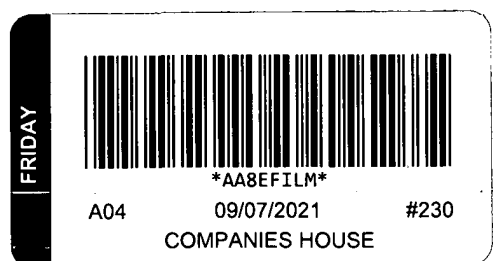


**MASTERCARD UK HOLDCO LIMITED**  
(Company Registration Number: 10255459)

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



## MASTERCARD UK HOLDCO LIMITED

### Company information

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<b>Directors</b>	Scarlet Pereira Maximiliano Mamondez (resigned on 1 June 2021) Kelly Devine (appointed on 9 November 2020)
<b>Company secretary</b>	Jackie Panayi
<b>Registered number</b>	10255459 (England and Wales)
<b>Registered office</b>	1 Angel Lane London EC4R 3AB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	Citibank 388 Greenwich Street New York NY 10013

## MASTERCARD UK HOLDCO LIMITED

### Contents

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	Page
Strategic report	3
Directors' report	6
Independent auditors' report to the members of Mastercard UK Holdco Limited	9
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15

## MASTERCARD UK HOLDCO LIMITED

### Strategic report

For the year ended 31 December 2020

The directors present the Strategic report of Mastercard UK Holdco Limited ("the Company") for the year ended 31 December 2020.

#### Principal activities

The principal activity of the Company continued to be that of a holding company. The activity was unchanged during the year and no significant changes to the principal business is expected in the forthcoming year.

#### Review of business, future outlook and key performance indicators

The Company results are set out in the statement of comprehensive income on page 12. The Company Statement of financial position is set out on page 13.

The Company measures and monitors a number of key performance indicators, the most important of which is net assets, as a holding company.

The Company's net assets (being total assets less total liabilities) at the year end was £1,051,123,290 (2019: £1,190,708,000). The decrease in net assets is largely driven by the decrease in fair value of equity investments of £157,043,000 (2019: gain of £102,897,000) in equity investments (see note 9) recognised in other comprehensive income offset by the addition of £1,500,000 equity investment in Previs Limited and £8,330,000 equity investment in Back Office Technology Limited during the year (see note 9).

The Company's loss before income tax for the financial year ended 31 December 2020 was £42,000 (2019: £627,000). This decrease in loss is due to a lower finance expense of £nil (2019: £632,164). The prior year included a non-recurring expense of £632,164, as the contingent consideration for the acquisition of Vocalink Limited was finalised in 2019.

In March 2020, coronavirus ("COVID-19") was declared as a worldwide pandemic. The spread and the related disruption to the worldwide economy has affected companies across all industries. As a Holding Company, the financial impact of COVID-19 on the Company since 31 March 2020 up to the date of signing was limited to the fair value change of the listed investment in Network International Limited, resulting in a significant loss of £157,043,000 (2019: gain of £102,897,000) in the statement of comprehensive income. The non-financial impact predominantly related to remote working of employees during the period in the Company's subsidiaries; of which the transition has caused no significant issues to the underlying operations.

In assessing the impact of Covid-19 on the company's strategy and future developments, the directors have carried out a detailed and comprehensive review of the business and its future prospects. The Company has been largely insulated from the effects of the virus to date and with resilient technology and business continuity measures in place have ensured continued operation. The Company expects therefore to largely continue its strategy as planned and detailed above.

#### Section 172 (1) Statement

The directors have a duty to promote the success of the Company which is a key consideration when determining the Company's strategy. The directors ensure they have suitable access to information to allow them to make informed business decisions and the directors consider whether they possess sufficient information regarding the stakeholder interests which are affected by their actions. In instances when the directors do not have all the information relevant to a decision, it is important to consider the expertise of others and care is taken to assess the source, quality and quantity of all information available. A principal key decision is a decision that the Company's directors make in supporting the implementation and achievement of the Company's long-term strategy.

