



The Global Language of Business

Strategic Plan Review March 2019 to June 2020

including the Directors' Report and Financial Statements 2019







Contents

| | |
|--------------------------|----|
| Foreword | 4 |
| Annual Review 2019 | 6 |
| Strategy Progress Report | 11 |
| Our Mision | 17 |
| Our Vision | 18 |
| Our Beliefs | 19 |
| Our Services | 20 |
| About GS1 | 21 |
| Financial Statements | 23 |

Foreword

A better world for everyone through the full adoption of GS1 standards



Thomas Shortall
Chairperson
GS1 Ireland



Mike Byrne
Chief Executive Officer
GS1 Ireland

Welcome to GS1 Ireland's review of 2019 and the first full year of delivering on our Strategic Plan 2019 to 2020.

As we write this report, we do so against the backdrop of the impact that Covid-19 is having on society and business in Ireland and across the globe. While 2019 was a very good year for GS1 Ireland and our Members, the impact of the pandemic has created, and will continue to create, challenges and uncertainty for trading partners for 2020 and 2021.

However, it is clear the pandemic has also created new opportunities, particularly for innovation in supply chains as consumers adapt to the "new normal" and embrace "offline-to-online" (O2O) purchasing in greater numbers. The COVID-19 crisis has taught us that all businesses must adapt and offer an online component in order to compete. Businesses are shipping more items to homes than ever before and telemedicine is becoming more prevalent. There is also a need for greater trust amongst trading partners—and to predict rapidly changing consumer demands. These changes require new technologies to help industry succeed. GS1 standards can help businesses pivot and adapt to this new reality.

The GS1 Ireland Industry Engagement and Professional and Advisory Services Teams were kept busy throughout 2019, working with a range of clients in food, grocery, apparel and healthcare sectors on the implementation

of new traceability and process efficiency solutions. While conscious that Covid-19 will undoubtedly affect our plans for 2020 and 2021, we are pleased to update you on the highlights of our 2019 activities such as:

- CHI at Temple Street infant formula traceability solution
- fTRACE roll out supporting traceability in beef, lamb and milk
- introduction of open standards for building and raw material management
- continued growth in our links to educational establishments.

There is a lot more we are doing in our core industry sectors details of which can be found in the **Annual Review** on Pages 6 - 9.

Last year, we were delighted to share with you our strategic vision to create "a better world for everyone through the full adoption of GS1 standards". Also in this report we outline the goals and progress made to date in each of our four Critical Success Factors (CSFs) - Member Engagement; Community Collaboration; Services and Solutions; and Organisational Capability. In the **Strategy Progress Review** commencing on page 11 we outline some of our key achievements including:

- establishment of a Community Hub through our growing Partner Programme, development of our Knowledge Centre and increased participation in GSMP
- continuous enhancements to our key tools Barcode Manager and the Logistics Label Tool
- recruitment of new customer facing staff to provide customer support and service on-boarding
- launch of our sustainability programme “Lean & Green”.

In looking ahead to the remainder of 2020 we see the continued development and deployment of various registry platforms to enable access to key entity, product and asset data utilising GS1 Identifiers such as Global Company Prefixes, Global Trade Item Numbers, Global Location Numbers and Global Individual Asset Identifiers. Many of these new registries, and global services such as Verified by GS1 will begin to come to the fore in the next 18 months.

The Board and Executive are pleased with its return on investment in 2019 and that the organisation’s development targets across the four Critical Success Factors have been met. The **2019 Directors’ Report and Financial Statements** are included in the second half of this report. We continue to be conscious that Covid-19 presents a unique and as yet unquantifiable strategic risk for GS1 Ireland. We also recognise the negative impact the pandemic has had in general on the economy in Ireland and globally. We note and will continue to monitor the extent to which GS1 Ireland’s Members are affected by the impact of the pandemic in their day-to-day trading throughout 2020 and we remain willing and able to support them with our services and solutions.

In conclusion, GS1 Ireland remains committed to developing its service offering to support all our Members in addressing the challenges and opportunities presented to them in their supply chains during this current period of uncertainty and in the decade ahead. We look forward to reporting our progress to you in 2020 and the years to come.



Annual Review 2019

Membership Report

At the end of 2019, the core membership of the organisation remained stable and mature, with the number of active members and licence holders increasing over the previous three years by 10 per cent to 3,535 (end 2017: 3,250). Unique annual licences increased by 657 to exceed 7,000 for the first time, with a total of 7,003 licences issued to members in 2019 (end 2017: 6,346).

In terms of sectors, Food & Beverage (50 per cent), Consumer Non-Food (25 per cent), and Business Products & Services (10 per cent) continue to account for the bulk of the membership base.

2019 GS1 in Healthcare

During the reporting year, GS1 globally saw an increase in Traceability is not only a matter for food, but is also a central topic in other sectors, including healthcare, pharma, medical devices, apparel and construction. During 2019 our subject matter experts provided advice on Unique Device Identifier (UDI) and serialisation regulations in Healthcare, on Fighting Illicit Trade (FIT) in tobacco and on new traceability requirements for products entering the Russian Federation.

We have seen a considerable increase in the implementation of track and trace systems by Irish healthcare providers using barcode standards to ensure safer services for patients. There are a number of hospitals now working on

Scan4Safety initiatives to scan medical devices to the patient, in theatre, while also creating benefits in terms of improved visibility of inventory, giving clinicians time back for patient care. We are at an exciting juncture in healthcare and GS1 standards continue to prove their value in designing safer services for patient care.

One of our most notable highlights in 2019 was the launch of our video documenting the work at CHI at Temple Street. The systems development in the Special Feeds Unit in CHI at Temple Street is an excellent example of an innovative traceability solution making services safer for patients. The full case study was also published in the GS1 Global Healthcare Reference Book and we would like to extend our congratulations to the team at CHI at Temple Street for their dedication to achieving best practice traceability. Further to this, CHI at Temple Street were invited to speak at the Health Informatics Society of Ireland (HISI) Annual eHealth Conference last November and the presentation was very well received by a large audience.

Also in CHI at Temple Street Hospital a new software module was implemented to manage and track emergency feed stocks for vulnerable patients and additionally, a successful trial was completed of a scan-to-patient system where feeds are linked to individual patients by means of a scanning app at the bedside. To round up our hospital implementations a product labelling



system was installed in the Catering Department of St. James's Hospital to manage batch numbers and allergens.

GS1 Ireland received many requests throughout the year to provide guidance on GS1 compliance for tenders for both products and IT system requirements. GS1 also continues to support the HSE's Health Identifiers programme as the GS1 identifiers are being seeded into new systems for the Individual Health Identifier (IHI) and other identifiers for staff, locations, systems, assets and other items.

February 2019 saw the Falsified Medicines Directive (FMD) take effect across the EU, with member states entering the 'Use and Learn' period. GS1 was designated as an Issuing Entity for Unique Device Identification (UDI) by the European Commission in advance of the Medical Device Regulation (now deferred to May 2022 due to Covid-19). The regulatory requirements for the traceability of pharmaceuticals and medical devices is driving standardisation of unique identification and barcoding across the world with GS1 being the preferred industry standard.

