



Vocalink Limited 2024 Annual Report and Financial Statements

Registered Number: 06119048

Contents

Company Information	2
Strategic Report.....	3
About Vocalink.....	3
Interim Executive Chair and Chief Executive Officer's Statement.....	5
Purpose and strategy	8
Culture and values	9
Impact in action	10
2024 performance.....	13
Risk management and principal risks	15
Board decision-making and stakeholder engagement - s172(1) statement	18
Directors' Report	20
Our Board	20
Our governance framework	23
Key Board Committees and membership	23
Streamlined Energy and Carbon Report	28
Directors' Responsibilities Statement.....	30
Independent Auditors' Report to the members of Vocalink Limited.....	31
Statement of Comprehensive Income	34
Statement of Financial Position	35
Statement of Changes in Equity.....	36
Notes to the Financial Statements.....	38

Vocalink Limited Company Information

Registered Company Number	06119048 (England and Wales)
Registered Office Address	1 Angel Lane London EC4R 3AB
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Directors	Timothy Murphy Jeffrey Brooker Kelly Devine Keith Douglas Sheryl Lawrence Ed McLaughlin Victoria Mitchell
Company Secretary	Jackie Panayi

As a member of the Mastercard group of companies headed by Mastercard Incorporated, Vocalink is part of the Vocalink Holdings Ltd group of companies (Vocalink Group), acquired by Mastercard in 2017.

Who we are

Vocalink is part of the Mastercard family, one of the most widely recognised and respected technology companies in the world. Our shared vision is to power economies and empower people, building a sustainable economy where everyone prospers. Together, we're making payments more secure, simpler, smarter and more resilient.

We are the leading account-to-account payments solutions provider in the UK. We deliver managed services to support critical payments and design, build and operate industry-leading bank account-based payment systems. Our technology powers the UK's real-time payments, settlement and direct debit systems, as well as a network of over 40,000 ATMs.

IN THE UK, WE PROCESS

90%

of salaries

70%

of household bills

98%

of state benefits

What we do

Vocalink provides the UK's critical national payments infrastructure and associated services, including:

- Central payment infrastructure which supports three Bank of England (Bank) supervised Recognised Payments Systems, namely:
 - Bankers Automated Clearing Services (Bacs)
 - Faster Payments Service (FPS)
 - LINK
- Certain services associated with the above central payment infrastructure which are specific to the UK payments market
- Certain services supporting the UK Government's 'Access to Cash' policy, including services provided to the Post Office as well as ATM Managed Services
- Central payments infrastructure services which support the UK Cheque Image Clearing System (ICS).

Bank of England supervision

The Bank of England has a primary objective to maintain monetary and financial stability in the UK. As part of this mandate, the Bank supervises Recognised Payment System Operators (RPSOs) designated by HM Treasury, which currently include Pay.UK, LINK, Visa Europe and Mastercard Europe. In addition, the Bank supervises Specified Service Providers (SSPs), with Vocalink currently the sole designated entity, therefore Vocalink continues to operate as an infrastructure company under the Financial Services (Banking Reform) Act 2013. Vocalink is subject to Bank supervision in accordance with Part V of the Banking Act 2009 in relation to the recognised payment system it supports.

Business overview

Bacs - salaries, bills and benefits paid on time, every time

Automated payments are at the heart of the UK's financial system. Bacs includes two payment products - Bacs Direct Debit and Direct Credit. Direct Debit is the payment option chosen by thousands of companies to collect important payments automatically and securely from millions of people and organisations. Direct Credit is used to pay nine in ten employees in the UK, whether in wages, salaries, pensions or benefits.

Vocalink runs, maintains and services the technical infrastructure that processes automated payments for Bacs on behalf of Pay.UK, ensuring that salaries, bills and benefits are paid on time, every time. Maintaining a robust and resilient payments infrastructure for the UK is a top priority for Vocalink.

Faster Payments Service - instant account-to-account payments, all day, every day

Pay.UK's FPS facilitates real-time payments of up to £1m for individuals, businesses and charities across the UK. Customers can initiate single immediate payments, forward-dated payments or standing orders online, using a mobile device, over the phone or in a bank branch. FPS runs on Vocalink's real-time payments infrastructure, enabling consumers and businesses to make immediate payments 24 hours a day, 365 days a year.

LINK - powering one of the busiest ATM networks

Vocalink provides transaction switching, clearing and settlement for the UK LINK scheme, enabling consumers to withdraw cash from their bank account via an ATM using a debit, credit or pre-paid card. There are more than 100 million LINK-enabled UK debit and ATM cards in circulation, and virtually all cash machine operators in the UK are members of the LINK scheme. LINK processes over 4 million cash withdrawals and balance enquiries a day and ATMs account for almost 90% of cash acquisition in the UK.

Image Clearing System

ICS was developed and launched by Vocalink in partnership with The Cheque and Credit Clearing Company, part of Pay.UK, in 2019. An image-based system significantly speeds up cheque clearing, resulting in a faster and more efficient experience for customers. In 2024, ICS processed more than 93 million cheques.

Current Account Switch Service

Pay.UK's Current Account Switch Service allows customers to switch banks and building societies free of charge and within seven working days. Vocalink developed the technical infrastructure which underpins the service and has facilitated the switching of over 11 million current accounts in the UK since its inception in 2013.

Post Office – widening access to banking services

The Post Office is the largest retail network in the UK and has over 11,500 branches. 93% of the UK's population live within one mile of a Post Office, greatly increasing customer convenience and promoting financial inclusion. Vocalink provides the switching network that underpins the Post Office banking services offered at their branches, including cash withdrawals and deposits.

Interim Executive Chair and Chief Executive Officer's Statement



Timothy Murphy, Interim Executive Chair



Keith Douglas, Chief Executive Officer

2024 was a transformative year for Vocalink, as we further strengthened our business-critical foundations in operations, resilience and talent, to optimally position our business for growth. All the while working closely with our customers to ensure secure and fast account-to-account payments processing worth over £10 trillion and enabling more than £80 billion worth of cash withdrawals, contributing towards the UK's economic prosperity.

Our impact

As the provider of the UK's critical national payments infrastructure, we carry the significant responsibility for ensuring the secure and timely processing of the UK's real-time, bulk direct credit and debit payments, as well as the network of over 40,000 cash machines. Our performance is underpinned by the expertise and dedication of our team, whose unwavering commitment ensures our payments infrastructure remains fully operational 24/7.

We work in close partnership with our customers Pay.UK and LINK to power an inclusive digital economy that benefits everyone, everywhere, by making transactions secure, simple, smart and accessible. In 2024, our technology powered the processing of more than 90% of UK salaries, 70% of household bills and 98% of state benefits.

"We power an inclusive digital economy that benefits everyone, everywhere, by making transactions secure, simple, smart and accessible."

Timothy Murphy
Interim Executive Chair to Vocalink
and Mastercard Vice Chair

Our operating environment

We navigate a complex UK payments environment, shaped by rapid digital transformation, increasing demands for robust risk management, and evolving regulatory requirements - all while balancing traditional payment methods with innovative digital solutions.

As the needs of businesses and consumers evolve in the current financial landscape, there is a clear need to modernise the UK's payments infrastructure and enhance the interoperability between its different payment systems, as advocated by [Joe Garner's Future of Payments Review](#) in 2023.

Throughout 2024, Vocalink and Mastercard collaborated with UK regulators, our customers and the wider financial sector, sharing our global payments expertise and insights into how this could be achieved, culminating in HM Treasury publishing the [National Payments Vision \(NPV\)](#) in November. We welcome its ambition for a world-leading financial services ecosystem which ensures trusted payments, delivered on next generation technology, with more choice for consumers and businesses.

The possibilities the National Payments Vision opens up are exciting, particularly in retail account-to-account payments and Open Banking. Delivering the NPV ambitions will require collaboration across the entire ecosystem and strong partnership between the public and private sectors. We look forward to playing our part in shaping the future of the UK payments landscape for decades to come.

Our performance

We achieved strong operational performance in 2024, underscored by our ongoing investments in operational resilience, cyber security and innovation. Our financial results reflect this, with revenues of £221.5 million for the year, and a robust net asset position of £225.1 million, including £178.7 million in cash and cash equivalents.

Over the last 12 months, we successfully processed over 13 billion transactions across the UK's Bacs, Faster Payments System and Image Clearing System, in addition to more than a billion of ATM transactions. We achieved a record number of enhancements to our technology infrastructure, all delivered seamlessly without service interruptions. This showcases our expertise in managing the UK's critical national payments infrastructure while driving continuous innovation.

Cyber security remained a top priority, as the UK continued to experience a significant increase in cyber threats targeting its payment systems and financial services sector. In 2024, we enhanced our processes, capabilities and technology across the entire Vocalink business, bolstering our cyber security measures to protect against these evolving risks.

We further strengthened our operational resilience by enhancing both our capabilities and methodologies so that we can more effectively demonstrate how our services withstand, respond to, and recover from disruptions in line with our defined impact tolerances. In parallel, we continued our collaboration with customers and industry partners to drive improvements in operational resilience across the UK payments ecosystem.

Our people

We pride ourselves on the quality and reliability of the services we provide to our customers. This is a true testament to the hard work, expertise and the collective effort of everyone in our business. As the landscape around us is changing rapidly, to continue thriving we must evolve our ways of working and thinking.

In 2024, we embarked on a major transformation journey to refine our target operating model to optimally position Vocalink for the future. We commissioned a third-party review that recommended a more agile and efficient organisational structure, designed to foster greater cross-functional collaboration, improve risk management and enable us to better capitalise on emerging opportunities in the marketplace, like those presented by the NPV. Significant progress has been made to develop the new model, ensuring we have the right people in the right roles supported by robust technical and operational capabilities. We expect the new organisational structure to be rolled out in phases throughout 2025.

We've also embarked on the journey of implementing the Scaled Agile Framework (SAFe) across our business. Widely adopted within the UK financial sector, this framework will enable us to take a more holistic approach to how we plan, execute, and track our work. Embracing SAFe will empower our teams to deliver greater value to our customers, at a faster pace, while upholding the high standards of service and operational resilience we're known for.

Board update

In January 2024, we welcomed Sheryl Lawrence to the Vocalink Board and as Chair of Vocalink's Audit Committee. Additionally, in July 2024, Victoria Mitchell was appointed as our Senior Independent Director. Both of these roles are important for Vocalink from a regulatory and governance perspective, and we continue to benefit from the considerable experience and expertise which they and other members bring to the Vocalink Board.

The level of business transformation achieved over the last 12 months would not have been possible without the steadfast support from the Vocalink Board and from Mastercard, who continue to provide significant investment of time and resources.

