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Visa Europe Services LLC (formerly Visa Europe Services Inc.)
2018 FINANCIAL STATEMENTS

Company number FC025276
UK establishment number BR007632

Contents

Directors' Report

The Board of Directors (the Directors) present their annual report and financial statements for Visa Europe Services LLC (the Company) for the year ended 30 September 2018

Principal activities, review of business and future developments

The Company was registered as a UK branch of an overseas private corporation limited by shares under the name of Visa Europe Services Inc on 25 June 2004 On 17 February 2017, the Company undertook a reorganisation, which resulted in the conversion of the Company from a Delaware corporation to a Delaware limited liability company (LLC), and accordingly, the Company was renamed Visa Europe Services LLC.

In December 2017, the Company and other Visa group entities, underwent a reorganisation, which resulted in the transfer of its investment in Visa Europe Management Services Limited to Visa Europe Limited, its immediate parent company

Effective 31 March 2018, directly related to the Visa group reorganisation, the Company and Visa Europe Limited executed an Intra Group Business Transfer Agreement involving the sale by the Company and the purchase by Visa Europe Limited of the majority of the Company's UK business operations as a going concern together with the assets and liabilities used in connection with its operations The consideration for the sale and purchase was €340 million, which represented the net book value of the assets less an amount equal to the liabilities of the Company's UK business as of 31 March 2018. The transaction resulted in the transfer of these assets and liabilities from the Company to Visa Europe Limited

The Company is a payments system business The Company's main business operation is to serve its clients across Europe Turnover has decreased to €386 6 million in 2018 from €622 5 million in 2017 The decrease is mainly due to the Company's transfer during the year of the majority of its UK business to Visa Europe Limited

Results and dividends

The Company made a profit after tax for the period and attributable to the ordinary shareholders of €61 6 million (2017 €4 2 million), which is set out on page 4 The statement of financial position is on page 6 and shows a net asset balance of €370 3 million (2017 €307 7 million)

The Directors do not recommend any dividend (2017 €1,003 million)

Directors

Certain Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Employees

It is the Company's policy to ensure that no job applicant or employee is disadvantaged or receives unfavourable treatment, that all employees have the opportunity for advancement and development, regardless of race, colour, nationality or ethnic origins, gender, marital status, age, disability, religion or sexual orientation The Company 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 staff 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 Visa's Code of Business Conduct and Ethics sets out Visa's commitment to the highest ethical standards and provides employees with channels to raise any concerns and questions including a Confidential Compliance Hotline where they can remain anonymous if they chose to do so

Financial risk management

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)

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 financial resources available to meet its obligations

Brexit

With the UK scheduled to leave the EU by 31 January 2020 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 Visa Europe Group. The impact of Brexit on the Visa Europe Group is expected to be limited

Post balance sheet events

In November 2018, the Supreme Court granted Visa leave to appeal certain elements of the Court of Appeal's judgment in relation to the Retailer Litigation, which is due to be heard in January 2020 See Note 23, Contingent liabilities, for further discussion of the Retailer Litigation

Board membership

The following Directors held office during and after the year ended 30 September 2018.

Sharon Dean	Appointed 10 October 2019
Robert Livingston	Appointed 10 October 2019
Antony Cahill	Appointed 10 October 2019
Jose Souto	Resigned 10 October 2019
Charlotte Hogg	Appointed 02 October 2017, Resigned 10 October 2019
William Morgan Sheedy	Resigned 02 October 2017
Deborah Alison Hewitt	Resigned 31 March 2018
Jean-Louis Constanza	Resigned 31 March 2018
Gary Hoffman	Resigned 31 March 2018
Mary Ellen Richey	Resigned 31 March 2018

On behalf of the Board

Sharon Dean
Director

31 October 2019

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with 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 the 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, 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 group and to prevent and detect fraud and other irregularities

Income statement

For the year ended 30 September

	Note	**2018 €'000**	2017 €'000
Turnover		**386,641**	622,529
Administrative expenses	3	**(316,864)**	(501,717)
Other expenses			
Impairment of property, plant and equipment	10	**(4,002)**	(84,624)
Impairment of intangible assets	9	—	(34,342)
		(4,002)	(118,966)
Operating profit		**65,775**	1,846
Charitable contribution expense	12	—	(169,329)
Gain on disposal of investment	12	—	152,257
Finance income	5	**1,082**	2,265
Finance costs	6	**(148)**	(4,845)
Dividend income	7	—	337
Profit/(Loss) on ordinary activities before taxation		**66,709**	(17,469)
Income tax (expense)/credit on profit/(loss) on ordinary activities	8	**(5,139)**	21,640
Profit on ordinary activities after taxation		**61,570**	4,171

The notes on pages 10 to 29 form part of these financial statements

Statement of comprehensive income

For the year ended 30 September

	Note	**2018 €'000**	2017 €'000
Profit for the year attributable to equity holders of the parent		**61,570**	4,171
Other comprehensive income:			
Items that will not be reclassified to income statement			
Remeasurement (losses)/gains on defined benefit pension schemes	19	**(4,345)**	52,674
Deferred tax arising on remeasurement losses/gains on defined benefit pension schemes	11	**2,177**	(45,555)
		(2,168)	7,119
Items that may be reclassified subsequently to income statement			
Available-for-sale financial assets			
Gains on revaluation		**—**	7,627
Gain on disposal of investments transferred from other comprehensive income to income statement	12	**—**	(152,257)
Deferred tax arising on available-for-sale financial assets		**—**	47,926
Cash flow hedges			
Net gains taken to other comprehensive income		**2,519**	99
Effective hedge gains transferred from other comprehensive income to income statement		**12,613**	8,311
Deferred tax arising on cash flow hedges		**(13,257)**	(969)
		1,875	(89,263)
Other comprehensive loss for the year, net of tax		**(293)**	(82,144)
Total comprehensive income/(loss) for the year		**61,277**	(77,973)

The notes on pages 10 to 29 form part of these financial statements

Statement of financial position

As at 30 September

	Note	**2018 €'000**	2017 €'000
Non-current assets			
Property, plant and equipment	10	**2,790**	72,216
Goodwill and intangible assets	9	**—**	39,823
Deferred tax asset	11	**—**	59,085
		2,790	171,124
Current assets			
Trade and other receivables	14	**216,746**	1,376,644
Financial assets	12	—	8,606
Cash and cash equivalents	15	**208,076**	1,363,979
		424,822	2,749,229
Current liabilities			
Financial liabilities	16	**453**	29,958
Trade and other payables	17	**—**	2,530,999
Deferred tax liability	11	**466**	—
		919	2,560,957
Net current assets		**423,903**	188,272
Non-current liabilities			
Trade and other payables	17	**2,952**	7,461
Provisions	18	**53,249**	44,068
Retirement benefit obligation	19	**169**	176
		56,370	51,705
Net assets		**370,323**	307,691
Equity			
Other reserves		**4,310**	2,435
Retained earnings		**366,013**	305,256
Equity shareholders' funds		**370,323**	307,691

The notes on pages 10 to 29 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2019 They were signed on its behalf by.