Healthcare providers such as the NHS and the HSE are including GS1 as a requirement in tenders and contracts. This was highlighted by the December 2019 publication of a HSE National Tender for medical consumables which included the GS1 Global Trade Identification Number (GTIN) as mandatory for all product packaging levels.

Healthcare Events 2019

The Healthcare Management Institute (HMI) ran a seminar titled 'Building the foundations for a digital strategy' onsite in St James's Hospital which was facilitated by GS1 Ireland. With the ongoing shift to technology-based systems, the world of healthcare delivery is being transformed. Digital is here and the benefits to be gained in harnessing technology cannot be underestimated. At the event, in a series of very comprehensive presentations, the speaker panel from St. James's Hospital shared their insights and learnings gained on their digital journey to date. From Electronic Healthcare Records (EHR) to track and trace barcoding, there are immediate benefits in terms of better quality of care for patients with the additional benefits of cost savings and more efficient use of resources.

The opportunity to use the information in the barcode for the purposes of improved traceability and visibility is ever-increasing. This was further demonstrated when GS1 Ireland was invited to participate at the National Immunisation Office Administrators inaugural conference. All of the activities and case studies are available to review on the GS1 Ireland website in the healthcare section www.gs1ie.org/healthcare. Please do visit as we have made a lot of new additions and improvements in the last year.

2019 GS1 in Retail Grocery, Food and Consumer Goods

During the reporting year, GS1 globally saw an increased focus on the environment, the circular





economy, climate change and sustainability. This will affect many of our members across sectors, particularly in Food Manufacturing and Retailing, Transportation and Logistics, and Construction. The European Commission signalled its intent, regarding these matters, with the publication of the European Green Deal. We believe GS1 is well positioned to help our members to comply with regulations while reducing their own costs. The extension of our advisory services to address all aspects of supply chain efficiency, and in particular the identification and reduction of waste, bears testament to the desire of Irish organisations to be as efficient, sustainable and resilient as possible.

We were delighted to recently announce the launch of the European “Lean & Green” programme in Ireland in cooperation with the Connekt Foundation. Lean & Green will assist Members across the transport, logistics and warehousing sectors to create meaningful, measured and independently verified action plans to cut carbon emissions.

As has been the case over the last decade, traceability has continued to grow in importance across the globe in all sectors, and the importance of product traceability has been further emphasised by the Covid-19 pandemic.

In terms of food traceability, we now have eight companies using our fTRACE solution for food traceability including all the main beef processors. Two other significant projects were completed in 2019; a new traceability system was implemented to track both ingredients and packaging, across 12 production lines for P. Mulrine & Sons Juices in Donegal, while the Foodtrace traceability system for the Musgrave Group was upgraded to provide mandatory fish

traceability data to consumers at the point-of-sale in all of their SuperValu and Centra stores nationwide. In addition to numerous other projects in the red meat sector, the GS1 Ireland Professional and Advisory Services Team also implemented a new animal payments system for Boyne Valley Meats as well as designing and implementing a van sales system for Greenhill Fruit Farm in Wexford to track the delivery of different batches of fruit to individual customers alongside an electronic signature capture and email delivery docket system.

During 2019 we successfully trained a number of new Global Traceability Auditors from across the globe at a week-long training course in Brussels. Speaking engagements, both locally and internationally, continue to be an important part of our knowledge-sharing remit. We were delighted to be invited to address the “Global Dialogue on Seafood Traceability” (GDST) group of the World Wildlife Fund (WWF) in Lisbon, as well as to address the officials of DG Mare at the European conference on Seafood Traceability in Brussels. At home, we participated at the National Food & Drink Conference in Citywest, as well as presenting the webinar “Barcodes – everything you need to know, but nobody told you” on behalf of the Irish Computer Society (ICS).

We note with interest that Blockchain is no longer seen as the ‘silver-bullet’ for traceability systems – people now acknowledge that blockchain also needs other technologies and standards and an increasing number of blockchain pilots are partnering with GS1 and leveraging existing standards such as EPCIS and the Global Traceability Standard (GTS 2.0).

It is encouraging to see that Ireland was ranked 2nd (behind Singapore) in “The Economist

Intelligence Unit Global Food Security Index” for 2019¹. This means that Ireland continues to hold the No. 1 position in Europe, a position we have held for the last 5 years. Ireland is the only country to have achieved a top 3 ranking in each of the last 5 years. (In comparison, the UK has fallen from 3rd place in 2017 & 2018, to 17th in 2019). In the same index Ireland was ranked 1st for management of the natural assets needed to support food security and this reflects our relatively low exposure to the threat of climate change.

1 See <https://foodsecurityindex.eiu.com/Country/Details#Ireland>

Finally, in the area of combating food waste, we have an active project with Airfield Estate in Dundrum and also participated in the ECR Food Waste workshop held in Trinity College, Dublin, in collaboration with FoodCloud in October as well as the Sustainability Forum held by Bunzl in Cork and the EPA Forum on Food Waste. Both Food Waste and Sustainability feature high on our list of active priority projects for the current year and into 2021.

2019 GS1 in Construction

In the Construction Sector, GS1 Ireland were active participants in the NSAI Building Information Modelling committee, the Construction IT Alliance (CitA) and Digital Supply Chain in Built Environment (DSCiBE) workgroup. All of these are producing and supporting standards leading to the further digitalisation of construction.

We are delighted that IFS, a key digital solution provider in this sector, has joined GS1 Ireland as a Platinum Partner and we look forward to deepening our joint collaboration in this area in 2020 and beyond, to make the Digital Building a reality.

Events, Training and Standards Development

Providing training and education to our members is an important part of what GS1 Ireland do.

In 2019 we ran training workshops for our members in Labelling and the Warehouse Label Specification, Electronic Data Interchange (EDI), and on UDI for the new EUDAMED database in Healthcare. We also continued to strengthen our links with educational establishments including UCD Smurfit Business School and Carlow IT. Organisational capability is also an important performance indicator and during 2019 our Team at GS1 Ireland participated in a number of standards development working groups within GS1. Among these included collaborating on Picture It, an App to enable members to capture standards compliant product images, the GS1 Semantic Data Modelling Workgroup to facilitate better standards development using business terms, GS1 ID and EDI Subject Matter Groups and the GS1 Digital Link development group. We also attended GS1 Standards and Development events, where GS1 Ireland are frequent presenters.

Initiatives for 2020

We are looking forward to bringing several other new initiatives and projects to fruition in 2020. Among them will be the roll-out of our Lean & Green programme for enabling carbon reduction in Transport and Logistics. A number of upgrades and new features are in the development pipeline for our popular Barcode Manager tool, and the recently launched standard for GS1 Digital Link is one we think will be transformative for many sectors. We also predict an increase in the use of 2D/Intelligent barcodes across a number of use cases; traceability; fraud detection; product recall; and embedding prices and weights at point-of-sale; based on roll outs already live in other countries and sectors, including fresh foods in Australia and pharmaceutical/medical device sector adoption globally. Construction too will see many new transformative developments following on from the release of new standards to further enable the use of Building Information Modelling (BIM).







