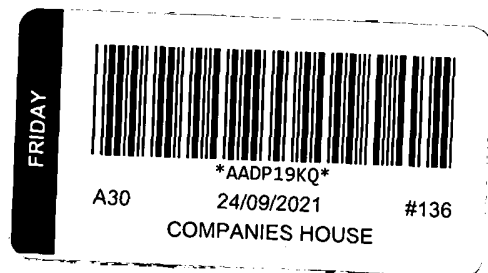


Vocalink Holdings Limited

Annual Report and Financial Statements 31 December 2020

Registered company number 06119036



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Strategic Report for the year ended 31 December 2020

The Directors present the Strategic Report of Vocalink Holdings Limited (the 'Company') for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of a holding company.

Business restructure

During the year the Company undertook a business restructure, the majority of the non-supervised business of Vocalink Limited (VLL), a subsidiary of the Company, was separated from the supervised business and transferred to Vocalink International Limited (VIL), a fellow subsidiary of the Company.

The "supervised business" means the business related to the provision of:

- a) the central payment infrastructure services that support the three Bank of England supervised and recognised payments systems namely: (i) BACS; (ii) Faster Payments Services (FPS) and (iii) LINK (UK's largest cash machine network);
- b) certain services closely associated with the foregoing central payment infrastructure services which are specific to the UK payments market (including, without limitation, the Cash ISA Transfer Service and the Sort Code Checker);
- c) certain services supporting the UK government's 'Access to Cash' policy including certain services provided to the Post Office as well as ATM Managed Services; and
- d) the central payment infrastructure services which support the UK Cheque Image Clearing System.

The supervised business will continue to be: (i) operated by the VLL as a designed infrastructure company under Part 6 of the Financial Services (Banking Reform) Act 2013 in respect of the recognised payment systems; and (ii) to the extent applicable, supervised by the Bank of England under Part V of the Banking Act 2009.

A transfer of business assets was completed on 31 December 2020, pursuant to a Business Transfer Agreement (BTA) between the following three parties - the Company and its fully owned subsidiaries VLL and VIL. VIL was incorporated in 2018 and has not traded prior to the date of completion. Further details are included in the note 2.

As part of this transaction a reorganisation of the capital structure of VLL took place through the transfer of existing intercompany loans totalling £405.0m with Mastercard Payment Gateway Services Limited from VLL to the Company on 11 December 2020; this is detailed in note 9

The direct impact on this entity as a result of the business restructure was an increase in loans and corresponding increase of investments in subsidiaries, totalling £399.1m, these are detailed in note 2 and 7.

The principal activity of the entity remains that of an investment holding company both for the current year and future years; incurring intercompany interest charges and holding investments.

Review of business and future outlook

The Company results are set out in the Statement of Comprehensive Income on page 11. The Statement of Financial Position is set out on page 12.

The Company made a loss for the financial year of £0.7m (2019: loss £0.2m). At 31 December 2020 the Company had net assets of £150.0m (2019: £150.7m).

This loss was made up of a write off of intercompany balances in a dormant subsidiary £0.3m (2019: £nil), plus intercompany interest £0.5m (2019: £0.2m).

Strategic Report (continued) **for the year ended 31 December 2020**

Key performance indicators (KPIs)

As the Company's principal activity is that of a holding company. The Directors are of the opinion that there are no meaningful financial or non-financial key performance indicators to understand the development, performance and position of the Company as part of the group headed up by Mastercard Inc (Mastercard); its ultimate parent company. The Directors review the carrying value of the investments and consider the recoverability of these, any impairment would be reflected in these financial statements.

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.

The Directors ensure that key management personnel are consulted on any principal decisions, to ensure that all stakeholders are fairly considered. The key decisions made during the year were relating to the separation of business into supervised and non-supervised subsidiaries and the impairment of the intercompany balances in a dormant subsidiary; neither of which had an impact on the stakeholders of the business; other than consideration by the Directors of the strategy of the Company.

