

Global Blue Service Company UK Limited  
Registered No. 06291473

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# Global Blue Service Company UK Limited

**Annual Report and Financial Statements**  
**For the year ended 31 March 2019**

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## **Company Information**

### **Directors**

Jeremy Henderson -Ross  
Pier Francesco Nervini  
Loic Jenouvrier  
Derrick Philip Hardman

### **Company Secretary**

Jeremy Henderson-Ross

### **Independent Auditors**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

### **Registered Office**

7th Floor, 52 Grosvenor Gardens  
London  
England, SW1W 0AU

## Strategic Report

The directors present their strategic report for the year ended 31 March 2019.

### Principal activities and review of the business

The company's principal activity during the year was that of an intermediary holding company. The company also employs a number of UK based staff which provide services to the wider group. Staff and other operating costs are re-charged to affiliated companies.

### Results

The profit for the financial year amounted to £12,751,207 (2018: profit £16,894,797). The net assets of the Company as at 31 March 2019 are £22,078,156 (2018: net assets £27,326,949).

### Future developments

The directors aim to continue the principal activity of the company to be that of a service company.

### Principal risk and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. The Group is defined as Global Blue entities consolidated within Global Blue Group AG., incorporated in Switzerland.

### Key performance indicators (KPIs)

The Directors Global Blue Group AG manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, are discussed in the Group's Annual Report and Accounts, which does not form part of this report.

### Financial Risk Management

#### Liquidity risk

The company is funded through its retained profits and intercompany balances. The directors actively consider other sources of funding to ensure that the company has sufficient available funds for its operations.

On behalf of the board

03.02.2020

Jeremy Henderson-Ross



Director

## Directors' Report

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

### ***Statement of directors' responsibilities in respect of the financial statements***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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.

### ***Directors' confirmations***

In the case of each director in office at the date the Directors' Report is approved:

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

## Directors' Report (continued)

### Directors

The directors who were in office during the year and up to the date of signing the financial statements were:

Jeremy Henderson-Ross

Pier Francesco Nervini

Loic Jenouvrier

Gordon Clark (resigned 11/04/2018)

Derrick Philip Hardman (appointed 11/04/2018)

### Dividends

Dividends have been paid and proposed by the directors for the year ended 31 March 2019 £18,000,000 (2018: £nil).

### Future developments

A review of the future developments of the business can be found in the Strategic Report.

### Going Concern

Notwithstanding the net asset position of the company, the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate as the company has signed a cash pool agreement with the parent undertaking, Global Blue Holland BV according to which funds will be available to the company as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as and when they fall due for payment.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the Board

Jeremy Henderson-Ross  
Director



03 February 2020

## ***Independent auditors' report to the members of Global Blue Service Company UK Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Global Blue Service Company UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2019; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

## ***Independent auditors' report to the members of Global Blue Service Company UK Limited (continued)***

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



## ***Independent auditors' report to the members of Global Blue Service Company UK Limited (continued)***

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### **Other required reporting**

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#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
February 2020

## Income Statement

For the year ended 31 March 2019

	Note	2019 £	2018 £
Revenue		2,960,610	3,060,395
Administration expenses		(2,708,957)	(2,791,217)
<b>Operating profit</b>	<b>4</b>	<b>251,653</b>	<b>269,178</b>
Finance income	6	16,413,008	20,361,131
Finance costs	7,8	(3,913,285)	(3,913,285)
<b>Profit before taxation</b>		<b>12,751,376</b>	<b>16,717,022</b>
Tax on profit	9	(169)	177,775
<b>Profit for the financial year</b>		<b>12,751,207</b>	<b>16,894,797</b>

A statement of comprehensive income has not been prepared as there was no comprehensive income for the year other than that included in the results above.

The notes on pages 12 to 24 form part of these financial statements.

## Statement of Financial Position

As at 31 March 2019

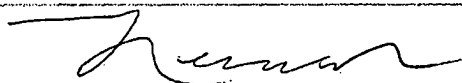
	Note	2019 £	2018 £
<b>Non-current assets</b>			
Investments	10	56,186,204	56,186,204
Property, plant and equipment	11	10,716	3,199
		<u>56,196,920</u>	<u>56,189,403</u>
<b>Current assets</b>			
Trade and other receivables	12	18,208,893	23,486,364
Cash and cash equivalents		52,161	130,486
		<u>18,261,054</u>	<u>23,616,850</u>
<b>Creditors: amounts falling due within one year</b>	13	(4,216,306)	(4,315,792)
<b>Net current assets</b>		<u>14,044,748</u>	<u>19,301,058</u>
<b>Total assets less current liabilities</b>		<u>70,241,668</u>	<u>75,490,461</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(48,163,512)	(48,163,512)
<b>Net assets</b>		<u>22,078,156</u>	<u>27,326,949</u>
<b>Equity</b>			
Called up share capital	15	8,405,446	8,405,446
Retained earnings		13,672,710	18,921,503
<b>Total shareholders' funds</b>		<u>22,078,156</u>	<u>27,326,949</u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements on pages 9 to 24 were approved by the Board of Directors on 03-02-2020 and were signed on its behalf by:

