VISA

Visa Europe Management Services Limited
2018 Financial Statements

Registered Number 08778032

Contents

Strategic Report

The Board of Directors (the Directors) present their Strategic Report for Visa Europe Management Services Limited (the Company) for the year ended 30 September 2018.

Review of the business

The Company is a private limited company, incorporated in England and Wales on 15 November 2013 and is a wholly-owned subsidiary of Visa Europe Limited and part of the Visa Inc. group. The principal activity of the Company is to provide a range of client liaison, business development and general support services to Visa Europe Limited operating via local branches in Italy, Spain, Sweden, Poland, Germany and Croatia.

In December 2017, Visa Europe Services LLC, and other Visa group entities, underwent a reorganisation which resulted in the transfer of its investment in the Company to Visa Europe Limited. Accordingly, from December 2017, the Company's immediate parent is Visa Europe Limited.

On 31 March 2018, directly related to the Visa group reorganisation, Visa Europe Services LLC and Visa Europe Limited executed an Intra Group Business Transfer Agreement involving the purchase by Visa Europe Limited of the majority of Visa Europe Services LLC's UK business operations as a going concern together with the assets and liabilities used in connection with its operations. As a result, on 1 April 2018, an Intercompany Services Agreement between the Company and Visa Europe Limited was executed and while the Company continues to operate in a similar capacity, it now provides a range of client liaison, business development and general support services to Visa Europe Limited rather than Visa Europe Services LLC.

The Company made profit after tax for the period of €2,820,843 (2017: €(1,891,159) loss), which is set out on page 7. The prior year loss included a tax charge relating to historic tax, penalties and interest incurred before 30 September 2017 whereas no similar charges occurred in the current year. In addition, the Company's performance has improved when compared with previous years due to an increase in the activities of its branches across the European continent. As a result, turnover has increased by 87.8%.

The Company's Statement of Financial Position is set out on page 8 and shows a net asset balance as at 30 September 2018 of €7,331,559 (2017: €2,825,942). The increase has been mainly driven by increased cash generated by operations and an increase in trade receivables with Visa Europe Limited, offset by an increase in trade and other payables.

The Company's Statement of Cash Flows is on page 10 and shows net cash inflow as cash and cash equivalents increased from €1,052,746 in 2017 to €2,972,934 during 2018 mainly due to the increase in profit before tax, offset by income taxes paid and purchase of property, plant and equipment.

Principal risks and uncertainties

Risks and uncertainties are managed at a group level. The group is comprised of Visa Europe Limited and its subsidiaries. These risks and uncertainties are set out in the publicly available consolidated financial statements of 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.

Brexit

With the UK scheduled to leave the EU by October 2019 and ongoing uncertainty about the terms of the separation, there is an increasing risk of economic, political and social uncertainty across Europe. A central program has been established by Visa Europe Limited to oversee management of all Brexit-related activities for the group. The Company's preparation for Brexit forms part of this program. The impact of Brexit on the Company is likely to be limited.

Future developments

The Company will continue to provide a range of client liaison, business development and general support services to Visa Europe Limited in the future, as more fully explained above.

By order of the Board

Charlotte Hogg
Director

26 June 2019

Directors' Report

The Directors present their annual report and the audited financial statements for Visa Europe Management Services Limited (the Company) for the year ended 30 September 2018.

Principal activities, review of business and future developments

The Company was incorporated on 15 November 2013 and began trading on 1 January 2014. The principal activity of the Company is to provide client liaison, business development and general support services to Visa Europe Limited, its immediate parent company. Turnover has increased from €38,479,443 in 2017 to €72,265,733 in 2018. The increase is directly attributable to the increase in administrative expenses from €35,350,214 in 2017 to €67,083,041 in 2018. The increase in trade payables together with the increase in accruals and deferred income is due to an increase in the activities of the Company's branches across the European continent.