Strategy Progress Report

March 2019 - June 2020

The ambitions set out in our three-year plan is for the benefit, not only of our 3,500+ members located in Ireland and across the world, but for all of us collectively, as consumers, shoppers, and patients, whereby our daily lives can be improved and eased by the adoption of GS1 standards in the services we use and products we buy.

In setting the foundation for growth over the three years of the strategic plan, our focus in Year 1 was on; the recruitment and on-boarding of new service-orientated staff members; developing the platforms and skills for increased engagement with members and harnessing their feedback; and establishing the technical foundations for enhanced licence management and for our new data services including Verified by GS1, Digital Link and a number of ID registries. Each of these goals was successfully met.

Notwithstanding the on-going impact of the COVID-19 pandemic, excellent progress continues to be made on the priority projects for 2020 which include; the extension of functionality and improved usability of Barcode Manager; the build of new online services for member profile and product management; new GTIN/barcode checker apps; the build of the MyGS1 portal for service access through a revamped GS1 Ireland website and; reworking our Knowledge Centre to create safe for innovation and collaboration.

1 | Member Engagement

Goal: Deepen Member Engagement and Communication to deliver a clear, company-wide understanding of member needs & sentiment, with the goal of driving the broader adoption of GS1 Standards & Services, to deliver Value and Growth.



Plan: Our focus in this 3-year strategic plan is to deliver Value for Members. We will achieve this by prioritising the services and tools that members need to do business more efficiently and at less cost, to better serve their customers. We commit to actively listen to, and engage with, our members and to put their needs at the centre of our focus each day.

Progress: Over the first year and a quarter of this plan a key emphasis has been on running an annual survey to gather feedback from members on the service they received and their needs and wants for the future. A Net Promoter Score (NPS) question is included at the start of this survey and the result is one of the central Key Performance Indicators (KPIs) for the GS1 Ireland Board and Management Team. We have also begun to roll out NPS and feedback surveys for each of our services, including Barcode Manager, the Logistics Label Tool and fTRACE.

The feedback received to date also indicated that there was an opportunity to further increase awareness among members, of our value-added tools and services, beyond barcode licences. This is being addressed through new email and social media campaigns as well as in trade magazine editorials. Our 2020 “Standards Spotlight Series” which is published via email and on our blog, brings together information about core GS1 standards and related solutions in an educational and informative way.



KPI: Year 1 Net Promoter Score (NPS) target exceeded March 2020

“ We believe in the power of global standards to transform the way we work and live ”

2 | Community Collaboration

Goal: To be a Hub for Community Collaboration, to drive broader & deeper standards implementation across key sectors by facilitating cooperation and participation between members, solution providers and third parties in the process of standards creation and adoption.



Plan: In building communities of users we will create an environment that helps members to achieve more from their implementation of GS1 standards, supporting their growth in both local and international markets. We will support and represent the needs and views of everyone in the Irish community; industry, consumers & state; to ensure GS1 standards are maintained and continue to evolve in a timely manner.

Progress: Key to developing community collaboration hubs for our members, is bringing the right people together in an inspiring workspace. We are delighted to have brought two new Solution Partners onboard – Integrated Facilities Management (IFS), a key player in the digital building management space and Atrify, a global data management and sharing solution provider. Each of the participants in our Solution Provider Programme plays a vital role in bringing standards-enabled solutions to the Irish market in our core sectors of Retail CPG, Food Grocery, Healthcare and Construction. All our Partners and the services they provide are profiled on our website www.gs1ie.org/partners

Our Knowledge Centre continues to be developed to showcase examples of how and where GS1 standards are being implemented to create efficiencies and visibility in key sector supply chains. The space will also be used to facilitate innovation and collaboration, between our members, our own subject matter experts, and our Platinum and Gold Partners. The new Innovation Room will become a key part of our education and training services in the future with plenty of options for both online and socially distanced learning and project work. We are also delighted that a number of our members and partners are actively participating in the GS1 standards creation and development community (called GSMP) as well as in a number of User Groups for traceability and sustainability related initiatives.



KPI: Increased adoption of Global Location Numbers and EDI; implementation of pallet label solutions incorporating GS1 128 barcodes encoding Serial Shipping Container Codes (SSCCs); uptake of GS1 Data Matrix symbols particularly in the pharma and medical device sectors.

“ A better world for everyone through the full adoption of GS1 standards ”

3 | Services and Solutions

Goal: To achieve Growth and to Accelerate Standards Adoption through the Expansion of the Services and Solutions we offer, in line with identified current and future industry & consumer needs.



Plan: Organisations in Ireland and around the world are evolving their business processes and supply chains to meet many new global challenges. In recognising this, GS1 Ireland is committed to investing in, and developing, several new service offerings that will help Members to meet those challenges cost effectively and efficiently. The focus will be on better data management and data sharing solutions to address the new demands presented by consumers, trading partners and regulators.

Progress: A key outcome of our deeper engagement with members over the last two years has been greater insight into the real-world needs of our members, and where gaps exist for new tools and services, in particular in the healthcare supplies, food production and building asset management arenas. The Board of GS1 Ireland has proactively selected and approved investment in new tools and services that will meet the emerging needs of business, consumers and healthcare providers into the next decade. A number of new service offerings are at specification and development stage and we are excited about the launch of these new tools during the second half of this strategic plan. In parallel with the creation of new tools, the member feedback received through surveys, face-to-face interview and on-site advisory services, has also highlighted opportunities to add new features and functionality, and to improve the user interface of our existing tools, including Barcode Manager, which is undergoing a number of upgrades throughout 2020. Members can subscribe for use of all tools through the GS1 Members Portal.

This year also sees the launch in Ireland of the “Lean and Green” programme, developed by the Connekt Foundation in the Netherlands. Lean and Green works with participants to build an action plan to cut carbon emissions across transport, logistics and warehousing operations, with the results independently audited and verified. Successful organisations are recognised internationally through a progressive 5-star award scheme. GS1 Ireland is delighted to offer this programme and to support Irish organisations to achieve their desired carbon emissions reductions, in line with the new EU Green Deal targets.



KPI: Year 1 income diversification and growth targets met for services and licencing

“ We are neutral and not-for-profit; local and global; inclusive and collaborative ”

4 | Organisational Capability

Through a commitment to people, culture, technology & process to deliver a right- sized and appropriately resourced team in GS1 Ireland, that is actively engaged and fully committed to the organisation’s vision of delivering “value through standards” to all.



Plan: We recognise that the quality and depth of service, provided to our Members correlates directly with having an engaged and highly skilled team that has the necessary tools and resources to provide that support. We are committed to growing our team both in terms of capacity and capability, to ensure that our members receive the help and expertise they need, during every engagement with GS1 Ireland. We will regularly seek, and proactively respond to, all employee feedback to ensure that GS1 Ireland continues to be the engaged, enthusiastic, and enterprising team that it is today.

Additionally, as a not-for-profit membership organisation, we take our corporate and fiduciary governance responsibilities extremely seriously. At all times GS1 Ireland will adhere to and uphold the very best practices and policies in terms of systems, procedures, auditing and reporting to maintain the organisation’s reputation for trust and professionalism in the highest standing.

