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Visa Europe Services LLC 2022 FINANCIAL STATEMENTS

Company number FC025276

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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 2022.

Principal activities, review of business and future developments

The Company, which is incorporated in the United States of America, registered 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. The Company is not required to prepare, audit and disclose accounting documents under parent law.

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.

The Company has a transfer pricing arrangement with Visa Europe Limited whereby the Company earns an arm's length return for its services. This is regularly reviewed and effective 1 October 2021, the transfer pricing arrangement was updated.

The Company will continue to provide the above services to Visa Europe Limited for the foreseeable future.

Results and dividends

The Company made a loss before tax for the period of €(0.7) million (2021: profit before tax of €5.4 million), which is set out on page 4. The Statement of financial position is on page 5 and shows a net asset balance of €367.9 million (2021: €383.8 million).

Turnover has decreased from €63.7 million in 2021 to €44.5 million in 2022. The decrease is directly attributable to the decrease in administrative expenses from €58.0 million in 2021 to €45.1 million in 2022. The decrease in administrative expenses is largely driven by the release of a provision for indirect taxes during financial year 2022, offset by higher personnel, marketing and general support costs. (Refer to Notes to the financial statements, Note 3, Administrative expenses, and Note 11, Provisions.)

The Directors do not recommend any dividend (2021: €nil).

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 employee is disadvantaged or receives less favourable treatment and that all employees have the opportunity for growth and development, regardless of race, colour, nationality or ethnic origins, gender, gender reassignment, marital status, age, disability, pregnancy, religion or sexual orientation. The Company is an equal opportunities employer. Equal opportunity is about good employment practices and treating our most valuable asset, our employees, fairly and equally. The Company considers and, where appropriate, provides reasonable workplace adjustments to both current and prospective disabled employees.

The Company is also committed to ensuring that all prospective applicants for employment are treated fairly and equitably throughout the recruitment process.

The Company has established clear standards of communication for all of our employees, to provide them with information and to consult with our staff about important developments in the business and any future proposed changes to the organisation. Two-way dialogue throughout the year ensures adequate communication 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 periodic Employee Surveys. 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

The Company has exposure to the following financial risks:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under a contract. The Company's credit risk arises primarily in relation to the settlement of transfer pricing income balances due from Visa Europe Limited.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost.

Market risk

Market risk is the risk that movements in market factors will reduce the Company's income. The Company is exposed to market risk factors such as changes in foreign exchange rates and interest rates.

Financial risk is managed on a Visa Europe group level and is set out in the publicly available financial statements of Visa Europe Limited. An enterprise-wide risk management framework describes an integrated approach to risk management activities, facilitating the embedding of a disciplined risk management ethos and awareness across the Visa Europe group. Working in accordance with the enterprise-wide risk management framework, strategic and operational decisions are made, opportunities are prioritised and resources are allocated in order to optimize the management of risk.

Political donations

The Company made no political contributions during the year (2021: €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. The Directors have also considered the impact of severe but plausible downside scenarios (macroeconomic uncertainty including recessions, inflation, and the associated impact of rising interest rates, currency fluctuations, rising energy prices, supply chain issues and a slowdown of global trade, and reduced consumer, small business, government and corporate spending) in their assessment. The Company supplies all its services to Visa Europe Limited and will continue to do so for the foreseeable future. Visa Europe Limited's balance sheet has sufficient capacity to withstand significant interruption to its revenues without jeopardising either its capital or liquidity positions.

As outlined in Note 14, Contingent liabilities, there is an uncertainty relating to litigation against the Company. The Company is named in the litigation along with Visa Europe Limited. The Visa Europe Limited Board has confirmed that Visa Europe Limited will absorb all losses associated with this litigation and any other claims.

Post balance sheet events

Refer to Notes to the financial statements, Note 14, Contingent liabilities, for details on activity of pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

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

Board membership

The following Directors held office during and subsequent to the year ended 30 September 2022:

Sharon Dean

James Hoffmeister (appointed 7 March 2023)


Prini Pithouse (appointed 7 March 2023)

Robert Livingston (resigned 7 March 2023)

Antony Cahill (resigned 7 March 2023)

On behalf of the Board

DocuSigned by:


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Sharon Dean

Director

6 September 2023

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that 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.

