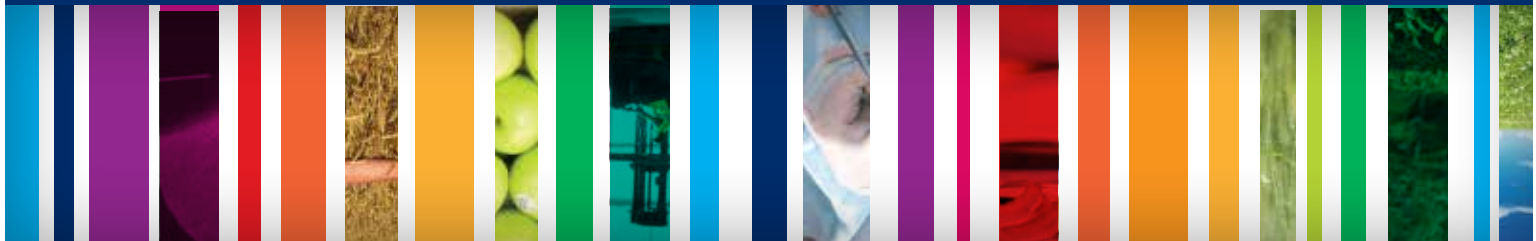




# Celebrating 40 YEARS of the bar code

**ANNUAL REVIEW • 2012/13**





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# Welcome

*Welcome to the 2012 – 2013 GS1 UK annual review.*

This year we are celebrating the **40th anniversary of the GS1 bar code**; this annual review is a special edition which commemorates our success over the last four decades while highlighting the progress we have made specifically over the last 12 months.

As we look back over the year, we also look forward to many more years of GS1 UK success. Please join us in toasting to the past, and to the future. Here's to GS1! Here's to the bar code!

## Who we are

We are an independent member-owned organisation that develops global standards, making it faster, cheaper and safer for our members to serve their customers.

The GS1 System is the most widely adopted set of supply chain standards in the world. It is used extensively in multiple sectors including Retail, Food Service, Healthcare and Online.

## What we do

We create a common foundation for businesses by uniquely identifying, accurately capturing and automatically sharing vital information about products, locations and assets. We enable visibility through the exchange of authentic data, empowering businesses to grow and to improve their efficiency, safety and sustainability.





These are both exciting and challenging times as the pace of change continues to accelerate and our strategies evolve in step with consumer demand.”



# A year in numbers

This year we've decided to share some of our favourite numbers with you to give you a flavour of the work we've completed in the last 12 months.

At GS1 UK we **love** numbers.

**4,500**  
new members



**375 attendees**

at the GS1 UK Annual  
Conference (our biggest ever)



A 40th anniversary cycle from  
**LONDON TO BRUSSELS**



**£10.9 bn**  
savings in retail/CPG



**£8,000 + raised**  
for The Food Chain charity



This year brings the completion of our three year strategic plan. I am delighted to announce that we have met or exceeded four of our 'Five to Drive' targets.

We've demonstrated our strengths, consistently delivering value to our members."



# Jim Spittle

## Chairman's statement

I would like to take the opportunity to acknowledge our team at GS1UK for their significant contribution in delivering an excellent set of results and improving services to our members in the year.

My thanks to our Supervisory Board members who have given their time and considerable industry experience in directing and supporting the GS1UK strategy. A number of our Board members will be standing down at the AGM this year, my thanks to them for their contribution and in particular I would like to thank Richard Copperthwaite, my Vice Chairman, for his guidance and support.

This last year, we've performed against an increasingly challenging backdrop of economic uncertainty, European regulation change and the perennial issue of consumers demanding more information about products. You'll hear more about these successes throughout this review but first a reminder of our key performance indicators, or 'five to drive'.

## Goal 1

- Grow net membership by 5.5% to 26,844
- Enter a new sector or new segment

**The results:** We finished the year with over 27,500 members following a growth surge in merchants joining to trade online. We also qualified General Merchandise as a focus area for 2013/14.

## Goal 2

- Grow TrueSource community value and implemented healthcare applications
- Determine current adoption of core GS1 standards in retail and food service

**The results:** We surpassed our target for healthcare applications with a total of 255 in the year and developed a repeatable model which was validated by Cranfield for tracking standards adoption in retail and food service.

## Goal 3

- Achieve 89% customer satisfaction

**The results:** We recorded a result for the year of 95%

## Goal 4

- Increase pool of GS1 standards expertise across staff at beginner, intermediate and advanced level
- Enter 'Best Companies' in 2012/13

**The results:** We are officially one of GS1's best trained Member Organisations, with 88% of our staff passing training. We also achieved 'ones to watch' in the Best Companies rankings.

## Goal 5

- Maintain a sustainable financial model that allows us to provide our members with cost effective and valued services and generate sufficient funds for the continued development of new innovative services and solutions

**The results:** We invested in projects to identify new sustainability services and also evaluated new markets for potential growth.

The one Goal we are still working toward is the increase in TrueSource adoption. After a slow start in the first few years, we have seen increased interest from the Food Service sector. This coming year we anticipate a rise in the demand

for TrueSource, proportionate to the requirements of the latest EU 1169/2011 regulations.

## The evolving landscape

As the economy shows signs of recovery, this year we've responded with confidence. We've set ourselves ambitious targets and long term plans for sustainable growth.

One area we're keeping a weather eye on is the online space, or I should say, multi-channel. This year we've hired new staff and made significant progress in the support of online retailer and members seeking to open additional channels through which to trade in the changing landscape.

## GS1 UK in the NHS, Getting Better

Increased patient safety is as high on the agenda as cutting costs to meet tightened budgets. How then can the NHS continue to deliver a safe, efficient service in the UK? There is, of course, no silver bullet. However, there is plenty that can be done in the short-term that will have a significant impact on the way healthcare services are delivered.

Patient identification through wristbands, reliable procurement strategies and enhanced supply chain efficiencies are just some of the ways in which GS1 is supporting the healthcare sector.

And we're only just getting started. This year we've seen the Department of Health issue a mandate on the use of our standards in eProcurement, details of which follow in the healthcare section of this review. This is the culmination of hard work from the team at GS1 UK and we are looking forward to seeing the impact of this mandate on the increased adoption of our standards across the NHS.

## Our 40th anniversary milestone

It's remarkable that while many technology trends have come and gone, the bar code persists and shows no sign of disappearing. It arrived before the fax machine but has remained relevant long after and bar code use is still growing as PCs, landline telephones, television and many other technologies begin to flag. Rather than being subsumed by the online revolution, it has achieved new importance in the World Wide Web era.

We are delighted to be placed right at the heart of this technology and it is with great pride that we celebrate 40 years of the GS1 bar code.





Happy 40th anniversary!  
What a privilege to celebrate the milestone anniversary this year and be part of a technology that is becoming ever more important.

And this past year we have had plenty to celebrate.”



# Gary Lynch

## Chief Executive's statement

At GS1 UK, we are gearing up for a bright future, surrounding ourselves with smart people, strategically chosen from across all areas of business to help us grow and develop. We've formed strong teams internally and great links externally. The purpose is simple: to better serve the needs of our members and to make it easier for you to serve your own customers better.