Progress: During the first full year of delivering on this plan we have prioritised the recruitment and training of staff that will be instrumental in the roll out of our new services and to providing increased levels of support for members. This is particularly evidenced in the increased engagement with members and stakeholders in the healthcare sector and is integral to the increased uptake of Barcode Manager among existing members and in the roll out of the Lean and Green programme.

The organisation has invested in education, in particular in developing the team’s skills in the area of Design Thinking, which has already become pivotal in our engagement with members and the delivery of advisory services, helping members to address a number of supply chain and production challenges and to meet regulatory requirements.

COVID-19 has necessitated new ways of working for all and indeed has fast-tracked many plans for further digitally transforming our operations. Recent investment in our IT infrastructure meant a seamless transition to working remotely for the GS1 Ireland team. Further development of our CRM, Licencing and Customer Service systems will ensure continued resilience for the organisation’s operations in terms of access to services and the delivery of support to members, wherever they may be located.

Supporting our members and nominated charities continues to be central to our Corporate Social Responsibility strategy. Donations are made to charities each year, in line with member nominations, and we welcome suggestions of charities that are close to your heart that you would like to see included on the list in future years. Nominations can be made through the annual survey or by emailing board@gs1ie.org.



KPI: Year 1 Executive Team growth and development targets met and Employee Net Promoter Score (eNPS) target exceeded.

“Value through standards”

Explore Further

If there are any projects or initiatives highlighted in this report that you would like to learn more about, or wish to explore the further adoption of GS1 Standards in your own organisation, please do not hesitate to contact one of the team, as outlined below. We would be more than happy to talk to you and absolute confidentiality is assured. Please also feel free to connect with any of the GS1 Ireland Team via LinkedIn.

Denis O'Brien

Director of Standards and Solutions
E: denis.obrien@gs1ie.org

Talk to Denis about: traceability in food production, supply and production efficiency and waste measurement; healthcare track and trace solutions. Denis is available for third-level and industry speaking engagements.

Tim Daly

Industry Engagement Manager
E: tim.daly@gs1ie.org

Talk to Tim about: fTRACE; food traceability; product data management; labelling; food waste solutions; Lean & Green programme; supply chain management; in-company training. Tim is available for speaking opportunities.

Siobhain Duggan

Director of Innovation and Healthcare
E: siobhain.duggan@gs1ie.org

Talk to Siobhain about: innovation and traceability in healthcare for improved patient safety and operational efficiencies for all stakeholders: pharma, medical devices, suppliers, solution providers, public sector organisations and healthcare providers. Siobhain is available for third-level and industry speaking engagements.

Seán Dennison

Head of Industry Engagement and Technical Standards
E: sean.dennison@gs1ie.org

Talk to Seán about: the identification and traceability of raw materials, products and assets in the construction and facilities management sectors; EDI and technical communications standards. Seán is available for third-level and industry speaking engagements.

Karen Murphy

Head of Operations and Customer Service
E: karen.murphy@gs1ie.org

Talk to Karen about: GS1 operations; licencing; customer support; account management and invoicing.

Maria Svejdar

Head of Marketing, Communications and Customer Experience
E: maria.svejdar@gs1ie.org

Talk to Maria about: case studies, member features, editorial, surveys and customer feedback.



Our Mission

We empower organisations and consumers to benefit from improved efficiency, safety, transparency, security and sustainability through the exchange of trusted data.

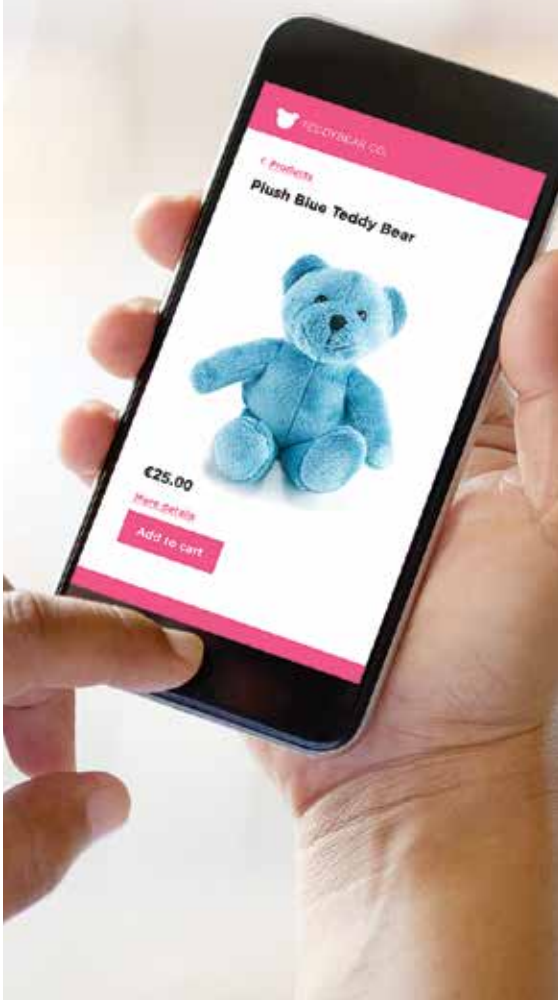
We create a common foundation for organisations and consumers to identify, capture, share and use vital information about products, locations, assets and more.



Our Vision

A better world for everyone through the full adoption of GS1 standards

- We help businesses to sell more and create efficiencies in their supply chains.
- We help consumers by increasing transparency and trust in products and services.
- We help organisations to save money, save lives, and be more efficient.



Our Beliefs

We believe in the power of global standards to transform the way we work and live.

We are neutral and not-for-profit; local and global; inclusive and collaborative.



Our Services

GS1 Ireland works with organisations of all types and sizes, in multiple industry sectors, to achieve greater supply chain efficiency, deliver identification and track & trace systems, to automate business processes and to eliminate the costs and errors associated with poor quality data.

We provide on-going support for local organisations implementing GS1 supply chain standards through our helpdesk, training and advisory services. We also offer a range of tools and solutions to help member gain maximum benefit from their adoption of GS1 standards. These include:

- **Barcode Manager** for number allocation and product data management
- The **Logistics Label Tool** for creating pallet labels with SSCCs
- **fTRACE** – a cloud-based traceability solution to record and share key supply chain and processing event data
- **Verified by GS1** and the **GS1 Registry Platform** for brand-authorized product data and product identify verification.
- **GS1 Scanning App** for documenting and checking barcodes on inventory
- **Professional Advisory Services** for Traceability and Production Management advice and system support
- **Barcode Verification Service** for label and print quality testing
- **Master Data Services** for auditing and reporting on data quality issues
- **System Accreditation** for GS1 standards compliance for Solution Providers
- Online, classroom and in-company **training** course options



About GS1

GS1 develops, maintains and licenses global standards that are used to improve the efficiency, safety and visibility of supply chains across physical and digital channels. Together, GS1 standards form a common language that facilitates the identification, capture, sharing, and use of key information about products, locations, and assets between trading partners. GS1 standards are used daily in supply chains in more than 25 sectors, including Retail, Consumer Goods, Food, and Healthcare.

GS1 Ireland locally administers the global multi-industry system of identification and communication for products, services, assets and locations - the GS1 System. We also offer a wide range of services to help businesses use these standards and technologies, including technical support, implementation advice, consulting and training through our Professional Services division.







