



**Visa UK Limited**

**2023 FINANCIAL STATEMENTS**

**Registered Number 02744892**

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## Directors' Report

The Board of Directors (the Directors) present their annual report together with the audited financial statements for Visa UK Limited (the Company) for the year ended 30 September 2023.

### Principal activities, review of business and future developments

The Company was formed to undertake a variety of projects on behalf of its members in order to promote the Visa brand, administer domestic Visa matters in the United Kingdom and to improve the profitability of its members and represent members' interests to outside bodies. However, consistent with prior years, such projects have been undertaken by Visa Europe Limited, which is an entity forming part of the Visa Inc group. Therefore, the Company did not trade during the year, and it is not anticipated that this will change in the foreseeable future.

The Company is a party to the ongoing Retailer Litigation, as outlined in Note 8, Contingent liabilities. The Company is named in the litigation along with Visa Europe Limited.

### Results and dividend

The Company did not trade during the current year or the preceding year and received no income. Consequently, during these years the Company did not make a profit or loss. The Company had no other recognised gains or losses in these two years.

The statement of financial position is shown on page 7 and shows a net asset balance of £283 (2022: £283). There have been no changes in the Company's assets or liabilities during the year.

The Directors do not recommend a dividend (2022: £ nil).

### Going concern

The Directors have prepared the financial statements under the going concern basis having given due consideration to the Company's financial liabilities and the financial resources available to meet its obligations. The Directors have also considered the impact of macroeconomic uncertainty (including recessions, inflation, and the associated impact of rising interest rates, currency fluctuations, rising energy prices, supply chain issues and a slowdown of global trade) in their assessment.

As outlined in Note 8, Contingent liabilities, there is an uncertainty relating to the Retailer Litigation. The Visa Europe Limited board has confirmed that Visa Europe Limited will absorb all losses associated with the Retailer Litigation and any other claims.

### Directors' interest

None of the Directors have beneficial interests in the share capital of the Company. The Directors do not have service contracts.

### Post balance sheet events

See Note 8, Contingent liabilities, for details on activity of pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

### Qualifying third party indemnities

There are no qualifying third party indemnities in force during the financial year and as at the date of this report.

### Employees

The Company has no employees (2022: nil).

### Political donations

The Company made no political contributions during the year (2022: £ nil).

### Preparation of a strategic report

The Company is entitled to and has taken the small companies exemption in relation to the preparation of a strategic report for the financial year under the Companies Act 2006. Therefore, no report has been included.

## Directors' Report *(continued)*

### Directors

The following Directors held office during and subsequent to the year ended 30 September 2023:

Charlotte Hogg

Mandy Lamb (Appointed 3 October 2022)

Jenifer Mundy (Resigned 3 October 2022)

### Disclosure of information to auditor

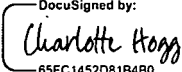
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Reappointment of auditor

The external auditor, KPMG LLP, was reappointed by the Board of Directors on 13 December 2023, and will therefore continue in office.

By order of the Board

DocuSigned by:

  
65FC1452D81B4B0...

Charlotte Hogg

Director

1 Sheldon Square  
London W2 6TT

13 December 2023

## **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## Independent Auditor's Report to the Members of Visa UK Limited

### Opinion

We have audited the financial statements of Visa UK Limited ("the Company") for the year ended 30 September 2023 which comprise the statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its result for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account that there were no transactions during the year, we performed procedures to address the risk of management override of controls:

- Enquiring of management of any known changes and activity in the business during the period
- Inspection of bank statements to identify whether any transactions existed in the period

On this audit we do not believe there is a fraud risk related to revenue recognition because the Company is non-trading and did not have revenue generating activities in the period.

We did not identify any additional fraud risks.

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: competition legislation and interchange fee regulations, and certain aspects of company legislation recognising the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

For the legal matters discussed in note 8, we assessed disclosures against our understanding from inquiries with internal and external legal counsel, inspection of minutes of meetings and correspondence, and in some instances obtaining legal confirmations from the Company's external counsel.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' Report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

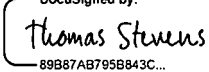
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

DocuSigned by:  
  
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**Thomas Stevens (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

13 December 2023

## Income Statement

For the year ended 30 September 2023

An Income Statement has not been presented for either the current period or the prior period as the Company did not trade.

There are no other recognised gains or losses for the year.