## Further growth with online sellers

With our membership now standing at just over 27,000, we saw further growth of 13% year on year among SMEs joining to trade online via Amazon and other marketplaces. This group now accounts for almost 10% of our total membership. We have taken steps this year to make the joining process more intuitive by introducing a new section on our member portal to guide marketplace traders through 'Getting Started' with GS1 standards.

The importance of this online growth for both traditional 'bricks and mortar' retailers and our new digital members is reflected in the greater focus that GS1 UK is applying to this sector and the creation of new solutions and services in the year ahead.

## New food labelling rules

For our food and drink members who trade online, the forthcoming Food Information Regulation (EU 1169/2011), which comes into effect in December 2014, will present both challenges and opportunities. This new legislation has been designed to support the consumer in making more informed choices by ensuring that the same information is available via 'distance selling' as on the product label.

We have been canvassing members' views on the ramifications of this legislation and are now taking practical steps to provide them with broader support in navigating through the required changes.

In summer 2013, we announced a closer collaboration with Brandbank, one of our existing industry partners and the leader in managing digital branded content in the UK grocery market. The partnership will provide our members with additional value and support in their trading relationships, as well as enabling them to achieve 100% compliance with the new legislation over the next 18 months. You'll hear more on this over the coming months.

## Transforming industry processes

Over the past few years, GS1 UK has become more involved in shaping key processes that make our standards work more efficiently and help trading relationships run more smoothly. Our unique neutral status lends itself perfectly to engaging with both demand and supply side to drive positive progress on an industry-wide level.

Our work in 2012/13 with the Efficient Consumer Response (ECR) group saw us sitting shoulder to shoulder with supply chain leaders from the grocery sector and their suppliers. This was to thrash out a better and more consistent way of managing the automated goods receipt process. Seeing this come to fruition has been hugely rewarding and demonstrates the true power of collaboration.

We launched this programme at our annual conference and the toolkit we've produced will pave the way for engagement this year with retailers and suppliers across the whole sector, resulting in greater compliance (and, we suspect, fewer headaches too).

## Transparency in Traceability

It wasn't all good news this year, many suffered at the hand of 'horsegate'. This situation touched many areas of the supply chain and implicated many GS1 UK members. We learned that while the issue was fundamentally that of criminal intent, there is huge industry demand for increased traceability systems.

As the industry recovers and responds, we've started work with key institutions and trade associations including Defra, the FSA, and Campden BRI to ensure that GS1 standards remain at the heart of the solution to provide full product traceability through the supply chain.

## Where next?

GS1 is developing a new global strategy to ensure our standards and programmes remain relevant to the evolving landscape and continue to add value to the industries we operate in.

**This year, I was appointed to the global management board, which means that the UK is directly represented for the first time and will be able to help shape the future strategic direction of the GS1 global organisation.**

For 40 years GS1 has been the global language of business. Now, we draw on that legacy, on decades of knowledge and experience to deliver yet another year of exceptional service and value to each and every one of our members.

**Here's to the next 40 years.**



# We are social



Follow us on Twitter:  
**@GS1UK**



Join our conversation on LinkedIn  
**<http://www.linkedin.com/company/gs1-uk>**





# 40th anniversary activity

*This year we have relished the opportunity to celebrate the milestone 40 year anniversary of the GS1 bar code. We have promoted this in many ways, securing widespread media coverage and increased visibility.*



Here are a few of our successes, past and present.

**THREE DAYS,  
THREE  
COUNTRIES**

In September we sent a team of 11 cyclists and support drivers on a 400km cycle journey across three countries from London to Brussels. Meeting GS1 France, Germany and our global office along the way, we raised £5,000 for The Food Chain as well as mass awareness for GS1 UK and the bar code.

**TWO  
CONFERENCES,  
TWO DAYS**

If you attended this year's annual conference you will have seen us celebrating with our very own bar code birthday booth. As well as cake and bubbly, members signed a birthday board which is now hanging back at base in GS1 UK's office.

**ONE RECORD,  
ONE TEAM**

We have set an ambitious target for this November: to achieve a Guinness World Record. GS1 UK staff and friends will take part in a timed event to scan products in the fastest time. An official adjudicator will be on hand to authorise the attempt. Watch this space for more information on the world's fastest human scanner.



1973

1974

1983

1989

# Celebrating Our History

## 40 Years of the Global Language of Business

Over the past forty years, we have seen remarkable innovations take root through the hard effort of industry collaboration. With new technologies, new applications and new industries, the impact of GS1 Standards is ever-evolving, driven by ongoing engagement with industry leaders working together to create better ways of doing business. From the first bar code and to the establishment of the Global Data Synchronisation Network™ (GDSN®), to the development of EPCglobal® and Radio Frequency Identification (RFID) technology—we have done it all together.

It's inspiring to look back over the past forty years, and particularly the last ten years, and see how far we've come.

### 1973

Industry leaders in the United States select a single standard for product identification (the Universal Product Code) over seven other options. This bar code is still in use and known today as the GS1® bar code.

### 1974

The Uniform Code Council (UCC) is established in the U.S. as a not-for-profit standards organisation (GS1 US™).

A pack of Wrigley's gum becomes the first product to be scanned with a GS1 bar code in a Marsh supermarket in Ohio, United States.

### 1976

Based on the original GS1 bar code, a 13th digit is engineered, allowing the identification system to go global.

### 1977

The European Article Numbering (EAN) Association is established as an international not-for-profit standards organisation (GS1). With a global office in Brussels, Belgium, the EAN Association has 12 founding Member Organisations from European countries. Together, they launch the GS1 identification system to improve supply chain efficiency in the retail sector.

### 1983

GS1 Standards expand beyond point-of-sale consumer units with ITF-14 bar codes for outer cases. This enables rapid scanning of item cases in the supply chain.

### 1989

GS1 Standards expand to logistics units with GS1-128 bar codes and GS1 Application Identifiers, which encode more information.

GS1 takes the first step into eBusiness with the original version of the EANCOM Manual, an international standard for Electronic Data Interchange (EDI). This enables electronic transferral of invoices and orders.

### 1990

The UCC (GS1 US) and EAN International (GS1) sign a cooperative agreement formalising their intent to co-manage global standards. With this agreement, GS1 has presence in 45 countries.



## 1995

GS1 expands the use of GS1 Standards in the Healthcare sector with the first Healthcare Collaboration Project.

## 1996

SC31, the International Organisation for Standardisation's committee for automatic identification and data capture standards is launched, signifying international cooperation around the development and use of new standards.

## 1999

The Auto-ID Centre at the Massachusetts Institute of Technology is launched, leading to the development of the Electronic Product Code™ (EPC®).

## 2000

At the start of the new millennium, GS1 had presence in 90 countries.

## 2002

The Global Standards Management Process (GSMP) is launched, providing a global forum for GS1 members to discuss and establish new standards-based solutions for their businesses.

## 2003

GS1 forms EPCglobal and initiates the development of the EPCglobal architecture and standards.

The GS1 DataMatrix (the first two-dimensional symbol adopted by GS1) is approved.