GS1 (Global Standards 1 (Ireland))

**Directors' Report and Financial Statements
for the year ended 31 December 2019
(A company limited by guarantee and not having a share capital)**

Report and Financial Statements 2019

Contents

| | |
|---|----|
| Directors and Other Information | 25 |
| Directors' Report | 26 |
| Directors' Responsibilities Statement | 28 |
| Independent Auditors' Report | 29 |
| Statement of Income and Retained Earnings | 31 |
| Statement of Financial Position | 32 |
| Statement of Cash Flows | 33 |
| Notes to the Financial Statements | 34 |

Directors and Other Information

Directors

Thomas Shortall
Justin Carton
Jim Copeland
Sean Nolan
Michael Kelly
Suzanne McDonald
PJ Timmins
Pat Tracey
Fergal Wall
Liam Harthnett
David Codd
Gerry Boylan
Richard Boland

Company secretary

Mike Byrne

Registered Number

404327

Registered Office

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Dublin 4

Independent Auditors

Mazars
Chartered Accountants &
Statutory Audit Firm
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Block 3
Harcourt Road
Dublin 2

Bankers

Bank of Ireland
College Green,
Dublin 2

Solicitors

Mason, Hayes and Curran
6th Floor South Bank House
Barrow Street
Dublin 4

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

1. Principal activities

The mission of the company is to support organisations in their efforts to improve supply and demand chain efficiency. The principal activities of the company are the licensing of global company prefixes and global location numbers to identify products and locations for the purpose of automatic data capture and for EDI. The GS1 global standards cover Bar Coding, eCommerce, Master Data Management and EPC/RFID. The company also provides a range of relevant professional and advisory services for its user organisations, including education, training, and verification services.

2. Results and dividends

Total income for the year ended 31 December 2019 was €2,099,825 (2018: €2,059,233).

The company is a not for profit company and clause 5 of the Constitution indicates that distributions to the members will only arise upon the winding up or dissolution of the company and after the satisfaction of all debts and liabilities.

3. Directors

The directors who served during the year were:

Thomas Shortall
Justin Carton
Jim Copeland
Tony Graham (resigned 6 September 2019)
Sean Nolan
Michael Kelly
Daragh Monahan (resigned 10 September 2019)
Suzanne McDonald
Bob Semple (resigned 28 March 2019)
PJ Timmins
Pat Tracey
Fergal Wall
Liam Hartnett
David Codd
Gerry Boylan
Richard Boland (appointed 5 December 2019)

The election and retirement of directors is in accordance with the Constitution.

The names of the persons who were directors at any time during the year ended 31 December 2019 are set out above. Unless otherwise stated, they all served as directors for the entire year ended on that date. Mike Byrne is the Company Secretary.

4. Directors and secretary and their interests

The company is limited by guarantee and does not have any share capital. Therefore, the directors and secretary who served during the year did not have a beneficial interest in the company.

5. Transactions involving Directors

There were no contracts or arrangements of any significance outside the normal course of business for the organisation in relation to the company's business, or that of related companies, in which the directors or secretary of the company had any interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2019.

6. Risks and uncertainties

The Board of GS1 Ireland is responsible for the Organisation's risk management framework, which is designed to identify, manage and mitigate potential material risks to the achievement of the GS1 Ireland's strategic and business objectives.

The Board has approved a Risk Appetite Statement as part of its Risk Management Policy which sets out delegated responsibilities and procedures for the management of risk in GS1 Ireland. This Statement informs the internal controls that are maintained in those areas.

The Board regularly reviews the Organisation's Risk Register to ensure that both documented and emerging risks are managed appropriately.

7. Roles & Responsibilities:

The detailed roles and responsibilities assigned as part of the risk management and control framework are summarised below:

Board:

The Board is responsible for the Organisation's Risk Management Policy and for determining its appetite for risk. The Board is also required to report on the annual review of the effectiveness of risk management and internal control systems.

Audit & Risk Committee:

The Audit & Risk Committee is responsible for assisting the Board by taking delegated responsibility for risk identification and assessment and for reviewing the company's risk management and internal control systems and making recommendations to the Board thereon. It fulfils its responsibilities by reviewing relevant reports from the Executive and Auditors. The Chairman of the Audit & Risk Committee reports to the Board on its activities.

Executive:

The Executive (through the Chief Executive Officer) is required to maintain a comprehensive risk register, which is reviewed and updated regularly for submission and approval by the Audit & Risk Committee and, thereafter, by the Board. Risks are categorised as Strategic (S), Financial (F), Operational (O), and Reputational & Compliance (R) and are rated in terms of Business Impact and Likelihood. The register also includes a

description of the consequences of the risk, the ownership of the risk, and an action plan for addressing each risk.

All changes to key risks are documented and declared to the Board by the CEO at each Board Meeting.

8. Governance and committees

GS1 Ireland is member Organisation of GS1 AISBL and is required to comply with its statutes, code of practice and other relevant agreements as adopted under the General Assembly of GS1. In addition to the Supervisory Board, which meets four times a year and is responsible for the strategy and overall performance of the organisation, the directors also participate in four committees:

a. Operations Committee:

The Operations Committee consists of the Chair, Vice Chair and CEO. The committee meets four times a year in advance of the scheduled Supervisory Board meetings and reviews in detail the Organisation's management accounts, risk register and operational reports.

b. Remuneration Committee:

The Remuneration Committee consists of the Chair, Vice Chair and one other independent director. The committee meets on average once a year to determine and agree the policy for the remuneration of the company's CEO.

c. Nominations Committee:

The Nominations Committee consists of the Chair, Vice Chair and the CEO. The committee meets on average twice a year and the objectives of the committee are to recommend to the Supervisory Board individuals suitable for nomination to the Board and to provide the Supervisory Board with advice on the structure and general composition of the Board.

d. Audit and Risk Committee:

The Audit and Risk Committee consists of the Vice Chair and two other directors, with the CEO in attendance. The committee meets at least once 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.

9. Accounting Records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified

accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 2nd Floor, The Merrion Centre, Nutley Lane, Dublin 4.

10. Events since the end of the year

There have been no significant events affecting the company since the year end.

11. Future developments

In Ireland, along with each of the other 114 countries where Organisations have adopted our standards, GS1 is committed to developing and revising standards that best fit 21st century supply chain practices. These include data standards for omni-channel retailing such as GS1 SmartSearch, Global Product Classification and trusted data sharing capabilities via the GS1 Global Registry Platform. In Healthcare, developments are focused on supporting members in their efforts to comply with global healthcare regulatory requirements to identify, track and manage medicines, medical devices and critical assets. Developments are also underway to build expertise in new industry sectors such as Financial Services with the global roll out of an issuance service for unique legal entity identifiers (LEIs).

GS1 also recognise and will pursue the opportunity for their standards & solutions to be used in Building Information Management (BIM), to enable the identification, capturing, sharing and use of data pertaining to locations, assets and products in Construction. As consumers become more and more technology reliant it will equally become imperative for consumers to be able to trust product data and the brands that provide it. In addition to the rollout of the Verified by GS1 service, GS1 will also deploy the new GS1 Digital Link standard and productDNA service which enable brand owners and retailers to connect consumers, patients and business partners to all types of information about their products.