In December 2017, Visa Europe Services LLC, and other Visa group entities, underwent a reorganisation which resulted in the transfer of its investment in the Company to Visa Europe Limited. Accordingly, from December 2017, the Company's immediate parent is Visa Europe Limited.

On 31 March 2018, directly related to the Visa group reorganisation, Visa Europe Services LLC and Visa Europe Limited executed an Intra Group Business Transfer Agreement involving the purchase by Visa Europe Limited of the majority of Visa Europe Services LLC's UK business operations as a going concern together with the assets and liabilities used in connection with its operations. As a result, on 1 April 2018, an Intercompany Services Agreement between the Company and Visa Europe Limited was executed and while the Company continues to operate in a similar capacity, it now provides a range of client liaison, business development and general support services to Visa Europe Limited rather than Visa Europe Services LLC.

Directors

The following Directors held office during and subsequent to the year ended 30 September 2018:

Jose Souto	
Charlotte Hogg	(appointed 2 October 2017)
William Sheedy	(resigned 2 October 2017)

None of the Directors who held office at 30 September 2018 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 year attributable to the ordinary shareholders of €2,820,843 (2017: €(1,891,159)), which is set out on page 7. The statement of financial position is on page 8 and shows net assets of €7,331,559 (2017: €2,825,942).

The Directors do not recommend any dividend (2017: €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 origin, gender, marital status, age, disability, religion or sexual orientation. The Company's immediate 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 to provide information to 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 the Company through an annual Employee Engagement survey.

Financial risk management

The Company is exposed to market risk, liquidity risk, credit 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 Visa Europe Limited.

Political donations

The Company made no political contributions during the year (2017: €Nil).

Branches outside UK

Although the Company is a UK registered company its operations during the fiscal year were through its branch offices in six European countries, namely, Italy, Spain, Sweden, Poland, Germany and Croatia.

Going concern

The Directors have adopted the going concern basis in preparing these financial statements having given due consideration to the liabilities of the Company and the consistent earnings growth over the year. The Company supplies all its services to Visa Europe Limited and will continue to do so for the foreseeable future.

Brexit

With the UK scheduled to leave the EU by October 2019 and ongoing uncertainty about the terms of the separation, there is an increasing risk of economic, political and social uncertainty across Europe. A central program has been established by Visa Europe Limited to oversee management of all Brexit-related activities for the group. The Company's preparation for Brexit forms part of this program. The impact of Brexit on the company is likely to be limited.

Post balance sheet event

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

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

Charlotte Hogg
Director
1 Sheldon Square
London, W2 6TT

26 June 2019

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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss 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 IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Visa Europe Management Services Limited

Opinion

We have audited the financial statements of Visa Europe Management Services Limited ("the company") for the year ended 30 September 2018, which comprise the Income Statement, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other matter - Brexit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. These depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

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

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Paul Furneaux (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

27th June 2019

Income Statement

For the year ended 30 September

	Note	2018 €	2017 €
Turnover	13	**72,265,733**	38,479,443
Administrative expenses	3	**(67,083,041)**	(35,350,214)
Profit on ordinary activities before taxation		**5,182,692**	3,129,229
Tax on profit on ordinary activities	5	(2,361,849)	(5,020,388)
Profit/(loss) for the year attributable to equity holders of the parent		**2,820,843**	(1,891,159)

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

The notes on pages 11 to 19 form part of these financial statements.

Statement of Financial Position

As at 30 September

	Note	2018 €	2017 €
Non-current assets			
Property, plant and equipment	10	**1,411,208**	854,629
		1,411,208	854,629
Current assets			
Cash and cash equivalents		**2,972,934**	1,052,746
Trade and other receivables	6	**24,822,284**	9,375,903
Deferred tax asset	7	**314,231**	—
		28,109,449	10,428,649
Current liabilities			
Trade and other payables	8	**(20,399,167)**	(2,048,375)
Current tax liabilities		**(1,789,931)**	(6,408,961)
		(22,189,098)	(8,457,336)
Net current assets		**5,920,351**	1,971,313
Net assets		**7,331,559**	2,825,942
Equity			
Share capital	9	**1**	1
Contribution reserve	11	**2,401,975**	717,201
Retained earnings	11	**4,929,583**	2,108,740
Attributable to equity holders of the parent		**7,331,559**	2,825,942

The notes on pages 11 to 19 form part of these financial statements.