## 2004

GS1 publishes the business message standards (using XML) and the first standard for Radio Frequency Identification (Gen2).

The Global Data Synchronisation Network (GDSN), a global, internet-based initiative that enables trading partners to efficiently exchange product master data, is launched.

## 2005

The new name for the organisation, GS1, is launched worldwide.

## 2007

The World Customs Organisation and GS1 sign a Memorandum of Understanding, agreeing to support and encourage the harmonisation of standards in the customs sector.

GS1 enters the world of Business-to-Consumer (B2C) solutions. The aim is to provide open standards to link product information with consumers and businesses through mobile devices.

## 2011

GS1 expands its offerings with the approval of the GS1 QR Code. This enables URLs to be linked to a GTIN.

## 2013

With presence in 111 countries, GS1 celebrates 40 years of the Global Language of Business.

To learn more about our history and our future, visit [www.GS1.org/40thanniversary](http://www.GS1.org/40thanniversary).



It's inspiring to look back over the past forty years, and particularly the last ten years, and see how far we've come."





# Meet the 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 2013/14 will be the development of the three year strategy in order to anticipate and meet the evolving needs of our members.







## Gary Lynch

I joined GS1 UK in 2002 and in 2007 the Supervisory Board appointed me Chief Executive. As CEO, I am responsible for leading the formulation and successful implementation of our strategic plan.

I'm also a member of the GS1 Advisory Council, GS1 in Europe Board and a member of the GDSN Board of Governors.

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

This year I was invited to join the GS1 Global Management Board. This is the first time a GS1 UK CEO has joined the board and it is a wonderful opportunity to elevate GS1 UK on a global scale.

.....  
**t:** @Gary\_GS1UK

**l:** [uk.linkedin.com/pub/gary-lynch/1a/829/5ba](http://uk.linkedin.com/pub/gary-lynch/1a/829/5ba)



## Andrew Osborne

As our Chief Technical Officer, I'm responsible for maintaining our technical integrity and managing the interface with GS1 internationally.

I've been involved in the development of GS1 standards for business data, bar coding, RFID and EDI since 1979. I'm 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. I'm also chairing a group creating harmonised Europe-wide advice on using GS1 standards to comply with the EU Food Information Regulations.

This year I've enjoyed editing John Berry's book, The Secret Life of Bar Codes. It's an interesting read which I highly recommend to GS1 UK members.

.....  
**l:** <http://www.linkedin.com/pub/andrew-osborne/13/595/48>



## Alaster Purchase

I joined GS1 UK in 2003. As Chief Operating Officer I am responsible for industry engagement and membership services, ensuring that we are supporting industry in promoting standards adoption and making it easy and valuable for our members to interact with us, through services such as consultancy, training, onboarding and our online portal.

Before joining GS1 UK, I 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.

This year I had the privilege of joining the 40th anniversary cycle team which rode from London to Brussels. Three days on a bike crossing three countries – what a terrific way to raise awareness of what we do as well as money for The Food Chain charity.

.....  
**l:** <http://www.linkedin.com/pub/alaster-purchase/0/65b/722>



## Dave Crapnell

As Chief Financial Officer and IS Director I am responsible for the integrity of GS1 UK's financial processes and information systems.

I have 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 UK I spent 12 years with the Europ Assistance Group in a number of senior positions including Finance & IT Director and Operations Director.

I am 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.

.....  
**l:** <http://www.linkedin.com/pub/dave-crapnell/24/140/b4a>



## Holly Porter

I joined GS1 UK in November 2012 in the newly created position of Chief Marketing Officer. I'm responsible for developing and leading a marketing strategy that drives growth in the use of GS1 standards and solutions.

Before joining GS1 UK, I spent eight years at Wincanton, the supply chain business, where I was responsible for the development of the brand and its solutions for the retail, FMCG, industrial, construction and defence sectors. Prior to this, I worked in the packaging sector and also spent five years at a PR and corporate communications agency.

This year I've been particularly focused on our collaboration with Brandbank. We've seen great initial success especially in developing services to prepare the industry for the imminent Food Information Regulation EU 1169/2011.

.....  
**l:** <http://www.linkedin.com/pub/holly-porter/5/640/114>



There is an increasing need for consumers to link rich digital product information to the physical products that they use and consume."



# Meet the game makers

*It is hard to get a true feel for any organisation without really getting under its skin.*

*So this section is designed to provide a look behind the scenes at some of the people and activities who contribute to the GS1 UK member experience.*

## Working with you and for you

The way we deliver value works on many different levels and covers a range of activities. Each and every one of our sixty-strong team at GS1 UK is focused on a common set of goals, which revolve around our members. At the very least, we work together to make dealing with GS1 UK a smoother and more memorable experience, and in some cases the projects we do for members and for industry really are 'game changers'.





## Service team

Our Service team is at the front line of our operations, taking calls, troubleshooting technical issues and answering member queries. The team can regularly be heard communicating the benefits of working with global standards and showing new members how to get started. Support on the end of the phone works hand-in-hand with information on our member portal, which makes key processes more intuitive. The service team also carries out surveys to tap into our members' opinions and monitor their needs.



After almost three years on the service team, I would like to think that I have an answer for most things! I get a real sense of satisfaction from walking new members through the process of creating their first bar code and helping them to start trading with their customers. There's a lot of information on our website now, but some people just like to phone in. We also use calls as an opportunity to get our records right, which will mean that our communications in the future are more relevant."

*Craig Lee*

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## Consulting

We have a team of seven consultants who specialise in supporting members with standards adoption and ensuring that processes within industry and the NHS are optimised so that organisations achieve the maximum benefit from deploying GS1 standards. Engagements range from addressing an industry issue in conjunction with other trade bodies or groups to funded assignments on behalf of individual member businesses. Our experts can also be found speaking at industry events or hosting member workshops. This team are experienced professionals, drawn from across the industry, with a wealth of knowledge in areas such as data quality and integrating our standards with systems and technologies.



All of us have technical or consulting backgrounds combined with operational experience in GS1 UK's focus industries, so we understand the complexities and challenges that our members face, whether we are talking to a major grocer, a hospital or a small branded manufacturer. Our work out in the field enables us to build a wide knowledge base and we can bring this experience to bear for the benefit of all our members. The Advanced Shipping Notification (ASN) harmonisation work with ECR has been particularly rewarding this year, because this has addressed a set of common industry challenges and resulted in a simpler way of operating for the retailers and their suppliers."

*Mark Gillott*

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## Business systems

We operate a suite of systems to automate processes for members and to make GS1 UK more efficient. Examples would be Numberbank, the database that controls allocation of company prefixes and associated number ranges, and our website and member portal, delivering self-service offerings for members from joining online to paying invoices and managing personal details. Keeping the technical estate up and running, and planning upgrades and improvements as technology develops is a constant driver for the team.



Alongside our systems, I also focus on the processes we have in the organisation to support them. This year, we have introduced a common project management methodology so that different projects and initiatives have greater clarity of ownership and purpose. This consistent approach means that we can track progress more easily and provide additional support at the right times, with the ultimate aim of delivering better results for our members."