In 2020, a key decision was made when the directors decided to invest in new companies to keep building, growing and diversifying the business (see note 8 & 9 for more details):

- Investment of £8,330,000 in Back Office Technology Limited
- Investment of £1,500,000 in Previs Limited
- Investment of £50,000 in Mastercard OB Services UK Limited

The directors ensure that key management personnel are consulted on any principal decisions, to ensure that all stakeholders are fairly considered.

The directors have utilised a number of communication methods with employees through the year, including townhalls, emails and employee engagement surveys. Employee engagement is measured annually, using an external anonymised tool. This enables the directors to see and respond to anonymised feedback. A number of initiatives were implemented in response to the feedback, including career development workshops.

## MASTERCARD UK HOLDCO LIMITED

### Strategic report (continued)

For the year ended 31 December 2020

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#### Section 172 (1) Statement (continued)

Every individual stakeholder within the Company is, indirectly, an asset of the shareholders. The directors will continue to promote a culture which considers the interests of all stakeholders. The directors need to foster the Company's business relationships with suppliers, customers, HM Revenue and Customs ("HMRC") which includes committing to partnerships that share the Mastercard dedication to conducting business in a legal, ethical, and socially responsible manner, to deliver the best possible value for the Company and mitigate the risk to the Company.

Through the entity's subsidiaries, the directors aim to attract and retain talented employees from diverse backgrounds and industries by building a world-class culture based on integrity, respect and inclusion in which people have opportunities to do purpose-driven work that impacts customers, communities and co-workers globally.

#### Principal risks, financial risks and uncertainties

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. Many risks are to a greater or lesser degree controllable, but some are not controllable. Through its internal risk management process, the Company identifies business specific risks. It classifies the key risks as those which could materially damage the Company's strategy, reputation, business, profitability or assets and these risks are listed below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others, currently considered immaterial, become material.

##### *Operational risk*

Operational risk is defined as the risk arising from within the Company from inadequate or failed internal processes, inadequately designed or maintained systems and inadequate staffing resources. Operational risk exposures are identified, managed and controlled by the business. Internal controls include a segregated operations structure and the delegation of authority within authorised limits. This is designed to manage, rather than eliminate the risk of failure to achieve business objectives.

##### *Foreign exchange risk*

The Company incurs costs in currencies that differ from its functional currency. These exposures are monitored and hedged when necessary.

##### *Brexit risk*

In a referendum held on 23 June 2016, the UK resolved to leave the European Union ('EU'). On 31 January 2020, the UK left the EU and entered an 11 month transition period until the end of 2020. A transitional period, during which the UK is no longer a member of the EU but is still subject to EU rules and remains a member of the Customs Union, concluded on 31 December 2020. The UK's future trading relationship with the EU remains subject to negotiation.

However, the principal investment of Mastercard UK Holdco Limited as a holding company is in the Vocalink business through Vocalink Holding Limited. Vocalink is a UK based processor and does not process any payments within the EU, excluding the UK, it has no passporting requirements and is not directly regulated in any EU jurisdiction outside the UK. Additionally, the risk on the remaining equity investments held by Mastercard UK Holdco Limited is deemed low. As a result, the directors do not expect any significant impact on the Company driven by changes in law and regulations in relation to the Brexit deal.

##### *Business continuity risk*

The outbreak of COVID-19 in 2020 has resulted in the Group deploying business continuity plans to maintain stability across the business, ensuring continued delivery of services. The Company, through its subsidiaries, continues to support the formal working from home posture for non-critical employees and business critical employees that are operating a shift rotation until further notice; no issues have been noted as a result of implementing these plans.

##### *Regulation and compliance risk*

The Company has a dedicated team to set policy and ensure compliance with General Data Protection Regulation (GDPR) and Anti Money Laundering (AML) and other legal, regulatory and licensing requirements. Money Laundering Reporting Officers (MLRO's) are employed to implement policies and monitor transactions.