At the end of the year, the Vocalink Board sadly received the resignation of Elizabeth Fullerton-Rome as the Independent Chair of Vocalink and in turn appointed Timothy Murphy as Interim Executive Chair. During her time with Vocalink, Elizabeth was a passionate champion of every Vocalink employee and of their dedicated contributions to the business. On behalf of Vocalink and Mastercard, we thank Elizabeth for her dedicated

Strategic Report

service and commitment to embedding a transparent and inclusive culture. As the Interim Executive Chair and Chief Executive Officer of Vocalink, we're privileged to be supporting Vocalink and our teams to navigate an exciting new payments vision and landscape.

Vocalink's Nominations and Remuneration Committee continue to evaluate the composition of the Board with consideration of the expertise required to support the future of Vocalink and have commenced a process to identify and appoint an Independent Chair and further Board members in 2025.

Our growth ambitions

"We look forward to playing our part in shaping the future of the UK payments landscape for decades to come."

Keith Douglas
Chief Executive Officer, Vocalink

Looking ahead to 2025, we'll maintain our focus on customers, working even more closely with Pay.UK and LINK across all levels and touchpoints to better understand and support their business strategy, and ensure we're their partner of choice.

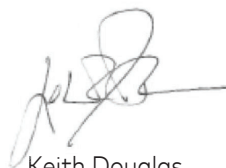
We're proud of the role we've played in the UK retail payments ecosystem since 1968. As we continue to collaborate industry-wide and build strong partnership across sectors, we look forward to supporting the National Payments Vision ambitions and seizing the growth opportunities they present.

We'll strive to drive excellence in our service and operational delivery and best practice in security, risk and compliance, ensuring that our infrastructure and technology can continue to reliably and securely process the vast majority of salaries, household bills and state benefits in the UK.

We'll also leverage Mastercard's investment and capabilities to drive innovation in account-to-account payments, so that we're in a strong position to influence and shape the future of the UK payments ecosystem.



Timothy Murphy
Interim Executive Chair, Vocalink Limited



Keith Douglas
Chief Executive Officer, Vocalink Limited

Our purpose and strategy

Our purpose is to power an inclusive, digital economy that benefits everyone, everywhere, by making payment transactions secure, simple, smart and accessible. Our shared strategy focusses on expanding our core payments network for consumers, businesses and governments, extending our services to drive transactions and customer value, while embracing innovation and new opportunities.

Enhancing our business remains a cornerstone of our strategy, so we continue to invest in enhancing the security, resilience and service quality of our UK operations. Additionally, Vocalink is able to leverage assets and expertise from Mastercard to bring innovation to the UK payments market as a strategic advisor to our customers and to further develop our products and services.

Our strategic priorities

Vocalink has four strategic priorities to support our core objective of being the leading account-to-account payments solutions provider in the UK:



Customer focus

Being a trusted strategic advisor that drives value for our customers. Partnering with customers and key stakeholders to enable growth and efficiency in the account-to-account ecosystem and supporting our customers in their role as systemic risk managers for critical national payments infrastructure.



Service and operational excellence

Delivering world-class, resilient and secure services for our customers and meeting the ever-changing needs and demands of our stakeholders. Investing in technology modernisation and service enhancements, fortifying operational resilience and leveraging Mastercard's innovations to embrace automation of key technology and operational processes.



Robust security, risk and regulatory compliance

Role modelling best practice risk and control management and continuing to enhance operational and cyber resilience, ensuring that we meet our compliance and regulatory expectations, in turn providing confidence in our infrastructure and services to our customers and wider stakeholders.



Sustainable business growth

Driving our commercial future by strengthening our brand in account-to-account payments, supporting the National Payments Vision, and enhancing and developing the infrastructure and technologies which enable and underpin key drivers of account-to-account payment growth across the UK in partnership with our customers and the wider payments ecosystem.

Our people are essential to delivering our strategic priorities - by working together and being laser-focused on our priorities we'll accelerate progress and maintain our position as the leading account-to-account payments solutions provider in the UK.

Our culture and values

As a member of the Mastercard family, our collective culture is defined as the Mastercard Way, and it fuels our vision and strategic priorities. Organisational culture also plays a crucial role in shaping our behaviours and ensures that our purpose and shared actions are aligned.

Our values are central to our business and guide how we treat each other, our customers and our partners:



Our stakeholders

Our culture puts our stakeholders at the heart of Vocalink. Building strong relationships and ensuring that we're engaging effectively with our stakeholders are critical to the long-term success of our business.

This includes working closely with Recognised Payment System Operators such as Pay.UK and LINK, customers that use our systems, individuals and businesses who make and receive payments, as well as Mastercard, our regulators and the wider payments ecosystem.



The considerations of our stakeholder groups are integral to our decision-making. Vocalink's Section 172 (1) Statement on pages 18 to 19 details how the Board and the business have engaged with and considered stakeholders in decision-making. In recognition of our size, impact and systemic importance to the payments industry, Vocalink remains committed to doing business responsibly, with stakeholder engagement remaining an essential part of our strategy.

Impact in action

At Vocalink, we're powering economies and empowering people, building a sustainable economy where everyone prospers. We embed inclusion into our strategy because it's right for our business - when we bring more people, in more places, into the digital economy we grow our customers, our partnerships and our revenue. For a thriving economy where people prosper, we need a healthy environment which is why our efforts to preserve the planet play an important role.

Our impact strategy is aligned with Mastercard and is expressed through three pillars - people, prosperity and planet - and the work that we do is grounded in strong governance principles.

OUR IMPACT STRATEGY



Our goals and 2024 achievements

Preserving the planet for future generations

As a member of the Mastercard Group, Vocalink benefits from, and is aligned with, Mastercard on the following environmental goals:

- Reduce our greenhouse gas emissions (GHG), which helps increase efficiency, strengthen resilience and unlock growth. Mastercard has a goal to achieve net zero GHG emissions across its Scope 1, 2, and 3 emissions by 2040
- Partner with suppliers to reduce emissions
- Minimise our waste and responsibly manage our water usage.

In 2024, our Vocalink Data Centres:

- Maintained an ISO 14001 certification standard for Environmental Management Systems
- Surpassed voluntary efficiency targets set by UK Climate Change Agreement (CCA) scheme to reduce energy use and carbon emissions
- Received a grade of "Efficient" from The Green Grid (TGG), a consortium focussed on driving data centre sustainability

Strategic Report

- Sustained a Data Centre Infrastructure Effectiveness (DCiE) percentage of 60% or above, where the DCiE is the percentage of total facility power that is used by IT equipment
- Secured an improvement in Power Usage Effectiveness (PUE) across all data centres despite an increase in power consumption due to a growth in service demand. This has helped to avoid 12,000kWh, or over a metric tonne, of carbon dioxide in Vocalink's carbon footprint year on year from 2023 to 2024
- Our North Yorkshire data centre's solar system generated 41,257kWh of renewable energy which provided 2.4% of total energy usage and avoided a further 1.5 tonnes of carbon dioxide from Vocalink's carbon footprint.

Empowering all people to reach their full potential and advancing prosperity around the world

We're committed to empowering all people through:

- Attracting and retaining the best talent while ensuring we have the skills needed to execute our business strategy. This includes delivering an integrated performance, development and rewards approach
- Supporting and retaining our employees through Mastercard's rewards, benefits and employment policies including but not limited to healthcare, life and disability benefits, retirement and financial assistance, work-life flexibility and well-being resources
- Encouraging employees to engage in their communities by donating funds and sharing their skills through pro bono projects and volunteering
- Fostering supplier inclusion in our global procurement practices and expecting our suppliers to share our commitment to equal opportunity and non-discrimination, respecting human rights, and operating in an environmentally responsible and efficient manner.

Throughout 2024, our commitment to creating safe and inclusive workplaces and driving financial inclusion was further reflected in our:

- Employee Experience Pulse Survey results for Vocalink, which indicate that we're performing strongly in engagement, inclusion and career development:
 - 92% of Vocalink employees shared that they are proud to work for Mastercard
 - 91% would recommend Mastercard as a good place to work
 - 89% have access to learning resources and development experiences they need to continue to grow and develop at Mastercard.
- ISO 45001 certification standard for Health and Safety
- Efforts to ensure equal pay for equal work and equal access to opportunities for career development and growth - from 2023 to 2024 the Mean Pay Gap reduced from 5.0% to -0.7% and the Mean Bonus Gap reduced from 10.0% to -2.8%
- Voluntary attrition remained low between 4.5% and 5.5% on a monthly basis
- Establishment of People Leader Forums to promote strong and inclusive leadership skills and community
- Continued support for the government's 'Access to cash' policy through our work with the Post Office to ensure that cash is available to those who need it when they need it, particularly small businesses, the elderly, and vulnerable members of society.

Securing trust

Aligning our governance principles to those of Mastercard's and delivering on our goal to secure trust is key to Vocalink being a responsible business:

- Mastercard's Code of Conduct ensures that we conduct our business in a legal, ethical and socially responsible manner. All Directors and employees of Vocalink continue to adhere to the Code and uphold the values of truth and transparency in their interactions with all stakeholders
- A mandatory and in-depth curriculum of online compliance training covering subjects such as anti-bribery and corruption, privacy compliance, information security and workplace conduct is delivered annually

Strategic Report

- A Risk Clarity Survey is issued on a regular basis to take the pulse of our ethics and accountability culture
- A 'speak up' culture is promoted, with employees and suppliers encouraged to report any ethical or legal concerns via our Mastercard Ethics Helpline.

We continued to align with proportionate governance best practices, including the principles and provisions of the UK Corporate Governance Code (updated in 2024):

- In the second half of 2024, the Bank of England performed a thematic Governance Review of Vocalink, as part of its approach to financial market infrastructure supervision of Recognised Payment System Operators and Specified Service Providers
- Vocalink's Board and Executive team reviewed and approved key policies and practices, ensuring that they meet our regulatory requirements, continue to reflect our culture and align to Vocalink's values and purpose
- We maintained our ISO 27001 certification for information security, ISO 22301 certification for security and resilience, and continue to be audited annually under the ISAE 3000 assurance standard to assure our customers, regulators, and other stakeholders that the key controls over our operational activities, including security, availability, processing integrity, confidentiality and privacy controls remain robust.

2024 performance

Our key financial and operational highlights for 2024:

Operational performance

Processing volumes

- Over 13 billion transactions were processed, a 4% increase from 2023, with a combined value of over £10 trillion
- 21 processing records were broken across Bacs and FPS with both services achieving record daily and monthly volumes and values in 2024
- The Current Account Switch Service reported 1.19 million switches in 2024

Service availability

- 100% service availability across Bacs, FPS and LINK
- Over 99.9% service availability for ICS
- 100% availability of Data Centre and Engineering infrastructure

Financial performance

	2024	2023
Total revenue:	£221.5m	£218.2m
Total expenses:	£241.5m	£223.2m
Operating loss:	(£20.0m)	(£5.0m)
Net finance income:	£7.6m	£6.9m
(Loss)/profit before tax:	(£12.4m)	£1.9m
Net assets:	£225.1m	£229.0m

Delivering service excellence for our customers, partners and stakeholders

Throughout 2024, we continued to deliver resilient, robust and secure critical national payments infrastructure services in the UK with FPS, Bacs and LINK services achieving 100% operational service availability, and over 99.9% service availability for ICS. 2024 saw transaction volumes increase by 4% to more than 13.6 billion (2023: 13.0 billion) with a total value of these transactions showing a year-on-year increase, from £9.6 trillion in 2023 to £10.3 trillion in 2024 – the equivalent of more than £300k per second, and four times the UK's GDP.

