members of the Supervisory Board are set out on pages 14 - 16. 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Supervisory Board 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 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;
- 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.

Statement of disclosure to auditors

So far as each of the Directors at the time the report is approved are aware:

- there is no relevant audit information of which the auditors are unaware and
- that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Corporate Governance

The Board and Committees

At 30th June 2012 the Board comprised of ten Non-Executive Directors (2011: ten) plus the Chairman and one Vice Chairman. In addition there were three Executive Directors (2011: 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. The objectives of the committee are to recommend to the Supervisory Board, individuals who are able to fill the roles of President, Chairman, Vice Chairman, 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, a representative from the external auditors, with the Chief Executive and the Chief Financial Officer & IS Director in attendance. The committee meets at least twice 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.

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 the Vice Chairman as its chair, the Chief Technical Officer and 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.

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 R J Lynch
Chief Executive
Date: 11th September 2012



FINANCIAL STATEMENTS

Income and expenditure account

For the year ended 30th June 2012

	Note	2012 £	2011 £
Turnover - continuing operations	1	7,889,978	6,903,134
Administrative expenses		(7,245,326)	(7,294,333)
Operating surplus/(deficit)	2	644,652	(391,199)
Interest receivable and other income	3	189,315	193,875
Net surplus/(deficit) for the year before tax		833,967	(197,324)
Taxation	5	(65,838)	(10,243)
Net surplus/(deficit) for the year after tax	12	768,129	(207,567)
Accumulated fund brought forward		2,136,517	2,344,084
Accumulated fund carried forward	12	2,904,646	2,136,517

Total recognised gains and losses

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

The notes on pages 26 to 32 form part of these financial statements.

Balance sheet as at 30th June 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	6	1,211,745	1,571,972
Current assets			
Debtors	7	5,130,426	5,212,183
Cash at bank and in hand	16	4,163,306	2,933,900
		9,293,732	8,146,083
Creditors: amounts falling due within one year	8	(7,600,831)	(7,541,468)
Net current assets		1,692,901	604,615
		2,904,646	2,176,587
Provisions for liabilities and charges	20	-	(40,070)
Net assets		2,904,646	2,136,517
Reserves			
Accumulated members' fund	12	2,904,646	2,136,517

Approved by the Supervisory Board on 11th September 2012 and signed on its behalf by:

G R J Lynch
Chief Executive

Dr S H Hesse
Chair of the Audit and Risk Committee

Cash flow statement

For the year ended 30th June 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	13	1,467,266	222,355
Returns on investments and servicing of finance	14	62,662	52,035
Rental income received	14	61,775	57,331
Taxation		-	-
Capital expenditure and financial investment	15	(246,523)	(671,052)
Increase/(decrease) in cash	16	1,345,180	(339,331)

Notes to the financial statements for the year ended 30th June 2012

1. Accounting policies

a) Basis of accounting

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

b) 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.

c) Depreciation

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

Short Leasehold	over the term of the lease
Computer equipment and software	20% - 33.3%
Office equipment	33.3%
Office furniture	20%

d) 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).

e) 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.

f) 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.

g) Leasing commitments

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

h) 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.

i) 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

	2012 £	2011 £
The operating surplus/(deficit) is stated after charging:		
Depreciation - owned assets	592,220	528,812
Auditors' remuneration	11,376	11,932
Non audit fees paid to auditors	7,292	11,381
Operating leases - land and buildings	298,775	241,320
Operating leases - other	16,544	20,648
(Deficit)/surplus from sale of fixed assets	(285)	3,135

3. Interest receivable and other income

	2012 £	2011 £
Bank interest receivable	127,540	136,544
Rental income receivable	61,775	57,331
	189,315	193,875

4. Directors and employees

	2012 £	2011 £
Directors' emoluments:		
Remuneration and benefits	384,187	423,761
Contributions to a defined contribution pension scheme	103,824	109,802
	488,011	533,563

During the year 3 Executive Directors (2011: 4) were members of the defined contribution pension scheme. In addition the Chairman's fees for his services were £60,057 (2011: £59,249).

	2012 £	2011 £
The highest paid Director:		
Remuneration and benefits	169,255	162,438
Contributions to a defined contribution pension scheme	23,645	36,386
	192,900	198,824

	2012 £	2011 £
Total wages and salaries:		
Wages and salaries	2,969,064	3,100,958
Social security costs	362,543	381,151
Pension costs	300,384	340,045
	3,631,991	3,822,154

5. Taxation

	2012	2011
	£	£

a). Analysis of charge in the period

Current tax:		
UK corporation tax on the results for the period	105,908	-
Total current tax (note 5b)	105,908	-
Deferred tax:		-
Origination and reversal of timing differences	(40,070)	10,243
Total deferred tax (note 20)	-	40,070
Tax on (surplus)/deficit on ordinary activities	65,838	10,243

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 (26%/24%).

The differences are explained below:

Net surplus/(deficit) for the year before tax	833,967	(197,324)
Net income for the year multiplied by the standard rate of corporation tax in the UK 26%/24% (2011: 21%)	212,662	(41,438)
Effects of:		
Expenses not deductible for tax purposes	(14,913)	21,484
Capital allowances	54,622	17,457
Utilisation of tax losses	(132,305)	2,497
Small companies relief	(14,158)	-
Current tax charge for the year (as shown above)	105,908	-

At the year end there were no tax losses carried forward (2011: £518,845).