*Kylie Stonard*

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## Partner programme

The GS1 UK partner programme is a highly successful category of our membership. GS1 standards are the 'global language of business', so that makes our partners the linguists, as they implement the technology that brings our standards to life. We measure achievement by growth in deployment and usage of our standards and our partner network is critical to that success. To be part of our partner programme, each company goes through our stringent accreditation programme, meaning they have the right skills to implement GS1 standards correctly.



Engaging and involving our trusted network of Industry Partners in the programmes on our Operating Plan is vital to our success and the deployment of GS1 standards to end users. Through workshops, briefings and webinars we keep our partners informed and agree the best way to collaborate. This year's annual conference was a particular highlight, with a record number of partners exhibiting and hosting round table discussions with our delegates."

*Jonathan Brown*

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## Industry development

Our industry development team works with our largest members to engage with their different internal functions and help ensure standards are adopted consistently across the business. They also identify areas where we can provide support via other GS1 UK teams, ranging from training and bar code verification to data quality and supply chain compliance assignments. We have managers dedicated to grocery retail, convenience, e-tail, food service, health & beauty, CPG and healthcare to provide the right level of focus on our core industries.



I enjoy getting feedback directly from our members and understanding the different dynamics within their businesses. It is particularly rewarding when we identify untapped areas for standards and can work with internal champions to effect change. This year I have led a discovery programme in the brand licensing space, where the supply chain is more complex and could benefit significantly from standards to improve visibility across the whole value chain. This has industry-wide potential and was presented at the GS1 Global Forum this year."

*Wajih Rehman*

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## Training

Increased demand for our training services has led to additional investment this year and an extended programme ranging from bar codes and standards in healthcare through to coupons and data quality. In 2012/13 we held 27 training events and trained almost 200 delegates with a satisfaction rate of 99%. We launched a Member Accreditation service and all our courses have now been CPD Certified. In the digital age, the way that we deliver training is changing too and we've added webinars and e-learning options to our toolkit to make education more widely accessible.



Training is vital to ensuring that standards are properly understood and applied out in our members' organisations. This year, I've made it my business to broaden the range of training options available and launched a new monthly training bulletin to raise awareness. Our complementary 'Getting Started' course for new members has been particularly popular and helps them get standards right from the outset, avoiding costly mistakes."

*Ben Clarke*

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# Adding value

## Understanding the true value of standards

We often talk internally about the difference that adopting our standards makes to the efficiency and safety of business and even to our everyday lives as consumers, but know that we are speaking to the converted.

While few of our members would doubt that having a common language for identifying products and sharing information creates a better way of working, we know that the impact is underestimated to say the very least.

**“** We have created a sustainable, repeatable process for tracking the value and penetration of standards in years to come.”

This year, we have focused efforts on putting a real value on this difference to show the progress that has been made, and the sheer amount standards are saving industry in monetary terms, not to mention in efficiency. Our starting point was to look at patterns of standards adoption within UK Retail, where GS1 is most broadly established, and also the emerging Food Service sector, to create a fuller picture of standards penetration in these sectors.

We did this by looking at key processes along the supply chain where our standards are implemented; specifically bar codes at Point of Sale for Retail and the use of EDI by retailers or hubs and their suppliers for ordering, invoicing and goods receipt. This exercise gave us a base-line adoption level. We then enlisted our partners Cranfield to add academic integrity to this process and provide independent verification of our adoption calculations. Cranfield worked with us to develop value calculators for each of these processes, giving an overall saving and calculating what a 1% increase in adoption would mean in real value terms.

Retail/CPG industry	
2013 core standards adoption index	<b>31.3%</b>
Cost savings due to the deployment of GS1 standards	<b>£10.9 billion</b>

Bar codes at POS • Retailer EDI • Supplier EDI

Food Service industry	
2013 core standards adoption index	<b>5.5%</b>
Cost savings due to the deployment of GS1 standards	<b>£21 million</b>

Operator EDI • Supplier EDI

The results show that our standards are well established in Retail, but that there is still so much potential for our standards to make savings and efficiencies for other UK industries. The work carried out this year has given us a valuable base-line from which to set targets and track progress year-on-year.

For the year ahead, we will be able to calculate the progress made from these base-lines – a first within GS1 globally. We are also developing five more calculators to cover more standards and processes along the supply chain and extending the measurement framework to include healthcare.




## Setting standards

The GS1 System of standards is the bedrock of our organisation and provides us with a unique position as custodian of a 'global language of business'. This year, we have rolled out a framework known as 'identify, capture and share':

But how do we ensure that our standards remain fit for purpose? The Global Standards Management Process is orchestrated and managed by GS1 globally, but seeks the input of industry users in member organisations everywhere. In the UK, we run technical user groups to consult our members and put forward recommendations for changes.

GS1 is currently working with The Consumer Goods Forum at a global level to address a dilemma that is becoming more acute in the digital age. The 'Next Generation Product Identification' working group will evaluate how minor product variations (i.e. ingredient or packaging changes) can be accurately disclosed to consumers who are researching or buying online without the need for a change to the Global Trade Identification Number (GTIN). This issue is particularly pertinent for regulators, who are pushing for more transparency and traceability of our goods.


So as you can see, the standards process has a key role to play in navigating the balance between accurate, quality data and the constant pressure of increasing cost for our members.



**IDENTIFY**









GS1 Standards for identification


<p><b>Company and location</b></p> <ul style="list-style-type: none"> <li>Global Location Number (GLN)</li> </ul> <p><b>Product</b></p> <ul style="list-style-type: none"> <li>Global Trade Item Number (GTIN*)</li> <li>Serialised Global Trade Item Number (SGTIN)</li> </ul>	<p><b>Assets</b></p> <ul style="list-style-type: none"> <li>Global individual Asset identifier (GIAI)</li> <li>Global Returnable Asset Identifier (GRAI)</li> </ul>	<p><b>Other</b></p> <ul style="list-style-type: none"> <li>Global Service Relation Number (GSRN)</li> <li>Global Document Type Identifier (GDTI)</li> <li>Global Coupon Number (GCN)</li> </ul>
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**CAPTURE**

GS1 Standards for Automatic Data Capture

<p><b>GS1 Bar codes</b></p> <ul style="list-style-type: none"> <li>EAN/UPC </li> <li>GS1-128 </li> </ul>	<p>ITF-14 </p>	<p>GS1 DataBar </p>	<p><b>GS1 EPC/RFID</b></p> <p>Electronic Product Code (EPC) RFID</p> <ul style="list-style-type: none"> <li>EPC HF Passive </li> <li>EPC UHF Passive </li> </ul>
	<p>GS1 DataMatrix </p>	<p>GS1 QR Code </p>	<p>GS1 Composite Bar code </p>



**SHARE**

GS1 Standards for Automated Data Exchange

<p><b>Master data</b></p> <ul style="list-style-type: none"> <li>Global Data Synchronisation Network (GDSN*)</li> </ul>	<p><b>Transactional data</b></p> <ul style="list-style-type: none"> <li>eCom (EDI) EANCOM, GS1 XML Business Message</li> </ul>	<p><b>Event data</b></p> <ul style="list-style-type: none"> <li>Electronic Product Code Information Services (EPCIS)</li> </ul>
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# Our key sectors

While G&I standards permeate countless areas of the UK market, at G&I UK we focus on three key sectors:

In both **Retail** and **Food Service**, we focus on the demand and supply side, supporting trading relationships through process harmonisation and compliance.

