



**VISA Europe Management Services Limited**

**2015 FINANCIAL STATEMENTS**

**Registered Number 08778032**

WEDNESDAY



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## **Strategic Report**

The directors present their strategic report for the period ended 30 September 2015

### **Review of the business**

Visa Europe Management Services Limited was incorporated on 15 November 2013 and began trading on 1 January 2014. The principal activity of the company is to provide administrative and marketing support services to its immediate parent company Visa Europe Services Inc.

The company made a profit after tax for the period and attributable to the ordinary shareholders of €780,764 (2014 €687,656), which is set out on page 6. The balance sheet is on page 6 and shows a net asset balance of €1,468,421 (2014 €687,656).

In addition, during the year fixed assets were transferred from Visa Europe Service Inc, its parent company, to Visa Europe Management Services Limited under the terms of the asset purchase agreement between the two companies (see note 10).

The performance of the company has been in line with expectation, supporting the immediate parent company, Visa Europe Services Inc, by providing administrative and marketing services to assist the Visa group to expand in local markets across Europe. The company covers the operations of some specific local branch offices in Italy and Spain and during the year the number of local branches included in the company increased from two to three with the inclusion of the Swedish branch office. There are plans to open three new branch offices in Poland, Germany and Turkey in the company's next fiscal year.

### **Principal risks and uncertainties**

Risks and uncertainties are managed on a group level and are set out in the publicly available consolidated financial statements of the company's ultimate parent, Visa Europe Limited. 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.

### **Future developments**

The company will continue to provide administrative and marketing support to the immediate parent company.

By order of the Board

Nicolas Huss  
Director



27 June 2016

## **Directors' report**

The directors present their annual report together with the audited financial statements for Visa Europe Management Services Limited ("the company") for the period ended 30 September 2015

### **Directors**

The directors who held office during the period and up to the signing date of these financial statements are as follows

Nicolas Huss  
Philip Symes

None of the directors who held office at 30 September 2015 had any interest in the shares of the Company or were granted or exercised any right to subscribe for shares in, or debentures of the company

The directors benefit from qualifying third party indemnity provisions in place during the period and at the date of this report

### **Results and dividends**

The company made a profit after tax for the period and attributable to the ordinary shareholders of €780,764 (2014 687,656), which is set out on page 5. The balance sheet is on page 6 and shows a net asset balance of €1,468,421 (2014 €687,656)

The directors do not recommend any dividend (2014 €Nil)

### **Employees**

It is the company's policy to ensure that no job applicant or employee is disadvantaged or receives unfavourable treatment and that all employees have the opportunity for advancement and development, regardless of race, colour, nationality or ethnic origins, sex, marital status, disability, religion or sexual orientation. The company's ultimate parent company, Visa Europe Limited, is an equal opportunity employer. Equal opportunity is about good employment practices and treating our most valuable asset, our employees, fairly and equally.

The company is also committed to ensuring that all prospective applicants for employment are treated fairly and equitably throughout the recruitment process. The company provides reasonable workplace adjustments for new entrants into the company and for existing employees who become disabled during their employment.

The company has established clear standards of communication for all of our employees, to provide information and to consult with our employees about important developments in the business and future changes to the organisation, and to generate an understanding of our purpose, strategy, values and business performance on an ongoing basis. Employees are provided with an anonymous channel to communicate views and opinions about working for Visa Europe through an annual Employee Engagement survey.

### **Financial risk management**

The company is exposed to market risk, settlement risk, liquidity risk and other price risk, which are the same set of exposures for all entities within the group. Financial risk is managed on a group level and is set out in the publicly available consolidated financial statements of the company's ultimate parent, Visa Europe Limited.

### **Political donations**

The company made no political contributions or donations during the period (2014 €Nil)

### **Branches outside UK**

Although the company is a UK registered company its operations during the fiscal year were through its branch offices in three European countries, Italy, Spain and Sweden.

## **Directors' report (Continued)**

### **Post balance sheet event**

On 2 November 2015, a definitive agreement was announced for Visa Inc. to acquire Visa Europe Limited for consideration of up to €21.2 billion. The proposed purchase of Visa Europe Limited by Visa Inc. was approved by the European Commission 3 June 2016 with a revised consideration of approximately €18.37 billion. The transaction was completed on 21 June 2016.

Also, following the year end, Germany and Poland branch offices have been included within the company taking the total number of local European offices included in the company to five.

Furthermore, on 3 November 2015 the Italian tax authority began an investigation into the company's operations in Italy.