Income statement

For the year ended 30 September 2022

	Note	2022 €'000	2021 €'000
Turnover	15	44,522	63,727
Administrative expenses	3	(45,075)	(58,017)
Operating (loss)/profit		(553)	5,710
Interest expense		(156)	(352)
(Loss)/Profit before tax		(709)	5,358
Income tax (expense)/credit	5	(17,619)	7,619
(Loss)/Profit for the year		(18,328)	12,977

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

The notes on pages 8 to 23 form part of these financial statements.

Statement of financial position

As at 30 September 2022

	Note	2022 €'000	2021 €'000
Non-current assets			
Property, plant and equipment	6	1,596	2,773
Right-of-use assets	13	2,662	3,381
Tax receivable		5,490	—
Deferred tax asset	7	1,305	1,419
		11,053	7,573
Current assets			
Trade and other receivables	8	523,329	571,802
Cash and cash equivalents	9	5,534	36,352
		528,863	608,154
Current liabilities			
Trade and other payables	10	157,847	191,846
		157,847	191,846
Net current assets		371,016	416,308
Non-current liabilities			
Other tax liabilities		11,728	11,728
Provisions	11	1,043	26,199
Lease liabilities	13	1,393	2,146
		14,164	40,073
Net assets		367,905	383,808
Equity			
Share capital	12	—	—
Other reserves		4,310	4,310
Retained earnings		363,595	379,498
Total equity		367,905	383,808

The notes on pages 8 to 23 form part of these financial statements.

The financial statements were approved by the Board of Directors on 6 September 2023, and were signed on its behalf by:

DocuSigned by:

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 Sharon Dean
 Director

6 September 2023

Statement of changes in equity

For the year ended 30 September 2022

	Attributable to equity holders of the parent company				
	Share capital €'000	Merger reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	Total €'000
Balance as at 30 September 2021	—	2,045	2,265	379,498	383,808
Total comprehensive loss for the year					
Loss for the year attributable to equity holders of the parent	—	—	—	(18,328)	(18,328)
Total comprehensive loss for the year	—	—	—	(18,328)	(18,328)
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners:					
Equity settled share-based payment transactions	—	—	—	2,674	2,674
Income tax relating to transactions with owners, recorded directly in equity	—	—	—	(249)	(249)
Total contributions by and distributions to owners	—	—	—	2,425	2,425
Balance as at 30 September 2022	—	2,045	2,265	363,595	367,905

	Attributable to equity holders of the parent company				
	Share capital €'000	Merger reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	Total €'000
Balance as at 30 September 2020	—	2,045	2,265	365,462	369,772
Total comprehensive income for the year					
Profit for the year attributable to equity holders of the parent	—	—	—	12,977	12,977
Total comprehensive income for the year	—	—	—	12,977	12,977
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners:					
Equity settled share-based payment transactions	—	—	—	938	938
Income tax relating to transactions with owners, recorded directly in equity	—	—	—	121	121
Total contributions by and distributions to owners	—	—	—	1,059	1,059
Balance as at 30 September 2021	—	2,045	2,265	379,498	383,808

The notes on pages 8 to 23 form part of these financial statements.

Statement of cash flows

For the year ended 30 September 2022

	Note	2022 €'000	2021 €'000
(Loss)/Profit before tax		(709)	5,358
Adjustments for:			
Depreciation of property, plant and equipment	3, 6	1,324	1,817
Depreciation of right-of-use assets	3, 13	1,322	1,445
Loss on disposal of property, plant and equipment	6	16	—
Foreign exchange loss	3	738	12,217
Change in other assets and liabilities		(5,619)	88
Share-based compensation	4	2,674	938
Decrease in provisions	11	(25,156)	(8,622)
Operating cash flows before movements in working capital		(25,410)	13,241
Decrease in receivables		48,043	65,245
Decrease in payables		(43,230)	(94,967)
Cash generated by operations		(20,597)	(16,481)
Income taxes paid		(8,689)	(1,224)
Net cash from operating activities		(29,286)	(17,705)
Investing activities			
Purchase of property, plant and equipment	6	(163)	(321)
Net cash used in investing activities		(163)	(321)
Financing activities			
Payment of lease liabilities - principal	13	(1,313)	(1,454)
Payment of lease liabilities - interest	13	(49)	(66)
Net cash used in financing activities		(1,362)	(1,520)
Net decrease in cash and cash equivalents		(30,811)	(19,546)
Cash and cash equivalents at the beginning of the year		36,352	55,349
Foreign exchange (loss)/gain thereon		(7)	549
Cash and cash equivalents at the end of the year	9	5,534	36,352

The notes on pages 8 to 23 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2022

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

Statement of compliance

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

Basis of preparation

The financial statements have been prepared under the historical cost convention. These financial statements are presented in Euros, which is both the Company's functional and presentational currency, rounded to the nearest thousand, unless stated otherwise.