Every individual stakeholder engaged within the business activities of the Company is an asset of the Company and its shareholders. The Directors will continue to promote a culture which is considerate of the interests of all its stakeholders. Through the adaption of appropriate business strategies, the Directors will continue to foster the Company's business relationships with suppliers and customers including by partnering with businesses that share the values of the Company and the wider Mastercard including a dedication to conducting business in a legal, ethical, and socially responsible manner delivering the best possible value for the Company and mitigating the risks faced by the Company.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks for the subsidiaries of the Company ('Vocalink Group') and managed centrally. The Vocalink Group adopts an enterprise-wide risk management approach to identify, assess, measure, manage and report across a wide range of business and operational risks in accordance with Vocalink Group's risk appetite. An annual programme of independent key controls testing is performed to ensure the design and operation of key controls remains effective. Significant opportunities continue to arise in the payments market and we continue to monitor and focus on the risks presented in the following areas:

- Business Resilience, Recovery and Resolution;
- Concentration;
- Cyber Security;
- Delivery and Change Management;
- Regulatory;
- Reputation;
- Brexit; and
- Covid-19.

Business Resilience, Recovery and Resolution Risk

The services provided by the Vocalink Group require a high level of dependability and continuous service availability in support of safe and sound operation of critical national infrastructure. To achieve this, the Vocalink Group adopts a resilience by design strategy supported by robust service management procedures. Resilience and the ability to recover is continuously assured through a Three Lines of Defence model which includes external certifications, thorough DR testing and recovery simulations. Investment in technology, tools and people enable Vocalink Group to meet contractual performance commitments.

Strategic Report (continued) **for the year ended 31 December 2020**

Business Resilience, Recovery and Resolution Risk (continued)

The Vocalink Group operates the majority of its core infrastructure and uses partners only for selected activity such as supporting software development. In certain limited circumstances, specific third party components are deployed within solutions.

Following implementation of a Supplier Management Framework, the Vocalink Group is able to fully understand the dependencies, functionalities and corresponding risks within its supply chain, and is able to demonstrate the controls around how suppliers are managed on an ongoing basis.

The outbreak of Covid-19 resulted in the Vocalink Group deploying its business continuity plans to protect staff and maintain the stability of its operations across the business. There has been no impact to business resilience.

Working practices have been adapted in line with Government guidelines in order to ensure the continued delivery of live services whilst having regard to staff welfare and support during this difficult time. The Vocalink Group has maintained continuous uninterrupted service delivery with no issues noted in the period up to signing these financial statements. In addition, the Vocalink Group has contributed to Government initiatives aimed at reducing the societal and economic impacts of the Covid-19 pandemic.

Concentration Risk

In order to additionally focus the business of the Vocalink Group on its supervised services, business transformation programme has been undertaken to transfer the international customer contracts and operating teams from VLL to its sister company, VIL.

Although the VLL is now considered to have greater resilience by virtue of not being exposed to the international business and development activity, which has transferred to VIL, this also brings an element of concentration risk as a result of VLL business being focused on a smaller number of high value contracts.

Cyber Security Risk

Cyber Security remains a prevalent, fast evolving threat across many industries and particularly within financial and payment services. Global inter-connectivity and technological advancement is adding to the complexity of Cyber Security Risk and enabling more advanced methods to be employed by perpetrators.

The Vocalink Group continues to work closely with customers, government and the wider payment industry to understand and evaluate the nature of these threats, enabling the business to steer strategic and tactical risk decisions in line with the constantly evolving threat landscape. The Vocalink Group is committed to the continued delivery of cyber resilience, and will ensure it has the capability to resist and counter such threats through mature and robust layered defences; system monitoring and traffic analysis; and close alignment with Industry and international security standards.

