The Global Language of Business

Annual Report and Financial Statements for the year ended 30 June 2016

Registered no: 01256140

Contents

Members of the Supervisory Board and administration

Directors

Mr J E D Spittle	Chairman & Chair of Nominations Committee
Mr M Dunsmore	Vice-Chairman & Chair of Remuneration Committee
Mr G R J Lynch	Chief Executive
Mr N Austin	
Mr A Cairns	
Mr D N Crapnell	Chief Financial Officer & IS Director
Mrs K A Farndon	
Dr S H Hesse	Chair of Audit and Risk Committee
Mr D A Hix	
Mr K McLeod	
Mr T Murphy	
Mr A T Osborne	Staff Director
Mr R G S Sadler	
Mr J R S Sahota	(Appointed 15 May 2016)
Ms K T Whitworth	
Mr G Wright	(Appointed 12 November 2015)
Mr R W Lamb	(Resigned 12 November 2015)

Secretary	Mr D N Crapnell
Company Number	01256140
Registered Office	Staple Court 11 Staple Inn Buildings London WC1V 7QH
Auditors	Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD

Strategic Report

The directors present the strategic report and financial statements for the year ended 30 June 2016.

Business review

The year was the second of the Company's latest three year strategic plan and good progress continued to be made across all of its key objectives with year-on-year increases in membership, levels of standards adoption and revenue. The Company remains in a sound financial position and is well placed to continue to serve its membership in developing, promoting and establishing supply chain standards and best practice.

Key performance indicators

GS1 UK continued to extend its reach and influence in its core sectors with its membership base growing by 4.8% and increased adoption of its core standards. Turnover increased by 6.5% to £9.9m with a net deficit after tax of £0.05m and closing reserves of £3.27m.

The Company's strategic objective is for our members to see GS1 UK as vital to their success and this is underpinned by the following goals:

- Drive significant value chain improvements through transformational programmes
- Increase our value to smaller businesses
- Establish our reputation as an assurer of best practice in value chain processes
- Increase our membership

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

Key Performance Indicator	Target	Result
Membership growth	3.5%	4.8%
Standards adoption*	+66	+91
Customer satisfaction**	71	72
Revenue	£9.65m	£9.94m

* Standards adoption is calculated using an index which measures the usage of GS1 core standards in the retail, foodservice and healthcare sectors.

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

Future developments

GS1 UK's strategic ambition over the next ten years is for our members to see the company as vital to their success. As part of the strategic planning process the current three year plan was reviewed at the end of the year. The broad strategic themes outlined in the original plan remain unchanged.

Principal risks and uncertainties

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

Key risks/uncertainties impacting the company include:

Economic conditions

With a broad based membership, GS1 UK is susceptible to any worsening in general economic conditions. 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.

Relevance in the digital economy

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

Recruitment and retention of quality staff

The Company's success is dependent on its ability to continue to retain and recruit suitably qualified, high calibre staff. The Supervisory Board actively monitors retention rates, internal and external staff surveys and reward packages to manage and reduce this risk.

IT systems

The Company is reliant on IT systems for the delivery of services to members. To ensure high availability of these systems, a business continuity plan has been developed which is regularly tested and reviewed.

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 Supervisory Board policy is to ensure that the business is run effectively and appropriately, bearing in mind the requirements for timely decision making. Insurance policies are regularly reviewed to ensure these are adequate and appropriate, in line with the nature, size and complexity of the business. Through management reports, risks are highlighted and monitored to identify potential business risk areas and to quantify and address the risk wherever possible.

On behalf of the Supervisory Board

J E D Spittle
Chairman

Directors' Report

The directors present their annual report and financial statements for the year ended 30 June 2016. In accordance with s414C(11) of the Companies Act 2006, the information relating to future developments and financial risk management are included in the Strategic Report.

Principal activities

The principal activity of the company is to take the lead in developing, promoting and establishing supply chain standards and best practice. The Company represents its membership, drawn from large 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.

Directors

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

Results

The results for the year are set out on page 10 .