12. New solutions and research and development activities

The core of GS1 Ireland's Strategic Plan for 2019 to 2021 is delivering increased adoption of GS1 standards and solutions by members. Over the next three years, the company will invest in developing for members a range of solutions to support its members' supply chain needs. For the retail sector this work will include both new standards and solutions, such as Verified by GS1 and new global GS1 Registry Platforms for GTINs and GLNs and enhancements to existing solutions, such as semantic EDI messaging, eLOCATE, fTRACE and Barcode Manager. The company will also continue to undertake research and development in applications to support GTIN (barcode) adoption within the Healthcare supply chain in addition to developing standards-based registries for

healthcare services and traceability tracking solutions for precious samples and specialist baby feeds.

13. Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

14. Auditors

The auditors, Mazars, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

On behalf of the Board

Thomas Shortall
Director

PJ Timmins
Director

12 March 2019

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 assets, liabilities and financial position of the company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Thomas Shortall
Director

PJ Timmins
Director

12 March 2020

Independent Auditors' Report to the Members of GS1 (Global Standards 1 (Ireland))

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GS1 (Global Standards 1 (Ireland)) (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going

concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:
[https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditor's Report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members in accordance with Section 391 of the Companies Act 2014. 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 for our audit work, for this report, or for the opinions we have formed.

Lorcan Colclough
for and on behalf of
Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

12 March 2020

GS1 (Global Standards 1 (Ireland))

Statement of Income and Retained Earnings

| | Note | Year ended 31 December 2019 € | Year ended 31 December 2018 € |
|---|------|--|--|
| Income | 5 | 2,099,825 | 2,059,233 |
| Expenditure | | <1,915,153 > | <1,865,795 > |
| Operating surplus | | 184,672 | 193,438 |
| Interest receivable and similar income | 9 | 487 | 616 |
| Gain on financial assets | | - | 566 |
| Surplus before taxation | | 185,159 | 194,620 |
| Taxation | 10 | <296 > | <1,359 > |
| Surplus for the financial year | | <u>184,863</u> | <u>193,261</u> |
| Retained earnings at the beginning of the financial year | | 2,141,320 | 1,948,059 |
| Surplus for the financial year | | <u>184,863</u> | <u>193,261</u> |
| Retained earnings at the end of the financial year | | <u>2,326,183</u> | <u>2,141,320</u> |

All income is in respect of continuing operations.

GS1 (Global Standards 1 (Ireland))

Statement of Financial Position

| | Note | 31 December 2019 € | 31 December 2018 € |
|--|------|--------------------------|--------------------------|
| Fixed Assets | | | |
| Tangible fixed assets | 11 | <u>186,692</u> | <u>206,366</u> |
| Current Assets | | | |
| Debtors | 13 | 210,927 | 212,523 |
| Cash at bank and in hand | | <u>2,448,048</u> | <u>2,232,818</u> |
| | | 2,658,975 | 2,445,341 |
| Creditors | | | |
| Amounts falling due within one year | 14 | < <u>519,484</u> > | < <u>510,387</u> > |
| Net Current Assets | | <u>2,139,491</u> | <u>1,934,954</u> |
| Total assets less current liabilities | | <u><u>2,326,183</u></u> | <u><u>2,141,320</u></u> |
| Capital and Reserves | | | |
| Retained earnings | | <u>2,326,183</u> | <u>2,141,320</u> |
| Shareholders' funds | | <u><u>2,326,183</u></u> | <u><u>2,141,320</u></u> |

The financial statements were approved and authorised for issue by the board:

Thomas Shortall
Director

PJ Timmins
Director

Date: 12 March 2020

GS1 (Global Standards 1 (Ireland))

Statement of Cash Flows

| | Year ended 31 December 2019 € | Year ended 31 December 2018 € |
|---|--|--|
| Cash flows from operating activities | | |
| Surplus for the financial year | 184,863 | 193,261 |
| Adjustments for: | | |
| Depreciation of tangible assets | 63,870 | 65,313 |
| Interest and similar income | <487 > | <616 > |
| Decrease/(increase) in debtors | 1,596 | <3,907 > |
| Increase in creditors | 9,097 | 21,988 |
| Fair value gains | - | <566 > |
| Interest received | 487 | 616 |
| Net cash generated from operating activities | <u>259,426</u> | <u>276,089</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | <44,196 > | <46,805 > |
| Sale of financial assets | - | <u>354,845</u> |
| Net (outflow)/inflow cash from investing activities | <u><44,196 ></u> | <u>308,040</u> |
| Net increase in cash and cash equivalents | 215,230 | 584,129 |
| Cash and cash equivalents at beginning of year | <u>2,232,818</u> | <u>1,648,689</u> |
| Cash and cash equivalents at end of year | <u>2,448,048</u> | <u>2,232,818</u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | <u>2,448,048</u> | <u>2,232,818</u> |

Notes to the Financial Statements

1. Company Information

GS1 (Global Standards 1 (Ireland)) Limited is a company incorporated under the Companies Act 2014, without share capital, the liability of which is limited by the guarantee of its members, such amount as may be required, but not exceeding €1.00. The company is a not-for-profit company and its Constitution expressly forbids any form of distribution to the members of the company.

The mission of the company is to support organisations in their efforts to improve supply and demand chain efficiency. The principal activities of the company are the licensing of global company prefixes and global location numbers to identify products and locations for the purpose of automatic data capture and for EDI. The GS1 global standards cover Bar Coding, eCommerce, Master Data Management and EPC/RFID. The company also provides a range of relevant professional and advisory services for its user organisations, including education, training, and verification services.

2. Statement of Compliance

The financial statements have been prepared in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

All references to 2019 are to the year ended 31 December 2019. All references to 2018 are to the year ended 31 December 2018.

3. Significant Judgements and Estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes will not be collected. These estimates are based on such factors as the records of the debtor in the Companies Registration Office, the level of communication with the debtor and historical experience. The level of provision required is reviewed at the end of each financial year.

4. Summary of significant accounting policies

4.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company’s accounting policies.

The following principal accounting policies have been applied:

4.2. Currency

i. Functional and presentation currency

The company's functional and presentational currency is Euro.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

4.3. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Income represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax.

Income from the provision of services is recognised in the accounting period in which the services are rendered, the outcome of the contract can be measured reliably and economic benefits will flow to the company. Income from a contract to provide services is recognised in the period in which the services are provided. Accordingly, income received from customers in respect of periods which fall after the end of the financial year are not recognised as income and are included in creditors as deferred income. The company derives income from the following services:

- Membership income;
- Licensing income;
- Training and education of members;
- Professional services.

4.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings as it is received.

4.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------------|---------------------------|
| Short-term leasehold property | - 12.5% straight line |
| Fixtures and fittings | - 20% straight line |
| Office equipment | - 20% straight line |
| Computer equipment | - 25% / 50% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

4.6 Operating Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income and retained earnings on a straight-line basis over the period of the lease.

Operating lease incentives received on entering a new operating lease are credited to the statement of income and retained earnings to reduce the lease expense, on a straight line basis over the period of the lease.