**MASTERCARD UK HOLDCO LIMITED**

**Strategic report (continued)**  
**For the year ended 31 December 2020**

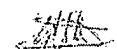
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**Principal risks, financial risks and uncertainties (continued)**

*Investment risk*

The Company has a number of investments which are at risk from adverse changes in their market value. To manage this risk, the Company reviews these investments for impairment on a quarterly basis.

This report was approved by the board on 16 June 2021 and signed on its behalf.



**Scarlet Pereira**  
**Director**

## **MASTERCARD UK HOLDCO LIMITED**

### **Directors' report**

For the year ended 31 December 2020

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The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

#### **Directors**

The directors who held office throughout the year and up to the date of this report are:

Mark David Ashley Barnett (resigned on 29 October 2020)

Scarlet Pereira

Maximiliano Mamondez (resigned on 1 June 2021)

Kelly Devine (appointed on 9 November 2020)

#### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnities were in place throughout the financial period and to the date of signing these financial statements. The Company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its directors.

#### **Dividends**

The directors do not recommend the payment of a dividend (2019: £nil).

#### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

#### **Financial risk management**

The Company has limited exposure to financial risk as all material financial instruments are with companies within the group headed by Mastercard Incorporated, its ultimate parent company. The Company's management of financial risk is included in the strategic report.

#### **Going concern**

These financial statements have been prepared on a going concern basis. In preparing the financial statements the directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows. The Company, through the performance of its subsidiaries, has to date been largely insulated from the effects of COVID-19.

The directors have considered the recoverability of its equity investments and investments in subsidiaries, the net assets, losses for the year and the Company's ongoing cash requirements and the letter of support received from Mastercard International Incorporated, the intermediate parent company.

As a result of the review and the support from Mastercard International Incorporated, the intermediate parent company, the directors are confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

#### **Events after the reporting year**

Please see note 15 for details of the Company's events after the reporting date.

#### **Future developments**

Please see the review of business, future outlook and key performance indicators section of the Strategic report on page 3 for details of the Company's future developments.

## **MASTERCARD UK HOLDCO LIMITED**

**Directors' report (continued)**  
For the year ended 31 December 2020

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### **Employees**

The business, through its subsidiaries, maintains regular cadence when it comes to engaging with employees in order to understand views and interests via an established Employee Engagement Survey as well as follow up Listening Groups to analyse the associated results in partnership with employee populations.

The Company also shares important business information and updates via monthly 'all-employee' meetings hosted by directors, newsletters, Chatter page, corporate e-mails as well as via our extensive Mastercard intranet site.

### **Employee involvement**

Through its subsidiaries, the Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its business.

### **Suppliers, customers and others**

In the Strategic report, within Section 172 (1) Statement on page 3, the directors have summarised how they have engaged with suppliers, customers and others in a business relationship.

### **Streamlined Energy and Carbon report (SECR)**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 introduced the obligation for listed companies to report on their greenhouse gas (GHG) emissions. These requirements have been extended to certain non-listed companies, including Mastercard UK Holdco Limited, by the UK Streamlined Energy & Carbon Reporting (SECR) regulations, released in 2019 by BEIS, in respect of the energy consumption and emissions for which we are responsible. We have assessed Mastercard UK Holdco Limited's annual energy consumption (from gas, electricity and transport fuel usage) for the 2020 reporting period (1 January – 31 December 2020). This exercise concluded that our UK operations qualifies as a "low energy user", in-line with the criteria set out in the SECR regulations. To this end, Mastercard UK Holdco Limited is not required to prepare detailed energy and carbon disclosures in-line with the SECR regulations.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



**MASTERCARD UK HOLDCO LIMITED**

**Directors' report (continued)**

For the year ended 31 December 2020

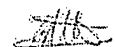
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**Directors' confirmation**

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 16 June 2021 and signed on its behalf.