Jeremy Henderson-Ross  
Director

Registered number: 06291473



## Statement of Changes in Equity

For the year ended 31 March 2019

	Note	Called up share capital  £	(Accumulated losses)/ Retained earnings  £	Total shareholders' (deficit)/funds  £
Balance as at 31 March 2017		<u>8,405,446</u>	<u>2,026,706</u>	<u>10,432,152</u>
Profit for the financial year and total comprehensive income		-	16,894,797	16,894,797
Balance as at 31 March 2018		<u>8,405,446</u>	<u>18,921,503</u>	<u>27,326,949</u>
Profit for the financial year and total comprehensive income		-	12,751,207	12,751,207
Dividend paid	7	-	(18,000,000)	(18,000,000)
Balance as at 31 March 2019		<u>8,405,446</u>	<u>13,672,710</u>	<u>22,078,156</u>

The notes on pages 12 to 24 form part of these financial statements.

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## Notes to the Financial Statements

For the year ended 31 March 2019

### 1. General Information

The company Global Blue Service Company UK Limited is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office 7th Floor, 52 Grosvenor Gardens, SW1W 0AU, England.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### 2.2 Exemption for qualifying entities under FRS 101

The following exemption from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with;

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### 2.3 Adoption of new accounting standards in the year

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The new standards, amendments and interpretation have been adopted by the Group. The following accounting standards have been implemented in the year:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

## Notes to the Financial Statements

For the year ended 31 March 2019

### 2. Summary of significant accounting policies (continued)

#### 2.3. Adoption of new accounting standards in the year (continued)

Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

In July 2017 the IASB ('Board') released the accounting standard for modifications of financial liabilities under IFRS 9. That is, when a financial liability measured at amortised cost is modified without resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Global Blue adopted the standard as of 1 April 2018 based on the modified retrospective approach. Global Blue has analysed the impact of the standard and has concluded the following:

- The new hedge requirements have no impact on the financials of Global Blue, as the Company does not apply hedge accounting;
- The financial liabilities are measured at "amortised cost", which has been reflected in equity as of 1 April 2018;
- The impact of implementing the expected loss model on receivables is immaterial. The Company determines at each reporting date the impairment allowances by measuring the expected credit loss, using the lifetime expected loss allowance model, under the simplified approach.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. After the assessment of the new standard, there is no material change in the recognition of the revenue in Global Blue compared to IAS 18 and IAS 11.

IFRS 16, 'Leases' replaces the guidance on leases of IAS 17. IFRS 16 proposes a new model of recognition the lease contracts according to which almost all leases are recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, a financial asset (the right to use the leased item), and a financial liability (the obligation to pay rentals) are recognised, with the only exceptions being short-term, and low-value leases.

## Notes to the Financial Statements

For the year ended 31 March 2019

### 2. Summary of significant accounting policies (continued)

#### 2.4 Going Concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate as the company has signed a cash pool agreement with the parent undertaking, Global Blue Holland BV according to which funds will be available to the company as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as and when they fall due for payment.

#### 2.5 Consolidation

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Global Blue Group AG., incorporated in Switzerland. These financial statements present information about the company as an individual undertaking and not about its group.

#### 2.6 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### 2.7 Revenue recognition

The company provides services to affiliated companies within the wider group. Revenue from providing services is recognised in the accounting period in which the services are rendered. Efforts to satisfy the performance obligation are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time.

#### 2.8 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

- the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
- Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:
- Computer equipment – 33% per annum

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## Notes to the Financial Statements

For the year ended 31 March 2019

### 2. Summary of significant accounting policies (continued)

#### 2.8 Property, plant and equipment (continued)

- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### 2.9 Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

#### 2.10 Cash and cash equivalents

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

#### 2.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.12 Creditors

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



## Notes to the Financial Statements

For the year ended 31 March 2019

### 2. Summary of significant accounting policies (continued)

#### 2.13 Other changes in accounting standards

New and revised standards will be applied in the financial years 2019/20 and beyond. Global Blue's assessment is that the standards, amendments and interpretation issued and not yet effective for the financial year 2019/20 will not have a significant impact on the financial statements.