Continual assessment and security testing is central to the provision of payment services. To ensure that security controls and capabilities are effective, identified weaknesses are risk assessed and remediated through process enhancements including investments in appropriate tooling and subject matter experts. In addition, the Vocalink Group regularly participates in both company level self-assessments and industry level assessments & exercises to continually validate our cyber readiness capabilities. During a recent test conducted with external experts, we discovered some shortcomings in a limited number of our cyber defence methodologies.

A thorough post-assessment has been performed, enabling the identification of specific improvements to further harden our cyber defence posture, with a rigorous roadmap identified to deliver these. This seeks to build on the highly effective cyber defences already in place, and further develop our capabilities.

Delivery and Change Management Risk

Delivering payment innovation to existing customers requires the successful execution of complex software and infrastructure programmes. The Vocalink Group counters the delivery and change management risks by recruiting and retaining highly experienced personnel supported by robust project and change governance processes through the delivery lifecycle.

Regulatory risk

VLL operates within a regulated environment. VLL was specified by HM Treasury in April 2018, under Part 5 of the Banking Act 2009, as a service provider to each of the operators of the Bacs, Faster Payments ("FPS") and LINK payment systems and as a result the Company is subject to the supervision of the Bank of England (the "Bank"). As a specified service provider, the Company is required to provide information and documents, report specified events, and obtain the Bank's 'non-objection' to certain business changes and appointments.

Strategic Report (continued)
for the year ended 31 December 2020

Principal risks and uncertainties (continued)

Regulatory risk (continued)

VLL's enhanced governance framework ensures that it meets the Bank's expectations including through the decision making authority of the Company's board, the roles performed by executive and non-executive directors and board-level risk and audit committees.

Several uncertainties relating to the New Payments Architecture ("NPA") (including the procurement process and its timing as well as the scope of the new regulations and/or Payment System Regulator (PSR) directions in this area) pose a risk to the future revenue of the Company. Pay.UK suspended the NPA procurement process in 2020 whilst it engaged with regulators on the safest and most effective approach to delivering NPA. In February 2021, the PSR launched a consultation on ways to reduce risks to the successful renewal of the UK's interbank payment systems and proposals to mitigate risks to competition and innovation arising from the renewal. There is currently no indication when the procurement process will resume. This remains a significant exposure to VLL and area of high risk.

VLL continues to monitor the evolving position with regards to the NPA, and where possible, mitigates any emerging risks and issues.

Reputational Risk

The effective and ongoing management of the reputational standing of the Vocalink Group and its brand is of strategic importance.

The Vocalink Group is cognisant of the criticality of maintaining positive industry perceptions of its operations. The Vocalink Group places specific attention upon the prevention of events which could result in any negative publicity or litigation that could affect its existing or new business opportunities.

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, which was followed by an 11 month transition period which ended on the 31 December 2020.

The expiry of the transition period on 31 December 2020 marked the start of a new relationship between the UK and the EU, under the Trade and Cooperation Agreement (TCA). This remains an evolving landscape, and the Vocalink Group will continue to monitor developments and assess any potential impact. The residual risk to the Vocalink Group is now considered low, as its two operational companies incorporated in England and Wales, have experienced low risk.

Covid-19

Global health concerns relating to the coronavirus continuing outbreak have been weighing on the macroeconomic environment and the economic uncertainty. The outbreak has resulted in authorities implementing numerous measures to try to contain the virus which have in turn negatively impacted consumer spending. The Vocalink Group has however been largely insulated from the effects of the virus and with resilient technology and business continuity measures in place have ensured continued operation to critical national infrastructure.

Working practices have been adapted in line with Government guidelines, centring on ensuring staff welfare and delivery of live services. The Vocalink Group has maintained continuous un-interrupted service delivery with no issues noted in the period up to signing these financial statements. The Vocalink Group supported the Government response in its fight against Covid-19.