Scarlet Pereira  
Director

# Independent auditors' report to the members of Mastercard UK Holdco Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Mastercard UK Holdco Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

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

### Auditors' responsibilities for the audit of the financial statements

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but not limited to tax legislation and employment law in relevant jurisdictions, pensions regulations, general data protection regulation (GDPR), anti money laundering regulations and Payment Services Regulations 2017, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential management bias in accounting estimates, including the impairment of investments and fair value of equity investments held, and the inappropriate journal postings to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management and the Company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Review of the legal expenses;
- Identifying and testing unusual journal entries, in particular those with an unusual account combination; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

*Gemma Clark*

Gemma Clark (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 June 2021

**MASTERCARD UK HOLDCO LIMITED**

**Statement of comprehensive income**  
For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Operating (expense)/income		(42)	5
Operating (loss)/profit	3	(42)	5
Finance expenses	6	-	(632)
Loss before income tax		(42)	(627)
Tax on loss	7	8	104
Loss for the financial year		(34)	(523)
<b>Other comprehensive (expense)/income</b>			
<b>Items that will not be reclassified subsequently to the profit or loss:</b>			
Net change in fair value movements on equity investments at fair value through other comprehensive income (FVOCI)	9	(157,043)	102,897
Deferred tax on items that will not be reclassified to profit or loss	7	17,492	(17,492)
Other comprehensive (expense)/income for the year, net of income tax		(139,551)	85,405
Total comprehensive (expense)/income for the year		(139,585)	84,882

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 26 form an integral part of these financial statements.

**MASTERCARD UK HOLDCO LIMITED**

**Statement of financial position**  
As at 31 December 2020

	Note	2020 £000	2019 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	8	875,073	875,023
Equity investments at fair value through other comprehensive income	9	182,967	330,180
<b>Total Non-current assets</b>		<b>1,058,040</b>	<b>1,205,203</b>
<b>Current assets</b>			
Cash and cash equivalents		1,700	3,200
<b>Total assets</b>		<b>1,059,740</b>	<b>1,208,403</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Ordinary shares	11	1,123,434	1,123,434
Accumulated losses		(18,165)	(18,131)
Revaluation reserve	12	(54,146)	85,405
<b>Total equity</b>		<b>1,051,123</b>	<b>1,190,708</b>
<b>Non-current liabilities</b>			
Deferred tax liability	7	-	17,492
<b>Current liabilities</b>			
Trade and other payables	10	8,617	203
<b>Total liabilities</b>		<b>8,617</b>	<b>17,695</b>
<b>Total equity and liabilities</b>		<b>1,059,740</b>	<b>1,208,403</b>

The notes on pages 15 to 26 form an integral part of these financial statements.

The financial statements on pages 12 to 26 were approved and authorised for issue by the board on 16 June 2021 and signed on its behalf by:

  
Scarlett Pereira  
Director

Company registration number: 10255459

**MASTERCARD UK HOLDCO LIMITED**

**Statement of changes in equity**  
For the year ended 31 December 2020

	Ordinary shares £000	Accumulated losses £000	Revaluation reserve £000	Total equity £000
<b>As at 1 January 2019</b>	723,789	(17,608)	-	706,181
Loss for the financial year	-	(523)	-	(523)
Other comprehensive income for the year	-	-	85,405	85,405
<b>Total comprehensive income for the year</b>	-	(523)	85,405	84,882
Shares issued (see note 11)	399,645	-	-	399,645
<b>As at 31 December 2019</b>	<b>1,123,434</b>	<b>(18,131)</b>	<b>85,405</b>	<b>1,190,708</b>
Loss for the financial year	-	(34)	-	(34)
Other comprehensive expense for the year	-	-	(139,551)	(139,551)
<b>Total comprehensive expense for the year</b>	-	(34)	(139,551)	(139,585)
<b>As at 31 December 2020</b>	<b>1,123,434</b>	<b>(18,165)</b>	<b>(54,146)</b>	<b>1,051,123</b>

The notes of pages 15 to 26 form an integral part of these financial statements.

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements For the year ended 31 December 2020

#### 1 Company information

Mastercard UK Holdco Limited is a private limited liability company limited by shares incorporated and domiciled in England and Wales in the United Kingdom.

#### 2 Accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 (FRS 101), the Statement of financial position has been presented using the IFRS presentation. The financial statements have been prepared under the historical cost convention except for Equity Investments which are measured at fair value.