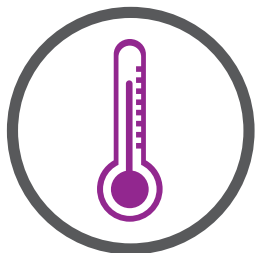
In **Healthcare**, we are driving the mandate from the Department of Health, working with NHS Trusts to implement our standards in Foundations and hospitals.



RETAIL



FOOD SERVICE



HEALTHCARE



# Retail

*It's been another interesting year in retail.*

The high street has undergone huge changes as online continues to muscle in. The smart retailers have adapted, developed their offering and kept an open mind to new technologies. Omni-channel, or multi-channel, has become synonymous with major retailers. And the journey has only just begun.



“ This year the bar code saved the retail grocery sector **£9.2bn** at point of sale.”

GS1 UK has focused on alleviating industry problems, making it easier for our members to do business together. This year we were delighted to roll out a harmonised approach to the goods delivery and receiving processes.

Supported by ECR UK, the GS1 UK working group developed an easy-to-use online toolkit to help organisations in the retail supply chain discover how much time and money they might save by adopting a standard approach. It is now calling on others in the industry to take up these tools and support the drive towards collaborative systems and processes for goods delivery and receiving between trading partners.

The group will now focus its efforts on Electronic Proof of Deliveries (ePODs) and the new lines process – watch this space.



“ The typical time it takes to unload a truck of 26 pallets can be reduced from 52 to just **four minutes** when compared with conventional paper-based orders and delivery notes.”



## Getting it 'Right First Time'

We hold regular sessions to tap into our members' feedback and understand the issues they are grappling with. At one such panel last year, grocery retailers and suppliers confirmed that there is still confusion around basic supply chain delivery principles, which can cause inefficiency and additional costs. This then has a knock-on effect on availability, sales and profit. Specific issues and areas where improvement is needed were cited as:

- Communication of delivery requirements to suppliers
- Interpretation of standards by different suppliers, retailers and locations
- Compliance around basic delivery requirements
- Bar code quality
- High levels of claims



With both suppliers and retailers putting additional checks and 'work-arounds' in place as a safety net, there is clearly an opportunity to make positive changes. In response to this feedback, we have developed the 'Certificate of Excellence' concept to certify larger suppliers against agreed processes and standards in order to drive continuous improvement in the in-bound supply chain.

A successful pilot with a large multi-national supplier and a UK grocery retailer showed that this certification process could play an important role in improving confidence and compliance between retailers and their largest suppliers. In fact a potential saving opportunity of £4 million was identified as the result of reduced checks.

GS1 UK has now set up a Retail Harmonisation Group to work on behalf of the industry and further shape this solution with a view to reducing claims, frustration and inefficiency through improved standards.





# Food Service

*It has been quite a year in the Food Service sector.*

With many significant issues such as sustainability, food safety, food wastage and cost savings facing the sector, accurate and timely information is becoming increasingly important. GS1 UK has been helping businesses capture and share standardised information throughout their business to the benefits of their customers and their supply chain.

This year GS1 UK has worked with organisations including Mitchells & Butlers, Compass, Whitbread, Brakes, 3663, Unilever, Nestlé, Fairway Food Service and the BFFF, to assist in improving cost savings and increasing customer satisfaction by providing the right information within the Food Service sector.

**“** We are working with the Food Service sector to deliver improved efficiencies between trading partners.”

## GS1 UK and the Food Service Directors' Group (FSDG)

Facilitated by GS1 UK, the FSDG has members from leading industry players who recognise the need for a common approach to an increasing problem in the Food Service sector: the provision of up-to-date and accurate product information for all parties involved.





## Setting out The Information Challenge

In September 2012, we launched a report produced in collaboration with the FSDG entitled The Food Service Information Challenge, which laid out the challenges and opportunities for the sector and highlighted the importance of effectively and efficiently managing information. The key conclusion was that the industry needs to collaborate to address the issue of inaccurate information head on.



Information demands are set to double within the next five years from over 200 to over 400 attributes for each product. At the same time, increasing demands from consumers, legislation and Corporate Social Responsibility initiatives to provide up-to-date and accurate information for all parties will mean that it is more important than ever for the sector to ensure they have the right product with the right information in the right place at the right time and at the right cost.

The quality of this information is a priority, as there is an obligation to provide robust, accurate information across ingredients, packaging waste, energy, water and allergens and the challenge spans the whole Food Service sector, including suppliers, distributors and operators.

Consequently, the FSDG seeks to drive industry change by getting everybody speaking the same language to improve efficiency and remove unnecessary costs from across the entire supply chain. This year the FSDG has been busy making a significant difference in the sector.

### What we've achieved this year with the FSDG:

- Instigated an industry-wide call to action for the adoption of standards
- Secured extensive media coverage both online and in print media
- Published a Getting Started guide to help suppliers trade successfully
- Provided training and support for members to successfully deploy GS1 standards



A standard approach ensures everyone has access to correct and complete information, improving customer experience and saving significant time and money through the avoidance of errors."





# Healthcare

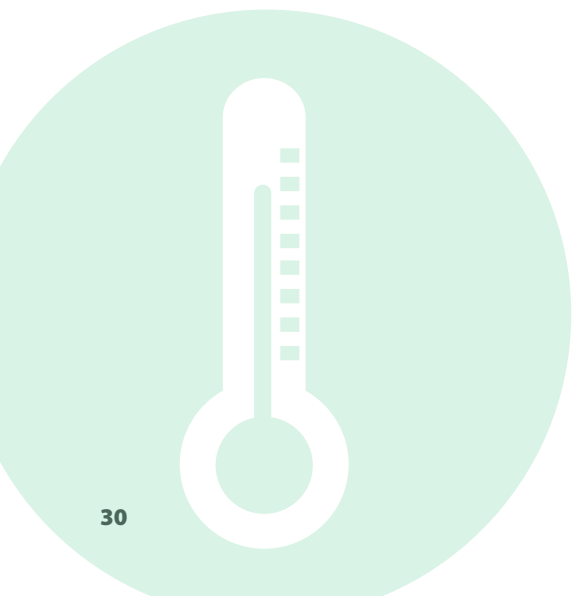
*Our NHS can save much more by radically changing the way it buys.*

## Healthcare

Since its inception in 1948 the NHS has been in the process of constant change. When 13 year old Sylvia Diggory was admitted as the first NHS patient to Trafford General Hospital near Manchester, founding father Aneurin Bevan heralded the inauguration as “The biggest single experiment in social service that the world has ever seen undertaken.”

Nearly every year since has seen reorganisation, restructuring and re-alignments as governments have struggled to meet increasing demands for better healthcare from an aging population. And in 2013, the Health and Social Care Act has shifted the balance (and the budget) to primary care commissioners, representing a radical new approach to the delivery of healthcare.