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. The Directors have also considered the impact of severe but plausible downside scenarios (macroeconomic uncertainty including recessions, inflation, and the associated impact of rising interest rates, currency fluctuations, rising energy prices, supply chain issues and a slowdown of global trade, and reduced consumer, small business, government and corporate spending) in their assessment. The Company supplies all its services to Visa Europe Limited and will continue to do so for the foreseeable future. Visa Europe Limited's balance sheet has sufficient capacity to withstand significant interruption to its revenues without jeopardising either its capital or liquidity positions. The period covered by the Directors' assessment of going concern is twelve months from the date of approval of the financial statements.

As outlined in Note 14, Contingent liabilities, there is an uncertainty relating to litigation against the Company. The Company is named in the litigation along with Visa Europe Limited. The Visa Europe Limited Board has confirmed that Visa Europe Limited will absorb all losses associated with this litigation and any other claims.

Adoption of new or revised standards

Amendments were made to the following accounting standards in the current financial year and the adoption of these standards has had no material impact on these financial statements:

Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform-Phase 2

A number of accounting standards and pronouncements were issued as at 30 September 2022, but are effective for accounting periods beginning on or after 1 October 2022. Accounting standards and pronouncements applicable to the Company effective for accounting periods beginning after 30 September 2022 are not expected to have a material impact.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and consists of fees earned under a supply of services agreement between the Company and Visa Europe Limited, the Company's immediate parent company, net of value added tax and other sales related taxes. Certain services are provided under this agreement, primarily client liaison, business development and general support services. These services are provided by the Company to Visa Europe Limited operating via local offices in various European countries.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the Company's functional currency (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 reporting date and any exchange differences arising are included in administrative expenses in the income statement.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company does not combine lease payments with non-lease components for any of its leases.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, a rate based upon the Visa Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed and determinable payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets as a separate line item in the Statement of financial position. The current portion of lease liabilities are included in Trade and other payables and the non-current portion is presented as Lease liabilities in the Statement of financial position.

Depreciation of right-of-use assets is charged to the Income statement and included in Administrative expenses. Interest expense on lease liabilities is charged to the Income statement and presented as Interest expense.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Share-based payments

The overall parent company of the Visa 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 graded basis over the vesting period, based on the Visa group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The equity settled share based payments are not charged back to the Company and the benefit received is therefore considered a capital contribution recognised in equity. 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 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. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

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 reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities and when they relate to income taxes levied by the same taxation authority.

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.

The Company recognises provisions for uncertain tax positions when the Company has a present obligation as a result of a past event and the Company considers that it is probable that there will be a future outflow of economic benefits to settle the obligation. Uncertain tax positions are assessed and measured on an issue-by-issue basis within the jurisdictions that the Company operates using either the Company's estimate of the most likely outcome where the issues are binary, or the expected value approach where the issues have a range of possible outcomes. The accrual of interest and penalties related to uncertain tax positions is recognised as an expense and included in Administrative expenses in the Income statement.

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:

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.

Impairment of tangible 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. 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 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 (or 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 (or cash-generating unit) in prior periods.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through OCI (FVOCI) — debt investment; FVOCI — equity investment; or Fair Value through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

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

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

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

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

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

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

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

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

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. (Refer to Impairment of financial assets above.)

Cash and cash equivalents

Cash and cash equivalents are comprised of cash balances. 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.

Cash and overdrafts are held separately on the Statement of financial position as assets and liabilities, and are carried at amortised cost.

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.

Retirement benefit costs

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as administrative expenses in the Income statement.