Sharon Dean
Director

31 October 2019

Statement of changes in equity

For the year ended 30 September

	Attributable to equity holders of the parent company				
	Merger reserve €'000	Available-for-sale reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	**Total €'000**
Balance as at 1 October 2017	**2,045**	**—**	**390**	**305,256**	**307,691**
Total comprehensive income for the year					
Profit for the year attributable to equity holders of the parent	**—**	**—**	**—**	**61,570**	**61,570**
Other comprehensive income:					
Items that will not be reclassified to income statement					
Remeasurement losses on defined benefit pension schemes	—	—	—	**(4,345)**	**(4,345)**
Income tax relating to items that will not be reclassified	—	—	—	**2,177**	**2,177**
	—	**—**	**—**	**(2,168)**	**(2,168)**
Items that may be reclassified subsequently to income statement					
Cash flow hedges					
Net gains taken to other comprehensive income	—	—	**2,519**	—	**2,519**
Net gains transferred from other comprehensive income to income statement	—	—	**12,613**	—	**12,613**
Income tax relating to items that may be reclassified	—	—	**(13,257)**	—	**(13,257)**
	—	**—**	**1,875**	—	**1,875**
Other comprehensive income for the year, net of tax	**—**	**—**	**1,875**	**(2,168)**	**(293)**
Total comprehensive income for the year	—	**—**	**1,875**	**59,402**	**61,277**
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners:					
Equity settled share-based payment transactions	—	—	—	**1,355**	**1,355**
Total contributions by and distributions to owners	**—**	—	—	**1,355**	**1,355**
Balance as at 30 September 2018	**2,045**	**—**	**2,265**	**366,013**	**370,323**

The notes on pages 10 to 29 form part of these financial statements

Statement of changes in equity *continued*

	Attributable to equity holders of the parent company				
	Merger reserve €'000	Available-for-sale reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	**Total €'000**
Balance as at 1 October 2016	2,045	96,704	(7,051)	1,286,918	1,378,616
Total comprehensive income for the year					
Profit for the year attributable to equity holders of the parent	—	—	—	4,171	4,171
Other comprehensive income:					
Items that will not be reclassified to income statement					
Remeasurement gains on defined benefit pension schemes	—	—	—	52,674	52,674
Income tax relating to items that will not be reclassified	—	—	—	(45,555)	(45,555)
	—	—	—	7,119	7,119
Items that may be reclassified subsequently to income statement					
Available-for-sale investments					
Gains on revaluation	—	7,627	—	—	7,627
Gain on disposal of investments transferred from other comprehensive income to income statement	—	(152,257)	—	—	(152,257)
Cash flow hedges					
Net gains taken to other comprehensive income	—	—	99	—	99
Net gains transferred from other comprehensive income to income statement	—	—	8,311	—	8,311
Income tax relating to items that may be reclassified	—	47,926	(969)	—	46,957
	—	(96,704)	7,441	—	(89,263)
Other comprehensive income for the year, net of tax	—	(96,704)	7,441	7,119	(82,144)
Total comprehensive income for the year	—	(96,704)	7,441	11,290	(77,973)
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners					
Dividend paid	—	—	—	(1,003,083)	(1,003,083)
Equity settled share-based payment transactions	—	—	—	8,441	8,441
Income tax relating to transactions with owners, recorded directly in equity	—	—	—	1,690	1,690
Total contributions by and distributions to owners	—	—	—	(992,952)	(992,952)
Balance as at 30 September 2017	2,045	—	390	305,256	307,691

The notes on pages 10 to 29 form part of these financial statements

Statement of cash flows

For the year ended 30 September

	Note	**2018** €'000	2017 €'000
Profit/(Loss) before tax		**66,709**	(17,469)
Adjustments for			
Depreciation of property, plant and equipment	10	**16,642**	66,333
Amortisation of intangible assets	9	**116**	16,033
Loss on disposal and impairment of property, plant and equipment and intangible assets	9, 10	**4,002**	118,966
Gain on disposal of investment	12	—	(152,257)
Charitable contribution expense	12	—	(169,329)
Onerous contract expense	3	—	1,277
Service cost on defined benefit pension scheme	19	—	6,759
Foreign exchange loss/(gain)		**5,353**	(21,939)
Finance income	5	**(1,082)**	(2,265)
Effective hedge gains transferred from other comprehensive income to income statement		**(12,613)**	(8,311)
Share-based payment	4	**1,355**	8,441
Increase/(decrease) in provisions	18	**9,181**	(83,104)
Operating cash flows before movements in working capital		**89,663**	101,793
Decrease/(increase) in receivables		**1,332,354**	(169,854)
(Increase)/decrease in payables		**(2,565,071)**	281,093
Cash generated by operations		**(1,143,054)**	213,032
Pension benefits paid	19	—	(4,645)
Income taxes paid		**(11,446)**	(52,419)
Net cash from operating activities		**(1,154,500)**	155,968
Investing activities			
Dividends received from financial assets	7	—	337
Purchase of property, plant and equipment	10	—	(26,655)
Net cash used in investing activities		—	(26,318)
Financing activities			
Dividend paid to parent		—	(1,003,083)
Finance income	5	**1,082**	2,265
Interest paid		—	(292)
Net cash provided by financing activities		**1,082**	(1,001,110)
Net decrease in cash and cash equivalents		**(1,153,418)**	(871,460)
Cash and cash equivalents at the beginning of the year		**1,363,801**	2,216,717
Foreign exchange (loss)/gain thereon		**(2,307)**	18,544
Cash and cash equivalents at the end of the year, net of overdraft	15	**208,076**	1,363,801

The notes on pages 10 to 29 form part of these financial statements

Notes to the financial statements

As at 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 financial statements of Visa Europe Services LLC (the Company)

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 on the historical cost basis, except for the revaluation of certain financial instruments. These financial statements are presented in Euros, which is both the Company's functional and presentational currency, rounded to the nearest thousand

Turnover
Turnover consists of fees earned under a subcontractor agreement between the Company and Visa Europe Limited, the Company's immediate parent company, Certain subcontracted services are provided under this agreement, primarily authorising, clearing and settlement services and processing payment transactions within the EU Territory including operating the processing centre, and certain ancillary services such as developing new Visa products to be used in the EU Territory

Foreign currency translation
In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date and any resulting exchange differences are included in administrative expenses in the income statement

Leases
Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax in the income statement except as 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 The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the year Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

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 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 of the asset to the estimated residual value over their estimated useful life on the following bases:

Buildings	40 years
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

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

Goodwill and intangible assets
Goodwill arising from a business combination represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses to the income statement

Goodwill and operating rights are assessed to have indefinite useful lives as, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the entity

Intangible assets include internally generated software, which is software designed, developed and commercialised by the Company to generate economic profit Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset Otherwise, it is recognised in the income statement as incurred Expenditure related to research-associated activities is recognised as an expense in the period in which it is incurred.