Statement of disclosure to auditors

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

The Supervisory Board and Committees

At 30 June 2016 the Supervisory Board comprised of eleven Non-Executive Directors (2015: nine) plus the Chairman and Vice Chairman. In addition there were three Executive Directors (2015: three). The Supervisory Board, which meets on average five times a year, is responsible for the strategy and overall performance of the Company. Each Supervisory 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 Supervisory 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 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 Chairmen, Chief Executive, Chief Financial Officer & IS Director, Staff Director and Non-Executive Directors and to provide the Supervisory Board with advice on the structure and general composition of The Supervisory Board.

Audit and Risk Committee

The Audit and Risk Committee consists of four 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.

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

J E D Spittle
Chairman

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of GS1 UK Limited

We have audited the financial statements of GS1 UK Limited for the year ended 30 June 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows 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), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, 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 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its deficit 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 Strategic Report and 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

Chartered Accountants
Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of Income and Retained Earnings for the year ended 30 June 2016

	Notes	2016 £	2015 £
Turnover - continuing operations	3	**9,870,910**	9,267,894
Administrative expenses		**(10,042,163)**	(9,642,179)
Other operating income		**68,085**	68,288
Operating deficit	4	**(103,168)**	(305,997)
Interest receivable and other income	7	**49,028**	98,681
Interest payable and similar charges	8	**(67)**	-
Deficit before taxation		**(54,207)**	(207,316)
Taxation	9	**-**	25,804
Deficit for the financial year and total comprehensive income		**(54,207)**	(181,512)
Accumulated reserves brought forward		**3,321,980**	3,503,492
Accumulated reserves carried forward		**3,267,773**	3,321,980

Balance Sheet
as at 30 June 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	10		**41,298**		136,964
Tangible assets	11		**122,228**		172,038
Total fixed assets			**163,526**		309,002
Current assets					
Debtors falling due after one year	12	**142,119**		172,454	
Debtors falling due within one year	12	**5,272,393**		5,608,196	
Cash at bank and in hand		**6,895,692**		5,652,939	
		12,310,204		11,433,589	
Creditors: amounts falling due within one year	13	**(9,055,152)**		(8,420,611)	
Net current assets			**3,255,052**		3,012,978
Total assets less current liabilities			**3,418,578**		3,321,980
Creditors: amounts falling due after more than one year	14		**(150,805)**		–
Net assets			**3,267,773**		3,321,980
Reserves			**3,267,773**		3,321,980

The financial statements were approved by the Supervisory Board of directors and authorised for issue on 13 September 2016 and are signed on its behalf by:

J E D Spittle
Chairman

Dr S H Hesse
Chair of the Audit and Risk Committee

Company Registration No. 01256140

Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from operations	19		**746,547**		(115,258)
Interest paid			**(67)**		–
Income taxes refund/(paid)			**26,666**		(52,855)
Net cash inflow/(outflow) from operating activities			**773,146**		(168,113)
Investing activities					
Purchase of intangible assets		**-**		(62,485)	
Purchase of tangible fixed assets		**(61,628)**		(40,244)	
Loss on disposal of tangible fixed assets		**4,583**		–	
Rental income		**68,085**		68,288	
Interest received		**458,567**		71,187	
Net cash used in investing activities			**469,607**		38,746
Net increase/(decrease) in cash and cash equivalents			**1,242,753**		(131,367)
Cash and cash equivalents at beginning of year			**5,652,939**		5,784,306
Cash and cash equivalents at end of year			**6,895,692**		5,652,939
Relating to:					
Cash at bank and in hand			**6,895,692**		5,652,939

Notes to the Financial Statements
for the year ended 30 June 2016

1. Accounting policies

Company information: GS1 UK Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH.

1 .1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. This is the first set of financial statements prepared under FRS 102. The date of transition to FRS 102 is 1 July 2014. An explanation of the impact of first time adoption is given in note 22.

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

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

1 .2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1 .3 Turnover

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

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

Joining fees are recognised entirely in the month they are received.

All small ad hoc invoices are recognised in the month invoiced e.g. training courses.