This year also saw Vocalink break 21 processing records with both Bacs and FPS achieving record daily volumes and daily values in 2024, and FPS transaction volumes passing 5 billion for the first time.

The Current Account Switch Service facilitated a total of 1.19 million switches in 2024. This service has successfully redirected more than 160 million payments in 11 years of operation. Almost all (99.7%) switches were completed within seven working days.

For Bacs, Direct Debit growth offset a 4% decline in Direct Credit where State Benefit volumes continued to fall as monthly Universal Credit payments replace multiple weekly former benefit types. Cheque (ICS) volumes also continued to decline.

Across our core services:

- **Bacs** had slight volume increases and a new annual high for Direct Debit, with 4.9 billion transactions processed by the Bacs Payment System (2023: 4.8 billion transactions). In total, Bacs Debit and Credit processed 6.8 billion transactions (2023: 6.8 billion), worth £5.8 trillion (2023: £5.6 trillion)
- **FPS** set new volume and value records in 2024, processing 5.1 billion transactions, a 12% increase on 2023, with a value of £4.2 trillion (2023: £3.7 trillion)

Strategic Report

- **LINK:** In 2024, 1.4 billion LINK transactions were processed using the Vocalink switch (2023: 1.5 billion).
- **ICS** processed 93 million cheques in 2024 (2023: 112 million cheques). The continued decrease in cheque usage has been driven to an extent by end users migrating to alternative automated payment instruments.

Dedicated governance structures are in place to support Vocalink's delivery of infrastructure services to Pay.UK and LINK, which cover all aspects of service delivery, change and contractual compliance. This is underpinned by a formal meetings structure, with regular management information reporting. Assurance and compliance-checking activities are regularly conducted, including ISAE 3000 audits of Vocalink's key controls.

Throughout 2024, we continued to work closely with RPSOs Pay.UK and LINK as well as with the Bank of England, recognising the critical role that Vocalink holds as a designated infrastructure company and ensuring better outcomes for end users. During 2024, we continued our significant investment in technology modernisation and in enhancing Vocalink's operational resilience and security capabilities to ensure that our operations remain robust and resilient as we continue to deliver services that are integral to the UK payments ecosystem.

Financial review

The total revenue arising from Vocalink's contracts with its customers in the financial year ended 31 December 2024 grew by 1.5% to £221.5m (2023: £218.2m).

External revenue from customer contracts grew by 6.3% to £177.1m (2023: £165.8m) due to volume increases and contractual pricing changes, although partially offset by the ongoing decline in cash transactions. Internal revenue, for services charged to other Mastercard entities, decreased by 15.3% to £44.4m (2023: £52.4m) due to the cessation of maintenance fees from IPCO 2012 Ltd.

In 2024, Vocalink's operating costs rose by 8.2% to £241.5m (2023: £223.2m). This increase was driven principally by continued investment in key areas of our business and ongoing transformation activities, as well as investment in people to support the execution of our strategy. Capital expenditure on information technology infrastructure and software development in 2024 totalled £21.2m (2023: £13.3m).

Net assets continued to be stable at £225.1m, including £178.7m of cash and cash equivalents. For details of the Company's Provisions, please see Note 16 of the Financial Statements.

We continued to invest in enhancing our services and maintaining excellent service quality for our customers and stakeholders. Given that Vocalink's 1.5% growth in revenue was offset by an 8.2% rise in costs, predominantly investment costs and a financial penalty, we posted an operating loss of £20.0m for the financial year ended 31 December 2024 (2023: loss £5m). This was partially offset by £7.6m of net finance income, resulting in a loss before tax of £12.4m (2023: profit £1.9m). We had planned on returning to operating profitability in 2024, however there was need to invest further in transformation activities throughout the year.

On 17 November 2022, the Bank of England commenced an investigation into the Company in relation to a potential compliance failure in that it may have failed to comply with a direction given to it by the Bank dated 16 June 2021. On 26 June 2025 the Company reached a settlement agreement with the Bank and a financial penalty of £11.9m was imposed. The penalty has since been paid by the Company.

During 2024, the intellectual property for a number of products including Bacs, was returned to Vocalink from IPCO 2012 Ltd. This resulted in a cessation of the licence fees paid to IPCO 2012 Ltd for usage of this intellectual property, and the maintenance fees paid to Vocalink for its maintenance. This change along with an expense base review and a reduction in transformation activities, supports plans for Vocalink to return to operating profitability in 2025, whilst continuing to maintain investments in key areas of our business and infrastructure.

Risk management

Vocalink operates critical national infrastructure and payment services that have systemic importance to the UK and the UK payments ecosystem. Effective risk management is fundamental to the sustainable success of our business and is an integral part of Vocalink's activities and the ongoing management of our operations.

Vocalink adopts an Enterprise Risk Management Framework (ERMF) to ensure a consistent approach to identifying, assessing, measuring, managing and reporting on risks to Vocalink and on emerging risks in the broader ecosystem which have the potential to disrupt our operations and impact our customers. The ERMF also sets out our guiding principles and boundaries to establish, communicate and report against Vocalink's risk appetite and to help foster a risk-aware culture, drive growth and innovation and support decision-making.

We operate a Three Lines of Defence (3LoD) model which establishes a clear organisational structure and allocation of responsibilities for risk management. The First Line take and manage risk, the Second Line provide guidance and assurance and the Third Line report to the Board on the effectiveness of our risk management.

Operational resilience

Acknowledging the importance of maintaining a resilient payment system, the ERMF is supported by an Operational Resilience Framework (ORF). This outlines our overarching approach to, and expectations for, managing the resilience of Vocalink's infrastructure and services, including the identification of Important Business Services, the setting of impact tolerances and testing our ability to respond to and recover from 'extreme but plausible' events.

We have strengthened our operational resilience capabilities throughout 2024 with a review and uplift of our Operational Resilience Framework, policy and supporting methodologies, supported by an enhanced operating model that clarifies ownership and accountability for Important Business Services and their supporting assets.

We have also continued to work closely with our customers and the wider industry, sharing insights into operational resilience capabilities, undertaking joint scenario tests and collaborating on the identification of Important Business Services and their associated impact tolerances.

Internal audit

Internal Audit is accountable for providing independent and objective assurance and advisory activities designed to add value and improve Vocalink's operations and control environment. It supports us in accomplishing our objectives by bringing a systematic and disciplined approach to evaluating and improving the design and operating effectiveness of governance, risk management, and internal controls. Additionally, Internal Audit adheres to the Institute of Internal Auditors (IIA) standards.

The Internal Audit function reports to Vocalink's Board Audit Committee and on a quarterly basis provides updates on completed engagements, any issues identified, the status of open issues, and any other matters deemed relevant to the healthy functioning of the Internal Audit function or Vocalink. Throughout 2024, Internal Audit has performed assurance engagements in accordance with the Board Audit Committee approved annual Internal Audit Plan in a timely manner and has identified key risks for the Executive and Board Audit Committee's attention. Internal Audit has also provided advice to the Executive on key Vocalink programmes of work and believes it has operated effectively in its capacity as the Third Line of defence.

Risk culture

Our risk culture is driven by our six core values. These are the fundamental beliefs and principles that guide Vocalink's approach to risk management:

- **Tone from the top:** Leadership plays a crucial role in setting the tone for risk culture. The behaviour and attitudes of Board members and Executives significantly influence Vocalink's approach to risk management
- **Accountability:** Everyone at Vocalink should understand their role in risk management and take responsibility for their actions. This includes adhering to risk management policies and actively participating in risk mitigation efforts

Strategic Report

- **Transparency and communication:** Open and honest communication about risks is essential. This involves sharing information about potential risks, incidents, and the measures taken to address them
- **Continuous improvement:** We strive for continuous improvement in our risk management practices. This includes regularly reviewing and updating risk management policies and procedures to ensure they remain effective
- **Collaboration:** Effective risk management requires collaboration across different departments and levels of our business. This helps in identifying and addressing risks more comprehensively
- **Training and education:** Providing all staff at Vocalink with the necessary training and resources to understand and manage risks is vital. This helps in building a risk-aware culture and ensures that everyone is equipped to handle potential risks.

Principal risks

Although the 2024 financial year saw a continued period of political uncertainty and challenging macroeconomic conditions with cost of living rises, inflationary pressures and fluctuating interest rates, the key risks which could impact Vocalink's medium-term performance have not materially changed from those set out in our 2023 Annual Report.

Strategic risk

Our core strategy is to remain the leading account-to-account payments solutions provider in the UK through delivering resilient, robust and relevant UK payments services. Maintaining excellent and resilient services and high business standards is key to managing our strategic risks and securing new business opportunities. To support Vocalink's ability to retain our core contracts, we continue to invest in our core infrastructure and leverage payments innovation, without compromising resilience.

Our people are at the core of our ability to deliver and maintain our technology and manage strategic risks, therefore our capabilities, culture and wellbeing remain a key focus for the Executive team and Board.

In November 2024, HM Treasury published the National Payments Vision setting out its ambitions for the UK's payments sector to deliver world-leading payments and support its growth mission. This and other developments or enhancements to our existing customer contracts with the Recognised Payment System Operators have informed Vocalink's strategic risks and opportunities. Strategic risks will continue to be assessed, including taking into account industry perspectives and future HM Treasury updates on the strategic direction for the UK payments industry.

Information security risk

Cyber security remains a prevalent and fast-evolving threat across many industries and particularly within financial and payment services. Global inter-connectivity and technological advancements are increasing the complexity of cyber security risk and enabling more advanced methods of attack to be employed by perpetrators.

Vocalink continues to work closely with its customers, the UK Government and the wider payments industry to understand and evaluate the nature of these threats, enabling us to make strategic and tactical risk decisions in line with the constantly evolving threat landscape. We are committed to the continued enhancement of cyber resilience and to ensuring that we have the capability to resist and counter such threats through mature and robust layered defences, system monitoring and traffic analysis and close alignment with UK industry and international security standards. Ongoing enhancements of our threat intelligence capabilities continue to keep pace with the evolving and dynamic cyber threat landscape.