4.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

4.8 Taxation

The company is managed and controlled in the Republic of Ireland and consequently, is tax resident in Ireland. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i. Current tax

The company is exempt from corporation tax on its ordinary activities in accordance with the Taxes Consolidation Act, 1997. The company is however, liable for corporation tax on its earned deposit interest and other passive income.

ii. Deferred tax

Deferred taxation is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation, including differences arising on the revaluation of fixed assets. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

On the basis of the above, as the company is exempt from corporation tax, deferred tax does not apply with exception of tax arising on timing differences on passive income such as the unrealised gain on financial investments.

4.9 Debtors and other receivables

Sales invoices are raised and expected to be received within the company's normal credit terms, such sales do not bear interest. At the end of each reporting period, the carrying amounts of the debtors and other receivables are reviewed to determine whether there is any evidence that the amounts are not recoverable, and whether an impairment loss should be recognised.

4.10 Creditors

Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

4.11 Employee Benefits

The company provide a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

ii. Annual bonus plans

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made.

iii. Pension and post retirement benefit scheme

Pension costs arising under the company facilitated Personal Retirement Savings Account (PRSA) scheme are charged to the statement of income and retained earnings as incurred. The company also operates a defined contribution executive pension scheme in respect of certain employees. Contributions to the scheme are charged to the statement of income and retained earnings as incurred.

5. Income

An analysis of income by activity is as follows:

| | 2019 | 2018 |
|---|------------------|------------------|
| | € | € |
| Licensing and registration income | 1,836,451 | 1,784,469 |
| Professional advisory and training services | 165,787 | 119,613 |
| Other income including GDS | <u>97,587</u> | <u>155,151</u> |
| | <u>2,099,825</u> | <u>2,059,233</u> |

All income arose in Ireland.

6. Employees

The average monthly number of employees, including executive directors, during the year was as follows:

| | 2019 | 2018 |
|----------------|-------------|-------------|
| | Number | Number |
| Administration | <u>12</u> | <u>12</u> |

| | 2019 | 2018 |
|--------------------------|------------------|------------------|
| | € | € |
| Wages and salaries | 918,695 | 873,478 |
| Social welfare costs | 90,675 | 88,677 |
| Retirement benefit costs | <u>114,068</u> | <u>118,412</u> |
| | <u>1,123,438</u> | <u>1,080,567</u> |

7. Pension and Post Retirement Benefit

The company facilitates a Personal Retirement Savings Account (PRSA) scheme for its employees, the contributions to which are paid to an independently administered fund. The retirement benefit cost for the year represents contributions payable to the fund. The contribution charged (including death in service) to the statement of income and retained earnings for the year was €61,975 (2018: €67,340).

The company also operates a company sponsored defined contribution executive scheme, supported by an external trustee. The assets of the scheme are vested in independent trustees for the sole benefit of the executives. The contribution charged to the statement of income and retained earnings for the year was €52,093 (2018: €50,072).

8. Operating Surplus

| | 2019 | 2018 |
|--|----------------|----------------|
| | € | € |
| Operating surplus is stated after charging: | | |
| Directors' emoluments | - | - |
| Operating lease charges | 111,056 | 111,056 |
| Depreciation | <u>63,870</u> | <u>65,313</u> |
| | <u>174,926</u> | <u>176,369</u> |

| | | |
|-------------------------------|-------------|-------------|
| 9. Interest receivable | 2019 | 2018 |
| | € | € |
| Interest receivable | <u>487</u> | <u>616</u> |

| | | |
|---------------------|-------------|-------------|
| 10. Taxation | 2019 | 2018 |
| | € | € |

Corporation tax

| | | |
|-------------------------------------|------------|---------------|
| Current tax on surplus for the year | 296 | 475 |
| Capital gains tax | - | <u>14,454</u> |
| Total current tax | <u>296</u> | <u>14,929</u> |

Deferred tax

| | | |
|----------------------|---|-----------|
| Utilised in the year | = | <13,570 > |
|----------------------|---|-----------|

| | | |
|---------------------------|---|-----------|
| Total deferred tax | = | <13,570 > |
|---------------------------|---|-----------|

| | | |
|---|------------|--------------|
| Taxation on surplus on ordinary activities | <u>296</u> | <u>1,359</u> |
|---|------------|--------------|

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in Ireland of 12.5% (2018 - 12.5%). The differences are explained below:

| | | |
|---|----------------|----------------|
| | 2019 | 2018 |
| | € | € |
| Surplus on ordinary activities before tax | <u>185,159</u> | <u>194,620</u> |

| | | |
|--|--------|--------|
| Surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2018 - 12.5%) | 23,145 | 24,328 |
|--|--------|--------|

Effects of:

| | | |
|---------------------------------------|-----------|---------------|
| Non-taxable mutual trading | <23,084 > | <24,001 > |
| Passive income taxable at higher rate | 122 | 148 |
| Over provision from prior year | 113 | - |
| Deferred tax | | <13,570 > |
| Capital gains tax | = | <u>14,454</u> |

| | | |
|--------------------------------------|------------|--------------|
| Total tax charge for the year | <u>296</u> | <u>1,359</u> |
|--------------------------------------|------------|--------------|

Factors that may affect future tax charges

In accordance with the Taxes Consolidation Act, 1997, the company is exempt from corporation tax on its ordinary activities on the basis that any surplus arising is derived from business done with its members. The company is only liable to corporation tax in respect of its deposit interest and any other passive income at the rate of 25%.

11. Tangible fixed assets

| | Short-term Leasehold improvements € | Fixtures & fittings € | Office equipment € | Computer equipment € | Total € |
|--------------------------|--|-----------------------------|--------------------------|----------------------------|----------------|
| Cost or valuation | | | | | |
| At 31 December 2018 | 326,681 | 10,764 | 51,505 | 413,746 | 802,696 |
| Additions | = | = | = | 44,196 | 44,196 |
| At 31 December 2019 | <u>326,681</u> | <u>10,764</u> | <u>51,505</u> | <u>457,942</u> | <u>846,892</u> |
| Depreciation | | | | | |
| At 31 December 2018 | 226,749 | 4,406 | 44,068 | 321,107 | 596,330 |
| Charge for the year | <u>22,908</u> | <u>1,752</u> | <u>5,145</u> | <u>34,065</u> | <u>63,870</u> |
| At 31 December 2019 | <u>249,657</u> | <u>6,158</u> | <u>49,213</u> | <u>355,172</u> | <u>660,200</u> |
| Net Book Amount | | | | | |
| At 31 December 2019 | <u>77,024</u> | <u>4,606</u> | <u>2,292</u> | <u>102,770</u> | <u>186,692</u> |
| At 31 December 2018 | <u>99,932</u> | <u>6,358</u> | <u>7,437</u> | <u>92,639</u> | <u>206,366</u> |

12. Financial assets

| | 2019 € | 2018 € |
|---------------------------------------|-----------|------------|
| Listed investments | | |
| At beginning of year | - | 354,279 |
| Increase in fair value of investments | - | 566 |
| Maturity of investments | = | <354,845 > |
| At end of year | <u>-</u> | <u>-</u> |

The listed investments are part of a specified investment fund managed externally to the company. The investments are recognised on active markets and measured at fair value through statement of income and retained earnings in line with the company's accounting policy. The fair value was determined by reference to the bid price at the financial year end date. The above investments matured on 20 March 2018.