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 and the amount of the loss can be estimated reliably. "Probable" is defined as more likely than not. The amount recorded as a provision is the Company's best estimate of the expenditure required to settle the obligation. If the best estimate of the expenditure is a range, and if one amount in that range represents a better estimate than any other amount within the range, that amount is recorded. If no amount in the range is a better estimate than any other amount, the Company recognises the midpoint of the range for recording the liability. 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 where the effect is material. The discount rate adopted for present value purposes in calculating provisions is pre-tax, reflective of current market assessments of the time value of money and the risks specific to the liability, and not reflective of risks for which future cash flow estimates have been adjusted. 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 possible obligations arising from past events, whose existence will be confirmed only by uncertain future events or present obligations arising from past events, but the probability that it will be required to settle that obligation is more than remote, but not probable. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote. See Note 14 - Contingent liabilities.

2. Critical accounting judgments and key sources of estimation and uncertainty*Provisions and contingent liabilities (Judgement and Estimate)*

The Company exercises its judgement in considering whether a liability may arise and where estimation is possible, makes an 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 11, Provisions, and Note 14, Contingent liabilities.) These judgements are subjective, based on the status of such legal or regulatory proceedings, the merits of the Company's defences and consultation with corporate and external legal counsel. 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	2022 €'000	2021 €'000
Employee benefit costs	4	42,833	36,883
Net provision credit for indirect taxes	11	(24,743)	(8,979)
Depreciation (see below)		2,646	3,262
Loss on disposal of property, plant and equipment	6	16	—
Operating lease cost	13	247	207
Foreign exchange loss		738	12,217
Other administrative expenses		23,338	14,427
Total Administrative expenses		45,075	58,017

Other administrative expenses in financial years 2022 and 2021, includes administrative and marketing costs incurred to provide a range of client liaison, business development and general support services to the Company's immediate parent company. In addition, in financial year 2022, other administrative expenses includes interest related to prior period income taxes in the amount of €5.5 million (2021: €nil).

Depreciation includes:

	2021 €'000	2021 €'000
Depreciation of property, plant and equipment (see Note 6)	1,324	1,817
Depreciation of right-of-use assets (see Note 13)	1,322	1,445
Total Depreciation	2,646	3,262

4. Employee benefit costs and employee numbers

Employee benefits costs were as follows:

	2022 €'000	2021 €'000
Wages and salaries	33,206	27,590
Social security costs	4,168	6,043
Other retirement benefit obligation costs	2,411	1,508
Share-based compensation	2,674	938
Severance costs	367	749
Other	7	55
Total	42,833	36,883

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

	2022	2021
Technology and Business operations	68	55
Sales and marketing	145	132
Management and administrative	32	34
Total	245	221

Retirement benefit obligation costs for the year represents contributions payable by the Company to defined contribution pension schemes and amounted to €2.4 million (2021: €1.5 million). There was no outstanding pension plan contribution at the year-end (2021: €nil).

Share-based payment arrangements**Description of Share-based payment arrangements**

Equity based remuneration has been issued to select employees since November 2017. The majority of awards are made as part of the annual compensation cycle in the form of Restricted Stock Units (RSUs) with some executives eligible to receive stock options. Awards are made by the overall parent company, Visa Inc.

Shares generally vest rateably over three years from the date of grant, subject to earlier vesting in full under certain conditions. Recipients must be employed through each respective grant date, except in the case of termination of employment due to death or disability, in which case restrictions would cease immediately.

	Restricted Stock Units	Weighted-Average Grant Date Fair Value ¹	Weighted Average Remaining Contractual Term (in years)	Fair Value at Grant ¹
Outstanding at 30 September 2021	26,074	\$188.26		
Granted	20,988	\$202.09		\$202.09
Exercised	(13,559)	\$175.73		
Transfers out	(1,597)	\$196.73		
Forfeited ²	(1,219)	\$202.01		
Outstanding at 30 September 2022³	30,687	\$201.16	1.52	

¹ Visa Inc. shares are quoted in USD.

² No shares expired during the period.

³ None of the shares outstanding as at 30 September 2022 are exercisable.

Measurement of Share-based payment arrangements

RSUs have been treated as equity-settled share-based payment transactions and have been valued at Visa Inc.'s closing stock price on the date of grant, or in cases where the date of grant is not a trading day, the last trading day prior.