## Statement of Financial Position

As at 30 September 2023

|                             | Note | 2023<br>£ | 2022<br>£ |
|-----------------------------|------|-----------|-----------|
| <b>Current assets</b>       |      |           |           |
| Cash and cash equivalents   | 4    | 197       | 197       |
| Trade and other receivables | 5    | 94        | 94        |
|                             |      | 291       | 291       |
| <b>Current liabilities</b>  |      |           |           |
| Trade and other payables    | 6    | 8         | 8         |
|                             |      | 8         | 8         |
| <b>Net assets</b>           |      | 283       | 283       |
| <b>Capital and reserves</b> |      |           |           |
| Called up share capital     | 7    | 118       | 118       |
| Capital redemption reserve  | 7    | 32        | 32        |
| Profit and loss account     |      | 133       | 133       |
| <b>Shareholders' funds</b>  |      | 283       | 283       |

The notes on pages 10 to 14 form part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:  
  
 65FC1452D81B4B0...  
 Charlotte Hogg  
 Director

13 December 2023

Company registered number: 02744892

**Statement of Changes in Equity**

As at 30 September 2023

|  | Attributable to equity holders of the Company |                            |                   |              |
|--|---|----------------------------|-------------------|--------------|
|  | Share capital                                 | Capital redemption reserve | Retained earnings | Total equity |
|  | £   | £                          | £                 | £            |
| <b>Balance at 30 September 2021</b>            | <b>118</b>                                    | <b>32</b>                  | <b>133</b>        | <b>283</b>   |
| <b>Total comprehensive income for the year</b> | <b>—</b>                                      | <b>—</b>                   | <b>—</b>          | <b>—</b>     |
| <b>Balance at 30 September 2022 and 2023</b>   | <b>118</b>                                    | <b>32</b>                  | <b>133</b>        | <b>283</b>   |

The notes on pages 10 to 14 form part of these financial statements.

## **Statement of Cash Flow**

As at 30 September 2023

A Statement of Cash Flow has not been presented for either the current period or the prior period as the Company did not trade and the Company's assets, liabilities and equity did not change during the current or prior period.

## Notes to the financial statements

For the year ended 30 September 2023

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### IFRS

##### Statement of compliance

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

##### Basis of preparation

The Company's financial statements have been prepared under the historical cost convention and are presented in GBP, which is both the functional and presentational currency.

##### Going concern

The Directors have prepared the financial statements under the going concern basis having given due consideration to the Company's financial liabilities and the financial resources available meet its obligations. The Directors have also considered the impact of macroeconomic uncertainty (including recessions, inflation, and the associated impact of rising interest rates, currency fluctuations, rising energy prices, supply chain issues and a slowdown of global trade) in their assessment.

As outlined in Note 8, Contingent liabilities, there is an uncertainty relating to the Retailer Litigation. The Company is named in the litigation along with Visa Europe Limited. The Visa Europe Limited board has confirmed that Visa Europe Limited will absorb all losses associated with the Retailer Litigation and any other claims.

##### Cash and cash equivalents

Cash and cash equivalents comprise of cash balances.

##### Trade and other receivables

Trade receivables are measured at fair value at the date of trade plus directly attributable transaction costs on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement. When estimating loss allowances for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Contingent liabilities

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events or present obligations arising from past events, but the probability that it will be required to settle that obligation is more than remote, but not probable. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote. See Note 8, Contingent liabilities.

### 2. Remuneration of Directors

None of the Directors received any fees or emoluments in respect of duties as Directors for this Company during the year (2022: £ nil).

**Notes to the financial statements (continued)****3. Remuneration of auditor**

|  | 2023   | 2022   |
|--|--------|--------|
|  | £      | £      |
| Fees payable to the Company's auditors for the audit of the Company's financial statements | 18,500 | 15,000 |

The remuneration of the auditor is borne by Visa Europe Limited.

**4. Cash and cash equivalents**

|                           | 2023 | 2022 |
|---------------------------|------|------|
|                           | £    | £    |
| Cash and cash equivalents | 197  | 197  |

**5. Trade and other receivables**

|  | 2023 | 2022 |
|--|------|------|
|  | £    | £    |
| Other debtors  | 90   | 90   |
| Amounts due from Members in relation to purchase of shares | 4    | 4    |
|  | 94   | 94   |

Other debtors of £90 represents amounts due to the Company by Visa Europe Services LLC, a holder of a special share of the Company, for charges incurred on its behalf.

**6. Trade and other payables**

|  | 2023 | 2022 |
|--|------|------|
|  | £    | £    |
| Amounts due to Members on redemption of shares | 8    | 8    |
| Total trade and other payables                 | 8    | 8    |

**Notes to the financial statements (continued)****7. Capital and reserves***Called up share capital*

|  | £          |
|--|------------|
| Allotted, called up and fully paid                                 |            |
| Redeemable shares of £1 each                                       | 18         |
| Special share of £100  | 100        |
| <b>Called up share capital at 30 September 2021, 2022 and 2023</b> | <b>118</b> |

The shares are redeemable in the event that a member withdraws from the Company by giving written notice, or where the member becomes ineligible for membership under conditions set out in the articles of association. Visa Europe Services LLC holds the special share, which is non-redeemable, and as such is not entitled to vote at general meetings of the Company.