The principal accounting policies, which have been consistently applied, are set out below. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.3. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) Paragraph 38 of IAS 1, Presentation of financial statements' - comparative information requirements in respect of:
  - i) Paragraph 79(a)(iv) of IAS 1;
  - d) the requirements of IAS 7 Statement of Cash Flows;
  - e) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
  - f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
  - g) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
  - h) the requirements of paragraphs 62, B64(d), B64(e), B64(h), B64(i) to B64(m), B64(n)(i), B64(o)(i), B64(p), B64(q)(i), B66 and B67 of IFRS 3 Business Combinations;

The Company is a wholly-owned subsidiary of Mastercard Payment Gateway Services Group Limited and is included in the consolidated financial statements of Mastercard Incorporated which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

##### 2.2 Going concern

These financial statements have been prepared on a going concern basis. In preparing the financial statements the directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows. The Company, through the performance of its subsidiaries, has to date been largely insulated from the effects of COVID-19.

The directors have considered the recoverability of its equity investments and investments in subsidiaries, the net assets, losses for the year and the Company's ongoing cash requirements and the letter of support received from Mastercard International Incorporated, the intermediate parent company.

As a result of the review and the support from Mastercard International Incorporated, the intermediate parent company, the directors are confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.



## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

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## 2 Accounting policies (continued)

### 2.3 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

The most significant area where judgements and estimates are applied are in relation to the investments in subsidiaries and the valuation of equity investments.

#### *Investments in subsidiaries*

**Recoverability of investments** - The Company conducts impairment reviews of investments in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value.

The assessment of the recoverable amount of the investment in subsidiaries is prepared using 2021 budgets with International Monetary Fund ("IMF") forecast GDP growth rates to project growth to 2025. Group-wide weighted average cost of capital ("WACC") and long term growth rates are used for computing terminal value of future cash flows. All inputs are deemed reasonable for calculating the recoverability of investments. The level of uncertainty associated is minimal due to headroom the Company has when carrying out its assessment.

#### *Valuation of equity investments*

##### *Back Office Technology Limited*

Back Office Technology Limited is an unlisted Company, which is privately owned. Accordingly, a market value can be difficult to determine.

The following considerations are used when calculating the fair value of an unlisted entity:

- The cost generally represents fair value as of the transaction date. Similarly where there has been a recent investment in the unlisted company by third parties, the funding pricing generally represents fair value as of the transaction date, although further judgement may be required to the extent that the instrument in which the recent investment was made is different from the instrument held by the Company. The Company will use the market approach measurement as we will hold the fair value of the shares at the same price as transaction date, due to its proximity to the year end and that no further information is available which provides any further rationale for changes to this price.

### 2.4 New and amended standards adopted by the Company

The company has applied all standards and amendments, which are mandatory for 31 December 2020 reporting periods. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 2.5 Foreign currency translations

#### *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling, which is the Company's functional currency and presentation currency.

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

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## 2 Accounting policies (continued)

### 2.5 Foreign currency translations (continued)

#### *Transactions and balances*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

### 2.6 Financial instruments

#### *(i) Recognition and initial measurement*

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

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

#### *(ii) Classification and subsequent measurement*

##### *Financial assets*

##### *(a) Classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

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

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- 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.

Investments in subsidiaries are carried at cost less impairment.

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

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## 2 Accounting policies (continued)

### 2.6 Financial instruments (continued)

#### *(ii) Classification and subsequent measurement (continued)*

##### **Financial assets (continued)**

Equity investments are accounted for in accordance with IFRS 9. As a result, fair value movements are recorded in other comprehensive income along with gains or losses on disposal of the investments. The net cumulative movement in fair value of equity investments, including the impact of deferred tax is held in the revaluation reserve.

All investments are categorised as Level 1, 2 or 3 based on the inputs used to calculate fair value. Investments are categorised as Level 1, 2 or 3 based on the inputs used to calculate fair value.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks

##### *(b) Subsequent measurement and gains and losses*

**Financial assets at FVTPL** - these assets (other than derivatives designated as hedging instruments) 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 investments 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 investments 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.