The financial statements were approved by the Board of Directors on 26 June 2019, and were signed on its behalf by:

Jose Souto
Director

26 June 2019

Company registered number: 08778032

Statement of Changes in Equity

For the year ended 30 September

	Attributable to equity holders of the parent			
	Share capital €	Contribution reserve €	Retained earnings €	**Total €**
Balance as at 1 October 2017	**1**	**717,201**	**2,108,740**	**2,825,942**
Total comprehensive income for the year				
Profit for the year attributable to equity holders of the parent	—	—	2,820,843	2,820,843
Total comprehensive income for the year	**—**	**—**	**2,820,843**	**2,820,843**
Transactions with owners, recorded directly in equity				
Contributions by and distribution to owners:				
Equity settled share-based payment transactions	—	1,684,774	—	1,684,774
	—	**1,684,774**	**—**	**1,684,774**
Total contributions by and distributions to owners	**—**	**1,684,774**	**—**	**1,684,774**
Balance as at 30 September 2018	**1**	**2,401,975**	**4,929,583**	**7,331,559**

	Attributable to equity holders of the parent			
	Share capital €	Contribution reserve €	Retained earnings €	**Total €**
Balance as at 1 October 2016	1	276,638	3,999,899	4,276,538
Total comprehensive income for the year				
Loss for the year attributable to equity holders of the parent	—	—	(1,891,159)	(1,891,159)
Total comprehensive loss for the year	—	—	(1,891,159)	(1,891,159)
Transactions with owners, recorded directly in equity				
Contributions by and distribution to owners:				
Equity settled share-based payment transactions	—	440,563	—	440,563
	—	440,563	—	440,563
Total contributions by and distributions to owners	—	440,563	—	440,563
Balance as at 30 September 2017	1	717,201	2,108,740	2,825,942

The notes on pages 11 to 19 form part of these financial statements.

Statement of Cash Flows

For the year ended 30 September

	Note	**2018** €	2017 €
Profit before tax		**5,182,692**	3,129,229
Adjustments for:			
Depreciation of property, plant and equipment	3,10	**668,768**	379,378
Foreign exchange loss		**95,905**	397,931
Loss on disposal of property, plant and equipment	3,10	**24,725**	—
Share-based compensation	4	**1,684,774**	440,563
Operating cash flows before movements in working capital		**7,656,864**	4,347,101
(Increase)/decrease in receivables		**(15,446,381)**	895,462
Increase/(decrease) in payables		**18,270,475**	(4,240,279)
Cash generated by operations		**10,480,958**	1,002,284
Income taxes paid		**(7,295,110)**	(765,079)
Net cash from operating activities		**3,185,848**	237,205
Investing activities			
Purchase of property, plant and equipment	10	(1,250,072)	(555,425)
Net cash from investing activities		**(1,250,072)**	(555,425)

Net increase/(decrease) in cash and cash equivalents		**1,935,776**	(318,220)
Cash and cash equivalents at the beginning of the year		**1,052,746**	1,433,270
Effect of foreign exchange rate changes thereon		**(15,588)**	(62,304)
Cash and cash equivalents at the end of the year		**2,972,934**	1,052,746

The notes on pages 11 to 19 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2018

1. Accounting policies

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

IFRS

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis of preparation

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

Going concern

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

Turnover

Turnover consists of fees earned under a supply of services agreement between the Company and Visa Europe Services LLC (through 31 March 2018) and Visa Europe Limited (as of 1 April 2018). Certain subcontracted services are provided under this agreement, primarily administrative & marketing support services. These subcontracted services 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.