Intangible assets are recorded at cost less accumulated amortisation and any impairment losses Amortisation for internally generated software is charged to the income statement using the straight-line method so as to write off the cost of the assets over their estimated useful lives on the following bases

Internally generated software	3 to 10 years

Impairment of tangible and intangible 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, intangible assets and goodwill 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 An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired

The recoverable amount is the higher of fair value less costs to sell and value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount An impairment loss is recognised in the income statement immediately If the recoverable amount of goodwill is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets of the cash-generating unit on a pro-rata basis

Where an impairment loss, other than goodwill, subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior periods Impairment losses on goodwill are not subsequently reversed

Financial instruments
Financial instruments, classified as held to maturity, are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company positively intends and has the ability to hold to maturity Held to maturity financial instruments are measured at amortised cost using the effective interest rate method

Financial instruments, classified as available-for-sale, are initially measured at fair value at the date of trade plus directly attributable acquisition costs These are subsequently measured at fair value, with gains and losses arising from changes in fair value recognised directly in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the income statement for the period.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable Loans are recognised when cash is advanced to the borrowers Settlement receivables are recognised when settlements remain outstanding for one or more business days resulting in amounts due from clients Loans and receivables are carried at amortised cost using the effective interest method.

Held for trading assets and liabilities are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired

An impairment loss is recognised in the income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the financial instrument's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses recognised in the income statement for equity investments classified as available-for-sale are not subsequently reversed through the income statement, but are recognised as a revaluation gain in other comprehensive income

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis If a market for a financial instrument is not active, the Compay establishes fair value using a valuation technique These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis

In the instance that fair values of assets and liabilities cannot be reliably measured, they are carried at cost.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, less any reduction for impairment

Financial instruments derecognition
The Company derecognises a financial asset when the contractual rights to the cashflows 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 asset 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

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.

Beginning in 2017, the Company may be required to settle certain settlement positions with clients on a gross basis rather than net in certain circumstances Therefore, settlement receivable positions with clients have been presented in the statement of financial position on a gross basis for both 2018 and 2017

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, short-term bank deposits with an original maturity of three months or less, money market funds and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Cash and overdrafts are held separately on the balance sheet as assets and liabilities, but are combined for the purpose of the statement of cash flows

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.

Beginning in 2017, the Company may be required to settle certain settlement positions with clients on a gross basis rather than net in certain circumstances. Therefore, settlement payable positions with clients have been presented in the statement of financial position on a gross basis for both 2018 and 2017

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities

Derivative financial instruments and cash flow hedge accounting
The Company's activities expose it to the financial risks of changes in foreign currency exchange and interest rates The Company uses foreign exchange forward contracts to hedge these exposures Where appropriate, the Company hedges highly probable forecast financial transactions not denominated in the Company's functional or reporting currency, through the application of cash flow hedge accounting

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the income statement as incurred Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss, through other income, in the same period or periods during which the hedged forecast cash flow affects profit or loss

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting At that time, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained in other comprehensive income until the forecasted transaction occurs at which point any derivative fair value gain or loss is recognised in other income or other expense, accordingly If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to net profit or loss for the period.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise

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

Retirement benefit costs
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due

For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period Remeasurement gains and losses are recognised in full in the period in which they occur These gains and losses are not recognised within the income statement, but are instead included in other comprehensive income

The value of the retirement benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets

Share-based payments
The ultimate parent company of the Company, Visa Inc , 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 Company'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.

Provisions and contingent liabilities
Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value using a commercial rate where the effect is material Discounts are unwound through the income statement from the date the provision is made up to the date that the expenditure covered by the provision is incurred

Contingent liabilities are disclosed when the Company has a present obligation as a result of a past event, but the probability that it will be required to settle that obligation is more than remote, but not probable

2. *Critical accounting judgments and key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

Revenue recognition
Revenues are stated net of volume-based discounts and support incentives This offset takes place when it is probable that criteria for the discount or incentive will be met and can be reliably estimated Management exercises judgement in assessing whether criteria will be met and in estimating the percentage of completion For support incentives, management estimates the percentage of completion against the target criteria agreed with clients For volume-based discounts, management bases the estimates upon past experience

Taxation
The Company has taken account of tax issues that are subject to ongoing discussions with HM Revenue and Customs and other tax authorities in measuring tax assets and liabilities Inherent in this is management's assessment of legal and professional advice, case law and other relevant guidance The various risks are categorised and appropriate weightings applied in determining the carrying value of current and deferred tax balances.

Property, plant & equipment and intangible assets
At each balance sheet date, or more frequently when events or changes in circumstances dictate, property, plant and equipment and intangible assets are assessed for indications of impairment If indications are present, these assets are subject to an impairment review The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount. the higher of the assets or the cash-generating unit's fair value less cost of sale and its value in use Fair value less cost of sale is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets Value in use is primarily calculated under the cost approach by determining replacement or reproduction cost based on price estimates, analytical trending of historical cost information and adjusting for additional considerations informing functional and economic usefulness or obsolescence

Retirement benefits
The schemes' liabilities are calculated using the projected unit credit method, which takes into account projected earnings increases, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the scheme liabilities The resulting estimated cash flows are discounted at a rate equivalent to the market yield at the balance sheet date on high quality bonds with a similar duration and currency to the schemes' liabilities In order to estimate the future cash flows, a number of financial and non-financial assumptions are made by management, changes to which could have a material impact upon the overall deficit or the net cost recognised in the income statement

The three most important assumptions are the rate of inflation, the discount rate and the rates of mortality.