“ The essential building block for improving data for the longer term is the adoption of GS1 as the supply chain coding standard by both the NHS and its supplier base.”





# Better Procurement, Better Value, Better Care: A procurement development programme for the NHS – Department of Health.

Yet with a real term reduction in funding from central government, the seemingly conflicting demands of more and better healthcare with less and less money is driving innovation and stimulating interest in the application of GS1 standards.

The mandate for the adoption of GS1 standards for patient identification on whistbands came into force on 1st October 2013. Now, the Department of Health has clearly indicated its intention to mandate the adoption of GS1 standards in its procurement processes.

## Two of the key elements of the new NHS procurement strategy are:

- To mandate through contracts the use of GS1 coding for the NHS
- Create a single NHS GS1 data pool for the NHS to use in its systems

The coming year will see the roll-out of this new approach and the publication of the detailed eProcurement strategy for the NHS.

This initiative, combined with the key legislative drivers of Unique Device Identification and the Falsified Medicines Directive (which will require each and every medical device and pack of medicines to be uniquely identified) will add to our on-going projects in patient identification, medical records tracking, inventory management and procurement efficiency.

The dawn of a new long-term agreement with the Department of Health, reflecting their and GS1 UK's commitment to AIDC in UK healthcare provide us with a solid foundation for the years to come.





GS1 standards help move customers effortlessly along the multi-channel purchase journey.”





# A great place, for great people

How can you make Monday mornings a time that staff look forward to? Simple. Create an environment in which people want to work. This year we've been working on just that.

## Wear in the world?

As we celebrate the 40th anniversary of the bar code, we've challenged our teams to wear a GS1 UK bar code t-shirt on their holiday abroad. We are aiming to reach 40 locations this year and we're already over half way. Can you recognise these famous landmarks?

Answers below.



## The greater good

Last year we announced our partnership with London charity The Food Chain (TFC). Over the last 12 months we've been busy raising money through some rather creative methods. We've had everything from half marathons to cooking competitions and the epic three-country/three-day cycling challenge from London to Brussels.

So how much have we raised?

**£8,000**

We also commit our time and industry knowledge to The Food Chain. This year we've helped TFC develop a more efficient way of sourcing and ordering food, storing it and then replenishing it, which was also cheaper. Our marketing team has helped to train TFC in techniques to reach and engage with new audiences.



## Who cares?

We make a point of actively engaging with media to promote our work with industry and encourage the use of our standards. After all, the more people using GS1 standards, the better all our lives become. We've enjoyed great media attention this year and made important links between our work and improvements in safety and efficiency. Did you see GS1 UK reported in the BBC, Retail Week, The Grocer, Food Manufacture, and Caterer and HotelKeeper? Keep an eye open for our coverage and don't forget to share with your own networks.

## Press highlights





# Meet the 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.







## Jim Spittle: Chairman

Our Chairman, Jim, has 30 years of experience in retailing, manufacturing and supply chain management. He held senior executive positions with DSGI, Whitbread, Kingfisher and Tesco stores.

In addition, Jim is the Chairman of G-ILS, Vice President for the Chartered Institute of Logistics and Transport, an Advisory Board Member and external examiner at Cranfield University Supply Chain and Logistics, the Chairman of The Qube and an Advisory Board Member for De Poel Consulting Limited.

! <http://www.linkedin.com/pub/jim-spittle/0/b2/a3a>



## Richard Copperthwaite: Vice Chairman

Richard is the Tesco CIO for Central Europe and Turkey, responsible for IT delivery across the region. Richard has been with Tesco for ten years and prior to his current role, was IT Director in Tesco.com.

Richard has worked with many leading retailers in an IT and operations career spanning 25 years, specialising in multi-channel, non-food, logistics and the challenges of fast-moving, high-growth operations. His background and expertise in the industry make him a trusted and valuable member of the GS1 UK family.



## Neal Austin

Neal is Group Logistics and Supply Chain Director for Morrison's, responsible for the flow of products from supplier to store. He also sits on the Management Board.

He joined the group in October 2006 from MFI, where as Logistics Director, he was part of the team involved in the sale of the retail business into private equity ownership. Prior to MFI, Neal spent 10 years at Asda, in buying, store development and supply chain roles progressing through to Supply Director. He has recently been asked to launch Morrison's food online offer.

Neal's track record of supply chain system success positions him as an expert addition to the GS1 UK Supervisory Board.

! <http://www.linkedin.com/pub/neal-austin/43/a94/31b>



## Marcus Dunsmore

Marcus is Vice President, Customer Service & Logistics for Mondelēz International Europe.

Marcus joined Unilever after graduating from Nottingham University with an engineering degree. In his last role with Unilever Marcus was a member of the Global Supply Chain Leadership Team.

Marcus joined Cadbury Schweppes' Global SC Leadership Team in 2006 as Logistics and Customer Operations Director and had functional responsibility for Planning and Logistics functions across the world. Kraft transitioned to Mondelēz International in October 2012.

Marcus brings a wealth of knowledge and industry experience to the GS1 UK Supervisory Board.

.....  
**l:** <http://www.linkedin.com/pub/marcus-dunsmore/2/bb6/a0b>



## Rob Fraser

Rob joined the Operating Board at Sainsbury's as IT Director in July 2009, bringing 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 experience working for Rank Xerox and Marks & Spencer.

GS1 UK benefits greatly from his IT prowess and depth of knowledge in the retail space.

.....  
**l:** <http://www.linkedin.com/in/robfraser>



## Dr Stefan Hesse

Stefan has over 16 years of experience in the retail and wholesale sector having worked in several countries and headquarter roles at C-level, mainly within METRO Group across emerging and mature markets.

He initially joined the Controlling Department of Metro Cash & Carry International where after two years he became Head of Controlling at Metro Bulgaria. Stefan played a key role in setting up a completely new Cash & Carry country organisation in a green field investment.

Moving to Metro Romania in 2000 as Director for Finance, IT and SCM, Stefan joined the Executive Board and played a pivotal role in the phased turn around and high speed expansion of Metro Stores in the Romanian market.

From 2003 he took up responsibilities as Vice President Corporate Financial Control of Metro Group in the German Headquarters. He has been Finance Director of Makro Cash & Carry UK with additional responsibilities for Supply Chain Management and IT from 2005 till 2011.

Stefan is an entrepreneur as well as an active investor and advisor to start-ups and growth companies in Retail, E-/M-/S-Commerce and FMCG. He is Managing Director of Nica Ltd., a company active in the area of Health & Beauty and an active investor in Think Power Ltd., a manufacturer of health and performance oriented soft drinks, and CloudUn Ltd., a provider of cloud based IT services for SME. His knowledge of best practice solutions and global scaling are highly valued at GS1 UK.

! <http://www.linkedin.com/pub/stefan-hesse-dr/35/240/b85>



## Lawrence Hutter

Lawrence Hutter is Chief Executive Officer of Alvarez & Marsal's European Business Advisory practice for major corporates. He brings more than 25 years' experience of working with some of the world's best-known global companies on a wide array of business performance improvement initiatives across the consumer products, retail and related industry sectors.