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.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

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.

Share-based payments

The ultimate parent company of the group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The fair value of awards of non-vested shares is equal to the closing price of the Visa Inc. shares on the date of grant, adjusted for the present value of future dividend entitlements where appropriate.

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.

Property, plant and equipment

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:

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Any gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of non-financial assets

At each reporting date, or more frequently when an indication of impairment has been identified, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Trade and other receivables

Trade receivables are measured at fair value at the date of trade plus directly attributable transaction costs on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

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

Adoption of revised standards

Amendments made to the following accounting standards in the current financial year:

Disclosure Initiative (Amendments to IAS 7)
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Annual Improvements to IFRS Standards 2014-2016 Cycle (Amendments to IFRS 12 Disclosure of Interests in Other Entities)

The adoption of these standards has had no material impact on these financial statements.

The following revisions to accounting standards and pronouncements which are applicable to the Company were issued as at 30 September 2018, but are effective for accounting periods beginning on or after 1 October 2018. The use of these standards that have yet to be endorsed by the European Union is not permitted. Where the standards listed below have been endorsed by the European Union and early adoption is permitted, the Company has elected not to apply them in the preparation of these financial statements.

Pronouncement	Nature of change	Latest effective date for the Group
IFRS 15 - Revenue from Contracts with Customers *Clarifications to IFRS 15*	IFRS 15 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue and IAS 11 Construction Contracts, and the related Interpretations on revenue recognition: IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.	1 October 2018
IFRS 9 - Financial Instruments	A final version of IFRS 9 was issued in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement. The IFRS includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.	1 October 2018
Amendments to IFRS 2 - Share-based Payment	The amendments clarify the classification and measurement of share-based payment transactions.	1 October 2018
IFRS 16 - Leases	The IFRS specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors will continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 October 2019

The Company has not yet completed its assessment of the impact of IFRS 9 - *Financial Instruments* and IFRS 15 - *Revenue from Contracts with Customers* on its financial statements. The Company does not expect IFRS 9 or IFRS 15 to have a material impact on these financial statements.

IFRS 16 - *Leases* will primarily change lease accounting for lessees; lease arrangements will give rise to the recognition of an asset representing the right to use the leased item and a loan obligation for future lease payables. The Company has not yet completed its initial assessment of the impact of IFRS 16 on its financial statements.

All other amendments to accounting standards and pronouncements applicable to the Company effective for accounting periods beginning after 30 September 2018 are not expected to have a material impact.

Critical accounting judgments and key sources of estimation and uncertainty

The Company did not have any critical accounting policies or make any critical judgments or estimates during the current and previous fiscal years.

2. Directors' remuneration

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 (2017: €Nil).

3. Administrative expenses

Administrative expenses include:

	2018	2017
	€	€
Employee benefit costs (see Note 4)	**33,609,012**	19,671,392
Depreciation of property, plant and equipment - owned (see Note 10)	**668,768**	379,378
Operating lease costs (see Note 12)	**1,505,248**	1,496,223
Penalties and interest on tax	**—**	974,418
Foreign exchange gain	**(374,123)**	(2,811,638)
Loss on disposal of property, plant and equipment (see Note 10)	**24,725**	—
Auditor's remuneration	**31,000**	24,000

In December 2017, the Company was involved in the settlement of prior years' tax liabilities, together with penalties and interest, the payments of which were accrued during fiscal year 2017 as an adjusting post balance sheet event. The impact to administrative expenses was an increase of €974,418 in 2017 (2018: €Nil).

The audit fee is borne by another group company.