##### **Financial liabilities and equity**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2 Accounting policies (continued)

2.6 Financial instruments (continued)

(iii) Impairment

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

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 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.

2.7 Finance income and expense

Finance expenses include interest payable.

Finance income includes interest receivable on funds invested.

Finance income and expense is recognised in profit or loss as it accrues, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Foreign currency gains and losses are reported on a net basis, as part of operating expense.

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

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## 2 Accounting policies (continued)

### 2.8 Share capital and reserves

#### *Ordinary shares*

Represents the nominal value of shares issued.

#### *Accumulated losses*

Represents the reserves for net gains and losses recognised in the statement of comprehensive income.

#### *Revaluation reserve*

Represents the net cumulative movement in fair value of equity investments, including the impact of deferred tax on the fair value movement. Upon derecognition of investments, the remaining reserve is transferred to retained earnings.

### 2.9 Income taxes

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### 2.10 Contingent consideration

Certain business combinations involve the potential for future payment of consideration that is contingent upon the achievement of performance milestones. The fair value of the contingent consideration at the acquisition date and subsequent periods is determined utilising an income approach based on a Monte Carlo technique and is recorded in liabilities on the statement of financial position. The key inputs in the Monte Carlo model were Vocalink revenue projections, revenue volatility and a discount rate. Changes to projected performance milestones of the acquired businesses could result in a higher or lower contingent considerations. Changes in fair value as a result of updated assumptions will be recorded in finance income/expense in the statement of comprehensive income.

During 2019, the contingent consideration for the acquisition of Vocalink was finalised (see note 6).

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

#### 3 Operating expense/(income)

The following items have been charged/(credited) in operating expense/(income):

	2020 £000	2019 £000
Audit fees (note 4)	15	12
Foreign exchange gains	(38)	(17)
Advertising and marketing expenses	65	-
	<u>42</u>	<u>(5)</u>

The Company does not employ any staff directly (2019: none). There is no identifiable recharge in relation to these costs (2019: none).

#### 4 Audit fees

Audit fees were £15,086 (2019: £11,734) for the financial statements related to the year ended 31 December 2020. There were no non-audit fees (2019: £nil) paid to the auditors.

#### 5 Directors' emoluments

The directors did not receive any identifiable emoluments in respect of their services to the Company (2019: £nil). The emoluments of the directors are paid by another entity in the Mastercard group, which makes no recharge to the Company.

The directors are undertaking executive duties on a number of fellow Mastercard subsidiaries, and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

#### 6 Finance expense

	2020 £000	2019 £000
Increase in earn-out liability	-	632

During 2019, the contingent consideration for the acquisition of Vocalink was finalised resulting in an expense of £632,000 recorded on the statement of comprehensive income.

#### 7 Tax on loss

Recognised in the profit and loss account:

	2020 £000	2019 £000
Current tax:		
Group relief	(8)	-
Adjustments to tax charge in respect of previous years	-	(104)
Total current tax	<u>(8)</u>	<u>(104)</u>
Tax credit for the year	<u>(8)</u>	<u>(104)</u>

**MASTERCARD UK HOLDCO LIMITED**

**Notes to the financial statements (continued)**  
For the year ended 31 December 2020

**7 Tax on loss (continued)**

**Recognised in other comprehensive (expense)/income:**

	2020 £000	2019 £000
Fair value movements on equity investments	(17,492)	17,492
	<u>(17,492)</u>	<u>17,492</u>

**Reconciliation of effective tax rate:**

	2020 £000	2019 £000
Loss before income tax	(42)	(627)
Tax on loss before income tax at standard UK tax rate of 19.00% (2019: 19.00%)	(8)	(119)
Effects of:		
Expenses not deductible for tax purposes	-	158
Group relief	-	(39)
Adjustments in respect of prior years	-	(104)
Tax credit for the year	<u>(8)</u>	<u>(104)</u>

**Deferred tax liabilities are attributable to the following:**

	2020 £000	2019 £000
Fair value movements on equity investments	-	17,492
Deferred tax liability	<u>-</u>	<u>17,492</u>

There is no unrecognised deferred tax (2019: £nil).