Operational resilience risk (including technology and third-party risk management)

Vocalink's operational resilience is managed through our Operational Resilience Framework. Resilience and recovery capabilities are assured through active control management, external certifications and standards assessments, rigorous disaster recovery testing and scenario testing exercises. Ongoing investment in a multi-layered, secure IT infrastructure designed to safeguard client data and maintain uninterrupted access to critical systems, tools and people enables Vocalink to uphold its operational resilience and service availability

obligations.

We manage the bulk of our core infrastructure and rely on partners for selected activities. Our suppliers are managed via a Supplier Management Framework and Outsourcing and Third-Party Risk Management Policy. Operational governance forums are in place for key and critical suppliers, enabling us to manage any risks within our supply chain.

We're committed to sustained operational capability and reliability, thereby safeguarding our business continuity and maintaining confidence in the broader financial ecosystem. Vocalink continues to conduct sophisticated testing, including with other industry participants.

Regulatory risk

As outlined on page 3, Vocalink is subject to the supervision of the Bank of England and also falls within the regulatory perimeter of the Payment Systems Regulator (which, as announced by the UK government in March 2025, will be consolidated mainly into the Financial Conduct Authority in the coming years) as the economic regulator for the payment systems industry in the UK.

We manage our regulatory risk by adopting a risk-based approach, tailored to our risk tolerance and proximity to potential disruptions. We have a dedicated regulatory Legal and Compliance team which is responsible for monitoring and assessing regulatory developments and for reporting regularly to the Executive team and Board. We also have proactive and transparent dialogue with our regulators and regularly engage in regulatory and industry events and roundtables to remain informed about all aspects of the broader payments ecosystem.

Financial risk

Vocalink continues to hold cash and cash equivalents on the Vocalink balance sheet which meet the Bank of England's minimum equity capital requirement to facilitate financial recovery and mitigate financial risk. The long-term profitability of the business is regularly reviewed by the Executive Risk Committee, the Board and the Mastercard Group.

To ensure that Vocalink is able to recover financially from an 'extreme but plausible' scenario and, if required, to wind down in an orderly manner, a formal Wind-Down Plan and communications plan and an Equity Capital Requirement and Financial Recovery Plan are provided annually to the Board and are reviewed periodically by the Bank of England.

Reputational risk

We acknowledge the importance of managing our reputation and brand effectively. Maintaining a positive industry perception is crucial for our operations, as negative publicity or litigation potentially could impact our current and future business opportunities. To address this risk, Vocalink has implemented a risk management framework, which ensures compliance with relevant regulations and standards and that resilient services are maintained. We safeguard our brand and industry reputation by ensuring the continuous operation of the UK's critical national payments infrastructure, 24/7, 365 days a year.

Board decision-making and engagement with stakeholders

The Vocalink Board is committed to effective engagement with our stakeholders and seeks to understand their interests and the impact on them when making decisions.

Section 172(1) Statement

This section, *from pages 18 to 19*, forms the Vocalink Board's Section 172(1) Statement. It describes how the Directors of Vocalink Limited (Vocalink) have individually and collectively performed their statutory duty set out in section 172(1)(a) to (f) of the Companies Act 2006 and provides insight into how the Vocalink Board engages with stakeholders.

Considering a broad range of stakeholders and their relative interests is integral to the Vocalink Board's decision-making. Stakeholder engagement is essential to understanding the likely impact of any key decisions.

The Vocalink Board recognises that, to promote Vocalink's success, the right culture must exist throughout our organisation, be clearly understood and be consistently applied. This is supported by Vocalink's core values and the Mastercard Way, which help us succeed together by connecting, collaborating and acting with a shared purpose.

The Vocalink Board promotes best governance practice by requiring that Board documents contain appropriate information to allow Directors to take informed decisions. The Chief Executive Officer's regular report to the Vocalink Board provides key insights on customers, regulators, employees and other stakeholders, which provides information on the impact of Vocalink's operations and the interests and views of key stakeholders.

The likely consequences of any decision in the long term

The Vocalink Board understands its fundamental role in formulating and overseeing Vocalink's strategy to achieve long-term success and to fulfil its shared vision. When taking key decisions, the Directors remain mindful that the matter for consideration should align to Vocalink's strategy, with regular strategy updates provided at all Board meetings. Market impact analysis, setting out the expected impact of proposed decisions on key stakeholder groups, feeds into Board discussions when key strategic decisions are proposed.

Risk management is an integral part of Vocalink's activities, focussing on managing the principal risks and inherent threats which could impact the achievement of our strategic goals, whilst identifying opportunities to improve the performance of our business. The Vocalink Board also considers risk objectives when determining Executive remuneration.

The interests of the Company's employees

The Vocalink Board recognises the crucial importance of our employees and encourages open colleague communication, engaging directly with teams across all Vocalink sites through 'Meet and Greet' sessions, 'Open Door' opportunities and at Vocalink Town Halls. These engagement opportunities provide a forum for members of the Vocalink Board and Executive team to share key business updates and initiatives which impact employees.

Vocalink proactively engages with employees on matters of interest to them, consulting them or their representatives regularly, so that the views of our people can be considered when making decisions that are likely to affect their interests. A biennial employee experience survey and more frequent pulse surveys give employees an opportunity to provide feedback formally on how they experience working at Vocalink, measuring key areas such as employee engagement, satisfaction, retention and inclusion sentiment amongst employees. The Vocalink Board supports the Executive team to act on the results of employee surveys and to address any issues and trends that arise. People Leader Forums provide further opportunities for employees to engage and provide feedback.

The Vocalink Board recognises that Vocalink's success is dependent on having motivated people with the expertise and skills required to deliver our strategy. We continue to invest in people to attract and retain talented employees from diverse backgrounds and industries, to strengthen our knowledge, skills and expertise and to build a culture aligned to the Mastercard Way.

The need to foster the Company's business relationships with customers, suppliers and others

Our customers and the wider payments ecosystem are considered carefully in strategic Board decisions, and engagement with customers and the sector is intrinsic to Vocalink's strategy. Customer-facing teams provide regular feedback from our customers, while views from suppliers and partners are captured through dialogue with the relevant business teams.

We partner with businesses that share our values, ensuring that our operations are aligned to our purpose, values and environmental, social and governance (ESG) objectives. The Vocalink Board delegates engagement and oversight of Vocalink's suppliers to the Executive team and compliance with Vocalink's Supplier Management Framework, while our Outsourcing and Third-Party Risk Management Policy ensures that suppliers are managed appropriately.

The impact of the Company's operations on the community and environment

The Vocalink Board remains committed to Mastercard's aspiration to build a sustainable economy where everyone prospers, reflecting Mastercard and Vocalink's impact strategy and environmental commitment to reach net zero emissions by 2040. Board meetings provide a forum for updates from the Executive team, with support from Mastercard's Chief Sustainability Officer, on Vocalink's environmental and social impact performance. We monitor our energy usage and associated CO2 emissions annually to measure and reduce the impact of our operations on the environment. See *pages 10 to 12* for details of our impact strategy and achievements.

The desirability of the Company maintaining a reputation for high standards of business conduct

Our values are central to our business and guide how we treat each other, our customers and our partners. The Vocalink Board and the Executive team review and approve key policies and practices, ensuring that they reflect our culture and align to our values and purpose.

Vocalink is committed to conducting business in a legal, ethical and socially responsible manner, delivering the best possible value for the organisation and our customers. The Mastercard Code of Conduct sets out the principles of behaviours and business ethics grounded in honesty, decency, trust and personal accountability. All Directors and employees of Vocalink are expected to adhere to the Mastercard Code of Conduct and uphold the values of truth and transparency in their interactions with all stakeholders. The Board also strives to maintain a reputation for high standards of business conduct by strengthening operational resilience and embedding risk and control environments.

The need to act fairly between members of the Company

All Directors regularly engage with Mastercard and its representatives, fostering an inclusive and open dialogue. To ensure alignment with Mastercard, two of the Board's Non-Executive Directors are appointed by and from senior roles within Mastercard. The Independent Non-Executive Chair also is shareholder-appointed. To ensure a more efficient and effective approach to engagement, certain stakeholder engagement is led at a Mastercard level, in particular where matters are of Group-wide significance.

As a result of the above activities and the information the Vocalink Board receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duties under section 172 of the Companies Act 2006.

Signed on behalf of the Vocalink Board on 23 July 2025 by:






Timothy Murphy
Interim Executive Chair

Directors' Report - our Board

The Vocalink Board is collectively responsible for Vocalink and provides strong and ethical leadership and support to the Executive team as they deliver Vocalink's strategy.

Non-Executive Director	Executive Director	Senior Independent Director
 <p>Timothy Murphy Interim Executive Chair</p>	 <p>Keith Douglas Chief Executive Officer</p>	 <p>Victoria Mitchell Senior Independent Director (SID) and Chair of the Risk Committee</p>
Committee Membership <ul style="list-style-type: none"> • None 	Committee Membership <ul style="list-style-type: none"> • Executive Committee (Chair) 	Committee Membership <ul style="list-style-type: none"> • Risk Committee (Chair) • Nominations and Remuneration Committee (Interim Chair) • Audit Committee • Technology and Cyber Security sub-Committee
Appointed: Board: December 2024 Chair: December 2024	Appointed: Board: May 2023 CEO: August 2022	Appointed: Board: August 2023 SID: July 2024
Relevant skills, business experience and contribution Tim is Mastercard's Vice Chair, with more than 20 years of invaluable contributions to Mastercard including as Chief Administration Officer, General Counsel, Chief Product Officer and President of the US Region. Tim is Chair of the Board of Trustees for the National Urban League and co-chairs the Cyber Readiness Institute. He sits on the Boards of Northwestern Mutual, the Mastercard Impact Fund and Community Solutions. Tim was named a Legend in Law in 2018 by the Burton Foundation and earned a Juris Doctor, magna cum laude, from Harvard Law School and a Bachelor of Arts in political science from Amherst College.	Relevant skills, business experience and contribution Prior to joining Vocalink, Keith was an Executive Vice President (EVP) in Mastercard's Open Banking group, leading its activities outside of the US market. Prior to this, Keith was EVP for Mastercard's Payment Gateway business from June 2018 with responsibility for the end-to-end merchant e-commerce gateway processing payments business in over 100 countries. Keith spent the previous four years in the Mastercard North America business as the Segment Leader and EVP, US Regional Banks. From 2010 to 2013, Keith was General Manager for the UK & Ireland Division of Mastercard. He is Executive sponsor of the Mastercard PRIDE network in the UK, which support employees in the LGBTQ+ community. Before joining Mastercard, Keith spent twelve years in Retail Banking at Lloyds Banking Group and NatWest.	Relevant skills, business experience and contribution Victoria has worked in the financial services industry, both as an Executive and Independent Non-Executive Director, for more than 30 years. Having originally trained as a lawyer, Victoria was one of the original Executives of Capital One (Europe) Plc in the UK. She has held the roles of Chief Operating Officer of Capital One as well as Chief Risk Officer and Chief Legal Counsel. Victoria has previously served as an Independent Non-Executive Director on the Boards of N Brown plc and the West Bromwich Building Society. She joined the Board of Secure Trust Bank Plc as a Non-Executive Director and Remuneration Committee member in 2023.