Each RSU entitles the participant to dividend equivalents with respect to regular cash dividends during the period from the grant date to the date such shares are delivered to employees. Dividend equivalents have been settled in cash.

Details of increase in equity arising from Share-based payments

RSUs have been granted by the overall parent company, Visa Inc., which are not charged back to the Company. The benefit received by the Company is therefore considered a capital contribution recognised in equity.

The expense recognised for the period totals:

Equity settled transactions	2022 €'000	2021 €'000
Total share-based compensation expense recognised during the period	2,674	938

5. 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 or loss 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.

	2022	2021
	€'000	€'000
Current tax:		
UK corporation tax:		
Current tax on profit for the year	122	1,143
Adjustment in respect of prior years	15,832	(8,624)
	15,954	(7,481)
Foreign tax:		
Current tax on profit for the year	982	—
Adjustment in respect of prior years	818	—
Total current income tax expense/(credit)	17,754	(7,481)
Deferred tax:		
Origination and reversal of temporary differences	(285)	(105)
Adjustment in respect of prior years	150	—
Rate change	—	(33)
	(135)	(138)
Total income tax expense/(credit)	17,619	(7,619)

Reconciliation of income tax expense

The total income tax expense for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The table below reconciles the tax charge at the UK statutory rate to actual tax charge for the year.

	2022	2021
	€'000	€'000
(Loss)/Profit before tax	(709)	5,358
Taxation at the standard UK tax rate of 19.0%	(135)	1,018
Effects of:		
Non-deductible expenses	14	322
Share options	(101)	(302)
Other permanent differences	59	—
Effect of foreign tax	982	—
Effect of tax rate changes	—	(33)
Prior year adjustments	16,800	(8,624)
Total income tax expense/(credit) (see above)	17,619	(7,619)

Finance Act 2021, enacted on 10 June 2021, increased the main rate of UK corporation tax to 25% from 1 April 2023.

Deferred tax assets and liabilities are required to be valued using the tax rate which will be in force at the time when the temporary difference is expected to unwind. In line with the requirements of IAS 12, the impact of the future change in rate to 25% has been reflected in the deferred tax balances at 30 September 2022.

Future tax charges and therefore the Company's effective tax rate, may be affected by factors such as acquisitions, disposals, restructuring, tax regime reforms and resolutions of open matters as we continue to manage our tax affairs around the world.

6. Property, plant and equipment

	Building and leasehold improvements €'000	Assets in course of construction €'000	Fixtures and equipment €'000	Computer equipment and software €'000	Total €'000
Cost					
At 30 September 2020	3,911	670	1,097	1,109	6,787
Additions	—	321	—	—	321
Transfer between items	386	(955)	495	74	—
At 30 September 2021	4,297	36	1,592	1,183	7,108
Additions	—	163	—	—	163
Transfer between items	26	(140)	38	76	—
Disposals	—	—	(21)	—	(21)
At 30 September 2022	4,323	59	1,609	1,259	7,250
Accumulated depreciation					
At 30 September 2020	(1,532)	—	(281)	(705)	(2,518)
Charge for the year	(1,303)	—	(274)	(240)	(1,817)
At 30 September 2021	(2,835)	—	(555)	(945)	(4,335)
Charge for the year	(852)	—	(302)	(170)	(1,324)
Disposals	—	—	5	—	5
At 30 September 2022	(3,687)	—	(852)	(1,115)	(5,654)
Carrying amount					
At 30 September 2021	1,462	36	1,037	238	2,773
At 30 September 2022	636	59	757	144	1,596

There are no restrictions on title and property, plant and equipment have not been pledged as security for liabilities.

An annual assessment has been made as to whether the carrying amount of tangible assets is impaired. No such indication of impairment was identified.

7. Deferred tax

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

	Total €'000
At 30 September 2021	1,419
Credit to income statement	135
Charge to equity	(249)
At 30 September 2022	1,305

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 Statement of financial position relate to timing differences related to tangible fixed assets and stock based compensation.

