

Visa CEMEA (UK) Limited

Registration Number: 6423431

Directors' report and liquidation financial statements

For the year ended 30 September 2022

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Visa CEMEA (UK) Limited
For the year ended 30 September 2022

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Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Strategic report

Visa CEMEA (UK) Limited (the "Company") was incorporated on 9 November 2007 and commenced operations on 1 March 2008. The Company is a wholly-owned subsidiary of Visa International Service Association ("Visa International" or "Parent"). The Company's principal activities are the provision of business advisory services, business development and client relationship services, technical support and training. The Company is mainly funded by way of service fees levied on Visa International on a cost-plus basis. However, the Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off. The liquidation financial statements (hereafter referred to as the "financial statements") are therefore no longer prepared on a going concern basis and therefore the liquidation financial statements have been prepared on a break-up basis.

The main objective of the Company to continue to support Visa International's activities within the Central Europe, Middle East and Africa ("CEMEA") region has ceased while being dependent on the Parent for its working capital funds until the liquidation of the Company has been concluded. Risks and uncertainties are managed at a group level. The group is comprised of Visa Inc. and its subsidiaries. These risks and uncertainties are set out in the publicly available financial statements of Visa Inc. An enterprise-wide risk management framework is used to identify, assess, measure, report, and manage all types of risk and to align the risk management with the business strategy. Further risks applicable to the Company are detailed in Notes 5 and 19.

The Company's key financial and other performance indicators during the year were as follows:

Key performance indicators	2022	2021
Revenue	23,929,277	22,889,549
(Loss) / profit for the year after tax	(6,790,951)	451,089
Cash at banks	7,914,191	4,062,850
Total equity	(28,160,719)	(23,915,780)
Actual number of employees	8	11

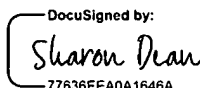
The realisation of a loss after tax in the current year is mainly driven by higher foreign exchange losses compared to the previous year. As at 30 September 2022, the Company had 8 full-time equivalent employees (2021: 11 employees).

The Company has negative equity primarily due to accumulated actuarial losses on pension plans and changes in the fair value of share-based payment obligations. The Company has received a letter of support from the Ultimate Parent (Visa Inc.) stating that its Parent company (Visa International) intends to support the Company's operations for the foreseeable future. However, the Company's negative equity of £28,160,719 (2021: £23,915,780); led to the Directors to formally commence winding down the business of the Company during the current year.

Consequently, the Directors have prepared the liquidation financial statements on a break-up basis.

By order of the board

Sharon Dean
 Director
 19 June 2023

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Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Directors' report

The Directors present their annual report and the financial statements for the year ended 30 September 2022.

Principal activities, governance and employees

The Directors of the Company have resolved to adopt the Treasury risk policies surrounding liquidity, capital markets, currency and investments of Visa Inc., the Ultimate Parent company. Given the nature of the relationship, the risks facing the Company mirror those of Visa International. Various global management committees monitor all liquidity, currency and investment risks.

The Executive Committee of Visa Inc. (consisting of the CEO and his direct reports) oversees the Company. The Executive Committee has delegated its authority to 12 operating committees that cover all areas of the business of Visa Inc. and it is through these committees that the Company's operations are also governed.

As at 30 September 2022, the Company had 8 full-time equivalent employees (2021: 11 employees) who are bound under Visa Inc.'s Code of Business Conduct and Ethics policy, which is available to all employees through the staff handbook.

Applications for employment by disabled persons are always fully considered. In the event members of the Company's staff become disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that all employees be given opportunities with respect to training, career development and promotion. The Company is firmly committed to providing equal opportunity in all aspects of employment and does not tolerate any form of discrimination or harassment in the workplace on the basis of race, colour, creed, national origin, age, sex, sexual orientation or disability.

The Company also supports the Visa Inc. Matching Gift Program, which is a component of Visa Inc.'s corporate responsibility initiative and is designed to honour and encourage employee interest in giving back to the communities around the globe. Through the program, the Company matches the employees' financial gifts to eligible charitable organizations on a one-to-one basis up to US\$5,000 per calendar year. The Company did not make any political donations throughout the financial period.

The Company's registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA. The Company continues to support Visa International's activities within the CEMEA region while being dependent on the Parent for its working capital funds.

Qualifying third party and pension scheme indemnity provisions

Throughout the year ended 30 September 2022 and the year ended 30 September 2021, there were no qualifying third-party indemnity provisions or qualifying pension scheme indemnity provisions in place.

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. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Directors' report (continued)

Auditor

BDO LLP have indicated their willingness to continue to act as the Company's Auditor and in accordance with the Companies Act 2006, a resolution for their reappointment is to be proposed at the forthcoming Board Meeting.

Results

The results of the Company for the year ended 30 September 2022 show a loss after tax of £6,790,951 (2021: profit of £451,089).

The Directors do not recommend the payment of a dividend for the period ended 30 September 2022 (2021: None).

Directors

The Directors who held office during the year ended 30 September 2022 were as follows:

Robert Livingston	(Appointment: 28 Oct, 2019)
Sharon Dean	(Appointment: 28 Oct, 2019)

Events after balance sheet

The Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off.

There were no other significant events between the balance sheet date and the date of approval of the Directors' Report

Going concern

The Company is no longer a going concern and therefore the liquidation financial statements have been prepared on a breakup basis. The Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off. During the current year, the Directors approved the change in employer of the Visa UK Defined Benefit Pension Scheme and further notified the Pension Regulator.

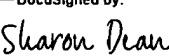
The Directors did not make use of the going concern basis of accounting in the preparation of financial statements.

By order of the board

Sharon Dean

Director

100 New Bridge Street
London EC4V 6JA
United Kingdom
19 June 2023

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

The 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under the 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 international accounting standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in the accounting policies within the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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.

By order of the board

Sharon Dean

Director

100 New Bridge Street
London EC4V 6JA
United Kingdom

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Sharon Dean

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19 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISA CEMEA (UK) LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its result for the year then ended;
- have been properly prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of VISA CEMEA (UK) Limited ("the Company") for the year ended 30 September 2022 which comprise the statement of profit or loss, other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International accounting standards in conformity 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 under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation

We draw attention to accounting policy relating to going concern to the financial statements which explains that the Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off and therefore does not consider the Company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2(e). Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors report and financial statements, other than the financial statements and our auditor's 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.