6. Tangible fixed assets

	Short leasehold	Computer equipment & software	Office equipment	Office furniture	Total
	£	£	£	£	£
Cost					
At 1st July 2011	377,929	2,114,438	166,416	156,830	2,815,613
Additions	-	244,813	1,710	-	246,523
Disposals	-	41,982	3,729	-	45,711
At 30th June 2012	377,929	2,317,269	164,397	156,830	3,016,425
Depreciation					
At 1st July 2011	155,896	854,761	107,971	125,013	1,243,641
Charge for the year	48,815	501,337	17,720	24,348	592,220
Disposals	-	29,697	1,484	-	31,181
At 30th June 2012	204,711	1,326,401	124,207	149,361	1,804,680
Net book value					
At 30th June 2012	173,218	990,868	40,190	7,469	1,211,745
At 30th June 2011	222,033	1,259,677	58,445	31,817	1,571,972

7. Debtors

	2012	2011
	£	£
Trade debtors	4,322,103	4,606,212
Other debtors	33,198	23,269
Prepayments and accrued income	775,125	582,702
	5,130,426	5,212,183

8. Creditors: amounts falling due within one year

	2012	2011
	£	£
Members' subscriptions invoiced in advance	5,807,943	5,377,247
Bank overdraft	-	115,774
Trade creditors	344,028	679,604
Accruals	471,250	473,516
Pension	19,508	20,806
Other creditors	37,999	47,079
Social security and other taxes	814,195	827,442
Corporation tax	105,908	-
	7,600,831	7,541,468

9. Limited liability

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

10. Financial commitments

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

	Land & buildings	Other	Land & buildings	Other
	2012	2012	2011	2011
	£	£	£	£
Less than one year	-	-	-	-
Within two to five years	344,738	18,571	-	15,601
After more than five years	-	1,612	344,738	-
	344,738	20,183	344,738	15,601

11. Pensions

The Company operates a defined contribution pension scheme to which both the Company and employees pay contributions. Contributions of £19,508 (2011: £20,806) were payable to the fund at the year end (see note 4 for total employer contributions paid during the year).

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 31st July 2002. The Company has been informed that it 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.

12. Reconciliation of movements in members' funds

	2012	2011
	£	£
Results for the year attributable to members of the Company	768,129	(207,567)
Opening members' funds	2,136,517	2,344,084
Closing members' funds	2,904,646	2,136,517

13. Reconciliation of operating surplus to net cash inflow from operating activities

	2012	2011
	£	£
Operating surplus/(deficit)	644,652	(391,199)
Depreciation	592,220	528,812
Decrease/(increase) in debtors	160,880	(874,355)
Increase in creditors	69,229	962,232
Deficit/(surplus) from sale of fixed assets	285	(3,135)
Net cash inflow from operating activities	1,467,266	222,355

14. Returns on investments and servicing of finance

	2012	2011
	£	£
Interest received	62,662	52,035
Rental income received	61,775	57,331

15. Capital expenditure and financial investment

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(246,523)	(675,546)
Proceeds from sale of tangible fixed assets	-	4,494
	(246,523)	(671,052)

16. Reconciliation of net cash flow/(debt)

	2011	Cash flow	2012
	£	£	
Cash at bank and in hand	2,933,900	1,229,406	4,163,306
Bank overdraft	(115,774)	115,774	-
	2,818,126	1,345,180	4,163,306

17. Subsidiary undertakings

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

<u>Name of company</u>	<u>Description of shares held</u>	<u>Accounting year end</u>
Article Number Association (UK) Limited	Limited by Guarantee	31st December
Association for Standards and Practices in Electronic Trade - EAN UK Limited	Ordinary Shares of £1 each	30th June

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

18. Related party transactions

J Spittle is the Chairman of the Supervisory Board.

During the year the Company made net purchases to the value of £51,336 (2011: £75,776) from Cranfield University, a company in which J Spittle has an interest. At the year end the balance outstanding to this company was £nil (2011: £19,174).

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

	2012	2011
	£	£
Accelerated capital allowances	-	40,070
Provision at start of period	40,070	29,827
Deferred tax charge in Income and expenditure account for period (note 5)	(40,070)	10,243
Provision at end of period	-	40,070

At the year end the Company had an un-provided deferred tax asset of £5,966 which due to it being immaterial has not been provided for in the accounts.

GS1 UK and The Food Chain

Feeding the fight against HIV

GS1 UK has always chosen to support charities through various fundraising efforts. Our staff are currently working alongside a fantastic charity 'The Food Chain' which exists to ensure people living with HIV can access the nutrition they need to get well, stay well and lead healthy, independent lives. We chose The Food Chain because we could see a clear link between our work in improving food supply chains and those who need access to good, nutritious food in order to improve their quality of life.

The charity delivers meals and groceries, offers cookery and nutrition classes and communal eating opportunities to people living with HIV and their dependents. The charity delivered its first meal on Christmas day in 1988 having been established by friends of people living with HIV. Today, we work with the charity to raise money, get involved and support these people struggling to access good food.



www.foodchain.org.uk

the food chain



**FASTER, CHEAPER, SAFER
FOR OUR MEMBERS TO SERVE
THEIR CUSTOMERS**



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