The assumed rates of inflation affect the rate at which salaries and deferred pensions are projected to grow before retirement and also the rates at which pensions in payment increase Over the longer term rates of inflation can vary significantly, at 30 September 2018 it was assumed that the rate of inflation was based on the increase in the Retail Prices Index (RPI), for which an assumption of 3.40 per cent per annum (2017 3.40 per cent) was made, and also on the increase in the Consumer Prices Index (CPI), for which an assumption of 2.30 per cent per annum was made (2017 2 30 per cent) If these assumptions were increased by 0 1 per cent, and the other inflation related assumptions were increased by a commensurate amount, the overall deficit would increase by approximately €6 6 million (2017 €6 4 million) and the annual cost by approximately €0.2 million (2017 €0 2 million) A reduction of 0 1 per cent would reduce the overall deficit by approximately €6.8 million (2017 €6 5 million) and the annual cost by approximately €0.2 million (2017 €0 2 million) The size of the overall deficit is also sensitive to changes in the discount rate, which is affected by market conditions and therefore potentially subject to significant variations. At 30 September 2018 the discount rate used was 2.90 per cent (2017 2 70 per cent), a reduction of 0 1 per cent would increase the overall deficit by approximately €8 million (2017: €8 1 million) and the annual cost by approximately €0 3 million (2017 €0 3 million), while an increase of 0.1 per cent would reduce the deficit by approximately €7 9 million (2017 €8 1 million) and the annual cost by approximately €0 3 million (2017 €0 3 million) See Note 19, Retirement benefit obligation

The size of the overall deficit is also sensitive to changes in the assumption for rates of mortality, which is another variable that cannot be predicted with any degree of certainty; it is therefore also an assumption which is subject to variations over time (both in terms of the ultimate rates observed and what is considered a reasonable assumption for projecting future improvements to these rates) If the assumed life expectancy was increased by approximately* one year the overall deficit would increase by approximately €11 2 million (2017: €12 6 million) and the annual cost by approximately €0 4 million (2017 €0 5 million) If the assumed life expectancy was reduced by approximately* one year the overall deficit would reduce by approximately €11 1 million (2017 €12 2 million) and the annual cost by approximately €0.4 million (2017 €0 5 million)

The scheme exposes the Company to the following risks
- Asset volatility The Plan's assets may underperform the discount rate assumed over any accounting period
- Inflation risk A significant proportion of the Plan's benefits increase in line with the UK inflation measures, RPI and CPI Unexpected increases in UK inflation would lead to higher Plan benefits
- Longevity Unexpected increases in life expectancy would increase the Plan's liabilities.

*We have approximated the change in life expectancy by assuming that everyone experiences the mortality rates (prior to the allowance for improvements) of someone aged one year younger or older than they actually were

Provisions and contingent liabilities
The Company exercises its judgement in considering whether a liability may arise and where measurement is possible, makes a prudent estimate of that liability Judgement is necessary in assessing the likelihood that a claim or allegation will succeed or that a negotiated settlement may be reached Judgement is further required in recognising and estimating the quantum of provisions and contingent liabilities related to legal and regulatory proceedings (Refer to Note 18, Provisions, and Note 23, Contingent liabilities)

As noted above, taxation is inherently uncertain and subject to a number of factors The Company has used its judgement in recognising a provision for indirect taxes on certain fees expensed through the income statement (see Note 18, Provisions). The total provision recognised may include amounts that are ultimately recovered upon resolution with tax authorities

Due to the inherent uncertainty in these evaluation processes, assessments or estimates may prove to be incorrect and actual outflows of resources may be different from the original assessment

3. Administrative expenses

Administrative expenses include

	Note	**2018 €'000**	2017 €'000
Employee benefit costs	4	**109,221**	188,412
Provision for indirect taxes	18	**38,556**	37,595
Depreciation of property, plant and equipment - owned	10	**16,642**	66,333
Amortisation of intangible assets	9	**116**	16,033
Operating lease cost		**9,291**	18,435
Onerous contract expense	18	**—**	1,277
Audit of the parent and related company financial statements		**301**	884
Other services related to taxation		**345**	698
Other assurance services pursuant to legislation and regulatory compliance		**212**	635

The remaining costs within administrative expenses include charges from Visa Inc (resulting from a contractual arrangement with Visa Inc as governed by the framework agreement), along with professional, consulting and marketing costs

4. Employee benefit costs and employee numbers

Employee benefits costs were as follows

	2018 €'000	2017 €'000
Wages and salaries	**85,457**	143,237
Social security costs	**14,904**	18,712
Other retirement benefit obligation costs	**6,612**	14,274
Share-based payment	**1,355**	8,441
Severance costs	**893**	3,748
	109,221	188,412

The average monthly number of employees (including executive directors) was

	2018	2017
Technology and Business operations	**420**	832
Sales and marketing	**202**	324
Management and administrative	**115**	223
	737	1,379

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 condition by the ultimate parent company, Visa Inc The vesting period for these awards ends in 2019

The expense recognised for the period totals

Equity settled transactions	2018 €'000	2017 €'000
Expense recognised during the period	**1,355**	8,441

5. Finance income

	2018 €'000	2017 €'000
Interest income	**1,053**	2,265
Net interest income on pension scheme liability	**29**	—
	1,082	2,265

6. Finance costs

	Note	2018 €'000	2017 €'000
Net interest cost on pension scheme liability	19	**—**	(1,174)
Discounted provisions - unwinding of discount	18	**(148)**	(292)
Interest cost on corporation tax		**—**	(3,379)
		(148)	(4,845)

7. Dividend income

	2018 €'000	2017 €'000
Dividend income on current asset investment	—	337

8. Income tax expense

The Income tax expense represents the sum of both current and deferred taxes.

Current tax payable is based on taxable profit for the year Taxable profit can differ from the profit reported on the income statement due to permanent or timing differences for tax purposes

Deferred tax is the tax expected to be payable or recoverable in the future, arising from temporary differences between the carrying value in the accounts and the tax bases used in the computation of taxable profits

As a result of the legal entity reorganisation in February 2017, the Company became subject to UK taxation, rather than both UK and US taxation and tax charges and liabilities for the period from February 2017 are calculated using the current UK tax rate for the accounting period

	2018 €'000	2017 €'000
Current tax		
UK corporation tax		
Current tax on profit for the year	**6,091**	21,178
Adjustment in respect of prior years	**1,782**	398
	7,873	21,576
Foreign tax		
Current tax on profit for the year	—	(76,868)
Adjustment in respect of prior years	—	1,549
	—	(75,319)
Total current income tax expense/(credit)	**7,873**	(53,743)
Deferred tax.		
Origination and reversal of temporary differences	**7,708**	32,103
Adjustment in respect of prior years	**(465)**	—
Rate change	**(9,977)**	—
	(2,734)	32,103
Total income tax expense/(credit)	**5,139**	(21,640)

Reconciliation of income tax expense

The current income tax expense for the year is lower than the UK tax rate of 19.0% (2017: lower than the UK tax rate of 19 5%)

The differences are explained below

	2018 **€'000**	2017 €'000
Profit/(Loss) before tax	**66,709**	(17,469)
Taxation at the standard UK tax rate of 19 0% (2017. 19 5%)	**12,675**	(3,406)
Effects of:		
Non-deductible expenses	**160**	255
Other permanent differences	**893**	1,181
Effect of higher country rates	**—**	(33,719)
Non-taxable income	**—**	(29,690)
Foreign tax credits	**—**	(10,334)
Effect of rate change for deferred tax	**(465)**	53,176
Effect of exchange rates	**(15)**	(1,050)
Prior year adjustments	**(8,109)**	1,947
Total income tax expense/(credit) (see above)	**5,139**	(21,640)

The Finance Act 2016 reduces the UK Corporation Tax rate from 19% to 17% with effect from 1 April 2020