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

1 .4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software – 3 or 5 years straight line

1.5 Tangible fixed assets

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

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

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

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

Basic financial assets

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

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.8 Taxation

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

Current tax

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

Deferred tax

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

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

1.9 Provisions

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

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

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

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.11 Retirement benefits

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

1.12 Leases

All leases are classified as operating leases. Rentals paid under operating leases are charged to the profit & loss account on a straight line basis.

1.13 Foreign exchange

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

1.14 Group Accounts

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

2. Judgements and key sources of estimation uncertainty

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

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

2.1 Critical judgements

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

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

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

3. Turnover and other revenue

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

	2016	2015
	£	£
Turnover		
Annual licence fees	**8,578,693**	8,134,809
Service income	**1,260,363**	1,114,340
Other income	**31,854**	18,745
	9,870,910	9,267,894
Other significant revenue		
Interest income	**49,028**	98,681

	2016	2015
	£	£
Turnover analysed by geographical market		
UK and Ireland	**9,654,617**	9,054,655
Rest of Europe	**139,183**	147,143
Rest of the World	**77,110**	66,096
	9,870,910	9,267,894

4. Operating deficit

	2016	2015
	£	£
Operating deficit for the year is stated after charging:		
Foreign exchange losses	**914**	1,268
Amortisation of intangible assets	**95,666**	159,808
Depreciation of owned tangible fixed assets	**106,855**	110,839
Auditors' remuneration	**11,950**	11,600
Non audit fees paid to auditors	**6,443**	8,171
Operating lease charges	**359,384**	355,134
Loss on disposal of fixed assets	**4,583**	-

5. Employees

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

	2016 Number	2015 Number
Industry Engagement & Solutions	**31**	22
Marketing & Member Experience	**19**	23
Business Support	**22**	19
	72	64

	2016 £	2015 £
Their aggregate remuneration comprised:		
Wages and salaries	**4,595,444**	3,994,970
Social security costs	**568,435**	490,681
Pension costs	**384,123**	373,204
	5,548,002	4,858,855
Redundancy payments committed	**96,147**	

6. Directors' remuneration

	2016 £	2015 £
Aggregate emoluments	**580,516**	460,396
Company pension contributions	**47,351**	77,609
	627,867	538,005

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015: 2).

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

	2016 £	2015 £
Aggregate emoluments	**199,302**	157,497
Company pension contributions	**37,308**	40,230
	236,610	197,727

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	**820,645**	770,411

7. Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	**49,028**	98,681

8. Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	**(67)**	–

9. Taxation

	2016 £	2015 £
Current tax: UK corporation tax on deficit for the current period	**-**	(26,666)
Deferred tax: Origination and reversal of timing differences	**-**	862
Total tax charge	**-**	(25,804)

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

	2016 **£**	2015 £
Deficit before taxation	**(54,207)**	(207,316)
Expected tax charge based on a corporation tax rate of 20% (2015: 20%)	**(10,841)**	(41,463)
Tax effect of expenses that are not deductible in determining taxable loss	**10,470**	5,721
Capital allowances	**2,678**	(2,122)
Other timing differences	**(2,307)**	11,198
Tax expense for the year	**-**	(26,666)

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK will decrease from 20% to 19% with effect from 1 April 2017. Accordingly the company's deferred tax balances at the reporting date are taxed at an effective rate of 19% (2015: 20%).

10. Intangible fixed assets

	Software **£**
Cost	
At 1 July 2015	**1,443,603**
Additions	**-**
Disposals	**(85,311)**
At 30 June 2016	**1,358,292**
Amortisation and impairment	
At 1 July 2015	**1,306,639**
Amortisation charged for the year	**95,666**
Eliminated in respect of disposals	**(85,311)**
At 30 June 2016	**1,316,994**
Carrying amount	
At 30 June 2016	**41,298**
At 30 June 2015	136,964