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 course of 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 this gives rise to a material misstatement in the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISA CEMEA (UK) LIMITED

Other information (continued)

financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 Directors either intend to liquidate the Company or to cease operations, or have 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 (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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

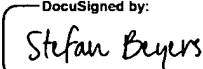
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management and the board;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries, and other adjustments; and
- assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

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Stefan Beyers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
19 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Visa CEMEA (UK) Limited**Statement of profit or loss and other comprehensive income
For the year ended 30 September 2022**

	Note	2022 £	2021 £
Revenue	6	23,929,277	22,889,549
Non-operating revenue			
Other income		-	4,882
Gross revenue		23,929,277	22,894,431
Foreign currency (loss)/gains		(9,216,121)	799,973
Operating Expenses			
Administrative expenses	7	(3,942,844)	(3,618,274)
Other expenses	9	(19,501,108)	(18,819,936)
		(23,443,952)	(22,438,210)
Non-Operating expenses			
Other Pension costs	20	(339,000)	(393,000)
(Loss)/profit before income tax		(9,069,796)	863,194
Income tax	10	2,278,845	(412,105)
(Loss)/Profit for the year after tax		(6,790,951)	451,089
Other comprehensive income			
Funded defined benefit plan actuarial gains/(losses)		33,402,000	(5,798,000)
Unfunded defined benefit plan actuarial gains/(losses)		3,078,000	(326,000)
Actual return less expected return on plan assets		(39,295,000)	4,178,000
Actuarial losses	15	(2,815,000)	(1,946,000)
Deferred tax income on actuarial gains/(losses)	10,12	5,747,998	1,051,299
Other comprehensive income/ (expense) for the year net of tax		2,932,998	(894,701)
(Loss)/profit for the year after tax		(6,790,951)	451,089
Total comprehensive expense for the year attributable to shareholders		(3,857,953)	(443,612)


The notes on pages 13 to 40 are an integral part of these financial statements.

Visa CEMEA (UK) Limited**Statement of financial position****As at 30 September 2022**

	Note	2022 £	2021 £
Assets			
Property, plant and equipment	11	2,223,640	2,369,342
Deferred tax assets	12	8,997,346	997,778
Long term Prepayments		133,462	252,713
Employee benefits	15	2,892,000	-
Total non-current assets		14,246,448	3,619,833
Trade and other receivables	13	246,001	405,595
Prepayments		211,284	195,968
Current tax asset		672,871	672,871
Cash at banks	14	7,914,191	4,062,850
Total current assets		9,044,347	5,337,284
Total assets		23,290,795	8,957,117
Liabilities			
Employee benefits	15	-	16,731,000
Total non-current liabilities		-	16,731,000
Trade and other payables	17	51,121,088	15,945,032
Short-term employee benefits	18	330,426	196,865
Total current liabilities		51,451,514	16,141,897
Total liabilities		51,451,514	32,872,897
Equity			
Share capital	22	12,626	12,626
Equity reserve	22	(7,825,534)	(7,438,548)
Share premium	22	6,453,475	6,453,475
Retained earnings		(26,801,286)	(22,943,333)
Total equity		(28,160,719)	(23,915,780)
Total equity and liabilities		23,290,795	8,957,117

Approved by the Board of Directors and signed on its behalf on 19 June 2023.

Sharon Dean,
Director

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Registered Number 6423431

The notes on pages 13 to 40 are an integral part of these financial statements.

Visa CEMEA (UK) Limited

Statement of changes in equity For the year ended 30 September 2022

	Note	Share capital £	Share premium £	Equity reserve £	Retained earnings £	Total equity £
Balance at 1 October 2020		12,626	6,453,475	(6,872,881)	(22,499,721)	(22,906,501)
Profit for the year after tax		-	-	-	451,089	451,089
Other comprehensive income						
Actuarial loss	15	-	-	-	(1,946,000)	(1,946,000)
Deferred tax on actuarial loss	10,12	-	-	-	1,051,299	1,051,299
Total other comprehensive income for the period		-	-	-	(894,701)	(894,701)
Share-based payments – charge for the year	8	-	-	197,260	-	197,260
Deferred tax on share-based payments	12	-	-	(35,283)	-	(35,283)
Change in fair value of the obligation to the parent	16	-	-	(727,644)	-	(727,644)
Balance at 30 September 2021		12,626	6,453,475	(7,438,548)	(22,943,333)	(23,915,780)
Balance at 1 October 2021		12,626	6,453,475	(7,438,548)	(22,943,333)	(23,915,780)
Loss for the year after tax		-	-	-	(6,790,951)	(6,790,951)
Other comprehensive income						
Actuarial loss	15	-	-	-	(2,815,000)	(2,815,000)
Deferred tax on actuarial loss	10,12	-	-	-	5,747,998	5,747,998
Total other comprehensive income for the period		-	-	-	2,932,998	2,932,998
Share-based payments – charge for the year	8	-	-	219,529	-	219,529
Deferred tax on share-based payments	12	-	-	(27,276)	-	(27,276)
Change in fair value of the obligation to the parent	16	-	-	(579,239)	-	(579,239)
Balance at 30 September 2022		12,626	6,453,475	(7,825,534)	(26,801,286)	(28,160,719)

The notes on pages 13 to 40 are an integral part of these financial statements.