9. Goodwill and intangible assets

	Goodwill	Operating rights	Internally generated software (IGS)	Total
	€'000	€'000	€'000	€'000
Cost				
At 30 September 2016	18,826	20,519	86,764	126,109
Transfer from computer equipment and software (Note 10)	—	—	15,945	15,945
Impairment	—	—	(59,342)	(59,342)
At 30 September 2017	18,826	20,519	43,367	82,712
Impairment	**—**	**—**	**(21,665)**	**(21,665)**
Transfer to Visa Europe Limited	**(18,826)**	**(20,519)**	**(21,702)**	**(61,047)**
At 30 September 2018	**—**	**—**	**—**	**—**
Accumulated amortisation				
At 30 September 2016	—	—	(48,601)	(48,601)
Charge for the year	—	—	(16,033)	(16,033)
Transfer of charge relating to IGS additions during the year (Note 10)	—	—	(3,255)	(3,255)
Impairment	—	—	25,000	25,000
At 30 September 2017	—	—	(42,889)	(42,889)
Charge for the year	**—**	**—**	**(116)**	**(116)**
Transfer of charge relating to IGS additions during the year (Note 10)	—	—	**7,968**	**7,968**
Impairment	**—**	**—**	**21,665**	**21,665**
Transfer to Visa Europe Limited	**—**	**—**	**13,372**	**13,372**
At 30 September 2018	**—**	**—**	**—**	**—**
Carrying amount				
At 30 September 2017	18,826	20,519	478	39,823
At 30 September 2018	**—**	**—**	**—**	**—**

The operating rights are assessed as having an indefinite life because the Company's immediate parent company, Visa Europe Limited, has signed an exclusive, irrevocable licensing arrangement in perpetuity with Visa Inc to use the Visa trademarks and technology, and the countries are expected to generate net cash inflows indefinitely

An annual assessment is made as to whether the carrying value of goodwill is impaired For assessment, the recoverable amount of goodwill was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of cash generating units (CGUs). As a result, the carrying amount of the goodwill is determined to be lower than its recoverable amount, indicating no impairment

In 2017, the write off of internally generated software assets totaled €34 3 million as management assessed a number of significant operational services, products and projects, which will either be integrated into global services, decommissioned or otherwise impaired In 2018, the write off of internally generated software assets totaled €Nil as the assets were fully amortised at the time of impairment

In March 2018, the Company and other Visa group entities completed a reorganization resulting in the transfer of a large part of the UK business, assets and liabilities of the Company to to Visa Europe Limited

10. Property, plant and equipment

	Land, building and leasehold and improvements €'000	Assets in course of construction €'000	Fixtures and equipment €'000	Computer equipment and software €'000	Total €'000
Cost					
At 1 October 2016	68,640	32,973	40,792	538,106	680,511
Additions	—	26,655	—	—	26,655
Transfer to internally generated software (Note 9)	—	—	—	(15,945)	(15,945)
Transfers between items	7,066	(42,996)	1,386	34,544	—
Impairment	(5,745)	(9,456)	(3,553)	(83,637)	(102,391)
Disposals	—	—	—	(4)	(4)
At 1 October 2017	69,961	7,176	38,625	473,064	588,826
Write off of fully depreciated assets	**(2,647)**	**(183)**	**(8,539)**	**—**	**(11,369)**
Impairment	—	—	—	**(294,383)**	**(294,383)**
Transfer to Visa Europe Limited	**(67,314)**	**(4,203)**	**(30,086)**	**(178,681)**	**(280,284)**
At 30 September 2018	**—**	**2,790**	**—**	**—**	**2,790**
Accumulated depreciation and impairment					
At 1 October 2016	(52,307)	—	(28,973)	(390,019)	(471,299)
Charge for the year	(5,025)	—	(4,499)	(56,809)	(66,333)
Transfer to internally generated software (Note 9)	—	—	—	3,255	3,255
Impairment	1,645	—	1,514	14,608	17,767
At 1 October 2017	(55,687)	—	(31,958)	(428,965)	(516,610)
Charge for the year	**1,980**	**—**	**2,515**	**12,147**	**16,642**
Transfer to internally generated software (Note 9)	**—**	**—**	**—**	**(7,968)**	**(7,968)**
Impairment	**—**	**—**	**—**	**290,381**	**290,381**
At 30 September 2018	—	—	—	—	—
Carrying amount					
At 30 September 2017	14,274	7,176	6,667	44,099	72,216
At 30 September 2018	**—**	**2,790**	**—**	**—**	**2,790**

The cost of internally generated software that has been brought into use, initially held in computer, equipment and software is transferred to intangible assets (see Note 9)

In 2018, impairment charges on project-related costs totaled €4.0 million as management assessed a number of significant operational services, products and projects, which will either be integrated into global services, decommissioned or otherwise impaired In 2017, the write off of project-related costs to recoverable amount was €9 5 million.

In March 2018, the Company and other Visa group entities completed a reorganization resulting in the transfer of a large part of the UK business, assets and liabilities of the Company to to Visa Europe Limited

Capital commitments at the end of the financial year, for which no provision has been made, are as follows

	2018 €'000	2017 €'000
Contracted purchase of software and computer equipment	**—**	2,439
Contracted expenditure on buildings, fixtures and equipment	—	126
	—	2,565

11 Deferred tax

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

	Retirement benefit obligations	Other temporary differences	Total
	€'000	€'000	€'000
At 30 September 2017	(624)	59,709	59,085
Charged to profit for the year	**(464)**	**(6,778)**	**(7,242)**
Charged/(credited) to other comprehensive income	**2,177**	**(2,685)**	**(508)**
Prior year adjustment	**661**	**(2,219)**	**(1,558)**
Transfer to group company	**(1,748)**	**(48,409)**	**(50,157)**
Exchange movement	**(2)**	**(84)**	**(86)**
At 30 September 2018	**—**	**(466)**	**(466)**

The deferred tax assets and liabilities have been offset where there is a legal right of set off The deferred tax assets and liabilities recognised in the balance sheet relate to retirement benefit obligations and other timing differences related to stock based compensation, pension contributions and derivative instruments

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

	2018	2017
	€'000	€'000
Deferred tax assets	**4,980**	59,709
Deferred tax liabilities	**(5,446)**	(624)
	(466)	59,085

12. Financial assets

	2018	2017
	€'000	€'000
Current		
Currency derivatives	**—**	8,606

Following the acquisition by Visa Inc , cash flow hedging activity was aligned with a revised Treasury policy, which stipulates a maximum hedging tenor of 13 months Existing hedges with a longer maturity or hedges now covering intercompany exposures have been offset with additional derivatives and the cumulative gain or loss is retained in other comprehensive income until the forecasted transactions occur