Directors' Report

Independent Non-Executive Director	Independent Non-Executive Director	Group Non-Executive Director
 <p>Sheryl Lawrence Chair of the Audit Committee</p>	 <p>Jeffrey Brooker Chair of the Technology and Cyber Security sub-Committee</p>	 <p>Ed McLaughlin Group Non-Executive Director</p>
<p>Committee Membership</p> <ul style="list-style-type: none"> • Audit Committee (Chair) • Risk Committee 	<p>Committee Membership</p> <ul style="list-style-type: none"> • Technology and Cyber Security sub-Committee (Chair) • Risk Committee 	<p>Committee Membership</p> <ul style="list-style-type: none"> • Nominations & Remuneration Committee • Risk Committee • Technology & Cyber Security sub-Committee
<p>Appointed: January 2024</p>	<p>Appointed: January 2023</p>	<p>Appointed: April 2017</p>
<p>Relevant skills, business experience and contribution</p> <p>Sheryl held senior executive roles at Barclays, Lloyds and Santander banks as well as Nationwide and Coventry building societies, and has expertise in internal audit, risk management, regulatory compliance and corporate governance. Sheryl started her career in external audit with Coopers & Lybrand (now PwC) and is a Fellow of the Institute of Chartered Accountants in England & Wales.</p>	<p>Relevant skills, business experience and contribution</p> <p>Jeff is a specialist in information technology, cyber, fraud and security risk management, with over 30 years of international experience in leading, shaping and delivering business and behaviour change across different industries. Jeff has been responsible for technology and cyber risk at British Airways, PwC, HMRC, Lloyds Bank, Aviva and ITV. He has served as a CISO and has significant expertise in forming and developing teams of security professionals, defining and agreeing Board Cyber Risk Appetite and improving operational performance and resilience whilst enhancing customer experience.</p>	<p>Relevant skills, business experience and contribution</p> <p>In Ed's role as Chief Technology Officer, he oversees all of Mastercard's technology functions, including the global network, processing platforms, global technology hubs, information security and technology operations. Prior to this role, Ed served as Mastercard's Chief Information Officer, directing the development efforts for products and services, implementing the IT digital roadmap and managing the development of Mastercard's global tech hubs. Prior to joining Mastercard, Ed was Group Vice President, Product and Strategy at Metavante, a financial services technology company.</p>

Directors' Report

Non-Executive Director



Kelly Devine

Non-Executive Director

Committee Membership

- Audit Committee

Appointed: November 2020

Relevant skills, business experience and contribution

Kelly Devine is the Customer Director at Dunelm, the UK's largest homewares retailer. In this role, Kelly is responsible for Dunelm's customer proposition (strategy, data insight, marketing and personalisation) as well as new business development. Prior to this role, Kelly spent nine years at Mastercard working across a number of different functions, culminating in leading its UK and Ireland business for four years, where she was responsible for significant revenue growth and diversification, as well as building an exceptional culture. During her time at Mastercard, Kelly was an advocate for small businesses through their Strive UK programme and was the executive sponsor for the LEAD and PRIDE networks in the UK, which support employees of African descent and the LGBTQ+ community. Before joining Mastercard, Kelly spent ten years at American Express.

Former Directors:

The below outlines Directors who served during the year but were no longer in post at the time of signing the Annual Report:

- **Elizabeth Fullerton-Rome**, Independent Board Chair and Chair of the Nominations and Remuneration Committee
Appointed: June 2022, Resigned: 27 December 2024



Jackie Panayi

Company Secretary

Jackie is Secretary to the Board and its Committees. She monitors compliance with Vocalink's governance framework and provides advice on governance matters. At the direction of the Chair, she is responsible for making sure that the Board receives accurate, timely and relevant information. She also coordinates the induction of new Board members and the provision of ongoing training and development of the Board. Jackie's other responsibilities include corporate governance, compliance with legislation and the administration of other Vocalink subsidiaries.

Our governance framework

Vocalink's governance framework supports the development of good governance practices. Based on the UK Corporate Governance Code, Vocalink's governance framework is proportionate to its scale, complexity and criticality to UK payments. Vocalink continues to apply and comply with its regulatory requirements under the Principles and Codes of Practice of the Bank of England.

The role of the Vocalink Board is to promote the long-term success of Vocalink by setting a clear purpose and strategy for delivering long-term value to Mastercard and other stakeholders. The Vocalink Board delegates all operational matters to the Executive Committee, except for matters specifically reserved for the Board.

The Vocalink Board has established committees informing the overall work of the Board. The responsibilities of each committee are set out in detail within their individual Terms of Reference, which are reviewed annually. A summary of these responsibilities for each committee is provided below.

Key Board Committees

Nominations and Remuneration Committee (NRC)

In respect of nominations matters, the NRC is primarily responsible for reviewing succession plans for the Vocalink Board and its Committees and considering its structure, size, composition and diversity, for leading the appointments process and for the ongoing review of Vocalink's governance arrangements. In respect of remuneration matters, the NRC considers the objectives, design and implementation of the remuneration policy, including reviewing the structure of the remuneration arrangements for the Independent Non-Executive Directors and key members of the Executive. The NRC ensures remuneration policies and practices support clarity, simplicity, transparency and alignment with Vocalink's culture.

Board Audit Committee (BAC)

The primary role of the BAC is to oversee Vocalink's financial reporting, to maintain and manage the relationship with the External Auditor, including monitoring its performance and reappointment, to oversee the performance of the Internal Audit function, to oversee the quality of internal financial controls and to monitor Vocalink's compliance with its payments-related legal and regulatory requirements.

Board Risk Committee (BRC)

The BRC is responsible for providing oversight of the effective management of risk and controls, including operational resilience. Its responsibilities include monitoring Vocalink's risk profile against risk appetite, overseeing and assessing the effectiveness of the ERMF and the 3LoD model, considering Vocalink's principal and emerging risks and overseeing the performance of the Executive Risk Committee.

Technology and Cyber Security sub-Committee (TCC)

On behalf of the Board, the TCC has delegated oversight for Vocalink's technology and cyber security planning and strategy and oversight of its management of technology and cyber security risk and cyber resilience.

Executive Committee (ExCo)

The ExCo, which is chaired by the Chief Executive Officer, supports the Vocalink Board by providing executive management of Vocalink within the strategy approved by the Board. The ExCo is accountable to the Board for implementation of the agreed strategy and ensuring that decisions contribute towards the long-term success and strategy of Vocalink. The ExCo drives and monitors operations and financial performance, assesses and controls risk, manages and coordinates key stakeholders, prioritises and allocates resources, monitors competitive forces in areas of operation, and develops and engages Vocalink's people including elements such as culture, talent management and succession planning.

Board and Committee membership

Details of Vocalink Board and Committee membership, as at 31 December 2024, are set out below:

	Board	Nominations and Remuneration Committee	Audit Committee	Risk Committee	Technology and Cyber Security sub-Committee
Timothy Murphy Interim Executive Chair	○				
Victoria Mitchell Senior Independent Director	○	○	○	○	○
Sheryl Lawrence Independent Non-Executive Director	○		○	○	
Jeffrey Brooker Independent Non-Executive Director	○			○	○
Ed McLaughlin Group Non-Executive Director	○	○		○	○
Kelly Devine Non-Executive Director	○		○		
Keith Douglas Chief Executive Officer	○				

How the Board discharges its responsibilities

The Vocalink Board discharges its responsibilities through an annual programme of Board and Committee meetings. These are scheduled throughout the year to consider an annual cycle of items, including strategic updates, key management information and regulatory and compliance requirements.

Appointments and succession planning

Appointments to the Vocalink Board are subject to a formal, rigorous and transparent procedure. Vocalink's Nominations and Remuneration Committee (NRC) leads the appointments process and is responsible for considering the Board's structure, size, composition and diversity, on an ongoing basis. The NRC also ensures that effective succession plans for the Vocalink Board, its Committees and the Executive team are maintained. Both appointments and succession plans are based on merit and objective criteria, promoting equal opportunity.

In the year-ending 31 December 2024, appointments included:

- Sheryl Lawrence, INED and Audit Committee Chair, was appointed to the Board on 1 January 2024
- Victoria Mitchell, INED and Risk Committee Chair, was appointed Senior Independent Director on 12 July 2024

Directors' Report

- Timothy Murphy was appointed Executive Chair on 27 December 2024 on an interim basis following the resignation of the previous Independent Board Chair.

Following the resignation of the previous Independent Board Chair and shareholder approval of the appointment of an Interim Executive Chair, the NRC have commenced a process to identify and appoint an Independent Chair. Additionally, the NRC continues to evaluate the current composition of the Vocalink Board with consideration of the capabilities required to support the future of Vocalink.

Independence of Non-Executive Directors

The NRC reviews the other external positions held by the Independent Non-Executive Directors to ensure continued independence. To support this, at the start of every Board meeting, Directors are required to confirm any interests. Through the work of the NRC, the Vocalink Board is satisfied that each Director continues to be independent.

Vocalink's Board benefits greatly from the expertise of its Non-Executive Directors, who, through their industry roles, bring their own perspectives of the payments ecosystem as well as ensuring alignment with the Mastercard Group. The following Directors were not considered independent on appointment and continue to meet that criterion:

- Timothy Murphy, Mastercard's Vice Chair, serves as Vocalink's Interim Executive Chair
- Ed McLaughlin, Mastercard's President and Chief Technology Officer, serves as Vocalink's Group Non-Executive Director
- Kelly Devine, Dunelm Group PLC Commercial Director, serves as Vocalink's Non-Executive Director having resigned from her role as UK President of Mastercard in June 2024.

Training and development

With the ever-changing environment in which Vocalink operates, it is important that the Vocalink Board maintains a good working knowledge of the financial services industry and how Vocalink operates within a regulated sector, as well as remaining aware of any developments in the wider legal and regulatory environment. Areas of training and development are identified via annual assessments and through the annual effectiveness review, and these inform individual and collective training for the forthcoming year. Directors are invited to identify areas in which they would like additional information or training, following which the Company Secretary arranges for the necessary resources to be put in place.

Board evaluation

An annual review of the effectiveness of the Vocalink Board and its Committees constitutes a vital process for considering Board performance and succession planning, supporting an engrained culture of continuous improvement at Vocalink. In Q4 2023, the Vocalink Board conducted an internal Board Effectiveness Review in line with the provisions of the UK Corporate Governance Code and in Q4 2024 confirmed the completion of identified actions.