Visa (CEMEA) UK Limited**Statement of cash flows
For the year ended 30 September 2022**

	Note	2022	2021
		£	*As restated £
Operating activities			
(Loss) / profit for the period before tax		(9,069,796)	863,194
Adjustments for:			
Depreciation	11	595,520	541,774
Loss/ (gain) on disposal of plant and equipment		110,828	47,067
Equity settled share-based payment transactions	8	219,529	197,260
Expenses related to retirement pension plans*		529,000	559,951
Payments for share-based payment arrangements		(203,109)	(1,086,410)
Change in employee provisions		133,561	113,585
FX/Rounding Amount		-	3
Operating (loss)/ profit before changes in working capital*		(7,684,467)	1,236,424
Changes in prepayments		103,935	(276,999)
Change in current tax asset		-	204,878
Change in trade and other receivables		159,594	(99,436)
Change in trade and other payables		34,799,925	6,515,269
Contribution paid into retirement pension plans*	15	(22,967,000)	(11,749,000)
Income taxes refunded	10	-	201,623
Net cash from / (used in) operating activities*		4,411,987	(5,203,665)
Investing activities			
Acquisition of property, plant and equipment	11	(560,646)	(753,917)
Net cash used in investing activities		(560,646)	(753,917)
Net decrease in cash and cash equivalents		3,851,341	(4,721,158)
Cash at banks at 1 October	14	4,062,850	8,784,008
Cash at banks at 30 September		7,914,191	4,062,850

* Prior period amounts have been restated. Refer to Note 26 for details.

The notes on pages 13 to 40 are an integral part of these financial statements.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements

1 Reporting entity

Visa CEMEA (UK) Limited (the "Company") is a Company domiciled in England. The Company's registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

The Company's principal activities are the provision of business advisory services, business development and client relationship services, technical support and training to Visa International Service Association ("Visa International"). However, the Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off. The financial statements are therefore no longer prepared on a going concern basis and therefore the liquidation financial statements have been prepared on a break-up basis.

2 Basis of preparation

(a) Statement of compliance with IFRS

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

A number of new standards and amendments to standards are issued but not yet effective for the annual periods beginning 1 October 2021. The Company has not early adopted the following new or amended standards in preparing the financial statements:

The new standards and amendments to standards are not expected to materially impact the entity's financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except where required otherwise by IFRS. The methods used to measure fair values are discussed further in Note 4. The break-up basis has been adopted in preparing the liquidation financial statements. However, due to the nature of the Company, the break-up basis does not result in significant differences when compared to the historic cost basis.

(c) Functional and presentation currency

These financial statements are presented in Sterling, which is the Company's presentation and functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – Recoverability of deferred tax assets
- Note 15 – Employee benefits
- Note 16 – Share based payments

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

2 Basis of preparation (continued)

(e) Going concern

The Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off. The Company is no longer a going concern and therefore the liquidation financial statements have been prepared on a breakup basis. During the current year, the Directors approved the change in employer of the Visa UK Defined Benefit Pension Scheme and further notified the Pension Regulator.

The financial statements are prepared on a basis other than going concern because the Board had decided to strike off the Company. It is the Directors' intention to wind down the Company therefore the Directors do not consider it appropriate to adopt the going concern basis. There were no changes required to the preparation of the financial statements as a result of adopting a basis other than going concern.

3 Significant Accounting Policies

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current period and the comparative period are as follows.

Office equipment	2-7 years
Fixtures and fittings	3-7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation is allocated to the other expenses line of the income statement.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

3 Significant Accounting Policies (continued)

(b) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As of 30 September 2022, the Company's financial assets include due from related party, other receivables and cash and cash equivalent. All these financial assets are measured at amortised cost.

Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

3 Significant Accounting Policies (continued)

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at amortized cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity instruments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

(b) Financial instruments (Continued)

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

i. Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii. Non-derivative financial assets - Measurement

Loans and receivables

Loans and receivables are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

iii. Non-derivative financial liabilities – Measurement

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(c) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

3 Significant Accounting Policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents represent deposits at banks with maturity less than three months.

4 Fair value measurement

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction on the measurement date.

The NQSOs are non-qualified stock options (not qualified for favourable tax treatment), for which the fair value is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on US treasury bond rates). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The fair value of RSAs and RSUs are calculated as the fair market value of the share at grant date.

5 Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Fair value, market and operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(b) Credit, liquidity, fair value, market and operational risk

The Company is a wholly owned subsidiary of Visa International, which in turn is a subsidiary of Visa Inc. Due to the relationship between the Company and the Parent, most credit, liquidity and market risk lies with the Parent.

The Company incurs expenses locally and recharges these expenses to the Parent on a cost-plus 10% mark-up. The Company relies on the funding from the Parent. Therefore, reliance is placed both on global risk management as well as on local risk management.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Debt is fully provided for and is written off when management approves the debt as uncollectable.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

3 Significant Accounting Policies (continued)

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation with respect to defined benefit pension plans is calculated by projecting the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate at 30 September 2022 is determined by the relevant annualised yield on the AON Solutions UK Limited select AA curve. AON Solutions UK Limited, a third-party qualified actuary, performs the calculation annually. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The Company recognises all actuarial gains and losses arising from defined benefit plans directly in equity immediately and reflected in other comprehensive income. Any past service costs and credits resulting from plan amendment and curtailment are to be recognized immediately in the income statement.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

3 Significant Accounting Policies (continued)

(v) Share-based payment transactions

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) granted to them in a scheme operated by the Ultimate Parent company. This scheme relates to shares in the Ultimate Parent company. The share-based payments comprise of Restricted Stock Units ("RSU's") which primarily vest in a graded manner over three years from the date of grant, subject to earlier vesting in full under certain conditions.

Share-based payment arrangements are accounted for as equity-settled, share-based payment transactions are accounted for as equity settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. This includes restricted stock units ("RSUs"), restricted stock awards ("RSAs") and share options ("NQSOs"). The grant date fair value of awards and options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards and options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service vesting conditions are met.

A recharge is made by the Visa Inc. to the Company based on the value of RSUs and RSAs vested and NQSOs exercised in the period and is a cash settled normally on annual basis. At year end an adjustment is made to the fair value of awards expensed but not yet vested.

(d) Revenue

The Company earns the majority of its revenue on a cost-plus basis from the parent, Visa International. Revenue is measured at the fair value of the consideration received or receivable, on a monthly basis. The percentage is cost-plus 10% of the Company's monthly expenses except for costs incurred on behalf of or for the benefit of Visa International that would otherwise not be provided directly by the Company.

(e) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(f) Foreign currency transactions

The Company's functional and presentation currency is Sterling. Transactions in foreign currencies are translated to the functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

5 Financial risk management (continued)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is principally the risk that the Parent can no longer meet its funding obligations to the Company. Market risk also lies with the Parent due to this funding arrangement as does credit risk, as the client relationship is with the Parent and not the Company. Foreign exchange risk is minimal as costs are predominately incurred in local currency, with the exception of intercompany balances which are denominated in non-local currency, see Note 7.