**Movement in deferred tax during the year:**

	2020 £000	2019 £000
Provision at start of year	17,492	-
Deferred tax (asset)/liability recognised in other comprehensive (expense)/income for the year	(17,492)	17,492
Provision at the end of the year	<u>-</u>	<u>17,492</u>

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This increases the company's current tax charge accordingly. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. The deferred tax asset at the balance sheet date has been calculated at 19% (2019: 17%).

# MASTERCARD UK HOLDCO LIMITED

Notes to the financial statements (continued)  
For the year ended 31 December 2020

## 8 Investments in subsidiaries

	£000
Cost and net book value	
As at 1 January 2020	875,023
Additions during the year	50
As at 31 December 2020	<u>875,073</u>

\* Indirectly held through subsidiary entities.

† On 10 March 2020, the Company paid £50,000 for 50,000 ordinary shares in Mastercard OB Services UK Limited at par value of £1.00 each.

Name of company	Address	Country of incorporation	Class of shares	Percentage held 2020	Percentage held 2019	Principal Activity
Vocalink Holdings Limited	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	92.4%	92.4%	Holding company
Vocalink Limited*	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	92.4%	92.4%	Payment solutions
Vocalink International Limited*	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	92.4%	92.4%	Payment solutions
IPCO 2012 Limited*	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	92.4%	92.4%	Intellectual property rights ownership
Mastercard OB Services UK Limited †	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	100%	-	Data processing, hosting and other related activities
Vocalink Interchange Network Limited*	1 Angel Lane, London EC4R 3AB	England & Wales	Ordinary	92.4%	92.4%	Dormant company
Catsec 401 Limited*	Drake House, Three Rivers Court Homestead Road Rickmansworth Hertfordshire WD3 1FX	England & Wales	Ordinary	92.4%	92.4%	Dormant company
Vocalink Retail Services Limited*	Drake House, Three Rivers Court Homestead Road Rickmansworth Hertfordshire WD3 1FX	England & Wales	Ordinary	92.4%	92.4%	Dormant company
Voca Limited*	Drake House, Three Rivers Court Homestead Road Rickmansworth Hertfordshire WD3 1FX	England & Wales	Ordinary	92.4%	92.4%	Dormant company
Voca Pension Trustees Ltd*	Drake House, Three Rivers Court Homestead Road Rickmansworth Hertfordshire WD3 1FX	England & Wales	Ordinary	92.4%	92.4%	Dormant company
Mastercard Vocalink Asia Pacific Pte Ltd*	3, Fraser Street, #17-21/28 Duo Tower, Singapore 189352	Singapore	Ordinary	92.4%	92.4%	Payment solutions



# **MASTERCARD UK HOLDCO LIMITED**

Notes to the financial statements (continued)  
For the year ended 31 December 2020

## **9 Equity investments at fair value through other comprehensive income**

	Equity investments £000
<b>Cost</b>	
At 1 January 2020	330,180
Additions	9,830
Fair value movement	(157,043)
At 31 December 2020	182,967
<b>Carrying value</b>	
At 31 December 2019	330,180
At 31 December 2020	182,967

Current year additions to equity investments consists of a £1,500,000 investment in shares of Previsé Limited for a 3.09% holding, made on 20 January 2020 and a £8,330,000 investment in shares of Back Office Technology Limited for a 7.10% holding, made on 24 June 2020.

Movement in fair value consists of a decrease in Network International LLC of £157,043,000 (2019: increase £102,897,000) and a fair value movement in Pollinate Networks Limited, Back Office Technology Limited and Previsé Limited of £nil (2019: £nil).