### 3. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

#### (a) Impairment of trade and other receivables

The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

#### (b) Impairment of investments in subsidiary undertakings

The company periodically assess the impairment of investments in subsidiary undertakings. When assessing impairment of investment of subsidiaries, management considers factors including the future profitability, their underlying net asset and historical experience.

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**4. Operating profit**

This is stated after charging

	2019 £	2018 £
Auditors' remuneration – audit of financial statements	8,310	10,034
Other consulting services relating to tax computations	6,385	9,220
Depreciation of owned fixed assets	4,196	5,547
	<u>18,891</u>	<u>24,801</u>

**5. Employees and directors****Staff costs**

	2019 £	2018 £
Wages and salaries	1,798,378	1,747,401
Social security costs	229,808	193,010
Other pension costs	45,693	40,021
	<u>2,073,879</u>	<u>1,980,432</u>

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

	2019	2018
By activity	No.	No.
Administration	26	23
	<u>26</u>	<u>23</u>

The four Directors (2018: four) of Global Blue Service Company UK Limited were not remunerated for their services provided to the Company in both 2019 and 2018. The services were of negligible value.

The directors are also directors of a number of other subsidiaries for which they carry on work. They are paid by the fellow subsidiary that makes no recharge to the subsidiaries. Their role is that of an executive directors of each of the subsidiaries.

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**6. Finance income**

	2019	2018
	£	£
Dividends received from subsidiaries	16,000,000	20,000,000
Interest receivable from group undertakings	413,008	361,131
	<u>16,413,008</u>	<u>20,361,131</u>

As of 31 March 2019, cash pool debit interest in GBP is 4.20%, credit interest 2.25% (2018: debit interest 4.04%,; credit interest 1.91%).

In 2019 according shareholders board resolution dividends were received from Global Blue UK – GBP 16,000,000.

**7. Finance costs**

	2019	2018
	£	£
Interest payable on intercompany loans	3,913,285	3,913,285
	<u>3,913,285</u>	<u>3,913,285</u>

As of 31 March 2019, the applied interest rate is 8.125% (2018: 8.125%).

**8. Dividends paid**

	2019	2018
	£	£
Dividends paid to parent company	(18,000,000)	-
	<u>(18,000,000)</u>	<u>-</u>

For the year ended 31 March 2019 according shareholders board resolution dividends were paid to its immediate parent by Global Blue Holding Company UK Ltd (GBP 18,000,000) on 15 of March 2019.

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**9. Tax on profit**

Tax expense included in profit or loss

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK Corporation tax on loss before taxation	-	-
Adjustment in respect of prior periods	-	177,570
Total current tax	-	<b>177,570</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	169	205
Impact of change in tax rate	-	-
Total deferred tax	169	205
<b>Tax on profit</b>	<b>169</b>	<b>177,775</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	12,751,376	16,717,022
Profit multiplied by the standard rate of tax in the UK of 19% (2018:19%)	2,422,761	3,176,234
<b>Effects of:</b>		
-Non-taxable dividend from Group undertaking	(3,040,000)	(3,800,000)
-Adjustment in respect of prior periods	-	177,570
-Group relief (received)/surrendered	(52,694)	295,563
-Depreciation in excess of capital allowances		(572)
-Deferred tax release	(169)	
-Disallowable expenses	669,933	397,432
-Adjusted profit		(68,452)
<b>Total Tax credit</b>	<b>(169)</b>	<b>177,775</b>

Changes to the UK corporation tax rates were substantively enacted as part of the Finance bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2018 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**9. Tax on profit (continued)**

/ The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in trade and other receivables (note 12)	1,617	1,786

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Other timing differences	1,617	1,786

The movement in the deferred tax provision during the year was:

	2019 £	2018 £
Deferred tax on tangible fixed assets	169	205
	169	205

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**10 . Investments**

	2019 £	2018 £
Shares in subsidiary undertaking	56,186,204	56,186,204

The directors consider the value of the investments to be supported by their underlying assets.