By order of the Board



Jackie Panayi
Company Secretary

Date: 15 September 2021

Directors' Report for the year ended 31 December 2020

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

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Paul Stoddart
Mark Barnett (resigned 29 October 2020)
Ajay Bhalla
Sir Edward John Gieve (resigned 23 September 2020)
Edward McLaughlin
Michael Miebach (resigned 26 February 2020)
Daniel Meredith-Jones (resigned 23 September 2020)
Elizabeth Oakes (appointed 24 March 2020)
Gregor Dobbie (appointed 23 June 2020)

Secretary

Jackie Panayi

Directors' indemnities

During the year and up to the date of this report, the Company has provided an indemnity for certain Directors of the Company, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. The Company also maintains Directors' and Officers' liability insurance.

Dividends

The Directors do not recommend payment of a dividend (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.

Employees

The Company has no employees (2019: none). The resources utilised in carrying out the activities of the Company are provided by Vocalink Limited.

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 the Section 172 (1) Statement on page 2, the Directors have summarised how they have engaged with suppliers, customers and others in a business relationship.

Streamlined Energy and Carbon Reporting (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 Vocalink Holdings 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 Vocalink Holdings Limited's annual energy consumption (from gas, electricity and transport fuel usage) for the 2020 reporting period (1 January 2020 – 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, the Company is not required to prepare detailed energy and carbon disclosures in-line with the SECR regulations.

Directors' Report (continued)
for the year ended 31 December 2020

Political contributions

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

Future developments

The nature of the business is not expected to change going forward.

Going concern

These financial statements have been prepared on a going concern basis. In preparing these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects taking into account all information that could reasonably be expected to be available for the following 12 months and beyond. They have considered the Company's losses in the year, the net assets, future projected results, the impact of COVID-19 to date, the business transfer at 31 December 2020, the 2020 Bank priorities under financial resources and risk management, and implemented a financial recovery plan such that the Company is financially resilient in place for Vocalink Limited, the Company's subsidiary; alongside the written letter of support received from Mastercard International Incorporated, the intermediate parent company, which specifically considers the £90.0m due for repayment in June 2022. In considering these factors the forecast future performance and anticipated cash flows to 30 November 2022 have been stress tested with plausible but severe assumptions.

As a result of the review and the written support from Mastercard International Incorporated 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.

The Company's overriding objective when managing capital resources is to safeguard the business as a going concern. In practice, this involves regular reviews by the Board and Executives. These reviews take into account the Company's strategic priorities, economic and business conditions and opportunities that are identified to invest across all points of the business cycle, whilst maintaining the minimum risk profile established by the Board and Executives. This objective has been achieved and is expected to be achieved in the going concern period.

Subsequent events

Please see note 13 for details of the Company's subsequent events.

Independent auditors

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

By order of the Board



Jackie Panayi
Company Secretary

1 Angel Lane
London
EC4R 3AB

Date: 15 September 2021

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.

Disclosure of information to auditor

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.

On behalf of the Board



Paul Stoddart
Director

Date: 15 September 2021

Independent auditors' report to the members of Vocalink Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vocalink Holdings 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 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.

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 applicable tax legislation in relevant jurisdictions and general data protection regulation (GDPR), 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 the manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management and the in-house legal team, including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement; 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. 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.

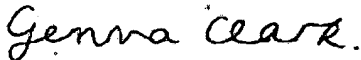
Other required reporting

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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 September 2021

**Statement of Comprehensive Income
for year ended 31 December 2020**

	Note	2020 £m	2019 £m
Administrative expenses	3	(0.3)	-
Operating (loss)/profit		(0.3)	-
Finance costs	4	(0.5)	(0.2)
Loss before taxation		(0.8)	(0.2)
Tax on loss	6	0.1	-
Loss for the financial year		(0.7)	(0.2)
Total other comprehensive income		-	-
Total comprehensive expense for the year		(0.7)	(0.2)

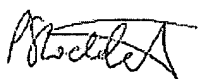
The notes on pages 14 to 23 from an integral part of these financial statements.