Operational risk is defined as losses due to process, system or human failures, unexpected events or unenforceability of contracts. The Company has implemented a framework to ensure that these risks are effectively managed.

6 Revenue

	2022 £	2021 £
Service and cost-plus revenue	23,929,277	22,889,549

Service revenue is a function of the Company's predominantly Sterling denominated costs. Service revenue is generated by way of management fees levied on Visa International on a cost-plus basis.

7 Administrative expenses

(a) Administrative expenses

	2022 £	2021 £
Personnel expenses (Note 8)	3,152,148	2,935,552
Professional fees	298,838	216,946
Training, insurance and office expenses	491,858	465,776
	<u>3,942,844</u>	<u>3,618,274</u>

Professional fees mainly relate to consultants and contractors as well as accounting, legal and information technology ("IT") professional fees. Foreign currency losses/(gains) mainly arise from revaluation of intercompany balances which are denominated in non-local currency mainly (USD).

(b) Audit fees

The amount of the auditor's remuneration for the statutory audit for the financial year ended 30 September 2022 was £48,500 (2021: £45,000).

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

8 Personnel expenses

	2022	2021
	£	£
Wages and salaries	2,558,158	2,482,487
Severance	120,579	-
Defined contribution plan changes	63,882	88,805
Expenses related to retirement pension plans (Note 15)	190,000	167,000
Equity settled share-based payment transactions (Note 16)	219,529	197,260
	<u>3,152,148</u>	<u>2,935,552</u>

The average number of persons employed by the Company during the financial year was 10 permanent staff (2021: 11).

As at 30 September 2022, the Company had 8 full-time equivalent employees (2021: 11).

9 Other expenses

	2022	2021
	£	£
Communication expenses	17,512,788	16,742,100
Facilities expenses	712,641	541,774
IT expenses	1,269,882	1,536,302
Travel expenses	5,797	(240)
	<u>19,501,108</u>	<u>18,819,936</u>

10 Income tax

	2022	2021
	£	£
Current Tax Asset		
Balance at 1 Oct	672,871	877,749
Adjustments for the period	-	(204,878)
Balance at 30 Sep	<u>672,871</u>	<u>672,871</u>

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

10 Income tax (Continued)

	2022	2021
	£	£
Current tax expense		
Current year	-	-
Adjustments for prior periods	-	(201,623)
Total current tax	-	(201,623)
Deferred tax expense		
Current year	(1,790,336)	113,617
Adjustments for prior periods	(1)	6,332
Effects of changes in tax rates	(488,508)	493,779
Total deferred tax expense	(2,278,845)	613,728
Total income tax (credit)/charge	(2,278,845)	412,105

	2022	2021
	£	£
Reconciliation of total tax (credit)/charge		
(Loss) / profit before tax	(9,069,796)	863,194
Income tax at UK statutory tax rate of 19% (2021: 19%)	(1,723,261)	164,007
Non-deductible expenses	(34,450)	-
Prior year adjustment	(1)	6,332
Tax rate changes	(488,508)	493,779
Share options	(32,622)	(50,389)
Effects of group relief/other reliefs	-	(201,623)
Rounding	(3)	(1)
Total income tax (credit)/charge	(2,278,845)	412,105

The current tax credit in 2021 amounting to £201,623 relates to FY19 group relief claimed made by Visa Europe Limited (VEL) as a result of utilising VCUK's losses for the related period.

There has been no equity component of current tax relating to share-based payments, while deferred tax amounting to £27,276 (2021: £35,283) has been debited directly to equity. Deferred tax relating to actuarial gains and losses arising from the Company's retirement benefit scheme amounting to £5,747,998 (2021: £1,051,299).

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

11 Property, plant and equipment

	Office equipment	Fixtures and Fittings	Total
	£	£	£
Cost			
Balance at 30 September 2020	4,617,929	-	4,617,929
Additions	709,404	44,513	753,917
Disposals	(1,377,787)	-	(1,377,787)
Balance at 30 September 2021	3,949,546	44,513	3,994,059
Additions	560,646	-	560,646
Disposals	(222,918)	-	(222,918)
Balance at 30 September 2022	4,287,275	44,513	4,331,788
	Office equipment	Fixtures and Fittings	Total
	£	£	£
Depreciation			
Balance at 30 September 2020	2,413,664	-	2,413,664
Charge for the year	538,285	3,489	541,774
Disposals	(1,330,720)	-	(1,330,720)
Balance at 30 September 2021	1,621,229	3,489	1,624,718
Charge for the year	586,617	8,903	595,520
Disposals	(112,090)	-	(112,090)
Balance at 30 September 2022	2,095,756	12,392	2,108,148
Carrying amount			
Balance at 30 September 2021	2,328,318	41,024	2,369,342
Balance at 30 September 2022	2,191,519	32,121	2,223,640

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

12 Deferred tax assets and liabilities

	2022	2021
	£	£
Recognised deferred tax assets		
Equity-based remuneration	76,095	116,782
Property, plant and equipment	70,165	170,972
Retirement benefits	471,636	(29,898)
Other temporary differences	8,379,450	739,922
Net recognised deferred tax assets	8,997,346	997,778

Other temporary differences relate to tax losses arising on or after 1 April 2017 and accruals.