4. Employee information

Employee benefits costs were as follows:

	2018	2017
	€	€
Wages, salaries & performance related pay	**23,434,532**	15,964,403
Social security costs	**3,565,549**	2,657,693
Share-based payment	**1,684,774**	440,563
Other retirement benefit obligation costs	**4,924,157**	608,733
Total	**33,609,012**	19,671,392

The average number of employees (excluding directors) during the period was:

	2018	2017
	Number	Number
Sales and marketing	**123**	91
Technology and business operations	**26**	8
Management and administrative	**9**	6
Total	**158**	105

The classification of employees in 2017 have been restated to be consistent with the current year classification.

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 (2017: €Nil).

Share-based payment arrangements

Description of share-based payment arrangements
In July 2016, senior employees of the Company were granted equity-settled Restricted Stock Units (RSUs) under cliff vesting conditions by the ultimate parent company, Visa Inc. The vesting period for these awards ended in 2018, upon which the restrictions were lifted and employees became beneficial owners of the shares. In November 2016, additional (RSUs) were awarded to certain employees of the Company under graded-vesting conditions by the ultimate parent company, Visa Inc. The vesting period for these awards ends in 2019. In November 2017, additional RSUs were awarded to certain employees of the Company for which the vesting period ends in 2020.

The expense recognised for the period totals:
Equity settled transactions

	2018	2017
	€	€
Expense recognised during the period	**1,684,774**	440,563

5. Income tax expense

The tax charge for the period comprises:

	2018	2017
	€	€
Current tax		
Current tax on profit for the year	**2,185,589**	1,266,801
Adjustments in respect of prior years	**490,491**	3,753,587
Total current income tax expense	**2,676,080**	5,020,388
Deferred tax		
Origination and reversal of temporary differences (see Note 7)	**(314,231)**	—
Total income tax expense	**2,361,849**	5,020,388

Reconciliation of income tax expense

The current income tax expense for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19.0 per cent (2017: 19.5 per cent). The differences are explained below:

	2018	2017
	€	€
Profit before tax	**5,182,692**	3,129,229
Taxation at the standard income tax rate of 19.0% (2017: 19.5%)	**984,711**	610,200
Effects of:		
Permanent differences	**358,386**	366,458
Prior year adjustment	**528,259**	3,753,587
Differing overseas tax rates	**490,493**	290,143
Total current income tax expense	**2,361,849**	5,020,388

In December 2017 the Company was involved in the settlement of prior years' tax liabilities, together with penalties and interest, the payments of which were accrued during fiscal year 2017. The impact to total current income tax expense in 2017 was €3,596,862 (2018: €Nil).

6. Trade and other receivables

	2018	2017
	€	€
Amounts due from related parties (see Note 13)	**24,766,794**	9,229,216
Other receivables	**55,490**	146,687
Total	**24,822,284**	9,375,903

The Company's performance has improved when compared with previous years due to an increase in the activities of its branches across the European continent. As a result, turnover has increased by 87.8% leading to an increase in amounts due from related parties.

7. Deferred tax

The table below summarises the deferred tax assets recognised by the Company and movements thereon during the current reporting period.

	Other temporary differences	Total
	€	€
At 30 September 2017	—	—
Credit to income statement	314,231	314,231
At 30 September 2018	**314,231**	**314,231**

The deferred tax assets and liabilities have been offset where there is a legal right of set off. The deferred tax assets recognised in the balance sheet relate to other timing differences. Other timing differences relate to bonus accruals.

The following is the analysis of the deferred tax balances (before offset) for financial reporting purposes:

	2018	2017
	€	€
Deferred tax assets	**314,231**	—
	314,231	—

8. Trade and other payables

	2018	2017
	€	€
Trade payables	**3,157,762**	2,632,378
Social security and other taxes	**5,416,863**	(6,770,827)
Accruals and deferred income	**11,824,542**	6,186,824
Total	**20,399,167**	2,048,375

As a result of the reversal of a historical payroll tax asset during the current year for the value of approximately €7.5 million, social security and other taxes have increased during the current year. The increase in trade payables together with the increase in accruals and deferred income is due to an increase in the activities of the Company's branches across the European continent.