**Statement of Financial Position
at 31 December 2020**

	Note	2020 £m	2019 £m
Non-current assets			
Investments	7	562.9	163.8
Total non-current assets		562.9	163.8
Current assets			
Trade and other receivables	8	0.4	0.5
Total current assets		0.4	0.5
Total assets		563.3	164.3
Current liabilities			
Trade and other payables	9	0.5	0.1
Total current liabilities		0.5	0.1
Non-current liabilities			
Trade and other payables	9	412.8	13.5
Total non-current liabilities		412.8	13.5
Total liabilities		413.3	13.6
Net assets		150.0	150.7
Equity			
Share capital	10	133.4	133.4
Share premium	10	14.6	14.6
Other reserves	10	12.2	12.2
Accumulated losses	10	(10.2)	(9.5)
Total equity		150.0	150.7

The notes on pages 14 to 23 from an integral part of these financial statements.

The financial statements on pages 11 to 23 were approved by the board of Directors on 15 September 2021 and were signed on its behalf by:



Paul Stoddart
Director

Registered company number: 06119036

**Statement of Changes in Equity
for year ended 31 December 2020**

	Share capital £m	Share premium £m	Other reserves £m	Accumulated losses £m	Total equity £m
Balance at 1 January 2020	133.4	14.6	12.2	(9.5)	150.7
Total comprehensive expense for the year					
Loss for the year	-	-	-	(0.7)	(0.7)
Total comprehensive expense for the year	-	-	-	(0.7)	(0.7)
Balance at 31 December 2020	133.4	14.6	12.2	(10.2)	150.0

	Share capital £m	Share premium £m	Other reserves £m	Accumulated losses £m	Total equity £m
Balance at 1 January 2019	133.4	14.6	12.2	(9.3)	150.9
Total comprehensive expense for the year					
Loss for the year	-	-	-	(0.2)	(0.2)
Total comprehensive expense for the year	-	-	-	(0.2)	(0.2)
Balance at 31 December 2019	133.4	14.6	12.2	(9.5)	150.7

The notes on pages 14 to 23 from an integral part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

1.1 General information

Vocalink Holdings Limited ('the Company') is a private limited liability company, limited by shares. It is incorporated, domiciled and registered in England and Wales, within the United Kingdom. Its registered office is 1, Angel Lane, London, EC4R 3AB.

Mastercard Incorporated is the owner of 97.3% (2019: 92.4%) of the issued share capital of the Company, through its subsidiaries Mastercard UK Holdco Limited and Mastercard Partners LLC. Mastercard Incorporated is the ultimate parent undertaking of the Company.

1.2 Basis of preparation

These financial statements are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosures has been taken.

As set out above, more than 90% of the issued shares of the Company are owned by Mastercard Incorporated. The consolidated financial statements of Mastercard Incorporated, which included the financial statements of the Company, are available from its registered office at 2000 Purchase Street, Purchase, New York. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 not to prepare consolidated financial statements.

These financial statements were prepared under the historical cost convention and in accordance with the accounting policies set out below have, unless otherwise stated, which have been applied consistently to all periods presented in these financial statements.

The Company has taken advantage of the following disclosure exemptions under 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 IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- g. The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

Critical judgements and estimates made by the Directors in the application of these accounting policies that have a significant effect on the financial statements are discussed in note 1.10.

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.

1.3 Going concern

These financial statements have been prepared on a going concern basis. In preparing these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects taking into account all information that could reasonably be expected to be available for the following 12 months and beyond. They have considered the Company's losses in the year, the net assets, future projected results, the impact of COVID-19 to date, the business transfer at 31 December 2020, the 2020 Bank priorities under financial resources and risk management, and implemented a financial recovery plan such that the Company is financially resilient in place for Vocalink Limited, the Company's subsidiary; alongside the written letter of support received from Mastercard International Incorporated, the intermediate parent company, which specifically considers the £90.0m due for repayment in June 2022. In considering these factors the forecast future performance and anticipated cash flows to 30 November 2022 have been stress tested with plausible but severe assumptions.