### **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.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Nicolas Huss  
Director  
1 Sheldon Square  
London, W2 6TT



27 June 2016

## **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

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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 Europe Management Services Limited**

We have audited the financial statements of Visa Europe Management Services Limited for the year ended 30 September 2015 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on 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 2015 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report

- we have not identified material misstatements in those reports, and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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

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

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

*Mike Peck*

**Michael Peck (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
Canary Wharf  
London E14 5GL

28 June 2016

## Profit and loss account

For the year ended 30 September 2015

		Year ended 30 September 2015	9 month period ended 30 September 2014
	Note	€	€
Turnover		13,185,473	11,397,756
Administrative expenses	3	(11,772,836)	(10,176,581)
<b>Profit on ordinary activities before taxation</b>		<b>1,412,637</b>	<b>1,221,175</b>
Tax on profit on ordinary activities	5	(631,873)	(533,519)
<b>Profit on ordinary activities after taxation</b>		<b>780,764</b>	<b>687,656</b>

## Statement of total recognised gains and losses

For the year ended 30 September 2015

There are no recognised gains or losses other than those included in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

## Balance sheet

As at 30 September 2015

	Note	2015 €	2014 €
<b>Fixed assets</b>			
Property, plant & equipment	10	642,168	-
		642,168	-
<b>Current assets</b>			
Cash at bank	6	1,030,782	1,214,666
Other debtors	7	2,463,818	1,899,010
		3,494,600	3,113,676
<b>Current liabilities</b>			
Creditors	8	(2,366,723)	(1,892,500)
Current tax liabilities		(301,624)	(533,519)
		(2,668,347)	(2,426,019)
<b>Net current asset</b>		826,253	687,657
<b>Net assets</b>		1,468,421	687,657
<b>Capital &amp; Reserves</b>			
Called up share capital	9	1	1
Profit and loss account	11	1,468,420	687,656
<b>Shareholders' funds</b>		1,468,421	687,657

The notes on pages 7 to 11 form part of these financial statements

The financial statements were approved by the Board of directors on behalf by

2016, and were signed on its

Nicolas Huss  
Director



27 June 2016

Company registered number 08778032



## Notes to the financial statements

For the year ended 30 September 2015

### 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

#### Basis of preparation

The accounts have been prepared in accordance with the Companies Act 2006, UK Generally Accepted Accounting Principles (UK GAAP), under the historical cost convention

Under FRS 8 and FRS 1 the company is exempt from the requirement to disclose related party transactions and to prepare cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

#### Going Concern

The Directors have prepared the financial statements under the going concern basis having given due consideration to its financial liabilities and the financial resources available to meet its obligations

#### Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements

#### Turnover

Turnover consists of fees earned under a supply of services agreement between the company and Visa Europe Services Inc, the company's immediate parent company. Certain subcontracted services are provided under this agreement, primarily administrative & marketing support services. These are provided in various European countries, as well as operational services to enable offices to be maintained in those European countries.

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

#### Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

#### Pension costs

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax in the income statement except as it relates to other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Current and deferred tax balances are not discounted.

#### Fixed assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Computer equipment and software includes integrated computer hardware, purchased software and IT system infrastructures which consist of integrated, indissociable hardware and software.

Land is not depreciated. Depreciation on all other assets is charged to the income statement using the straight-line method so as to write off the cost to their residual values over their estimated useful lives on the following bases:

Leasehold improvements	-	40 years (or lease term if shorter)
Fixtures and equipment	-	3 to 10 years
Computer equipment and software	-	3 to 10 years

## Notes to the financial statements (continued)

For the year ended 30 September 2015

### 2 Directors' remuneration

The contracts of the directors are with VESI (the parent company). The Director's time spent specifically on this entity is not material, and as such no costs are separately disclosed for the remuneration of the directors (2014: €Nil).

### 3 Administrative expenses

Administrative expenses include

	Year ended 30 September	9 month period ended 30 September
	2015	2014
	€	€
Employee benefit costs (note 4)	9,881,017	7,220,649
Restructuring costs – employee benefits (note 4)	-	1,844,098
Operating lease costs	523,432	363,434

The audit fee is borne by another group company. The audit fee payable to the company's auditors for the audit of the financial statements was €16,888 (2014: €9,000).

### 4 Employee information

Employee benefit costs were as follows

	Year ended 30 September	9 month period ended 30 September
	2015	2014
	€	€
Wages, salaries & performance related pay	7,728,611	5,470,065
Social security costs	1,923,838	1,524,415
Other retirement benefit obligation costs	228,568	226,169
Restructuring costs	-	1,844,098
	9,881,017	9,064,747

The average number of employees during the period was

	30 September	9 month period ended 30 September
	2015	2014
	Number	Number
Sales and marketing	47	36
Business operations, core payments and digital	13	21
Other	1	1
	61	58

The pension contributions were made on behalf of all employees into a defined contribution scheme. There was no outstanding pension plan contribution at the year end (2014: €Nil).