The Company has unrecognised deferred tax assets as follows:

	30 Sept 2022		30 Sept 2021	
	Temporary difference not recognised	Deferred tax asset not recognised	Temporary difference not recognised	Deferred tax asset not recognised
	£	£	£	£
Unutilised losses	3,114,115	685,105	3,114,115	722,475
Retirement benefits	-	-	24,471,082	5,677,291
Total	3,114,115	685,105	27,585,197	6,399,766

Movement in temporary differences in the year

	1 October 2021	I/S PYA	Recognised in P&L	Recognised in OCI	Recognised in Equity	30 Sept 2022
	£		£	£	£	£
Property, plant and equipment	170,972	(1,297)	(99,510)	-	-	70,165
Retirement benefits	(29,898)	-	(5,246,464)	5,747,998	-	471,636
Equity-based remuneration	116,782	-	(13,411)	-	(27,276)	76,095
Other temporary differences	739,922	1,298	7,638,230	-	-	8,379,450
	997,778	1	2,278,845	5,747,998	(27,276)	8,997,346

	1 October 2020	I/S PYA	Recognised in P&L	Recognised in OCI	Recognised in Equity	30 Sept 2021
	£		£	£	£	£
Property, plant and equipment	161,469	(6,332)	15,835	-	-	170,972
Retirement benefits	272,281	-	(1,353,479)	1,051,299	-	(29,898)
Equity-based remuneration	161,743	-	(9,677)	-	(35,283)	116,782
Other	-	-	739,922	-	-	739,922
	595,493	(6,332)	(607,396)	1,051,299	(35,283)	997,778

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

12 Deferred tax assets and liabilities (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. For the purposes of preparing these financial statements, deferred tax assets have been recognised to the extent that they are expected to be recovered in the foreseeable future.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realized or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date.

Finance Act 2021, enacted on 10 June 2021, increases the main rate of UK corporation tax to 25% from 1 April 2023. The impact of the future change in rate to 25% has been reflected in the deferred tax balances at 30 September 2021 and 2022.

13 Trade and other receivables

	2022 £	2021 £
Other receivables	246,001	405,595

Other receivables relate to VAT refundable, which is classified as a non-financial asset.

The Company's exposures to credit and currency risks on trade and other receivables are disclosed in Note 19.

14 Cash at banks

	2022 £	2021 £
Bank balances	7,914,191	4,062,850

Expected credit risk cash and cash equivalents

None of the items classified as cash and cash equivalents have been pledged as collateral/provided as security.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

15 Employee benefits

The principal scheme the Company contributes to is a non-contributory defined benefit plan that provides pension benefits for employees upon retirement. The plan entitles a retired employee to receive an annual payment equal to 1/60 of final salary for each year of service that the employee provided. The Company also sponsors an unfunded and unapproved benefit scheme which is a separate arrangement from the plan. The unfunded benefit was open to senior management who joined the approved pension scheme earning benefits in excess of the maximum allowed by legislation in an approved pension scheme.

The Visa UK Pension Plan is an approved UK pension plan administered by a board of trustees, which include an independent professional trustee. The pension plan is held within a trust and is legally separate from the Company. The trustees are required by trust law to act in the interest of all relevant beneficiaries and are responsible for the investment policy and the day to day administration of the benefits.

The plan is subject to the scheme funding requirements in accordance with UK legislation and tax laws, which require that the plan is funded prudently. The last formal funding valuation of the Plan was carried out by a qualified actuary as at 30 September 2022 and showed a deficit of £37.2M.

The Company is paying contributions at a rate of £10.0 million for three years through to 30 September 2023 to address the deficit and this is subject to review in the next triennial valuation. The Company also pays a contribution of £264,000 per annum to meet the cost of the benefits accrued by active members.

The plan assets are invested in equity securities, diversified growth funds, corporate and government bonds which are intended to broadly match the long-term estimated future payments due from the plan. The allocation of the plan assets is managed with a long-term perspective to ensure that there is an adequate level of assets to support benefit payments to participants over the life of the pension plan.

In 2022, the Company paid contributions to the funded defined benefit scheme totalling £10,264,000 (2021: £10,264,000) and to the unfunded scheme totalling £2,703,000 (2021: £241,000). In March 2022, the Visa Europe Limited Board Risk Committee approved the proposal for Visa Europe to become the principal employer to the Visa UK Defined Benefit Pension Scheme. The average duration of the defined benefit obligation is approximately 20 years.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

15 Employee benefits (continued)

	2022	2021
	(£'000)	(£'000)
Amounts recognized as assets/(liabilities) in the balance sheet		
Present value of funded obligations	(66,693)	(102,356)
Fair value of plan assets	75,050	96,379
	8,357	(5,977)
Present value of unfunded obligations	(5,195)	(10,574)
Net defined benefit obligation	2,892	(16,731)

	2022	2021
	(£'000)	(£'000)
Movement in the present value of the defined benefit obligation		
Defined benefit obligations at 1 October	113,110	108,624
Benefits paid by the plan	(7,022)	(3,531)
Current service cost	190	167
Past Service Cost	-	-
Interest cost	2,360	1,726
Actuarial loss due to changes in financial assumptions	(43,165)	(4,363)
Actuarial (loss)/gain due to changes in demographic assumptions	(9)	11,312
Actuarial gain/(loss) due to liability experience	6,694	(825)
Defined benefit obligations at 30 September	72,158	113,110

The actuarial losses/gains due to changes in financial assumptions; changes to demographic assumptions and liability experience is split between funded benefit plan actuarial loss of £33,402,000 and unfunded benefit plan actuarial loss £3,078,000.

	2022	2021
	(£'000)	(£'000)
Movement in the present value of plan assets		
Fair value of plan assets at 1 October	96,379	82,650
Contributions paid into the plan	22,967	11,749
Benefits paid by the plan	(7,022)	(3,531)
Interest income	2,021	1,333
Actuarial (loss)/gains due to plan asset experience	(39,295)	4,178
Fair value of plan assets at 30 September	75,050	96,379

	2022	2021
	(£'000)	(£'000)
Movement in the net defined benefit obligation		
Net defined benefit obligation at 1 October	16,731	25,974
Net periodic pension cost	529	560
Amounts recognized in other comprehensive income	2,815	1,946
Contributions paid into the plan	(22,967)	(11,749)
Net defined benefit (asset)/liability at 30 September	(2,892)	16,731

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

15 Employee benefits (continued)

	2022 (£'000)	2021 (£'000)
Analysis of the amount recognised in other comprehensive income		
Actual return on plan assets excluding interest income	39,295	.(4,178)
Actuarial gain/(loss) due to liability experience	6,694	(825)
Actuarial (loss)/gain due to changes in demographic assumptions	(9)	11,312
Actuarial losses due to changes in financial assumptions	(43,165)	(4,363)
Actuarial loss recognised in OCI	<u>2,815</u>	<u>1,946</u>