As a result of the review and the written support from Mastercard International Incorporated 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.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

1.3 Going concern (continued)

The Company's overriding objective when managing capital resources is to safeguard the business as a going concern. In practice, this involves regular reviews by the Board and Executives. These reviews take into account the Company's strategic priorities, economic and business conditions and opportunities that are identified to invest across all points of the business cycle, whilst maintaining the minimum risk profile established by the Board and Executives. This objective has been achieved and is expected to be achieved in the going concern period.

1.4 Foreign currency translation

The Company's financial statements are presented in pounds sterling, which is the Company's functional currency. All significant contracts are currently denominated and settled in pounds sterling, thereby mitigating foreign exchange risk.

1.5 Finance costs

Finance costs includes group interest payable that is recognised in the Statement of Comprehensive Income.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.6 Investments in subsidiaries

Investments in subsidiaries held as non-current assets are stated at cost less any provision for impairment. The need for any impairment is assessed by comparing the carrying value of the asset with the higher of realisable value or value in use, see note 7.

1.7 Common control transactions

Common control transactions that arise between Group entities under the control of the same parent are accounted for at book value.

1.8 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.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

1.8 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

(a) Classification (continued)

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

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.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

1.8 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 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.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax balances are not discounted.

Where applicable, deferred tax assets are calculated at 19% (2019: 17%), being the rate substantively enacted at the reporting date.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

1.10 Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of investments

In evaluating the cash flows used in testing for impairment, management exercises judgement in determining the assumptions supporting the cash flows, ensuring that they are reasonable and relevant. Where cash flows are extended beyond the period covered by the most recent budget, they are extrapolated using a steady or declining growth rate, unless an increasing rate can be justified. The assessment at 31 December 2020 has not identified any impairment over the investment held. The level of uncertainty associated is minimum due to headroom the Company has when carrying out its assessment.

2 Significant transactions during the year

A transfer of business assets was completed on 31 December 2020, pursuant to a Business Transfer Agreement (BTA) between the following three parties - the Company and its fully owned subsidiaries VLL and VIL. VIL was incorporated in 2018 and has not traded prior to the date of completion.

Linked to the business asset transfer, on the 11 December 2020, a reorganisation of the capital structure of VLL took place through the transfer of its existing intercompany loan obligations of £405.0m (owed to Mastercard Payment Gateway Services Limited and bearing interest in the range of 2.08% to 3.41%) to the Company (note 9), which was partially offset by the distribution by VLL to the Company of an intercompany loan receivable of £88.9m on 11 December 2020 (note 7).

Additions during the year are due to:

- (a) VLL - a £298.3m capital contribution was made in VLL, as a result of a £405.0m payable loan to Master Payment Gateway Services Limited novated to the Company. This was offset by a £5.9m Company's payable balance to VLL, along with VLL novating to the Company a £83.0m intercompany receivable balance from IPCO 2012 Limited and a distribution in specie of £17.8m as a result of the transfer of the non-supervised business trade and assets to VIL.
- (b) IPCO 2012 Limited - the £83.0m intercompany receivable balance novated to the Company by VLL was subsequently waived as a capital contribution.
- (c) VIL - the £17.8m non-supervised business trade and assets transferred by VLL to VIL was also recognised as a capital contribution by the Company.

3 Administrative expenses

The Company does not employ any staff directly (2019: none). There is no identifiable recharge in relation to these costs (2019: none). The Company incurred costs of £0.3m (2019: £nil) in the impairment of intercompany balances with a dormant entity.

Auditors' remuneration:

The fees paid to PricewaterhouseCoopers LLP as auditors for the year ended 31 December 2020 and for the year ended 31 December 2019 were borne and settled by Vocalink Limited, another company within the Mastercard group.