Available-for-sale investments

	Visa Inc Series IV €'000
Balance sheet value as at 30 September 2016	161,702
Subsequent movement in fair value through other comprehensive income	7,627
Disposal of investment	(169,329)
Balance sheet value as at 30 September 2017 and 2018	**—**

The Company did not hold any available-for-sale investments as at 30 September 2017 and 2018

In February 2017, the Company's shareholding in Visa Inc was donated as part of the legal entity reorganisation completed by Visa Inc The fair value of this investment at the time of donation was €169 3 million, resulting in a €152 3 million gain on disposal and an offsetting charge of €169 3 million

13. Subsidiary undertakings

Details of the Company's subsidiaries at 30 September 2018 are as follows

Name	Country of incorporation	Principal Activity	Class of shares held	Proportion of voting power held
Visa Management Limited (1)	UK	Dormant	Ordinary	100%
Visa EU Limited (1)	UK	Dormant	Ordinary	100%

(1) Visa Management Limited and Visa EU Limited were dissolved effective 30 October 2018

In February 2017, Visa Inc completed a reorganisation of certain legal entities to align its corporate structure to the geographic jurisdictions in which it conducts business. In the course of the reorganisation, Visa Europe Limited, the Company's immediate parent company, sold and separately repurchased its shareholdings in the Company to/from Visa International Holdings Limited, a wholly-owned subsidiary of Visa Inc During this time, the Company also converted from a Delaware corporation to a Delaware limited liability company (LLC)

In December 2017, the Company and other Visa group entities, underwent a reorganisation which resulted in the transfer of the Company's investment in Visa Europe Management Services Limited, a UK registered entity, to Visa Europe Limited

In March 2018, the Company and other Visa group entities completed a reorganization further to that completed previously in February 2017 and December 2017, resulting in the transfer of a large part of the UK business, assets and liabilities of the Company to to Visa Europe Limited

14. Trade and other receivables

	2018	2017
	€'000	€'000
Amounts owed by related parties (Note 24)	**103,508**	—
Trade receivables	—	1,195,315
Prepayments and accrued income	**112,613**	179,935
Other receivables	**625**	1,394
	216,746	1,376,644

Beginning in 2017, the Company may be required to settle certain settlement positions with clients on a gross basis rather than net Therefore, settlement receivable and payable positions with clients have been presented gross in the statement of financial position.

At 30 September 2017, trade receivables included settlement balances due from customers of €1,112 million Correspondingly, at 30 September 2017, settlement balances payable to customers of €1,589 million are included within trade payables (see Note 17, Trade and other payables) The Company did not hold any settlement balances due from or to customers at 30 September 2018

In March 2018, the Company and other Visa group entities completed a reorganization resulting in the transfer of a large part of the UK business, assets and liabilities of the Company to to Visa Europe Limited

15. Cash and cash equivalents

	2018	2017
	€'000	€'000
Bank balances	**208,076**	1,363,979
Bank overdrafts	—	(178)
	208,076	1,363,801

16. Financial liabilities

	2017 €'000	2016 €'000
Current		
Bank overdrafts	—	178
Currency derivatives	**453**	29,780
	453	29,958

17. Trade and other payables

	2018 €'000	2017 €'000
Current		
Trade payables	—	1,695,170
Amounts owed to related parties (Note 24)	—	737,880
Social security and other taxes	—	(684)
Accruals and deferred income	—	98,633
	—	2,530,999

	2018 €'000	2017 €'000
Non-current		
Other creditors including taxation and social security	**2,952**	7,461

Beginning in 2017, the Company may be required to settle certain settlement positions with clients on a gross basis rather than net Therefore, settlement receivable and payable positions with clients have been presented gross in the statement of financial position

At 30 September 2017, trade payables included settlement balances payable to customers totaling €1,589 million Correspondingly settlement balances due from customers of €1,112 million are included within trade receivables (see Note 14, Trade and other receivables) The Company did not hold any settlement balances due to or from customers at 30 September 2018

In March 2018, the Company and other Visa group entities completed a reorganization resulting in the transfer of a large part of the UK business, assets and liabilities of the Company to to Visa Europe Limited

18. Provisions

Provisions held as at 30 September 2018

	2018			
	Asset retirement obligation €'000	Indirect taxes €'000	Other €'000	Total €'000
At 30 September 2017	7,021	36,424	623	44,068
Additional provision in the year	**(6,171)**	**38,556**	**—**	**32,385**
Unwinding of discount	**148**	—	—	**148**
Provision payment	—	**(20,886)**	**—**	**(20,886)**
Provisions reversed during the year	**(962)**	**—**	**—**	**(962)**
Exchange difference	**(36)**	**(1,483)**	**15**	**(1,504)**
At 30 September 2018	**—**	**52,611**	**638**	**53,249**

The asset retirement obligation represents a liability to restore the Company's leased buildings to their original condition The provision is made on a discounted basis over the remainder of the lease. A corresponding asset has been capitalised within land and buildings in property, plant and equipment and is being amortised to the income statement over the term of the lease As at 30 September 2018 the Company's asset retirement obligation is €Nil

In 2013, a provision for indirect taxes on certain fees was created Payment of a portion of these indirect taxes has been made on deposit as the tax treatment of these items is in dispute with the relevant tax authority The provision is relieved as payments are made In 2018, a settlement was reached with the relevant tax authority resulting in the Company being entitled to a refund of a portion of amounts previously paid The remaining provision relates to this issue for subsequent periods and certain other indirect tax matters

In 2018 a provision for onerous contracts was not required (2017 €1 3 million)

19. Retirement benefit obligation

Defined contribution pension schemes
The retirement benefit obligation charge for the year represents contributions payable by the Company to the schemes and amounted to €9 8 million (2017 €9 3 million). The assets of the defined contribution schemes are held in independently administered funds The charge in respect of these schemes is calculated on the basis of contributions payable by the Company in the financial year Approximately 92% of all UK employees (2017 88%) are members of these retirement benefit obligation schemes A defined contribution liability of €0 2 million (2017 €0 4 million) was recognised at the end of the year The Company currently operates defined contribution pension schemes and the schemes are open to new entrants

Defined benefit schemes
The Company provides benefits to its employees through a defined benefit plan which is known as 'the Visa Europe Pension Plan' (VPP) Here the benefits are provided on a funded basis and are based on the final pensionable pay of its members to the maximum level allowed by HMRC The balance of the benefit, for those few individuals entitled to benefits above the maximum allowed by HMRC, is provided through an unfunded unapproved arrangement (UA) The UA scheme is classified in 'other schemes' in the following tables The duration of the VPP scheme liabilities is 24 years. The VPP is open to future accrual but closed to new entrants

The latest actuarial valuation for the VPP and UA schemes was carried out at 30 September 2017 and was updated for the purpose of IAS 19, Employee Benefits, to 30 September 2018 by a qualified independent actuary As the schemes are closed to new members, it is expected that the cost of the schemes as a percentage of individual pensionable salaries will increase as the members age.