During the second half of 2024, the Bank of England performed a thematic Governance Review of Vocalink, as part of its approach to financial market infrastructure supervision of Recognised Payment System Operators and Specified Service Providers. Given this, the Vocalink Board agreed to delay the Independent Board Performance Review planned for 2024, to Q3 2025 and to continue to monitor progress against identified outcomes.

How the Board oversees culture

Organisational culture is the responsibility of the whole Board, with regular updates provided to the Vocalink Board on culture. Vocalink's NRC plays a key role in our culture, reviewing Vocalink's employee pay structures and their alignment with our purpose, values and strategy, assessing professional capabilities and cultural attributes for Board and Executive appointments and ensuring that Vocalink's leadership demonstrate appropriate behaviours to embed our organisational culture.

Report of the Directors

The Directors present their report on the affairs of the Company together with the audited financial statements for the year ended 31 December 2024.

Vocalink Limited is incorporated in the UK and registered as a private limited company in England and Wales with company number 06119048 and with its Registered Office at 1 Angel Lane, London EC4R 3AB.

Vocalink provides managed services to support critical payments in the UK and designs, builds and operates industry-leading bank account-based payment systems. The activities that make up this work remain unchanged from the prior year. Vocalink's activities, strategy and performance are further explained in the Strategic Report on pages 3 to 19.

Further detail on Vocalink's financial performance and position is provided in the Strategic Report on pages 13 to 14 and within Vocalink's financial statements on pages 34 to 70.

A description of the principal risks and uncertainties facing the Company can be found in the Strategic Report on pages 15 to 17.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on pages 20 to 22 of the Directors' Report.

Directors' indemnities

Under the Company's Articles of Association, Vocalink may, to the extent permitted by law, indemnify any Director, Secretary or other Officer of the Company against any liability and may also purchase and maintain insurance against such liability. The Board considers that the provision of such indemnification is in keeping with current market practice. During the year under review and at the date of approval of the Directors' Report, Mastercard purchased and maintained Directors' and Officers' liability insurance in respect of all its subsidiaries and their Directors and Officers, including Vocalink. Qualifying third-party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during the period, and these provisions remain in force in relation to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors or employees of the Company or of any associated company.

Dividends

Per the Vocalink Limited Dividend Policy, Directors will review Vocalink's cash requirements throughout 2025 to establish if payment of a dividend is appropriate whilst ensuring Vocalink can continue to meet its financial responsibilities. If approved, any payment will be subject to the Vocalink Limited Dividend Policy receiving non-objection from the Bank of England. No dividend was paid in 2024 (2023: £nil).

Political and charity donations

Vocalink did not make any political donations or incur any political expenditure during the year (2023: £nil), and no charitable donations were made during the year (2023: £nil).

Employees

Details on the number of people employed by Vocalink and their gross remuneration are contained in Note 5 to the financial statements. Further detail on how the Directors have engaged with employees is provided in the Strategic Report, within the Section 172 (1) Statement on pages 18 to 19.

Suppliers, customers and others

The Directors have summarised how they have engaged with suppliers, customers and others in the Strategic Report, within the Section 172 (1) Statement on pages 18 to 19.

Equal opportunities

Vocalink is committed to developing and retaining a diverse and inclusive workforce. Mastercard has various employment policies, including in relation to recruitment, inclusion and health and safety, which Vocalink has adopted. Vocalink is fully aware of and complies with its obligations in accordance with the relevant provisions of the Equality Act 2010.

Vocalink monitors its employment practices to ensure that they are fair and objective. This includes giving full and fair consideration to applications from prospective employees who are disabled, having regard to their aptitudes and abilities, and not discriminating against employees under any circumstances, including in relation to applications, training, career development and promotion, on the grounds of any disability. In the event that an employee becomes disabled in the course of their employment or engagement, Vocalink aims to ensure that reasonable steps are taken to accommodate their disability by making reasonable adjustments to their existing employment or engagement.

Reappointment of Independent Auditor

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

Going concern

Vocalink's 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 reasonably could be expected to be available for the following 12 months and beyond. They have considered the following:

- The Company's operating loss in the year and net assets
- The continued significant investment in Vocalink's strategy
- The Company's focus on returning to operating profitability
- HM Treasury's broader National Payments Vision and Strategy review
- The negotiation on the extension of Vocalink's existing contracts with Pay.UK to 2030
- That Vocalink holds cash or cash equivalents in excess of the Bank of England's minimum equity capital requirement
- The 2024 Bank of England financial risk management requirements, including Vocalink's financial recovery plan to ensure that the Company remains financially resilient
- The ongoing support from Mastercard.

In considering these factors, the forecast future performance and anticipated cash flows to 31 December 2026 have been stress tested with plausible but severe assumptions such as the significant reduction of variable revenue. As a result of the review and the written support from Mastercard International Incorporated, the Directors are confident that the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements. On this basis, the Directors believe that it's appropriate to continue to prepare the financial statements on a going concern basis.

Vocalink'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, the Executive and Mastercard. These reviews take into account the Company's strategic priorities, economic and business conditions and investment opportunities, whilst maintaining the target risk appetite profile set by the Board. This going concern objective has been achieved and is expected to be achieved in the foreseeable future.

Further information on future developments is provided within the Strategic Report on pages 3 to 19.

Subsequent events

Please see Note 22 for details of the Company's subsequent events.

Streamlined Energy and Carbon Report (SECR)

At Vocalink, we understand a thriving economy requires a healthy planet, which is why as part of the Mastercard family we are driving toward net zero emissions. Energy efficiency and partnering with our suppliers to reduce our Scope 3 emissions are key strategies to achieve Mastercard's net zero goal.

Further details on Vocalink's environmental objectives and its 2024 performance are provided in the Strategic Report on pages 10 to 12.

Reporting period

The energy and Greenhouse Gas ("GHG") emissions data presented below relates to the operations of Vocalink's property portfolio from 1 January to 31 December 2024, which is aligned with the fiscal reporting year.

Organisational boundary and responsibility

The reporting boundary adopted to consolidate the energy and GHG emissions for this disclosure is aligned with the operational control approach and concerns the relevant energy and inventory emission sources associated with the properties over which Vocalink has control. The operational control boundary of the Company includes Vocalink International Limited, which pays a monthly charge to the Company.

Methodology

The methodology to quantify the energy use and GHG emissions is based on the internal Environmental Reporting Guidelines, which is informed by the guidance outlined in the World Business Council for Sustainable Development and World Resources Institute Greenhouse Gas Protocol Corporate Accounting & Reporting Standard (revised edition), as well as the mandatory GHG reporting guidance (March 2021) issued by the Department for Business, Energy & Industrial Strategy ("BEIS").

The Company extrapolates or estimates energy use and/or GHG emissions for operations of Vocalink's property portfolio where data is not available. Extrapolation and estimation approaches include the extension of available data from a portion of the reporting period to other periods within the year and the use of intensity metrics or actual data from prior year reporting.

Calculation of the 2024 GHG emissions used emissions factors from the 2024 UK Government Greenhouse Gas Conversion Factors for Company Reporting and Mastercard's business travel provider. Certain Scope 3 GHG emissions, primarily supply chain, have been calculated at a global level and extrapolated using Vocalink and Vocalink International Limited FTE employee figures and revenue. Intensity metrics have been calculated using Vocalink and Vocalink International Limited revenue.

2024 performance

Aligned to Mastercard's environmental ambition, Vocalink makes a concerted effort to manage energy use and our carbon footprint associated with the operation of Vocalink's offices, and its ongoing business activities.

Vocalink's energy and emissions performance in 2024 decreased from prior year due to real estate portfolio changes, including site closures partially offset by an expansion, and a reduction of Scope 3 emissions attributable to, among other factors, ongoing sustainability initiatives and engagement within our supply chain. In 2024, the Company conducted energy audits were conducted in line with the Energy Saving Opportunity Scheme legislation that informs the Company of potential energy efficiency measures for Vocalink sites.

Directors' Report

Greenhouse gas emissions by scope (MTCO₂e) ¹		2024	2023
Scope 1	Emissions from combustion of gas & other fuels	190	264
	Refrigerants	0	66
Scope 2	Location-based emissions from electricity purchased for own use	2,223	2,262
Scope 3	Supply chain ²	4,896	6,372
	Fuel and energy-related activities	745	784
	Waste generated in operations	16	15
	Business travel	1,195	1,153
	Employee Commuting	850	790
Greenhouse gas intensity (MTCO₂e/£revenue)		0.000038	0.000040
Energy Management (kWh)			
	Energy use from the combustion of gas and other fuels	1,045,337	1,433,856
	Energy use from consumption of electricity purchased for own use	10,738,925	10,921,208
	Total energy consumed	11,784,262	12,355,064

1 Certain Scope 3 categories (purchased goods and services, business travel, and employee commuting) and greenhouse gas intensity were restated for 2023 to include Vocalink International Limited.

2 Supply chain emissions include Vocalink's allocation of Mastercard's purchased goods and services and capital goods, and associated transportation and distribution services

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company's 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, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless it is inappropriate to presume that the Company will continue in business.

The Directors also 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.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement as to the disclosure of information to the Auditor

In the case of each Director in office at the date on which the Directors' report is approved:

- As far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Directors' confirmation

The Directors consider that the 2024 Vocalink Limited Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Company's position, performance, business model and strategy.

Approved by the Board of Directors and signed on its behalf on 23 July 2025 by:

Jackie Panayi

Jackie Panayi
Company Secretary

Independent Auditors' Report to the Members of Vocalink Limited**Report on the audit of the financial statements****Opinion**

In our opinion, Vocalink Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 ("Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

Independent Auditors' Report to the members of Vocalink Limited

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 2024 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 Directors' Responsibilities Statement, 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 the Banking Act 2009, payment systems regulations 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 applicable tax legislation, the Companies Act 2006 and relevant pensions legislation. We evaluated management's

Independent Auditors' Report to the members of Vocalink Limited

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:

- 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;
- Challenging assumptions and judgements made by management in their significant accounting estimates and validating key assumptions where appropriate;
- Inquiring with management with respect to known or suspected instances of fraud; and
- Inquiring with management, reviewing correspondence, including with regulators, in consideration of instances of non-compliance with laws and regulations and evaluating management's assessment on the possible effect of non-compliance to the financial statements.

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.