	2022 (£'000)	2021 (£'000)
Expense recognized in profit or loss		
Current service cost	190	167
Past Service Cost	-	-
Net interest cost on net defined benefit obligation/plan asset	<u>339</u>	<u>393</u>
	<u>529</u>	<u>560</u>

	2022 £	%	2021 £	%
Composition and fair value of plan assets <i>(in 000)</i>				
Equity securities	11,000	15	14,000	15
Index-linked gilts	-		-	
Liability driven investment	27,000	36	34,000	35
Diversified growth funds	36,000	48	38,000	40
Cash (including Trustee bank accounts)	1,000	1	10,000	10
	<u>75,000</u>	<u>100</u>	<u>96,000</u>	<u>100</u>

The plan does not invest in the sponsors' own financial instruments, including property or other assets owned by the sponsor.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

15 Employee benefits (continued)

	2022	2021
	%	%
Actuarial assumptions		
<i>Principal actuarial assumptions at 30 September</i>		
<i>(expressed as weighted averages)</i>		
Discount rate	5.00	2.10
Retail price inflation	3.70	3.40
Consumer price inflation	2.90	2.50
Future salary increases	2.90	2.50
Deferred revaluation	2.90	2.50
Future pension increases		
- RPI with a cap of 5% pa	3.30	3.20
- CPI with a cap of 3% pa	2.20	2.10
	2022	2021
Longevity at age 65 for current pensioners		
Males	24.0	23.9
Females	26.4	26.3
Longevity at age 65 for current member aged 45		
Males	25.4	25.3
Females	27.8	27.7

Risks

The most significant risks to which the Company is exposed to in relation to the plan are:

- *Asset volatility.* The liabilities for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of growth assets consisting of equities and diversified growth funds which, though expected to outperform corporate bonds in the long-term, could create volatility and risk in the short-term. The plan asset allocation to growth assets is monitored by the Trustees to ensure it remains appropriate given the plan's long-term objective.
- *Bond yield risk.* A decrease in corporate bond yield will increase the value placed on the plan's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the plan's bond holdings.
- *Inflation risk.* A significant portion of the plan's benefit obligations are directly linked to inflation; and higher inflation will lead to higher liabilities. However, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation.
- *Life expectancy.* The majority of the plan's obligations are to provide benefits for the life of the member; thus, an increase in life expectancy will result in an increase in the liabilities.

Changes to these assumptions could have a material effect on the present value of the defined benefit obligation. The following analyses show the sensitivity of the pension liability to the change in each of the assumptions, which are based on the method consistent to that used to determine the recognized pension liability at the balance sheet date.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

15 Employee benefits (continued)

	Increase/ (decrease) in the defined benefit obligation £
Sensitivity analysis of significant actuarial assumptions at 30 September 2022 (in 000)	
Discount rate – if decreased by 0.1%	(5,520)
Inflation rate – if decreased by 0.1%	(5,018)
Average life expectancy – if decreased by one year	(5,005)
Discount rate – if increased by 0.1%	4,900
Inflation rate – if increased by 0.1%	5,380
Average life expectancy – if increased by one year	5,381

16 Share-based payments

i. Equity Incentive Compensation Plan

At 30 September 2022, the Company participates in share-based payment arrangements pursuant to a plan established by the Ultimate Parent company. The plan provides for the grant to key management personnel and other employees of the Company of awards in the shares of the Ultimate Parent company. The awards are in the form of non-qualifying stock options (NQSOs), restricted stock awards (RSAs) and restricted stock units (RSUs).

Share options are valued at fair value at the date of grant and are exercisable at the market price of the Ultimate Parent company's shares at the date of grant. All share options are to be settled by physical delivery of the shares. RSAs and RSUs are valued at fair value at the market price of the Ultimate Parent company's shares at the date of grant.

On January 28, 2015, Visa Inc.'s board of Directors declared a four-for-one split of its class a common stock. On March 18, 2015, each class A common stockholder of record at the close of business on February 13, 2015 (the "Record Date"), received a dividend of three additional shares for every share held as of the Record Date. Trading began on a split-adjusted basis on March 19, 2015.

Immediately following the split, the stockholders retained the same relative ownership percentages that they had prior to the stock split. All per share amounts and number of shares outstanding in these audited financial statements and accompanying notes are presented on a post-split basis. As a result of the stock split, all historical per share data and number of shares outstanding presented have been retroactively adjusted.

ii. Employee Stock Purchase Plan

In January 2015, Visa Inc. approved the Employee Stock Purchase Plan (the "ESPP"), under which substantially all employees are eligible to participate. The ESPP permits eligible employees to purchase the Company's class a common stock at a 15% discount of the stock price on the purchase date with no look-back option, subject to certain restrictions. A total of 20 million shares of class a common stock has been reserved for issuance under the ESPP.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

16 Share-based payments (continued)

Employee Stock Purchase Plan (continued)

Under the terms of the ESPP, employees can elect at each offering to have up to 10% of their eligible compensation withheld to purchase Visa Inc. class a common stock. A one-time decrease in the percentage withholding is allowed but not an increase during the offering period. Upon enrolment, participants are required to remain in service or employed from the offering date to purchase date to be able to exercise their purchase rights. The ESPP's offering period has duration of 6 months and allows monthly purchase over the offering period. The employees are required to hold the common stock purchased for 12 months from the purchase date, except for certain conditions such as employee termination, change of control, etc., as stipulated in the ESPP agreement. Participants are allowed to withdraw from the ESPP prior to purchase date and any withholding contributions will be refunded.

The fair value of the purchase rights is determined on the offering date calculated as 15% discount multiplied by the offering date stock price and the estimated number of shares to be purchased.

Share-based payment & ESPP arrangements have been accounted for under IFRS 2, Share-based Payment.