In March 2018, the Group completed a reorganisation of its wholly-owned subsidiaries further to that completed previously in February 2017, resulting in the transfer of a large part of the UK business, assets and liabilities of Visa Europe Services LLC to Visa Europe Limited There was no financial statement impact on the Group's consolidated financial statements as a result of accounting for this transaction Due to the reorganisation, the pension scheme administration, assets and obligations transferred from Visa Europe Services LLC to Visa Europe Limited

Nature of benefits provided by the VPP scheme
The Company operates a defined benefit scheme in the UK which is a final salary plan and provides benefits linked to salary at retirement, at earlier date of leaving service or that effective at 1 February 2015

Description of regulatory framework in which the VPP scheme operates
The UK pensions market is regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website, www thepensionregulator gov uk

Description of responsibilities for governance of the VPP scheme
The Trustees have the primary responsibility for governance of the Plan - including the setting of contribution rates subject to consultation/agreement with the company as required by the Plan's Trust Deed and Rules and overriding legislation. Benefit payments are from Trustee administered funds and Plan assets are held in Trust which is governed by UK regulation The Trustees are comprised of representatives of the company and members in accordance with the Trust Deed and Rules

Key actuarial assumptions used:

	2018 %	2017 %
Discount rate applied to scheme liabilities	**2.90**	2 70
Expected rate of salary increases (salary sacrifice members)	**2.50**	2.50
Future pension increases	**3.20**	3 20
Inflation (RPI)	**3.40**	3 40
Inflation (CPI)	**2.30**	2 30

	2018 Years	2017 Years
Life expectancy for a male aged 65	**23.7**	23.8
Life expectancy for a male aged 45 from the age of 65	**25.1**	25 2
Life expectancy for a female aged 65	**26.7**	26 7
Life expectancy for a female aged 45 from the age of 65	**28.1**	28 1

Amounts recognised through the income statement in respect of these defined benefit schemes are as follows

	2018			2017		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
Current service cost	**1,792.5**	**211**	**2,003.5**	5,585	—	5,585
Net interest (income)/cost on net defined benefit liability	**(79.5)**	**130**	**50.5**	1,076	98	1,174
	1,713	**341**	**2,054**	6,661	98	6,759

Amounts recognised through the income statement have been included in administrative expenses Remeasurement gains and losses have been reported in other comprehensive income

The amounts included in the Visa Europe Limited consolidated balance sheet arising from the obligations in respect of its defined retirement benefit schemes are as follows

	Present value of defined benefit obligation €'000	Fair value of scheme assets €'000	(Liability)/ asset recognised in the balance sheet €'000
2018			
VPP	**(390,850)**	**374,316**	**(16,534)**
Other schemes	**(3,774)**	**—**	**(3,774)**
Total	**(394,624)**	**374,316**	**(20,308)**
2017			
VPP	(362,318)	365,946	3,628
Other schemes	(3,804)	—	(3,804)
Total	(366,122)	365,946	(176)

Movements in the present value of defined benefit obligations in the Visa Europe Limited consolidated accounts were as follows

	2018			2017		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
At 1 October	**(362,318)**	**(4,254)**	**(366,572)**	(417,466)	(4,254)	(421,720)
Current service cost	**(3,585)**	**—**	**(3,585)**	(5,585)	—	(5,585)
Interest expense on defined benefit obligation	**(9,685)**	**—**	**(9,685)**	(9,839)	(99)	(9,938)
Remeasurement gains/(losses) financial assumptions	**15,696**	**339**	**16,035**	24,630	362	24,992
Remeasurement gains/(losses) demographic assumptions	**(31,221)**	**—**	**(31,221)**	13,907	—	13,907
Contributions by scheme participants	**(133)**	**—**	**(133)**	(168)	—	(168)
Experience gains/(losses)	**(10,889)**	**—**	**(10,889)**	7,660	—	7,660
Foreign exchange difference	**4,105**	**43**	**4,148**	12,133	86	12,219
Benefits paid	**7,180**	**98**	**7,278**	12,410	101	12,511
At 30 September	**(390,850)**	**(3,774)**	**(394,624)**	(362,318)	(3,804)	(366,122)

Movements in the present value of defined benefit assets in the Visa Europe Limited consolidated accounts were as follows

	2018			2017		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
At 1 October	**365,946**	**—**	**365,946**	369,431	—	369,431
Interest income on assets	**9,844**	**—**	**9,844**	8,763	—	8,763
Return on plan assets excluding interest income	**813**	**—**	**813**	6,115	—	6,115
Foreign exchange difference	**(4,124)**	**—**	**(4,124)**	(10,665)	—	(10,665)
Contributions by scheme participants	**133**	**—**	**133**	168	—	168
Contributions from the sponsoring company	**8,884**	**98**	**8,982**	4,544	101	4,645
Benefits paid	**(7,180)**	**(98)**	**(7,278)**	(12,410)	(101)	(12,511)
At 30 September	**374,316**	**—**	**374,316**	365,946	—	365,946

The analysis of the fair value of the VPP assets in the Visa Europe Limited consolidated accounts at the reporting date was as follows

	2018			2017		
	Quoted €'000	Unquoted €'000	Total €'000	Quoted €'000	Unquoted €'000	Total €'000
Equity instrument – UK	**29,346**	**—**	**29,346**	56,748	—	56,748
Equity instrument – Overseas	**29,347**	**—**	**29,347**	56,748	—	56,748
Liability driven investments	**—**	**141,644**	**141,644**	126,868	—	126,868
Debt instruments	**—**	**74,618**	**74,618**	32,721	—	32,721
Property	**—**	**28,331**	**28,331**	26,902	—	26,902
Diversified completion fund	**—**	**9,462**	**9,462**	—	9,590	9,590
Diversified growth fund	**—**	**56,083**	**56,083**	55,738	—	55,738
Cash and net current assets	**—**	**5,485**	**5,485**	631	—	631
	58,693	**315,623**	**374,316**	356,356	9,590	365,946

Remeasurement gains/(losses) recognised in Visa Europe Limited's other comprehensive income were as follows

	Experience gains/ (losses) on assets €'000	Experience gains/ (losses) on liabilities €'000
2018		
VPP	**813**	**(10,889)**
Other schemes	**—**	**54**
Total	**813**	**(10,835)**
2017		
VPP	6,115	7,660
Other schemes	—	—
Total	6,115	7,660

Visa Europe Limited's best estimate of contribution to be paid over the following year is €9.1 million
Duration of the liabilities is 24 years

Expected future benefit payments:

	€'000
2019	3,803
2020	3,918
2021	4,037
2022	4,160
2023	4,286
2023-27	23,547

The above contribution figure is based on the Schedule of Contributions currently in force.