11. Tangible fixed assets

	Short leasehold £	Computer equipment £	Office equipment £	Office furniture £	**Total £**
Cost					
At 1 July 2015	395,379	240,907	256,475	211,183	**1,103,944**
Additions	-	55,047	6,581	-	**61,628**
Disposals	-	(36,121)	(102,606)	(29,416)	**(168,143)**
At 30 June 2016	395,379	259,833	160,450	181,767	**997,429**
Depreciation					
At 1 July 2015	327,606	216,213	213,303	174,784	**931,906**
Depreciation charged in the year	42,854	23,467	29,501	11,033	**106,855**
Eliminated in respect of disposals	–	(35,848)	(102,286)	(25,426)	**(163,560)**
At 30 June 2016	370,460	203,832	140,518	160,391	**875,201**
Carrying amount					
At 30 June 2016	24,919	56,001	19,932	21,376	**122,228**
At 30 June 2015	67,773	24,694	43,172	36,399	172,038

12. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	**4,541,666**	4,387,789
Other debtors	**74,112**	44,967
Prepayments and accrued income	**656,615**	1,148,774
Corporation tax	**–**	26,666
	5,272,393	5,608,196
Amounts falling due after one year:		
Deferred tax	**102,119**	102,119
Other debtors	**–**	48,549
Prepayments and accrued income	**40,000**	21,786
Total debtors	**5,414,512**	5,780,650

13. Creditors: amounts falling due within one year

	2016 **£**	2015 £
Annual licence fees invoiced in advance	**6,646,786**	6,311,674
Trade creditors	**378,584**	371,660
Corporation tax payable	**–**	–
Other creditors	**122,602**	134,102
Social security and other taxes	**943,106**	886,260
Pension	**41,923**	33,162
Accruals and deferred income	**922,151**	683,753
	9,055,152	8,420,611

14. Creditors: amounts falling after more than one year

	2016 **£**	2015 £
Accruals and deferred income	**150,805**	–
	150,805	–

15. Deferred taxation

There were no deferred tax movements in the year.

The following is the analysis of the deferred tax balances:

	2016 **£**	2015 £
Deferred tax assets	**102,119**	102,119

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

16. Retirement benefit schemes

Defined contribution scheme

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

The charge to profit and loss in respect of defined contribution schemes was £391,927 (2015 £366,790).

Defined benefit scheme

The company contributed to a multi-employer defined benefit scheme, in respect of one employee only (of a total scheme membership of approximately 133), until the Trustees notified their intention to cease accepting payments into the scheme with effect from 31 July 2002. The company has been informed that 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 102.

17. Related party transactions

J E D Spittle is the Chairman.

During 2016 the company purchased £27,018 (2015: £42,635) of consultancy services from Cranfield University, a company in which J E D Spittle has an interest. No amounts were outstanding at either year end.

All transactions were undertaken on standard commercial terms.

18. Operating lease commitments

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

	2016 **£**	2015 £
Within one year	**209,826**	–
Between two and five years	**26,873**	595,496
More than five years	**–**	–
	236,699	595,496

19. Cash generated from operations

	2016 **£**	2015 £
Deficit for the year	**(171,253)**	(374,285)
Adjustments for:		
Income tax expense	**–**	–
Amortisation of intangible assets	**95,666**	159,808
Depreciation of tangible fixed assets	**106,855**	110,839
Movements in working capital:		
Increase in debtors	**(70,067)**	(253,426)
Increase in creditors	**785,346**	241,806
Cash generated from operations	**746,547**	(115,258)

20. Subsidiary undertakings

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

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

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

21. Capital commitments

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

22. Transition to FRS 102

No transition adjustments have affected reserves or the result for the year.

Notes on adoption of FRS 102

The notes below set out the changes that have been reflected in the financial statements now that these are prepared in accordance with FRS 102.

Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. The company has historically provided a holiday pay accrual in its financial statements so no transition adjustment was required.

Computer software

Computer software with a net book value of £136,964 at 1 July 2015, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the deficit for the year, except that the previous depreciation charge is now described as amortisation.

Cash flow statement

The adoption of FRS 102 has required certain presentational changes to the cash flow statement, although the cash flow statement presents substantially the same information as under previous UK GAAP. Under previous UK GAAP cash flows are presented under nine standard headings whereas under FRS 102 the requirement is to classify cash flows into operating, investing and financing activities.

Debtors

These have been re-stated between falling due within one year, and falling due after one year.

Creditors

These have been re-stated between falling due within one year, and falling due after one year.

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J310170-09/15