9. Share capital

	2018	2017
	€	€
Called up, allotted and fully paid		
Ordinary shares of €1 each		
At 1 October	**1**	1
Issue of shares	—	—
As at 30 September	**1**	1

10. Property, plant and equipment

	Building and leasehold improvements	Fixtures and equipment	Computer equipment and software	Total
	€	€	€	€
Cost				
At 1 October 2016	544,807	548,284	131,655	1,224,746
Additions	342,240	205,452	7,733	555,425
At 1 October 2017	887,047	753,736	139,388	1,780,171
Additions	**739,028**	**191,654**	**319,390**	**1,250,072**
Write off of assets	**—**	**(128,125)**	**(19,736)**	**(147,861)**
At 30 September 2018	**1,626,075**	**817,265**	**439,042**	**2,882,382**

Accumulated depreciation				
At 1 October 2016	222,624	253,151	70,389	546,164
Charge for the year	126,010	208,237	45,131	379,378
At 1 October 2017	348,634	461,388	115,520	925,542
Charge for the year	**469,087**	**129,240**	**70,441**	**668,768**
Write off of assets	**(8,599)**	**(75,677)**	**(38,860)**	**(123,136)**
At 30 September 2018	**809,122**	**514,951**	**147,101**	**1,471,174**
Net book value at 1 October 2017	538,413	292,348	23,868	854,629
Net book value at 30 September 2018	**816,953**	**302,314**	**291,941**	**1,411,208**

11. Company's reserves

	Share capital	Contribution reserve	Retained earnings	Total
	€	€	€	€
At 30 September 2017	1	717,201	2,108,740	2,825,942
Equity settled share-based payment transactions	—	1,684,774	—	1,684,774
Profit for the period	—	—	2,820,843	2,820,843
At 30 September 2018	**1**	**2,401,975**	**4,929,583**	**7,331,559**

The contribution reserve arises where RSUs have been granted by the ultimate parent company Visa Inc., which are not charged back to the group.

12. Commitments under operating leases

Annual expense under operating leases is as follows:

	2018	2017
	€	€
Operating lease costs (see Note 3)	**1,505,248**	1,496,223

Annual payments under operating leases are as follows:

	2018	2017
	€	€
Within one year	**1,058,390**	1,358,618
In the second to fifth years inclusive	**2,540,645**	2,041,075
After five years	**672,811**	—
Total	**4,271,846**	3,399,693

13. Related party transactions

The Company earns an intercompany fee through the provision of various services for Visa Europe Services LLC (through 31 March 2018) and Visa Europe Limited (as of 1 April 2018). The services include the provision of administrative and marketing support services to Visa Europe Limited and Visa Europe Services LLC. The total intercompany revenue fee for the year was as follows:

	2018	2017
	€	€
Visa Europe Limited	**49,243,269**	—
Visa Europe Services LLC	**23,022,464**	38,479,443
Total	**72,265,733**	38,479,443

Trade and other receivables include the following amounts due from Visa Europe Limited and Visa Europe Services LLC:

	2018	2017
	€	€
Visa Europe Limited	**24,766,794**	—
Visa Europe Services LLC	**—**	9,229,216

14. Ultimate parent company

In December 2017, Visa Europe Services LLC, and other Visa group entities, underwent a reorganisation which resulted in the transfer of its investment in the Company to Visa Europe Limited. Accordingly, from December 2017, the Company's immediate parent is Visa Europe Limited.

The smallest group in which the results of the Company are consolidated is that headed by Visa Europe Limited, a company incorporated in the United Kingdom. The consolidated accounts of the group for the period ended 30 September 2018 are available to the public from the Companies House website.

The results of the group are also consolidated into Visa Inc., which is incorporated in the United States of America, and is the group's ultimate parent company. Copies of the financial statements for Visa Inc. are available from its website.

15. Post balance sheet event

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