Notes to the Financial Statements (continued)

4 Finance costs

	2020 £m	2019 £m
Interest payable to group undertakings	(0.5)	(0.2)
	<u>(0.5)</u>	<u>(0.2)</u>

5 Directors' remuneration

The emoluments of the Directors are paid by another entity in the Mastercard Group, which makes no recharge to the Company (2019: £nil). 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 Tax on loss

Recognised in the Statement of Comprehensive Income

	2020 £m	2019 £m
<i>Current tax</i>		
Current year	(0.1)	-
Adjustment to prior years	-	-
	<u>(0.1)</u>	<u>-</u>
Total tax credit	<u>(0.1)</u>	<u>-</u>

Reconciliation of effective tax rate

Loss before taxation	0.8	0.2
	<u>0.8</u>	<u>0.2</u>
Tax using UK Corporation tax rate of 19% (2019: 19%)	(0.2)	-
Expense not deductible for tax purposes	0.1	-
	<u>(0.1)</u>	<u>-</u>
Total tax expense	<u>(0.1)</u>	<u>-</u>

A weighted average of tax of 19% has been used for the year ended 31 December 2020 (2019: 19%).

In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 11 March 2021. As the law had not been substantively enacted at the Statement of Financial Position date, its effects are not included in these financial statements.

Notes to the Financial Statements (continued)

7 Investments

	£m
Cost and net book value	
As at 1 January 2020	163.8
Additions	399.1
	<hr/>
As at 31 December 2020	562.9
	<hr/> <hr/>

The Company has the following investments in subsidiaries all of which are incorporated in the United Kingdom:

	Principal activities	Class of shares held	Ownership 2020	Ownership 2019
Vocalink International Limited (VIL)	Payment services	Ordinary	100%	100%
Vocalink Limited (VLL)	Payment services	Ordinary	100%	100%
IPCO 2012 Limited	Intellectual Property Management	Ordinary	100%	100%
Vocalink Interchange Network Limited*	Dormant	Ordinary	100%	100%
Voca Limited*	Dormant	Ordinary	100%	100%

The Balance Sheet carrying value of investments of £562.9m (2019: £163.8m) largely comprises the Company's investment in Vocalink Limited, Vocalink Interchange Network Limited, IPCO 2012 Limited, Vocalink International Limited and Voca Limited.

Additions during the year are due to:

- a) VLL - a £298.3m capital contribution was made in VLL, as a result of a £405m payable loan to Master Payment Gateway Services Limited novated to the Company. This was offset by a £5.9m Company's payable balance to VLL, along with VLL novating to the Company a £83.0m intercompany receivable balance from IPCO 2012 Limited and a distribution in specie of £17.8m as a result of the transfer of the non-supervised business trade and assets to VIL.
- b) IPCO 2012 Limited - the £83.0m intercompany receivable balance novated to the Company by VLL was subsequently waived as a capital contribution.
- c) VIL - the £17.8m non-supervised business trade and assets transferred by VLL to VIL was also recognised as a capital contribution by the Company.

As expected, VLL commenced trading on 1 January 2021. The Directors believe that the carrying value of investments is supported by the sensitised discounted cashflow model prepared in relation to VLL.

The registered office of VIL, VLL and IPCO 2012 Limited is 1 Angel Lane, London, EC4R 3AB. The registered office of the other subsidiaries is Drake House, Homestead Road, Rickmansworth, WD3 1FX.

*Dormant entities exempt from the requirement of the Companies Act 2006 relating to the preparation of their individual financial statements in respect of their year ended 31 December 2020.

8 Trade and other receivables

	2020	2019
	£m	£m
Amounts due from group undertakings	0.4	0.5
	<hr/>	<hr/>
	0.4	0.5
	<hr/> <hr/>	<hr/> <hr/>

Amounts receivable of £0.4m (2019: £0.5m) were due from trading and non-trading entities within the Mastercard Group, do not bear interest, are repayable on demand and are unsecured.