13. Debtors

| | 2019 € | 2018 € |
|-----------------|----------------|----------------|
| Trade debtors | 70,324 | 45,305 |
| Corporation tax | 296 | 476 |
| VAT | 18,246 | 12,659 |
| Prepayments | <u>122,061</u> | <u>154,083</u> |
| | <u>210,927</u> | <u>212,523</u> |

All debtors fall due within one year. All trade debtors are due within the company's normal terms, which is 30 days.

Taxes are subject to the terms of the relevant legislation. Interest accrues on late payments. No interest was due at the financial year end date.

| 14. Creditors: Amounts falling due within one year | 2019 € | 2018 € |
|---|------------------|------------------|
| Trade creditors | 145,903 | 118,586 |
| Taxation and social insurance | 27,800 | 42,023 |
| Other creditors | 14,476 | 15,488 |
| Accruals | 306,305 | 295,924 |
| Deferred income | <u>25,000</u> | <u>38,366</u> |
| | <u>519,484</u> | <u>510,387</u> |

The repayment of trade creditors varies between on demand and 90 days. No interest is payable on trade creditors.

The terms of accruals and sundry creditors is based on underlying contracts.

Tax and social insurance are subject to terms and conditions of legislation. Interest accrues on late payments however; no interest was due at the financial year end date.

Other amounts in creditors are unsecured, interest free and payable on demand

15. Related Party Transactions

Income of €2,082,700 (2018: €1,969,188) in relation to licensing fees was received from third parties who are considered as related parties of the company as they hold membership of the company under its ownership structure.

Included in the amounts above is income of €80,115 (2018: €106,232) from member entities of GS1 Ireland who are also represented on the Board of the company. There were no amounts outstanding in relation to this amount at the statement of financial position date.

Key management personnel compensation

The senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel.

Total remuneration in respect of these individuals is €386,147 (2018: €401,886).

16. Financial instruments

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

| | 2019 € | 2018 € |
|--|------------------|------------------|
| Financial assets that are debt instruments measured at amortised cost | | |
| Trade debtors | 70,324 | 45,305 |
| Cash and cash equivalents | <u>2,448,048</u> | <u>2,232,818</u> |
| Financial liabilities measured at amortised cost | | |
| Trade creditors | <u>145,903</u> | <u>118,586</u> |

17. Commitments

The company holds a 35-year lease beginning in November 1991 with 7 years remaining for its premises at The Nutley Building, Merrion Road, Dublin 4. The annual commitment of €94,200 is subject to review at five year intervals. On 29 January 2015, the company entered into a new 10-year lease, with a five year break clause in respect of the additional space at the Nutley Building. The annual rent commitment is €32,745.

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2019 | 2018 |
|----------------------------|----------------|----------------|
| | € | € |
| Due: | | |
| Within one year | 126,945 | 126,945 |
| Between one and five years | 507,780 | 507,780 |
| After five years | <u>94,200</u> | <u>221,145</u> |
| | <u>728,925</u> | <u>855,870</u> |

The company also has commitments to payment of annual licence fees to GS1 AISBL, and GS1 in Europe deriving from the company's financial strength calculation.

18. Subsequent events

There have been no significant events affecting the company since the year end.

19. Approval of financial statements

The board of directors approved these financial statements for issue on 12 March 2020.

Detailed profit and loss account

For the Year Ended 31 December 2019

| | 2019 € | 2018 € |
|-----------------------------------|------------------|------------------|
| Turnover | <u>2,099,825</u> | <u>2,059,233</u> |
| Less: overheads | | |
| Selling and distribution expenses | <132,008 > | <112,974 > |
| Administration expenses | <1,280,750 > | <1,236,386 > |
| Establishment expenses | <502,395 > | <516,435 > |
| Operating profit | 184,672 | 193,438 |
| Interest receivable | 487 | 616 |
| Investment income | - | 566 |
| Profit for the year | <u>185,159</u> | <u>194,620</u> |

Schedule to the Detailed Accounts

For the Year Ended 31 December 2019

| | 2019 € | 2018 € |
|---|------------------|------------------|
| Turnover | | |
| Licensing and registration income | 1,836,451 | 1,784,469 |
| Professional advisory and training services | 165,787 | 119,613 |
| Other income including GDS | <u>97,587</u> | <u>155,151</u> |
| | <u>2,099,825</u> | <u>2,059,233</u> |

| | 2019 € | 2018 € |
|--|------------------|------------------|
| Selling and distribution expenses | | |
| Advertising and promotion | 90,942 | 80,183 |
| Printing | 5,856 | 2,694 |
| Stationery | 4,781 | 3,908 |
| Postage and packaging | 5,218 | 8,545 |
| Website | <u>25,211</u> | <u>17,644</u> |
| | <u>132,008</u> | <u>112,974</u> |

| | 2019 € | 2018 € |
|--|------------------|------------------|
| Administration expenses | | |
| Staff salaries | 1,009,370 | 962,155 |
| Staff private health insurance | 4,192 | 3,713 |
| Staff pension costs - defined contribution schemes | 114,068 | 118,412 |
| Staff training | 4,595 | 12,979 |
| Motor running costs | 14,455 | 15,200 |
| Entertainment | 8,154 | 8,294 |
| Hotels, travel and subsistence | 40,714 | 48,061 |
| Trade subscriptions | 7,418 | 8,616 |
| Charity donations | 6,100 | - |
| Legal and professional | 12,789 | 2,614 |
| Audit costs | 15,000 | 16,500 |
| Accountancy fees | 12,285 | 13,455 |
| Bank charges | 5,665 | 6,304 |
| Difference on foreign exchange | - | 33 |
| Sundry expenses | 4,179 | 2,903 |
| Insurances | 14,284 | 12,602 |
| Repairs and maintenance | 4,562 | 1,867 |
| Subcontractor costs | <u>2,920</u> | <u>2,678</u> |
| | <u>1,280,750</u> | <u>1,236,386</u> |

| | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | € | € |
| Establishment | | |
| Rent | 111,056 | 111,056 |
| Rates | 20,280 | 20,047 |
| Light and heat | 8,064 | 7,101 |
| Cleaning | 6,726 | 6,411 |
| Service charges | 47,617 | 38,610 |
| Repairs and maintenance | 35,778 | 29,535 |
| Depreciation | 63,870 | 65,313 |
| Telephone | 10,714 | 10,799 |
| GS1 fees (from other offices) | 154,858 | 152,444 |
| Canteen expenses | 1,076 | 1,236 |
| Software | 6,230 | 620 |
| Provision for cancellations | 35,401 | 21,763 |
| SA2 fees | <u>725</u> | <u>51,500</u> |
| | <u>502,395</u> | <u>516,435</u> |
| Interest receivable | | |
| Bank interest receivable | <u>487</u> | <u>616</u> |
| Investment income | | |
| Gain on financial assets | <u>-</u> | <u>566</u> |



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