He specialises in areas such as operating model design, commercial capability development, regulatory strategy and end-to-end value chain optimisation. Prior to joining A&M, Lawrence served as the Global Head of Deloitte's consumer products, retail and hospitality practice. Prior to that, Lawrence established his own strategic advisory firm, which was subsequently acquired by Deloitte.

He is well known in the consumer business industry and speaks frequently at major industry conferences around the world. He is a member of the Institute of Management Consultants, the Institute of Directors, the Chartered Institute of Logistics and Transportation, and brings great industry perceptiveness to the Supervisory Board.

! [http://www.linkedin.com/profile/view?id=5216119&trk=nav\\_responsive\\_tab\\_profile](http://www.linkedin.com/profile/view?id=5216119&trk=nav_responsive_tab_profile)



## Duncan Lennard

Duncan is responsible for corporate strategy and change at Brakes Group. Having previously run the Corporate Division, he now is defining and delivering new and better ways to meet customer future needs.

Duncan began his career at Unilever. Having trained as an engineer he 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 the launch of 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. His tenacity for business and knowledge of processes make him a valuable member of the board.



## Monique Picou

Monique is Supply Network Operations Director for Procter & Gamble in the UK & Ireland and 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.

Monique moved into a global role, leading corporate training and development programmes for product supply before taking on the management of P&G's manufacturing site in Augusta, Georgia. Following three years as Supply Network leader for P&G's Western European Fabric Care operations, Monique joined P&G UK & Ireland in 2010.

! [http://www.linkedin.com/profile/view?id=44030748&trk=nav\\_responsive\\_tab\\_profile](http://www.linkedin.com/profile/view?id=44030748&trk=nav_responsive_tab_profile)



## Chris Poole

Until recently Chris was Global Customer Service Development Director at Diageo working alongside the regional Diageo organisations on cost and service improvement initiatives and capturing best practices to be shared and reapplied across the world.

Previously, Chris was GB Supply Chain Director at Diageo where he led Demand and Supply Planning, Physical Distribution, Order Processing and a team of Customer Supply Account Managers.

Most of Chris's career was spent at Procter and Gamble where he spent over 20 years in Sales and Supply and where he was Customer Service/Logistics Director for UK and Ireland and Physical Distribution Director for western Europe

He has also worked at PA Consulting as Head of Supply Chain and at B&Q as Director of Value Chain. His background in the supply chain space makes him a huge asset to the Supervisory Board.

.....  
: <http://www.linkedin.com/in/chrispoolelogistics>



## Lee Tate

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

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

A graduate in English and Philosophy, he is also a Fellow of the British Computer Society and a Chartered IT Professional.

He is the longest serving director of GS1 UK 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 Central Networks for the Health and Social Care Information Centre.

A key component of the HSCIC portfolio is the promotion of RFID and bar coding standards through the NHS, using GS1 standards.

Prior to joining the NHS, Chris worked in the telecommunications industry gaining experience across multiple fixed and mobile network operators and consultancies throughout the world.

GS1 UK draws on Chris's experience and contacts within HSCIC and the NHS when promoting the adoption of GS1 standards in healthcare.



# Financial statements







# 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 2013.

## 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 increase the number of organisations that benefit from the use of GS1 standards
- To deliver value through increased adoption of GS1 solutions
- To deliver excellent customer service
- To provide a great place to work for great people
- To invest for the future

In the third year of its 3-year strategic plan the Company continued to perform strongly against these objectives, exceeding its targets across all but one of its key objectives.

KPI	Target	Result
Membership growth	5.5%	7.5%
Sustainable healthcare implementations	229	255
Truesource solution – community value	£618k	£495k
Customer satisfaction	91%	95.2%
GS1 standards expertise	55%	92%
Reserves	£2.9m to £3.7m	£3.25m

## Members of the Supervisory Board

The officers and elected members of the Supervisory Board are set out on pages 36 - 40. 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.



# Report of the Supervisory Board

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 2013 the Board comprised of ten Non-Executive Directors (2012: twelve) plus the Chairman and one Vice Chairman. In addition there were three Executive Directors (2012: 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 two other 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 Supervisory Board, individuals who are able to fill the roles of President, Chairman, Vice Chairmen, 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.



# Report of the Supervisory Board

## 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: 10th September 2013



# Independent Auditors' report to the members of GS1 UK Limited

We have audited the financial statements of GS1 UK Limited for the year ended 30 June 2013 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 pages 42 - 43 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 30 June 2013 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: 10th September 2013

Chartered Accountants  
Devonshire House  
60 Goswell Road  
London EC1M 7AD



# Income and expenditure account

For the year ended 30th June 2013

	Note	2013 £	2012 £
<b>Turnover - continuing operations</b>	1	<b>8,610,037</b>	7,889,978
Administrative expenses		<b>(8,368,049)</b>	(7,245,326)
<b>Operating surplus</b>	2	<b>241,988</b>	644,652
Interest receivable and other income	3	<b>203,701</b>	189,315
<b>Net surplus for the year before tax</b>		<b>445,689</b>	833,967
Taxation	5	<b>(107,150)</b>	(65,838)
<b>Net surplus for the year after tax</b>	12	<b>338,539</b>	768,129
Accumulated fund brought forward		<b>2,904,646</b>	2,136,517
<b>Accumulated fund carried forward</b>	12	<b>3,243,185</b>	2,904,646

## **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 49 to 55 form part of these financial statements.



# Balance sheet as at 30th June 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	6	<b>609,528</b>	1,211,745
<b>Current assets</b>			
Debtors	7	<b>5,970,006</b>	5,130,426
Cash at bank and in hand	16	<b>4,661,354</b>	4,163,306
		<b>10,631,360</b>	9,293,732
<b>Creditors: amounts falling due within one year</b>	8	<b>(7,997,703)</b>	(7,600,831)
<b>Net current assets</b>		<b>2,633,657</b>	1,692,901
		<b>3,243,185</b>	2,904,646
Provisions for liabilities and charges	20	-	-
<b>Net assets</b>		<b>3,243,185</b>	2,904,646
<b>Reserves</b>			
Accumulated members' fund	12	<b>3,243,185</b>	2,904,646

Approved by the Supervisory Board on 10th September 2013 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 2013

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>	13	<b>830,153</b>	1,467,266
<b>Returns on investments and servicing of finance</b>	14	<b>66,458</b>	62,662
<b>Rental income received</b>	14	<b>66,024</b>	61,775
<b>Taxation</b>		<b>(106,484)</b>	-
<b>Capital expenditure and financial investment</b>	15	<b>(358,103)</b>	(246,523)
<b>Increase in cash</b>	16	<b>498,048</b>	1,345,180



# Notes to the financial statements for the year ended 30th June 2013

## 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

	2013 £	2012 £
<b>The operating surplus is stated after charging:</b>		
Depreciation - owned assets	<b>403,342</b>	592,220
Auditors' remuneration	<b>11,982</b>	11,376
Non audit fees paid to auditors	<b>10,239</b>	7,292
Operating leases - land and buildings	<b>330,374</b>	298,775
Operating leases - other	<b>17,521</b>	16,544
Impairment on disposal of tangible fixed assets	<b>556,554</b>	-
Loss on disposal of tangible fixed assets	<b>(425)</b>	(285)

During the year the directors conducted a review of the carrying value of the Company's investment in two of its core business applications, the GS1 UK online system and its TrueSource system.