Notes to the Financial Statements (continued)

9 Trade and other payables

	2020 £m	2019 £m
Current		
Amounts due to group undertakings	0.5	0.1
	<u>0.5</u>	<u>0.1</u>
Non-current		
Amounts due to group undertakings	412.8	13.5
	<u>412.8</u>	<u>13.5</u>

As at 30 November 2020 VLL transferred all its rights, obligations and liabilities in respect of the five loan agreements from Mastercard Payment Gateway Services Limited with a total value of £405.0m, bearing interest in the range of 2.08% to 3.41%, to the Company. The first loan of £90.0m is repayable no later than 28 June 2022, the second loan of £50.0m is repayable no later than 23 May 2023, the third loan of £140.0m is repayable no later than 24 January 2024, the fourth loan of £85.0m is repayable no later than 1 December 2024 and the fifth loan of £40.0m is repayable no later than 1 September 2025; the five loans are unsecured.

On 11 December 2020, amounts owed to VLL of £5.8m (2019: £5.8m) were settled and satisfied by offsetting against the loans transferred from VLL as described above; until that date the unsecured loan continued to bear interest at 2% over LIBOR.

Non-current payables continue to include £7.8m (2019: £7.8m) due to a non-trading subsidiary, Vocalink Interchange Network Limited, which does not bear interest and is unsecured, and is not repayable within 12 months of signing these accounts.

10 Capital and reserves

	2020 £m	2019 £m
Share capital		
<i>Authorised</i>		
190,698,425 (2019: 190,698,425) ordinary shares of £1 each	190.7	190.7
<i>Allotted called up and fully paid</i>		
133,354,643 (2019: 133,354,643) ordinary shares of £1 each at 31 December	133.4	133.4

Notes to the Financial Statements (continued)

10 Capital and reserves (continued)

Shareholders (ordinary shares)	2020 % Holding	2019 % Holding
Mastercard UK Holdco Limited	92.41	92.41
Mastercard Partners LLC	4.86	-
Lloyds Banking Group	-	2.51
Lloyds Bank plc	-	1.43
Bank of Scotland plc	-	1.08
The Royal Bank of Scotland Group	-	2.14
Royal Bank of Scotland plc	-	1.23
National Westminster Bank plc	-	0.91
Coutts & Co.	-	0.003
Other shareholders		
Barclays Unquoted Investments Limited	1.52	1.52
Santander Equity Investments Limited	0.78	0.78
Nationwide Building Society	0.43	0.43
Coventry Building Society	-	0.07
Yorkshire Building Society	-	0.07
Bristol & West plc	-	0.07
	100.00	100.00

During the year the minority shares holders exercised a PUT option to sell their shares to Mastercard Holdings LP UK for a fixed price as stipulated in the Shareholders Agreement, dated 28 April 2017.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. During the year the Company did not issue any ordinary shares (2019: none).

Reserves

Share capital

Represents the nominal value of shares issued.

Accumulated losses

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

Share premium

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Other reserves

Other reserves comprise of:

- Capital redemption reserve arising from the redemption of the deferred shares, and
- The merger reserve calculated from the elimination of the share premium account and special reserve in 2007 against book values of the merged businesses (Voca Limited and LINK Interchange Network Limited) on consolidation.

11 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 a group.

Notes to the Financial Statements (continued)

12 Immediate and ultimate holding company

The Company's immediate parent undertaking is Mastercard UK Holdco Limited, a company incorporated in UK. 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.

13 Subsequent events

VIL started trading from 1 January 2021

On 23 February 2021 and on 24 March 2021, Vocalink Holdings Limited increased the value of its investment in Vocalink International Limited by £50,001,000 and £64,000,000 respectively.

On 13 July 2021, Vocalink Holdings Limited increased its intercompany loans from Mastercard Payment Gateway Services Limited, and subsequently the value of its investments in Vocalink International Limited by £53,000,000.

There are no other subsequent events noted.