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

	2022 €'000	2021 €'000
Deferred tax assets	1,374	1,514
Deferred tax liabilities	(69)	(95)
	1,305	1,419

8. Trade and other receivables

	2022 €'000	2021 €'000
Amounts due from related parties (Note 15)	517,000	548,081
Prepayments and other receivables	6,329	23,721
	523,329	571,802

9. Cash and cash equivalents

	2022 €'000	2021 €'000
Bank balances	5,534	36,352
	5,534	36,352

10. Trade and other payables

	2022 €'000	2021 €'000
Current		
Trade payables and accruals	16,257	15,689
Amounts due to related parties (Note 15)	138,909	173,863
Social security and other taxes	1,577	1,275
Current lease liabilities (Note 13)	1,104	1,019
	157,847	191,846

11. Provisions

Provisions held as at 30 September 2022:

	Indirect taxes €'000	Other €'000	Total €'000
At 30 September 2021	25,917	282	26,199
Additional provision in the year	772	—	772
Provisions reversed during the year	(25,515)	—	(25,515)
Exchange difference	(413)	—	(413)
At 30 September 2022	761	282	1,043

The provision for indirect taxes reflects a number of value-added tax matters, the tax treatment of which involves a degree of estimation and judgement. The movement in provisions during financial year 2022 was driven by the assessment of estimates and the release of provisions recognised in prior years in light of ongoing discussions with tax authorities in various jurisdictions.

12. Share capital

Called up share capital

	2022 Number	€	2021 Number	€
Called up, allotted and fully paid				
Equity: Ordinary shares of \$1 USD each	101	82	101	82

13. Leases

The Company as lessee (IFRS 16)

The Company leases its office properties. The leases typically run for an average term of approximately three years, with an option to renew the lease after that date and lease payments are renegotiated to reflect market rentals. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments under the Company's lease arrangements are generally fixed. Some leases provide for additional rent payments that are based on changes in local price indices.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets are leased office properties that do not meet the definition of investment property.

	2022
	€'000
Balance at 30 September 2021	3,381
Depreciation charge for the year	(1,322)
Additions to right-of-use assets	603
Balance at 30 September 2022	2,662

	2021
	€'000
Balance at 30 September 2020	2,739
Depreciation charge for the year	(1,445)
Additions to right-of-use assets	2,087
Balance at 30 September 2021	3,381

Amounts recognised in Income statement

	2022	2021
	€'000	€'000
Depreciation of right-of-use assets presented in 'Administrative expenses'	1,322	1,445
Interest on lease liabilities presented in 'Interest expense'	49	66
Expense related to short-term leases presented in 'Administrative expenses'	247	207

Amounts recognised in Statement of cash flows

	2022	2021
	€'000	€'000
Total cash outflow for leases:		
Payment of lease liabilities-principal	1,313	1,454
Payment of lease liabilities-interest	49	66
	1,362	1,520

Lease liabilities

At 30 September 2022, the present value of future minimum lease payments was as follows:

	2022 €'000	2021 €'000
Within one year	1,124	1,115
One to two years	806	755
Two to three years	249	687
Three to four years	146	300
Four to five years	145	206
More than five years	109	305
Total undiscounted lease payments	2,579	3,368
Less: interest	(82)	(203)
Present value of lease liabilities	2,497	3,165
<hr/>		
Current portion of lease liabilities presented in 'Trade and other payables'	1,104	1,019
Non-current portion of lease liabilities presented in 'Lease liabilities'	1,393	2,146
Present value of lease liabilities	2,497	3,165

The total amount of the Company's lease commitments for short-term leases at 30 September 2022 was €61 thousand (2021: €46 thousand).

At 30 September 2022 the Company did not have any leases that had not yet commenced but to which the Company is committed (2021: Nil).

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The above lease liabilities balance includes extension options exercisable by the Company.

14. Contingent liabilities

Retailer litigation

During 2013, mostly UK and retailers issued proceedings against a number of Visa entities, which included the Company, claiming for losses suffered in respect of alleged breaches of competition law. Further retailers have brought similar proceedings since. The courts decided first on questions of time limitation: in October 2014 the English High Court struck out those elements of the claim that were out of time (i.e. in relation to the period preceding the six years before the claims were brought). The retailers' appeals were ultimately unsuccessful. In principle, this judgment on limitation issues will apply to all current and future related claims which concern domestic and intra-EEA multilateral interchange fees (MIFs) on UK transactions. In other words, claimants can only claim damages for the six years prior to issuing their claim.