Adri Loubser (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 July 2025

Statement of Comprehensive Income for year ended 31 December 2024

		Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
	Note(s)		
Revenue	2	221.5	218.2
Staff costs	3,5	(80.0)	(70.6)
Depreciation and amortisation	3	(25.5)	(29.7)
Licence fees	3	(37.9)	(44.4)
Other operating expenses	3	(98.1)	(78.5)
Total expenses		(241.5)	(223.2)
Operating loss		(20.0)	(5.0)
Finance income	4	8.3	7.2
Finance costs	4	(0.7)	(0.3)
(Loss)/profit before tax		(12.4)	1.9
Taxation	7	1.7	(0.7)
(Loss)/profit for the financial year		(10.7)	1.2
Other comprehensive income/(expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement gains/(losses) on defined benefit pension	15b	8.7	(6.7)
Deferred tax (expense)/credit related to actuarial movements on defined benefit pension	7	(2.2)	1.8
Total other comprehensive income/(expense)		6.5	(4.9)
Total comprehensive expense for the year		(4.2)	(3.7)

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

The notes on pages 38 to 70 are an integral part of these financial statements.

Statement of Financial Position as at 31 December 2024

		31 December 2024 £m	31 December 2023 £m
	Note		
Non-current assets			
Property, plant and equipment	8	56.1	57.0
Right of use assets	9	17.4	12.2
Intangible assets	10	11.5	10.6
Deferred tax assets	11	5.2	0.4
Trade and other receivables	12	5.3	11.1
Contract fulfilment assets	12	5.4	7.0
Pension surplus	15b	38.2	28.3
Total non-current assets		139.1	126.6
Current assets			
Trade and other receivables	12	48.3	65.0
Contract fulfilment assets	12	1.3	1.4
Cash and cash equivalents		178.7	127.0
Total current assets		228.3	193.4
Total assets		367.4	320.0
Current liabilities			
Trade and other payables	13a	98.7	72.1
Lease liabilities	14	1.5	2.3
Provisions	16	11.9	0.9
Total current liabilities		112.1	75.3
Non-current liabilities			
Trade and other payables	13a	8.9	-
Lease liabilities	14	15.4	9.8
Provisions	16	5.9	5.9
Total non-current liabilities		30.2	15.7
Total liabilities		142.3	91.0
Net assets		225.1	229.0
Equity			
Called up share capital	17	52.9	52.9
Share premium account		18.5	18.5
Retained earnings		153.7	157.6
Total equity		225.1	229.0

The notes on pages 38 to 70 are an integral part of these financial statements.

The financial statements on pages 34 to 70 were approved by the Board of Directors on 23rd July 2025 and were signed on its behalf by:



Timothy Murphy
Director

Company registered number: 06119048

Statement of Changes in Equity for year ended 31 December 2024

	Share capital (note 17) £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	52.9	18.5	157.6	229.0
Total comprehensive expense for the year				
Loss for the financial year	-	-	(10.7)	(10.7)
Other comprehensive income/(expense)				
Remeasurement gains on defined benefit pension (note 15(b))	-	-	8.7	8.7
Deferred tax expense related to actuarial movements on defined benefit pension (note 11)	-	-	(2.2)	(2.2)
Total comprehensive expense for the year	-	-	(4.2)	(4.2)
Transactions recorded directly in equity				
Deferred tax credit related to share schemes (note 7)	-	-	0.3	0.3
Total contributions by and distributions to owners	-	-	0.3	0.3
Balance at 31 December 2024	52.9	18.5	153.7	225.1

Statement of Changes in Equity for year ended 31 December 2023

	Share capital (note 17) £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023	52.9	18.5	161.4	232.8
Total comprehensive income/(expense) for the year				
Profit for the financial year	-	-	1.2	1.2
Other comprehensive income/(expense)				
Remeasurement losses on defined benefit pension (note 15(b))	-	-	(6.7)	(6.7)
Deferred tax credit related to actuarial movements on defined benefit pension (note 11)	-	-	1.8	1.8
Total comprehensive expense for the year	-	-	(3.7)	(3.7)
Transactions recorded directly in equity				
Deferred tax expense related to share schemes (note 7)	-	-	(0.1)	(0.1)
Total contributions by and distributions to owners	-	-	(0.1)	(0.1)
Balance at 31 December 2023	52.9	18.5	157.6	229.0

The notes on pages 38 to 70 form an integral part of these financial statements.

Notes to the Financial Statements

1 Material accounting policies

1.1 General information

Vocalink 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. The registered number is 06119048 and the registered office is 1 Angel Lane, London, EC4R 3AB, United Kingdom.

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 UK-adopted international accounting standards but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where it has taken advantage of the disclosure exemptions under FRS 101.

The consolidated financial statements of Mastercard Incorporated, which includes the financial statements of the Company, are available from its registered office at 2000 Purchase Street, Purchase, New York, 10577, United States of America. 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, 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 46 to 52 of IFRS 2 Share Based Payments;
- b. the requirements of IFRS 7 Financial Instruments: Disclosures;
- c. the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- d. the requirements of the second sentence of paragraph 110 and from paragraphs 115, 118, 119(a) to (c), 120 to 127(b) of IFRS 15 Revenue from Contracts with Customers;
- e. the requirements of paragraph 52 of IFRS 16 Leases;
- f. paragraph 38 of IAS 1, Presentation of financial statements - comparative information requirements in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16, Property, plant and equipment; and
 - iii. paragraph 118(e) of IAS 38, Intangible assets.
- g. the requirements of IAS 7 Statement of Cash Flow and requirements of paragraphs 10(d), 38A and 111 of IAS 1;
- h. the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- i. the requirements of paragraphs 88(c) and 88(d) of IAS 12 Income Taxes in respect of Pillar 2 income.
- j. the requirements of paragraph 17 and 18(a) of IAS 24 Related Party Disclosures;
- k. the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a wholly owned group; and
- l. the requirements of paragraph 134(d) - (f) and paragraph 135(c) - (e) of IAS 36 Impairment of Assets.

The Company does not currently have any assets or liabilities which are required to be held at fair value with corresponding movements in value taken through the income statement.

Critical accounting 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 1.20.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.3 Change in accounting policies

The Company has adopted the following IFRSs in these financial statements:

- Amendments to IAS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants) from 1 January 2024. The amendments apply retrospectively, clarifying certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.
- Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback) from 1 January 2024. The amendments apply retrospectively, requiring seller-lessees to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. Subsequent to initial recognition, the seller-lessee is required to apply the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.
- Amendments to IFRS 7 (Supplier Finance Arrangements) from 1 January 2024. The amendments introduce new disclosures to help users of the financial statements to assess the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.4 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 following:

- The Company's operating loss in the year and net assets;
- The continued significant investment in the Company's strategy;
- The Company's focus on returning to operating profitability;
- HM Treasury's broader National Payments Vision and Strategy review;
- The negotiation on the extension of Vocalink's existing contracts with Pay.UK to 2030;
- That the Company holds cash or cash equivalents in excess of the Bank of England's minimum equity capital requirement;
- The 2024 Bank of England's financial risk management requirements, including the Company's financial recovery plan to ensure that the Company remains financially resilient; and
- The ongoing support from Mastercard International Incorporated.

In considering these factors, the forecast future performance and anticipated cash flows to 31 December 2026 have been stress tested with plausible but severe assumptions such as the significant reduction of variable revenue.

As a result of the review and the written support from Mastercard International Incorporated, the Directors are confident that 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, the Executive and Mastercard. These reviews take into account the Company's strategic priorities, economic and business conditions and investment opportunities, whilst maintaining the target risk appetite profile set by the Board. This going concern objective has been achieved and is expected to be achieved in the foreseeable future.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.5 Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when services performed reflect the consideration to which the Company expects to be entitled to in exchange for those services performed and is accounted for net of VAT and other sales-related taxes. The Company primarily provides a hosted or managed service. The customer derives benefits from when the hosted or managed service is operational for payment processing. The Company classifies its revenue into the following three categories:

i) Transaction processing revenue

Charges for payment processing and connectivity services are recognised in the year in which the related transactions occur.

ii) Licence and maintenance revenue

The Company grants its customers licences to use its software, typically on a fixed term basis. Depending on the terms of the customer contracts, there are two types of licences:

- Right of access licences revenue is recognised over time. Where significant customisation of software is required and the customer is unable to benefit from it either on its own or in combination with readily available resources, licence sales are accounted for over time. Such fees are recognised evenly over the life of the operational phase of the contract, commencing on the date on which the payment service is operational.
- Right of use licences revenue is recognised at a point in time. Where the rights and control over the software pass to the customer and the customer can benefit from the software on its own or in combination with readily available resources, the licence sale is accounted for at a point in time.

Maintenance revenue to provide customers with rights to software upgrades, enhancements and help desk access during a defined support period is recognised evenly over the operational period of the contract.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceeds the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

iii) Development, implementation and consultancy revenue

Development, implementation and consultancy revenues are charged either on a percentage of completion basis or contract delivery milestones, when these services are deemed to be distinct within the contract. Where it is not distinct, the revenue is recognised evenly over the life of the contract from the date that the payment service is operational.

Costs to fulfil a contract

Costs incurred in developing and implementing payment systems which relate to unfulfilled performance obligations at the reporting date are deferred as contract fulfilment assets in the Statement of Financial Position. The assets are amortised to the Statement of Comprehensive Income consistent with the pattern of recognition of revenue, on a straight-line basis over the term of the relevant customer contract, commencing on the date on which the payment service is operational.

At the reporting date, management undertakes an impairment review, comparing the carrying value of the assets with the total consideration that the Company expects to receive from the customer, less any costs to be incurred in delivering the services as specified in the contract.

Practical expedients under IFRS 15

Existence of a financing component:

The Company has adopted the practical expedient to not adjust the consideration receivable under a contract for the effect of a significant financing component if the Company expects, at contract inception, that the period between when the entity transfers a promised service to a customer and when the customer pays for that service will be less than one year.

Internal revenue

Revenue is recognised by the Company for services performed on behalf of other group companies. The revenue is calculated as stipulated in intercompany agreements. Revenue is recognised when services are performed and are accounted for net of VAT and other sales-related taxes.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.6 Foreign currency translation

The Company's financial statements are presented in pounds sterling, which is the Company's functional currency. All significant contracts are denominated and settled in pounds sterling, thereby mitigating foreign exchange risk. Other than certain costs from overseas suppliers, there are no material transactions in currencies other than the entity's functional currency.

1.7 Investments in subsidiaries

Investments in subsidiaries are held as non-current assets and 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 20.

1.8 Common control transactions

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

1.9 Financial instruments, excluding investments in subsidiaries, joint ventures and associates

(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, Fair value through other comprehensive income ("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 and is not designated as at FVTPL:

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

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.9 Financial instruments, excluding investments in subsidiaries, joint ventures and associates (*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 and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income ("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.

(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 these conditions are not met, the proceeds of the 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 at amortised cost or FVTPL. A financial liability is measured 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 Material accounting policies (*continued*)

1.9 Financial instruments, excluding investments in subsidiaries, joint ventures and associates (*continued*)

(iii) Impairment

The Company recognises loss allowances for Expected Credit Losses ("ECL") on financial assets measured at amortised cost, and 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 that do not contain a significant financing component 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 assessments and including forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL 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 ECL is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECL 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). ECL 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.