### 5 Income tax expense

The tax charge for the period comprises

	Year ended 30 September	9 month period ended 30 September
	2015	2014
	€	€
<b>Current tax</b>		
Current tax on profit for the period	617,303	533,519
Adjustments in respect of prior years	14,570	-
<b>Total current income tax expense</b>	<b>631,873</b>	<b>533,519</b>

## Notes to the financial statements (continued)

For the year ended 30 September 2015

### 5 Income tax expense (cont'd)

#### Reconciliation of tax expense

The current income tax expense for the year is higher (2014 higher) than the standard rate of corporation tax in the UK of 20.5 per cent (2014 22 per cent). The differences are explained below

	30 September 2015 €	9 month period ended 30 September 2014 €
Profit before tax	1,412,637	1,221,175
Taxation at the standard income tax rate of 20.5% (2014 22%)	289,591	268,659
<i>Effects of</i>		
Permanent differences	42,400	25,025
Prior year adjustment	14,570	-
Differing overseas tax rates	285,312	239,835
<b>Total current income tax expense</b>	<b>631,873</b>	<b>533,519</b>

### 6 Cash at bank

	Year ended 30 September 2015 €	9 month period ended 30 September 2014 €
Cash at bank	1,030,782	1,214,666

### 7 Other Debtors

	Year ended 30 September 2015 €	9 month period ended 30 September 2014 €
Amounts due from related parties	2,463,818	1,899,010

### 8 Creditors

	Year ended 30 September 2015 €	9 month period ended 30 September 2014 €
Accruals	(2,366,723)	(1,892,500)

### 9 Called up share capital

	2015 €	2014 €
Called up, allotted and fully paid		
Ordinary shares of £1 each		
At 1 October	1	1
Issue of shares	-	-
<b>As at 30 September</b>	<b>1</b>	<b>1</b>

**Notes to the financial statements (continued)**  
For the year ended 30 September 2015

**10 Fixed Assets**

	Building Improvements	Fixtures and equipment	Computer equipment and software	Total
	€	€	€	€
<b>Cost</b>				
At 1 October 2013	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 1 October 2014</b>	-	-	-	-
Transfer from parent co	181,992	71,505	7,915	261,413
Additions	274,232	180,290	56,957	511,478
Disposals	-	-	-	-
<b>At 30 September 2015</b>	<b>456,224</b>	<b>251,795</b>	<b>64,872</b>	<b>772,891</b>

	Building Improvements	Fixtures and equipment	Computer equipment and software	Total
	€	€	€	€
<b>Accumulated depreciation</b>				
At 1 October 2013	-	-	-	-
Charge for the year	-	-	-	-
Elimination on disposal	-	-	-	-
<b>At 1 October 2014</b>	-	-	-	-
Transfer from parent co	2,920	7,337	1,446	11,703
Charge for the year	28,042	65,778	25,200	119,020
Elimination on disposal	-	-	-	-
<b>At 30 September 2015</b>	<b>30,962</b>	<b>73,115</b>	<b>26,646</b>	<b>130,723</b>

<b>Net book value at 1 October 2014</b>	-	-	-	-
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<b>Net book value at 30 September 2015</b>	<b>425,262</b>	<b>178,680</b>	<b>38,226</b>	<b>642,168</b>
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The fixed assets were transferred from Visa Europe Service Inc, its parent company, to Visa Europe Management Services Limited under the terms of the asset purchase agreement between the two companies. These transfers relate to fixed assets acquired by the parent company after the formation of Visa Europe Management Services Limited.

**11 Shareholders' Funds**

	Share Capital	Profit and Loss Account	Total
	€	€	€
At 30 September 2014	1	687,656	687,657
Profit for the period		780,764	780,764
<b>At 30 September 2015</b>	<b>1</b>	<b>1,468,420</b>	<b>1,468,421</b>

**Notes to the financial statements (continued)**  
For the year ended 30 September 2015

**12 Commitments under operating leases**

Annual payments under operating leases are as follows

	Year ended 30 September	9 month period ended 30 September
	2015	2014
	€	€
Within one year	669,183	-
In the second to fifth years inclusive	1,511,451	324,731
After five years	-	248,333
	<b>2,180,634</b>	<b>573,064</b>

**13 Post balance sheet event**

On 2 November 2015, a definitive agreement was announced for Visa Inc to acquire Visa Europe Limited for consideration of up to €21.2 billion. The proposed purchase of Visa Europe Limited by Visa Inc was approved by the European Commission on 3 June 2016, with a revised consideration of approximately €18.37 billion. The transaction was completed on 21 June 2016.

Also, following the year end, Germany and Poland branch offices have been included within the company taking the total number of local European offices included in the company to five.

Furthermore, on 3 November 2015 the Italian tax authority began an investigation into the company's operations in Italy.

**14 Ultimate parent company**

The Company is a wholly owned subsidiary of Visa Europe Services Inc, a limited company incorporated in the United States of America. The largest and the smallest group in which the results of the Company are consolidated is that headed by Visa Europe Limited, the ultimate parent company, a member association incorporated in the United Kingdom. The consolidated financial statements of Visa Europe Limited are available to the public by writing to

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CF14 3UZ  
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