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. In judgments published in November 2017 and February 2018, the court found as to the one remaining retailer (Sainsbury's) that Visa's UK domestic interchange did not restrict competition, but that if it had been found to restrict competition, it would not be exemptible under applicable law. On 4 July 2018, the Court of Appeal overturned the lower court's rulings, finding that Visa's UK domestic interchange restricted competition and the question of whether Visa's UK domestic interchange was exempt from the finding of restriction under applicable law had been incorrectly decided. Following an appeal to the Supreme Court of the United Kingdom, on 17 June 2020, the Supreme Court found that Visa's UK domestic interchange restricted competition under applicable competition law.

On 30 September 2021, Visa and Sainsbury's entered into a confidential forward-looking settlement on all types of MIFs (amongst other matters), which was paid in full in November 2021 by Visa Europe Limited.

A substantial number of merchants have threatened to commence, or have issued, similar proceedings. A large number of these claims have been, or are being, moved to the Competition Appeal Tribunal (the "CAT") for procedural efficiency.

In December 2020, some of these claimants had made an application to the CAT for summary judgment on restriction issues for all types of interchange fee, for all time periods, even though the Supreme Court had only considered UK and Irish domestic and intra-EEA consumer interchange and did not discuss the introduction of the Interchange Fee Regulation from 2015 (IFR). On 26 November 2021, the CAT refused to give summary judgment for UK and Irish domestic and intra-EEA consumer MIFs in the post-IFR period and for any of inter-regional, commercial card and Italian MIFs in the pre- and post-IFR periods. However, the CAT did grant summary judgment for the pre-IFR period in relation to UK/Irish/Gibraltar/Malta domestic and intra-EEA consumer interchange. The CAT also considered that neither the OneVisa acquisition in 2016 (meaning that none of the MIFs were determined collectively), nor the fact that Visa Inc. set inter-regional MIFs throughout the claim period, gave rise to arguable defences to the claims.

The claimants and Visa appealed the ruling to the Court of Appeal and judgment was rendered on 4 October 2022, which was not appealed to the Supreme Court. Visa won on all points except the OneVisa argument.

The lawful level of interchange is one of the other central issues in these new cases, as well as the issue of any pass-through of damages (i.e., the extent to which the claimants have passed on any overcharge to their customers or suppliers and thus avoided incurring any loss). In May 2022, a hearing was held in respect of a number of the claimants to consider the CAT's approach to proving pass-on. On 6 July 2022, the CAT ruled that any increase in price as a result of the overcharge was sufficient to constitute pass-on (rejecting the claimants' contention that there needed to be a deliberate decision to increase prices) and agreed that Visa's proposed methodology (to use econometric evidence and existing studies to prove pass-on rates) was *prima facie* the correct approach. The claimants sought permission to appeal his judgment from the Court of Appeal. On 17 October 2022, the Court of Appeal rejected the claimants' application for permission to appeal. Mastercard separately sought permission to appeal the judgment from the CAT. On 10 November 2022, the CAT handed down its decision, refusing Mastercard's application for permission to appeal on all grounds.

In July 2022, the CAT ordered that a number of the individual active claims would be grouped together into a set of "Umbrella Proceedings". These will be heard together by a panel which can make orders, rulings and judgments on common issues across the Umbrella Proceedings. The CAT has confirmed that its July 2022 ruling on pass-on was one such judgment.

In May 2023, a hearing was held in the Umbrella Proceedings to again consider the evidence needed to prove pass-on and judgment is awaited on this.

There are at least three upcoming trials in relation to the Umbrella Proceedings which will each hear different issues. A trial has currently been listed between 5 February 2024 until 28 March 2024 ("Trial 1"), mostly relating to liability issues. Another trial in relation to the Umbrella Proceedings and the issue of pass-on will be listed later. A third trial will take place to determine whether Visa's MIFs, if found to be *prima facie* restrictive of competition, are set at exemptible levels.

A limitation hearing took place between 24-26 April 2023 and judgment was handed down on 26 July 2023. The CAT unanimously found in favour of Visa and Mastercard in respect of all material issues and, in particular, concluded that *Volvo and DAF Trucks*, Case C-267/20, is not authority for the proposition that, as a matter of EU law, the limitation period in competition claims can only begin to run from the time when the alleged infringement of competition law has ceased. This means that claimants continue to be bound by the standard 6-year limitation period.