The Company is limited by shares.

*Reserves**Capital redemption reserve*

A non-distributable reserve account into which an amount equivalent to the nominal value of a redeemed or purchased share is transferred following the redemption or purchase of the Company's own shares.

**8. Contingent liabilities***UK and Other Retailer claims*

Since July 2013, proceedings have been commenced by more than 1,100 Merchants (the capitalized term "Merchant", when used in this section, means a Merchant together with subsidiary/affiliate companies that are party to the same claim) against a number of Visa entities, which included the Company, primarily relating to interchange rates in Europe and, in some cases, relating to fees charged by Visa and certain Visa rules. They seek damages for alleged anti-competitive conduct in relation to one or more of the following types of interchange fees for credit and debit card transactions: UK domestic, Irish domestic, other European domestic, intra-European Economic Area and/or other inter-regional. As of the reporting date, Visa has settled the claims asserted by over 175 Merchants, and there are approximately 900 Merchants with outstanding claims. In addition, over 30 Merchants have threatened to commence similar proceedings. Standstill agreements have been entered into with respect to some of those threatened Merchant claims, several of which have been settled. While the amount of interchange being challenged could be substantial, these claims have not yet been filed and their full scope is not yet known. Visa has learned that several additional European entities have indicated they may also bring similar claims, and Visa anticipates additional claims in the future.

A trial took place from November 2016 to March 2017, relating to claims asserted by one Merchant (Sainsbury's). In judgments published in November 2017 and February 2018, the court found as to Sainsbury's that Visa's UK domestic interchange did not restrict competition (Article 101(1) TFEU), but that if it had been found to restrict competition, it would not be exemptible under applicable law (Article 101(3) TFEU). On 4 July 2018, the Court of Appeal overturned the lower court's rulings, finding that Visa's UK domestic interchange restricted competition and the question of whether Visa's UK domestic interchange was exempt from the finding of restriction under applicable law had been incorrectly decided. Following an appeal to the Supreme Court of the United Kingdom, on 17 June 2020, the Supreme Court found that Visa's UK domestic interchange restricted competition under applicable competition law (Article 101(1) TFEU). On 30 September 2021, Visa reached a confidential settlement agreement resolving Sainsbury's claims.

On 26 November 2021, with respect to certain pending Merchant claims, the UK Competition Appeal Tribunal (CAT) found that UK and certain other domestic and intra-European Economic Area consumer interchange fees before the introduction of the Interchange Fee Regulation (IFR) were a restriction of competition, but that the question of whether those fees, along with inter-European Economic Area fees, are a restriction of competition after the introduction of the IFR would need to be resolved at trial. This will apply to only the claimants not captured by the CAT summary judgment. Whether any interchange fees are exempt from the finding of restriction under applicable law (Article 101(3) TFEU) and the assessment of damages, if any, will also need to be considered at trial. On 4 October 2022, the UK Court of Appeal affirmed the CAT's ruling. The CAT has set trial dates for 2024.

## Notes to the financial statements (continued)

On 1 June 2022, two class action claims were filed against Visa with the CAT on behalf of UK businesses that accepted Visa-branded payment cards at any time since 1 June 2016, alleging that UK domestic, intra-European Economic Area, and inter-regional interchange fees on commercial credit cards, and inter-regional interchange fees on consumer cards, are anti-competitive. On 8 June 2023, the CAT denied class certification in the two class action claims. The Proposed Class Representative has indicated an intention to make a second attempt at class certification only in relation to commercial interchange fees.

The current timetable for court hearings is: liability issues in February/March 2024; pass-on issues October 2024; a trial to address the question of exemption (legal level) of interchange in 2025 or 2026; and a trial to address the quantum of any damages owed to Merchants in 2027.

Visa Europe Limited will absorb all losses associated with the Retailer Litigation and any other claims and consistent with prior years will recognise any required losses or related settlements in its accounts. Therefore, no such losses will be recognised in the Company's financial statements.

### 9. Post balance sheet events

See Note 8, Contingent liabilities, for details on activity of pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

## Visa UK Limited office and business information

### Head Office

1 Sheldon Square  
London  
W2 6TT  
United Kingdom  
Tel: +44 (0)20 7937 8111  
Fax: +44 (0)20 7937-0877

### Company secretary

Prini Pithouse  
1 Sheldon Square  
London  
W2 6TT

### Registered office

1 Sheldon Square  
London  
W2 6TT

### Registered number

02744892

### Auditor

KPMG LLP  
15 Canada Square  
London  
E14 5GL

### Solicitor

Linklaters  
1 Silk Street  
London  
EC2Y 8HQ

### Ultimate parent company

Visa Inc.  
P.O. Box 8999  
San Francisco, California  
94128-8999