The related undertakings of the Group are shown below together with details of their main activities and place of business:

Subsidiary undertakings	Address	Effective Holding	Principal activity
Global Blue UK Limited	7th Floor, 52 Grosvenor Gardens, SW1W 0AU London, UK	100%	VAT refund service
Global Blue Singapore Pte Ltd	6 Shenton Way, OUE Downtown 2 #11-08, Singapore 068809	100%	VAT refund service
Global Blue Tax Free Ireland Ltd	76 Baggot Street Lower, 4th Floor Dublin 2, Ireland	100%	VAT refund service
GB New Holdings Germany GmbH	Vogelsanger Weg 38, D- 40470 Düsseldorf, Germany	100%	Holding company
GB Currency Choice Schweiz AG	Zürichstrasse 38, 8306 Brüttsellen, Switzerland	100%	Currency Choice
GB Schweiz AG	Zürichstrasse 38, 8306 Brüttsellen, Switzerland	100%	VAT refund service
GB Deutschland GmbH	Vogelsanger Weg 38, D- 40470 Düsseldorf, Germany	100%	VAT refund service
GB Luxembourg SA	59, rue de Rollingergrund, L-2440 Luxembourg	99%	VAT refund service

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**11. Property, plant and equipment**

	<b>Computer/ IT Equipment</b>
	<b>£</b>
<b>Cost</b>	
At 01 April 2018	16,641
Additions	11,713
At 31 March 2019	<u>28,354</u>
<b>Accumulated Depreciation</b>	
At 31 March 2018	13,442
Charge for the year	4,196
At 31 March 2019	<u>17,638</u>
<b>Net book value</b>	
At 31 March 2019	<u>10,716</u>
At 31 March 2018	<u>3,199</u>

**12. Trade and other receivables**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	18,200,925	23,471,602
Other debtors	-	-
Other taxes	6,351	12,976
Deferred tax	1,617	1,786
	<u>18,208,893</u>	<u>23,486,364</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**13. Creditors: amounts falling due within one year**

	2019	2018
	£	£
Amount owed to group undertakings	3,909,049	3,913,928
Other creditors	6,630	23,976
Taxation and social security	77,528	49,920
Accruals and deferred income	223,098	327,968
	<u>4,216,305</u>	<u>4,315,792</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

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

	2019	2018
	£	£
Amounts owed to group undertakings	<u>48,163,512</u>	<u>48,163,512</u>

Amounts owed to group undertakings are unsecured and repayable after more than one year. As of 31 March 2019, the applied interest rate is 8.125% (2018: 8.125%).

**15. Called up share capital**

	2019	2019	2018	2018
	No.	£	No.	£
<i>Allotted and fully paid up</i>				
Ordinary shares of £1 each	8,405,446	8,405,446	8,405,446	8,405,446
	<u>8,405,446</u>	<u>8,405,446</u>	<u>8,405,446</u>	<u>8,405,446</u>

**16. Pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £45,693 (2018: £40,021). There were no unpaid contributions at 31 March 2019.



**Notes to the Financial Statements (continued)**

For the year ended 31 March 2019

**17. Contingent liabilities**

The company is a member of a group. Each of the companies in the group is subject to a cross-guarantee over the borrowings of the group as a whole. The total borrowings within the group at 31 March 2019, subject to the cross-guarantee, were €630,000,000; £538,996,500 (2018: €630,000,000; £551,185,924). There is a facility in place to borrow up to an additional €80,000,000 (£69,991,683), (2018: €80,000,000 (£69,991,683)) which will be subject to the same cross-guarantee.

**18. Related party transactions**

There were no related party transactions during the year (excluding wholly owned subsidiaries and the ultimate parent company of the Global Blue Group).

**19. Ultimate parent undertaking and controlling party**

The Company's ultimate parent undertaking and controlling party is Global Blue Group AG., incorporated in Switzerland. The only group in which the results of the company are consolidated is that headed by Global Blue Group AG, incorporated in Switzerland. The consolidated financial statements of the group are available to the public.

The company's immediate parent undertaking is Global Blue New Holdings UK Limited.

**20. Restatement of prior period income statement**

It was concluded that certain expenditure in the prior year income statement had not been presented appropriately and so a restatement has been recognised. Amounts previously reported, restatement adjustments and restated amounts have been shown below for the line items affected:

	As previously reported 2018 £	Restatement adjustments 2018 £	As restated 2018 £
Revenue	630,307	2,430,088	3,060,395
Administrative expenses	-	(2,791,217)	(2,791,217)
<b>Operating profit</b>	<b>630,307</b>	<b>(361,129)</b>	<b>269,178</b>
Finance income	20,000,000	361,131	20,361,131
Finance costs	(3,913,285)	-	(3,913,285)
<b>Profit before tax</b>	<b>16,717,022</b>	<b>-</b>	<b>16,717,022</b>