Separately, in July 2022, a number of Visa entities, which included the Company, was served with two sets of collective proceedings in the CAT brought by proposed class representatives, represented by one law firm. The collective proceedings are "opt-in" for businesses with an average annual turnover pre-Covid of £100m or more and "opt-out" for businesses with an average annual pre-Covid turnover of less than £100m. The claims relate to inter-regional MIFs on both consumer and commercial cards, and domestic and intra-EEA MIFs on commercial cards. The applications were heard at a certification hearing on 3-5 April 2023 and on 8 June 2023, the Tribunal handed down its reasons for its decision not to grant any of the applications in their current form. The same law firm released a press statement on 20 February 2023 announcing it will file two more collective proceedings on behalf of merchants relating to domestic MIFs on consumer cards since 2017, with the same turnover cut-off for "opt-in" vs "opt-out". As far as Visa is aware, these further proceedings have not yet been filed.

On 3 August 2023, the proposed class representatives notified the Tribunal that they intend to reformulate the class action, but narrowing to UK commercial card transactions (removing interregional transactions and non-UK claims). The proposed timetable for the revised application is 15 December 2023.

In these cases, Visa will have an opportunity to put forward new evidence to demonstrate the benefits of interchange to the Court, meaning there is no read-across from the Sainsbury's case to these other cases. While parts of the Sainsbury's case (which has settled) may be relevant to these cases, the outcome of any other retailer claims will still depend on the application of these legal tests to the relevant facts and evidence on those cases, that may well be different. The Supreme Court test for pass-through will be equally burdensome for new claimants as it was for Sainsbury's.

Euronet

On 13 December 2019, Euronet 360 Finance Limited, Euronet Polska Spółka z o.o., Euronet Services spol. S.r.o. and Euronet Card Services S.A. ("Euronet") served a claim in the UK alleging that certain rules affecting ATM access fees in Poland, the Czech Republic and Greece made and enforced by Visa Inc. and Mastercard Incorporated, and certain of their subsidiaries, including the Company, breach various competition laws. Visa served its defence to the claim on 24 April 2020. The parties have since filed and served amended pleadings. The claim was transferred to the CAT on 14 June 2021. The parties provided disclosure and inspection of their documents in 2021, with supplemental disclosure provided by both sides in 2022.

On 18 March 2022, the court ruled in Visa's favour and against Euronet's application for a split trial seeking to deal with liability and quantum issues separately. This judgment will mean a unitary trial, which will make it difficult for Euronet to reconcile its own position on both issues. The parties exchanged factual witness evidence during the course of 2022. The parties also exchanged the majority of their expert evidence (from economic, forensic accounting, ATM industry and foreign law experts) between November 2022 and June 2023, with input from economic and forensic accounting experts to follow.

A trial has been fixed to start on 2 October 2023 with a provisional estimate of 12 weeks (excluding judicial pre-reading time). A Pre-Trial Review took place on 14 July 2023, following which the parties are continuing to negotiate the trial timetable.

Visa Europe Limited will absorb all losses associated with the Retailer Litigation and the Euronet claim 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.

15. Related party transactions

The Company earns intercompany fees through the provision of various services to Visa Europe Limited. The services include the provision of client liaison, business development and general support services to Visa Europe Limited. The total intercompany revenue fees for the year were as follows:

	2022 €'000	2021 €'000
Visa Europe Limited	44,522	63,727

The Company's trade and other receivables falling due within one year include the following amounts due from Visa Europe Limited and subsidiaries and the Company's trade and other payables falling due within one year include the following amounts due to Visa Europe Limited and subsidiaries:

	2022 €'000	2021 €'000
Amounts due from related parties (see Note 8):		
Visa Europe Limited and subsidiaries	517,000	548,081

Amounts due to related parties (see Note 10):

Visa Europe Limited and subsidiaries	138,909	173,863
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Overall Parent Company

The results of the Company, as well as the Company's immediate parent, Visa Europe Limited and all of its subsidiaries, are included in the audited consolidated financial statements of Visa Inc., the Visa group's overall parent company, for the years ended 30 September 2022 and 2021. Visa Inc. is incorporated in the United States of America and copies of Visa Inc.'s financial statements are available from its website.

16. Post balance sheet events

See Note 14, Contingent liabilities, for details on activity of pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

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