The terms and conditions relating to the grants are as follows:

Grant date	Number of instruments		
	Share Options	RSAs	RSUs
Adjusted awards granted on 18 March 2008	759,636	-	-
Adjusted awards granted on 5 November 2008	202,588	5,132	206,180
Adjusted awards granted on 4 August 2009	-	-	3,124
Adjusted awards granted on 5 November 2009	159,072	12,684	135,492
Adjusted awards granted on 4 May 2010	15,160	5,092	1,224
Adjusted awards granted on 5 November 2010	99,532	20,228	85,032
Adjusted awards granted on 17 May 2011	-	-	4,304
Adjusted awards granted on 2 August 2011	-	-	720
Adjusted awards granted on 5 November 2011	13,544	21,392	42,644
Adjusted awards granted on 14 February 2012	-	-	2,396
Adjusted awards granted on 8 May 2012	-	8,600	-
Adjusted awards granted on 31 July 2012	-	-	464
Adjusted awards granted on 19 November 2012	10,316	12,796	25,528
Adjusted awards granted on 12 February 2013	-	3,188	-
Adjusted awards granted on 19 November 2013	-	3,620	7,808
Adjusted awards granted on 19 November 2014	-	3,088	7,272
Adjusted awards granted on 19 November 2015	-	-	9,129
Adjusted awards granted on 19 November 2016	-	-	10,503
Adjusted awards granted on 19 November 2017	-	-	6,764
Adjusted awards granted on 19 November 2018	-	-	3,456
Adjusted awards granted on 19 November 2019	-	-	1,377
Adjusted awards granted on 19 November 2020	-	-	1,377
Adjusted awards granted on 19 November 2021	-	-	1,290
Total awards granted	1,259,848	95,820	556,084

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

16 Share-based payments (continued)

Employee Stock Purchase Plan (continued)

Share options have a maximum ten-year life and generally vest rateably over three years from the grant date, subject to earlier vesting in full under certain conditions.

RSAs and RSUs generally vest rateably over three years from the grant date, subject to earlier vesting in full under certain conditions. An employee is eligible to receive one third of the awards after one year of service, two thirds of the awards after two years of service, and all awards after three years of service. The company discontinued granting RSAs but will continue to grant RSUs under the Equity Incentive Compensation Plan (EIP).

The following table summarises the RSU activities for the year ended 30 September 2022:

	2022	2022	2021	2021
	Number of shares	Weighted average FV \$	Number of shares	Weighted average FV \$
Outstanding Beginning Balance	2,185	183.37	3,332	143.55
Awarded	1,290	200.86	1,246	207.57
Transacted	(1,110)	171.47	(1,948)	131.34
Forfeited	-	0.00	-	0.00
Cancelled	-	0.00	-	0.00
Shares Unearned	-	0.00	-	0.00
Transfer In	-	0.00	-	\$0.00
Transfer Out	(332)	200.17	(445)	\$180.69
Adjustment	-	0.00	-	\$0.00
Outstanding Ending Balance	2,033	198.22	2,185	\$183.37

Total number of shares purchased by employees under the Employee Share Purchase Plan in 2022 is 500 shares (2021: 522)

The following table summarises the share-based expenses recorded:

	2022	2021
	£	£
Credit arising from share options granted	-	-
Expense arising from RSAs granted	-	-
Expense arising from RSUs granted	10,748	183,202
Expense arising from ESPP	208,781	14,058
Total expense recognised as personnel expenses (Note 8)	<u>219,529</u>	<u>197,260</u>

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

16 Share-based payments (continued)

Employee Stock Purchase Plan (continued)

The following table summarises the change in fair value of the obligation of the parent under the statement of changes in equity:

	2022	2021
	£	£
Recharge of equity compensation vested and exercised	37,760	314,374
Adjustment for unbilled and un-exercised shares	541,479	413,270
Total expense recognised as personnel expenses (Note 8)	<u>579,239</u>	<u>727,644</u>

17 Trade and other payables

	2022	2021
	£	£
Trade payables	1,738,355	1,505,631
Trade payables due to related parties (Note 21)	48,168,763	13,753,777
Non-trade payables and accrued expenses	1,213,970	685,624
	<u>51,121,088</u>	<u>15,945,032</u>

18 Short-term employee benefits

	2022	2021
	£	£
Bonus	253,178	306,014
Payroll taxes	31,390	(204,739)
Other	45,858	95,590
	<u>330,426</u>	<u>196,865</u>

Others include vacation accrual and employee share purchase plan contributions.

19 Financial Instruments

(a) Credit risk

Exposure to credit risk

The carrying amounts of financial assets in the balance sheet represent the Company's maximum exposure to credit risk. The Company's maximum exposure to credit risk at the reporting date was:

	2022	2021
	£	£
Cash at banks (Note 14)	<u>7,914,191</u>	<u>4,062,850</u>

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

19 Financial Instruments (continued)

Credit risk (continued)

Cash and cash equivalents

As at balance sheet date, the Company has no significant concentration of credit risk other than balances in banks of £7,914,191 (2021: £4,062,850). Cash at banks are held with regulated financial institutions.

(b) Liquidity risk

The carrying amounts of financial liabilities in the balance sheet represent the Company's maximum exposure to liquidity risk. The Company's maximum exposure to liquidity risk at the reporting date was:

	Carrying amount £	6 months or less £	6 – 12 months £	1 – 2 years £	2 – 5 years £	More than 5 years £
30 September 2022						
Trade payables (Note 17)	1,738,355	1,734,268	-	4,087	-	-
Trade payables due to related parties (Note 17)	48,168,763	46,689,521	1,479,242	-	-	-
Non-trade payables and accrued expenses (Note 17)	1,213,970	878,000	335,970	-	-	-
	<u>51,121,088</u>	<u>49,301,789</u>	<u>1,815,212</u>	<u>4,087</u>	<u>-</u>	<u>-</u>

30 September 2021

Trade and other payables

Trade payables (Note 17)	1,505,631	1,484,050	20,869	712	-	-
Trade payables due to related parties (Note 17)	13,753,777	315,872	13,437,905	-	-	-
Non-trade payables and accrued expenses (Note 17)	685,624	214,716	470,908	-	-	-
	<u>15,945,032</u>	<u>2,014,638</u>	<u>13,929,682</u>	<u>712</u>	<u>-</u>	<u>-</u>

(c) Foreign currency risk

The Company is exposed to currency risk balances that are denominated in currencies other than the Company's functional currency, the Sterling. The currencies in which these balances primarily are denominated is US Dollar.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

19 Financial Instruments (continued)

The Company's exposure to foreign currency risk was as follows:

	2022 £	2021 £
Financial assets		
Trade and other receivables	231,974	337,410
Cash and cash equivalents	3,250,219	2,256,424
Total financial assets	<u>3,482,193</u>	<u>2,593,834</u>
Financial liabilities		
Trade and other payables	(51,965,228)	(3,218,535)
Total financial liabilities	<u>(51,965,228)</u>	<u>(3,218,535)</u>
Net exposure	<u>(48,483,035)</u>	<u>(624,701)</u>

Sensitivity analysis

A 10 percent strengthening of the Sterling against the US Dollar at the reporting date would have increased profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2022 £	2021 £
USD	<u>4,848,304</u>	<u>62,470</u>

A 10 percent weakening of the Sterling against the US Dollar would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables, in particular interest rates, remain constant.