Name of company	Address	Country of incorporation	Class of shares	Percentage held 2020	Percentage held 2019	Principal Activity	Type of Company
Network International LLC	Burjuman Business Tower, Sheikh Khalifa Bin Zayed Street, Dubai, UAE	UAE	Ordinary	9.99%	9.99%	Digital Commerce payment solutions	Public listed company
Pollinate Networks Limited	The Chestnut Brewers End, Takeley, Bishop's Stortford, UK, CM22 6QJ	England & Wales	Ordinary	17.65%	17.65%	Merchant acquiring solutions	Private limited company
Back Office Technology Limited	C/O Blick Rothenberg Limited, 1st Floor 7-10 Chandos Street, London, UK, W1G 9DQ	England & Wales	Ordinary and Series B-3	7.10%	-	Digital Commerce payment solutions	Private limited company
Previsé Limited	Stapleton House, Block A, 2nd Floor, 110 Clifton Street, London, UK, EC2A 4HT	England & Wales	Ordinary	3.09%	-	Digital Commerce payment solutions	Private limited company

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

#### 9 Equity investments at fair value through other comprehensive income (continued)

##### *Fair value measurement hierarchy:*

The fair value measurement of the equity investment in Network International LLC, a listed company, has been categorised as Level 1 in the fair value measurement hierarchy. The inputs into the fair value measurement was the company's quoted share price, which is publicly available information.

The fair value measurement of the equity investment in Pollinate Networks Limited, an unlisted company, has been categorised as Level 3 in the fair value measurement hierarchy. A fair value assessment was carried out by comparing the market price paid during a recent funding round by Pollinate Networks Limited to Mastercard UK Holdco Limited's purchase cost price of the shares. The price per share was unchanged therefore, the fair value of the investment as at year end is deemed reasonable.

The fair value measurement of the equity investment in Previs Limited and Back Office Technology Limited, both unlisted companies, have been categorised as Level 3 in the fair value measurement hierarchy. The inputs into the fair value measurement was Mastercard UK Holdco Limited's purchase cost price of the shares. The Back Office Technology Limited transaction date was close to the year end however for Previs Limited there is no further information to suggest a change in fair value since the purchase date.

#### 10 Trade and other payables

Current	2020 £000	2019 £000
Amounts owed to group undertakings	8,371	191
Accruals	246	12
	<u>8,617</u>	<u>203</u>

Amounts owed to group undertakings are non-interest bearing, repayable on demand and unsecured.

#### 11 Ordinary shares

	2020 £000	2019 £000
Allotted and fully paid		
1,123,434,169 (2019: 1,123,434,169) ordinary shares of £1.00 each	<u>1,123,434</u>	<u>1,123,434</u>

During 2019, the Company issued a total of 399,644,500 ordinary shares to Mastercard Payment Gateway Services Group Limited at a par value of £1 each.

## MASTERCARD UK HOLDCO LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2020

#### 12 Revaluation reserve

	Fair value reserve £000
At 1 January 2020	85,405
Fair value movements on equity investments	(157,043)
Deferred tax	17,492
At 31 December 2020	(54,146)

The Company's movement in the revaluation reserve during the year are as follows:

- Fair value decrease in Network International LLC of £157,043,000 (2019: increase £102,897,000). In addition to this there is a deferred tax credit related to the fair value decrease in Network International LLC of £17,492,000 (2019: charge £17,492,000) recognised through other comprehensive income.
- Fair value movement in Pollinate Networks Limited of £nil (2019: £nil).
- Fair value movement in Previs Limited of £nil (2019: £nil).
- Fair value movement in Back Office Technology Limited of £nil (2019: £nil).

#### 13 Related parties

The Company is exempt from the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group.

#### 14 Immediate and ultimate holding company

The immediate parent undertaking is Mastercard Payment Gateway Services Group Limited, a company incorporated and domiciled in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is Mastercard Incorporated, a company incorporated and domiciled in the United States of America.

Mastercard Incorporated is the parent of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Mastercard Incorporated are available from its registered office at 2000 Purchase Street, Purchase, New York.

#### 15 Events after the reporting year

In March 2021, an additional funding round took place in Pollinate Networks Limited. As a result the Company's investment in Pollinate Networks Limited increase by £3,991,667 and diluted its existing shareholding by 4.85% to 12.8%.

No other subsequent events were noted.