20. Share capital

Called up share capital

	2018 Number	**€**	2017 Number	€
Called up, allotted and fully paid				
Equity Ordinary shares of $1 USD each	**101**	**82**	101	82

21. Financial safeguards

Settlement risk is the risk that a client is unable to meet its obligations to the Company as and when they fall due. To guard against any potential losses that may arise, the Company obtains financial safeguards from clients where it is deemed appropriate This is based on board-approved guidelines and generally includes cash equivalents, letters of credit and guarantees

The Company had the following financial safeguards at the end of the financial year to mitigate its settlement risk with clients

	2018 **€'000**	2017 €'000
Cash	—	266 0
Letters of credit	**—**	135 0
Guarantees	**—**	355 5
Total	**—**	756 5

As these forms of collateral do not meet the definition of an asset for the Company, no amounts are included on the balance sheet The cash is not an asset of the Company as clients retain beneficial ownership and the cash is only accessible to the Company in the event of default on its settlement obligations by the client The Company did not hold any financial safeguards as at 30 September 2018 In the course of the March 2018 reorganisation of Visa group entities, the financial safeguards were transferred from the Company to Visa Europe Limited

22. Operating lease commitments

At the reporting date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2018 €'000	2017 €'000
Within one year	**1,053**	20,570
In the second to fifth years inclusive	**1,665**	74,065
After five years	**246**	8,983
	2,964	103,618

Operating lease payments represent rentals payable by the Company for certain of its office properties Leases are negotiated for an average term of five years and rentals are fixed for an average of ten years

23. Contingent liabilities

During 2013, certain UK and Irish retailers issued proceedings against a number of Visa entities, which included the Company, claiming for losses suffered in respect of alleged breaches of EU, EEA and UK (and in some cases Irish) competition law Further retailers have brought similar proceedings since In October 2014 the English High Court struck out elements of the claim relating to the period before July 2007 (six years before the claims were brought) in respect of a group of retailers that had brought their claims in 2013. The retailers' request to submit an appeal was rejected by the Court The retailers applied to the Court of Appeal with a view to overturning the judgment However, the judgement was upheld The retailers did not submit a further appeal to the Supreme Court In principle this judgment will apply to all current and future related claims.

A trial in relation to certain of these claims commenced in November 2016 and ended in March 2017 Three retailers settled before the trial started, and a further twelve settled during the course of the trial Judgment was handed down in relation to the one remaining merchant claim involving Sainsbury's on 30 November 2017, with the Court finding that Visa's interchange fee did not restrict UK and EU competition law, leading it to reject Sainsbury's claim in its entirety A further judgment, on the separate question of what a lawful level of interchange would have been in the event that a restriction of competition had been found, was handed down on 23 February 2018

In addition, a substantial number of merchants have threatened to commence similar proceedings and standstill agreements have been entered into with respect to some of those merchants' claims.

A related case against MasterCard was determined at first instance before the UK Competition Appeal Tribunal in July 2016 In January 2017 the English High Court ruled in favour of MasterCard and found, in a case brought by largely the same group of retailers as have brought claims against Visa, that other than in respect of a brief period covered by a negative European Commission decision against MasterCard, its interchange was set lawfully at all times.

The Court of Appeal agreed to hear an appeal of these two cases, together with the appeal against the Visa judgment All of these appeals were heard at the same time in April 2018 It handed down its judgment on 4 July 2018, and overturned the lower court's rulings in relation to Visa of November 2017 and February 2018, concluding that Visa's UK domestic interchange restricted competition and that the question of exemption under applicable law had not been adequately dealt with It also overturned the two previous MasterCard judgments, and decided to remit the cases to the Competition Appeal Tribunal (CAT) in order to reconsider the issue of exemption on the basis of the evidence put forward at trial. In November 2018, the Supreme Court granted Visa leave to appeal certain elements of the Court of Appeal's judgment, which is due to be heard in January 2020 If the Supreme Court upholds the Court of Appeal's judgment, the case will be remitted to the CAT to determine whether and to what extent the relevant interchange fees qualified for exemption (on the basis of the existing evidence) and, to the extent that they did not, what level of damages should be awarded taking into account factors such as the pass on of fees to the claimant's own customers Visa's potential liability is capped as a result of a concession made by the claimant as to the lawful level of interchange fees which is not subject to appeal

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

24. Related party transactions

The Company earns an intercompany management fee through the provision of various services to Visa Europe Limited, the Company's immediate parent company These services include the provision of administrative and marketing support services to Visa Europe Limited, and up until 31 March 2018, also included the employment of the majority of Visa Europe Limited's employees and information technology related services

Effective 31 March 2018, directly related to the Visa group reorganisation, the Company and Visa Europe Limited executed an Intra Group Business Transfer Agreement involving the sale by the Company and the purchase by Visa Europe Limited of the majority of the Company's UK business operations as a going concern together with the assets and liabilities used in connection with its operations The consideration for the sale and purchase was €340 million, which represented the net book value of the assets less an amount equal to the liabilities of the Company's UK business as of 31 March 2018. The transaction resulted in the transfer of these assets and liabilities from the Company to Visa Europe Limited

The total intercompany management fee for the year was €384.5 million (2017 €606 9 million).

At the end of the 2018 financial year, trade and other receivables, and at the end of the 2017 financial year, trade and other payables, falling due within one year, include the following amount due from Visa Inc, the Company's ultimate parent company, and amounts due from/(to) Visa Europe Limited, the Company's immediate parent company, and Visa Europe Management Services Limited, which was a wholly owned subsidiary of the Company up until December 2017

	2018 **€'000**	2017 €'000
Visa Europe Limited	**103,313**	(1,104,757)
Visa Europe Management Services Limited	**—**	(9,229)
Visa Inc	**195**	376,106
	103,508	(737,880)

In February 2017, as part of Visa Inc's reorganisation of certain legal entities, the Company repaid €986 million of its intercompany payable due to Visa Europe Limited and the Company paid a dividend to Visa Europe Limited in the amount of €1,003 million In addition, also as part of Visa Inc's legal entity reorganisation, the Company donated its shareholding in Visa Inc (refer to Note 12)

Ultimate Parent Company

Visa Inc , which is incorporated in the United States of America, is the Company's ultimate controlling related party Copies of the financial statements for Visa Inc, are available from its website The largest group of undertakings for which accounts have been drawn up is that headed by Visa Inc

In the course of Visa Inc 's legal entity reorganisation in February 2017, Visa Europe Limited, the Company's immediate parent company, sold and separately repurchased its shareholdings in the Company to/from Visa International Holdings Limited, a wholly-owned subsidiary of Visa Inc During this time, the Company also converted from a Delaware corporation to a Delaware limited liability company

25. Post balance sheet events

In November 2018, the Supreme Court granted Visa leave to appeal certain elements of the Court of Appeal's judgment in relation to the Retailer Litigation, which is due to be heard in January 2020 See Note 23, Contingent liabilities, for further discussion of the Retailer Litigation