This review concluded that due to developments in the Company's business and the advancement of online technology that the carrying value of these systems should be reduced by £556,554 to reflect a lower future economic benefit to be derived from these systems.

## 3. Interest receivable and other income

	2013 £	2012 £
Bank interest receivable	<b>137,677</b>	127,540
Rental income receivable	<b>66,024</b>	61,775
	<b>203,701</b>	189,315

## 4. Directors and employees

	2013 £	2012 £
<b>Directors' emoluments:</b>		
Remuneration and benefits	<b>355,550</b>	384,187
Contributions to a defined contribution pension scheme	<b>150,910</b>	103,824
	<b>506,460</b>	488,011

During the year three Executive Directors (2012: three) were members of the defined contribution pension scheme. In addition the Chairman's fees for his services were £62,057 (2012: £60,057).

	2013 £	2012 £
<b>The highest paid Director:</b>		
Remuneration and benefits	<b>139,278</b>	169,255
Contributions to a defined contribution pension scheme	<b>58,763</b>	23,645
	<b>198,041</b>	192,900



	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Total wages and salaries:</b>		
Wages and salaries	<b>2,923,583</b>	2,969,064
Social security costs	<b>347,528</b>	362,543
Pension costs	<b>330,637</b>	300,384
	<b>3,601,748</b>	3,631,991

The average monthly number of employees was 53 (2012: 54)

## 5. Taxation

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>

### a) Analysis of charge in the period

Current tax:			
UK corporation tax on the results for the period		<b>252,552</b>	105,908
Total current tax	5b	<b>252,552</b>	105,908
Deferred tax:			
Origination and reversal of timing differences		<b>(145,402)</b>	(40,070)
Total deferred tax	7 & 20	<b>(145,402)</b>	-
Tax on surplus on ordinary activities		<b>107,150</b>	65,838

### 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 24%/23% (2012: 26%/24%)  
The differences are explained below:

Net surplus for the year before tax		<b>445,689</b>	833,967
Net income for the year multiplied by the standard rate of corporation tax in the UK 24%/23% (2012: 26%/24%)		<b>105,851</b>	212,662
Effects of:			
Expenses not deductible for tax purposes		<b>10,795</b>	(14,913)
Capital allowances		<b>139,845</b>	54,622
Utilisation of tax losses		-	(132,305)
Small companies' relief		<b>(3,939)</b>	(14,158)
Current tax charge for the year (as shown above)		<b>252,552</b>	105,908



## 6. Tangible fixed assets

	Short leasehold	Computer equipment & software	Office equipment	Office furniture	Total
	£	£	£	£	£
<b>Cost</b>					
At 1st July 2012	377,929	2,317,269	164,397	156,830	<b>3,016,425</b>
Additions	-	312,457	45,646	-	<b>358,103</b>
Disposals	-	(16,856)	-	-	<b>(16,856)</b>
Impairment	-	(1,008,969)	-	-	<b>(1,008,969)</b>
At 30th June 2013	377,929	1,603,901	210,043	156,830	<b>2,348,703</b>
<b>Depreciation</b>					
At 1st July 2012	204,711	1,326,401	124,207	149,361	<b>1,804,680</b>
Charge for the year	37,793	339,868	20,732	4,949	<b>403,342</b>
Disposals	-	(16,432)	-	-	<b>(16,432)</b>
Impairment	-	(452,415)	-	-	<b>(452,415)</b>
At 30th June 2013	242,504	1,197,422	144,939	154,310	<b>1,739,175</b>
<b>Net book value</b>					
At 30th June 2013	135,425	406,479	65,104	2,520	<b>609,528</b>
At 30th June 2012	173,218	990,868	40,190	7,469	<b>1,211,745</b>

## 7. Debtors

	2013 £	2012 £
Trade debtors	<b>4,881,702</b>	4,322,103
Other debtors	<b>48,748</b>	33,198
Prepayments and accrued income	<b>894,154</b>	775,125
Deferred tax	<b>145,402</b>	-
	<b>5,970,006</b>	5,130,426

## 8. Creditors: amounts falling due within one year

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Members' subscriptions invoiced in advance	<b>5,843,357</b>	5,807,943
Trade creditors	<b>453,268</b>	344,028
Accruals	<b>522,650</b>	471,250
Pension	<b>23,234</b>	19,508
Other creditors	<b>56,603</b>	37,999
Social security and other taxes	<b>846,615</b>	814,195
Corporation tax	<b>251,976</b>	105,908
	<b>7,997,703</b>	7,600,831

## 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:

	<b>Land &amp; buildings</b>	<b>Other</b>	<b>Land &amp; buildings</b>	<b>Other</b>
	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	-	<b>2,233</b>	-	-
Within two to five years	<b>344,738</b>	<b>9,089</b>	344,738	18,571
After more than five years	-	-	-	1,612
	<b>344,738</b>	<b>11,322</b>	344,738	20,183

## 11. Pensions

The Company operates a defined contribution pension scheme to which both the Company and employees pay contributions. Contributions of £23,234 (2012: £19,508) 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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Results for the year attributable to members of the Company	<b>338,539</b>	768,129
Opening members' funds	<b>2,904,646</b>	2,136,517
Closing members' funds	<b>3,243,185</b>	2,904,646

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating surplus	<b>241,988</b>	644,652
Depreciation	<b>403,342</b>	592,220
(Increase)/decrease in debtors	<b>(622,959)</b>	160,880
Increase in creditors	<b>250,804</b>	69,229
Impairment on disposal of tangible fixed assets	<b>556,554</b>	-
Loss on disposal of tangible fixed assets	<b>424</b>	285
Net cash inflow from operating activities	<b>830,153</b>	1,467,266

## 14. Returns on investments and servicing of finance

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Interest received	<b>66,458</b>	62,662
Rental income received	<b>66,024</b>	61,775

## 15. Capital expenditure and financial investment

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
Payments to acquire tangible fixed assets	6	<b>(358,103)</b>	(246,523)

## 16. Reconciliation of net cash flow

	<b>2013</b>	<b>Cash flow</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>4,661,354</b>	498,048	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

Mr J E D Spittle is the Chairman of the Supervisory Board.

During the year the Company made net purchases to the value of £36,000 (2012: £51,336) from Cranfield University, a company in which Mr J E D Spittle has an interest. At the year end the balance outstanding to this company was £nil (2012: £nil).

Mr L Hutter is a member of the Supervisory Board.

During the year the Company made net purchases to the value of £45,030 (2012: £nil) from Deloitte MCS Limited, a company in which Mr L Hutter has an interest. At the year end the balance outstanding to this company was £nil (2012: £nil).

All transactions were undertaken on standard commercial terms.

## 19. Capital commitments

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

## 20. Provision for liabilities and charges

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
Accelerated capital allowances		-	-
Provision at start of period		-	40,070
Deferred tax charge in Income and expenditure account for period	5	-	(40,070)
Provision at end of period		-	-



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