(d) Fair value of financial instruments

The carrying amounts of financial assets and liabilities (including cash and cash equivalents and trade and other payables) with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

(e) Accounting classifications

The classification of financial assets and liabilities are as follows:

	Loans and receivables £	Other financial liabilities £	Total carrying amount £
2022			
Cash and cash equivalents	7,914,191	-	7,914,191
Trade and other payables	-	51,121,088	51,121,088
2021			
Cash and cash equivalents	4,062,850	-	4,062,850
Trade and other payables	-	15,945,032	15,945,032

20 Non-Operating Expenses

	2022 £	2021 £
Other Pension Cost	339,000	393,000

21 Related Parties

(a) Parent and ultimate controlling party

The largest group in which the results of the Company re-consolidated is that headed by Visa Inc.

Copies of the financial statements of Visa Inc. may be obtained from <http://investor.visa.com/>.

(b) Key management personnel compensation

The contracts of the Directors are with other group companies. None of the Directors received any fees or emoluments in respect of duties as Directors for this Company during the year, and as such no costs are separately disclosed for the remuneration of the Directors (2021: £Nil).

The Directors have received no remuneration for qualifying services rendered to the Company. Other companies in the Visa group of companies pay the Directors' salaries and benefits for other services provided to the group.

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

21 Related Parties (continued)

(c) Other related party transactions

The following table summarises the intercompany transactions between the Company and other Visa entities:

	Sales	Receivable/ (Payables)
30 September 2022	£	£
Immediate Parent (Visa International)		
Revenue: Intercompany Service Fees	23,929,277	-
Receivable from Parent Company		-
Payable to Parent Company		<u>(46,852,572)</u>
Other related parties		
Payables		(1,316,191)
30 September 2021		
Immediate Parent (Visa International)		
Revenue: Intercompany Service Fees	22,889,549	-
Receivable from Parent Company		-
Payable to Parent Company		<u>(13,155,908)</u>
Other related parties		
Payables		(597,869)

All related party transactions were conducted on terms agreed between the parties.

22 Capital and Reserves

(a) Share capital

	2022 £	2021 £
Ordinary shares		
12,626 ordinary shares of £1 each	<u>12,626</u>	<u>12,626</u>

Visa CEMEA (UK) Limited
For the year ended 30 September 2022

Notes to the financial statements (continued)

(b) Ordinary shares

On incorporation at 9 November 2007, the Company authorised share capital was 100 shares at £1. The Company issued 1 share at this time to Visa International. However, under a board resolution on 26

November 2007, the authorised share capital was increased to 1,000,000 ordinary shares with a par value of £1, and the Company issued a further 1,000 shares to Visa International on 28 February 2009.

As at 23 June 2009, the Company acquired the share capital of Visa Risk Limited in exchange for the issuance to Visa International for 1 share. It then assigned its intercompany receivables from Visa Risk Limited to the Company in exchange for the issuance by the Company of 11,624 shares with par value of £1, being equal to the value of Visa Risk Limited's net monetary assets.

(c) Share premium

The share premium is the difference between the fair value of the assets acquired from Visa International on 28 February 2009 and the consideration given of 1001 shares at £1 each. This amount was taken to be share premium on acquisition at 28 February 2009.

(d) Equity reserves

The Company has a share-based payment arrangement pursuant to a plan established by the Ultimate controlling party and this equity capital allocation is the Company's share of the full fiscal year 2014 employee options expense as discussed in Note 16.

(e) Capital management

The Company defines capital as total shareholders' equity. The Company's capital resource policy is to maintain a strong capital base. It seeks to maintain at all times a prudent relationship between total capital and the varied risks of its business. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

23 Contingent liabilities

At 30 September 2022, the Company has no contingent liability (2021: None).

24 Events after balance sheet

The Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off.

25 Liquidation

The Company is no longer a going concern and therefore the liquidation financial statements have been prepared on a breakup basis. The Directors have commenced winding down the business of the Company during the current year in preparation of commencing a voluntary strike off. During the current year, the Directors approved the change in employer of the Visa UK Defined Benefit Pension Scheme and further notified the Pension Regulator.

Visa CEMEA (UK) Limited
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Notes to the financial statements (continued)

26 Restatement Note

Cashflow statement reclassification

As per IAS-7, 18(b) while applying the indirect method, effects of transactions of a non-cash nature (such as depreciation, provisions, deferred taxes, unrealized foreign currency gains, and losses) should be adjusted through profit or loss.

In the prior period, the Actuarial loss recognised in OCI (£1,946,000) was incorrectly adjusted through the “Expenses related to retirement pension plans” and “Contribution paid into retirement pension plans” lines of the cashflow. This was incorrect, which resulted in an overstatement of “Operating (loss)/profit before changes in working capital” and an understatement of “Net cash from / (used in) operating activities”.

The following reconciliation has been performed to document the prior period changed amount:

Statement of Cash Flow line item	2021 Unadjusted	2021 As restated	Difference
Expenses related to retirement pension plans	2,505,951	559,951	(1,946,000)
Operating (loss)/ profit before changes in working capital	3,182,424	1,236,424	(1,946,000)
Contribution paid into retirement pension plans	(13,695,000)	(11,749,000)	1,946,000
Net cash from / (used in) operating activities	(7,149,665)	(5,203,665)	1,946,000