(iv) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its Statement of Financial Position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.9 Financial instruments, excluding investments in subsidiaries, joint ventures and associates (*continued*)

(iv) Derecognition (*continued*)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, commencing on the date on which the asset becomes functional, and the related asset is available for use. Land is not depreciated. The estimated useful lives are as follows:

- freehold buildings 30 years
- leasehold improvements shorter of life of improvement or lease term
- plant and equipment 4 to 20 years
- computers and ancillary equipment 3 to 6 years
- fixtures and fittings 5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted prospectively, if appropriate indicators of impairment exist.

1.11 Intangible assets

Research and development expenditure

Expenditure on research activities is recognised as an expense as incurred.

Expenditure on development activities is capitalised if all of the following conditions are met:

- the product or process is technically and commercially feasible;
- the Company intends to complete the development;
- the Company has the technical ability and sufficient resources to complete the development;
- future economic benefits from the development are probable; and
- the Company can reliably measure the expenditure attributable to the development.

Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct employee salary and benefits, and direct technical contractor expenses. Other development expenditure is recognised in the income statement as an expense as incurred.

Software and development assets

Capitalised development expenditure is recorded under the cost model and is stated at cost less accumulated amortisation and accumulated impairment losses.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.11 Intangible assets (*continued*)

Software and development assets (*continued*)

(a) Capitalisation of staff costs

Directly attributable costs in relation to software and development projects include employee costs that are capitalised as tangible and intangible assets respectively, only when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured and are directly attributable to the creation of the asset. Capitalisation of such costs ceases when the asset is capable of operating in the manner intended by management.

(b) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. The amortisation period for these assets is 3 to 7 years, except for certain software licences where licence term is applied.

Asset lives for assets supporting specific customer contracts are primarily determined by the duration of the respective customer contract, with due consideration given to the period over which it is estimated that the developed software will continue to be in use and economically viable, without significant redevelopment.

Assets utilised in serving multiple customers are grouped together according to the relevant payment product. Asset lives for payment products are typically relatively long, being 5 to 10 years. Nevertheless, reflecting the ongoing investment required to maintain such products, the Company policy is that asset lives for amortisation purposes do not exceed 7 years. Subject to the constraints of this policy, asset lives are determined by reference to the useful economic life of the payment product within the markets in which it operates.

(c) Impairment testing

The carrying values of assets are tested for impairment when still under construction at the impairment assessment date and whenever there are events or circumstances that indicate that their carrying amount may not be recoverable. Impairment testing is carried out for groups of assets, which, in combination, form cash generating units ("CGU"s). CGUs are the smallest identifiable group of assets that generate cash flows that are largely independent of cash flows arising from other assets. Vocalink's CGUs comprise groups of intangible and tangible assets that are closely related, and which, in combination, form the systems supporting specific payment products.

The following CGUs were identified as part of the Vocalink Group (as defined on page 2 of the Annual Report):

- i) UK real time payments providing critical payment services such as Bacs, Faster Payment Services ("FPS") and ATM managed services;
- ii) Real time international business that supports markets outside of UK;
- iii) Applications which include products such as Pay by Account ("PBA") which enable consumers to pay for goods and services with their mobile devices; and
- iv) Cyber and Intelligence solutions ("C&I").

These CGUs span different Vocalink entities. At the end of 2024, management conducted an impairment review on the net book value of these CGUs.

Management has determined the recoverable amount of the CGU by assessing the fair value less costs of disposal. The fair value less cost of disposal is the price that would be received to dispose an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, less incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense. The valuation has been determined using the income approach and is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Key assumptions used to determine the fair value less costs of disposal are disclosed in note 1.20.

Cash flows are based on the most recent budgets or forecasts approved by management, and reflect reasonable and supportable assumptions by reference to the range of economic conditions that will exist over the period of the budget or forecast. Where cash flows are extended beyond the period covered by the most recent budget or forecast, they are extrapolated using a steady or declining growth rate, unless an increasing rate can be justified.

If the carrying amount of the CGU exceeds its recoverable amount, an impairment is immediately recorded.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.12 Employee benefits

Pension obligations

(a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

(b) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company operates one defined benefit plan in the UK which provides both pensions and retirement and death benefits to members. The plan closed to future accrual to new benefits on 31 July 2013, although members who remain in the Company's employment retain a link to their final salary.

The Company's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and taking account of the expected rate of cash commutation by members. The future benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plan comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plan in employee benefit expenses in the income statement.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

(c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Share-based employee remuneration

Mastercard share-based payment plans

The Company participates in the following share-based compensation plans operated by Mastercard, a restricted stock units scheme and a performance stock units scheme under which units are awarded, in addition to a non-qualified stock options scheme. The awards are granted by Mastercard Incorporated, and the Company has no obligation to settle the awards. The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the awards granted.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.12 Employee benefits (*continued*)

Restricted stock units

A restricted stock units ("RSUs") award is denominated in common Mastercard shares that will be settled either by delivery of common shares or the payment of cash based upon the value of a specified number of common shares. Mastercard grants RSUs periodically to employees in accordance with the RSUs agreement.

Mastercard's RSUs are time-based awards. For RSUs granted on or after 1 March 2022, the awards vest evenly over a three-year period. For RSUs granted before 1 March 2022, the awards vest evenly over a four-year period. These awards are conditional upon the employee's continued employment with the Mastercard Group as of the vesting date.

The fair value of RSUs is determined and fixed on the grant date based on the Mastercard stock price, adjusted for the exclusion of dividend equivalents. The related share-based compensation expenses are recorded in staff costs.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purpose of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Company revises its estimates of the number of RSUs that are expected to vest, net of estimated forfeitures.

Performance stock units

A performance stock units ("PSUs") award consists of the right to receive common shares, as provided in the particular award agreement, upon achievement of a performance goal or goals. The performance unit award shall be earned in accordance with the agreement over a performance period. These awards typically vest at the end of a three-year performance period (cliff vesting). These awards are conditioned upon the employee's continued employment with the Company and the achievement of the performance goals established by the committee and set forth in the employee's grant statement.

The total expense is recognised over the vesting period, if it is probable that the performance target will be achieved and subsequently adjusted if the probability assessment changes.

Non-qualified stock options

A non-qualified stock options ("Options") entitles the participant to receive common shares upon exercise of such options. The remuneration committee may provide for grant or vesting options conditional upon the performance of services. The exercise price per share for an award shall not be less than the fair market value per share as of the grant date. The options period fixed by the committee for any award shall be no longer than ten years from the options' grant date. The options shall be exercisable evenly on each of the first three anniversaries of the grant.

Mastercard estimates the fair value of its non-qualified stock options awards using a Black-Scholes valuation model.

(a) Recognition of share-based employee remuneration in the Statement of Comprehensive Income

At the end of each reporting period, the Company revises its estimates of the number of units and options that are expected to vest net of estimated forfeitures.

The total expense of the above schemes is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The related share-based compensation expenses are recorded in staff costs.

1.13 Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability is a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event or a present obligation that is uncertain as regards the amount. Where there is a possibility of an outflow of economic benefits, the Company discloses an estimate of the financial effect and any uncertainties relating to it unless the probability of the liability arising is considered to be remote. No contingent liabilities identified for 2024.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.14 Leases

Leases

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

The Company's leases generally relate to property or office equipment. Lease terms are negotiated on an individual basis and do not impose any covenants. The lease term is determined by the non-cancellable period of the lease, together with; optional renewable periods if the Company is reasonably certain to extend; and periods after an optional termination date if the Company is reasonably certain not to terminate early.

As a Lessee

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Right of use assets' and lease liabilities in 'Lease liabilities' in the Statement of Financial Position.

Short-term leases and leases of low-value assets

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

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.15 Finance income and costs

Finance income

Finance income includes interest receivable on funds invested, pension interest, and net foreign exchanges gains.

Finance costs

Finance costs include finance lease interest recognised under IFRS 16, pension interest, interest payable to group undertakings and net foreign exchange losses.

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

1.16 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 reporting 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 amount of deferred tax provided is based on the expected manner and timing 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 only to the extent that it is probable that taxable profit will be available against which it can be utilised. Deferred tax balances are not discounted.

1.17 Indirect taxation

The recovery of VAT is subject to a partial exemption calculation, whereby only VAT relating to taxable business activities is recoverable. VAT returns are submitted quarterly and the final position regarding VAT recovered is agreed on an annual basis.

Vocalink Limited is the representative member of the Vocalink VAT group. VAT is allocated within Vocalink member entities based on the nature of the underlying transactions and all Vocalink member entities are jointly and severally liable to His Majesty's Revenue and Customs (HMRC) on the group VAT position.

1.18 Capital and reserves

Called up share capital

Represents the nominal value of shares issued.

Share premium account

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

Retained earnings

Represents the reserves for net gains and losses recognised in the Statement of Comprehensive Income.

1.19 UK-adopted IFRS not yet applied

The following UK-adopted IFRSs has been issued but has not been applied in these financial statements. Its adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IAS 21: Lack of Exchangeability (effective 1 January 2025).

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.20 Critical accounting judgements and estimates

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.

Critical judgements in the application of the accounting policies include:

Revenue recognition

Revenue recognition under IFRS 15

Revenue from contracts with customers is recognised when services are performed. In management's assessment of the contracts significant judgement is used in determining whether the services components are single or multiple performance obligations. Customer contracts are typically long-term payment services contracts, with a duration of 3 to 5 years. Contracts with customers comprise multiple deliverables, and depending on the nature of the contract, include a combination of services for implementation and onboarding, software development, software licences, transaction processing and customer support services. Decisions about the deliverables impact the timing of the revenue recognition for the software licence and the development services.

Impairment testing of tangible and intangible assets

Management considers if there are any impairment triggers including any events or circumstances which could indicate there may be an impairment. Only as required, 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 impairment assessment of each CGU has been performed as a single CGU across different Vocalink entities, considering:

- i) management monitors performance, makes decisions, and develops forecasts for the business based on the CGUs, which are spread across the Vocalink entities.
- ii) interdependencies and intercompany transactions among the entities in order to generate cash flows for the CGUs. The NBVs of shared corporate offices have been allocated between CGUs using 2024 external revenue as the basis.

The recoverable amount of the CGUs was determined to be greater than the carrying amount.

As at the reporting date, intangible assets with a net book value of £11.5m (2023: £10.6m), property, plant and equipment assets with a net book value of £56.1m (2023: £57.0m) and right of use assets with a net book value of £17.4m (2023: £12.2m) were held on the Statement of Financial Position. During the year there were no impairments (2023: £nil) recognised in relation to property, plant and equipment, right of use assets and intangible assets. As set out above, in reviewing these assets for impairment, management has exercised judgement regarding the future economic benefits to be generated as they are utilised or brought into use.

Shared assets, such as data centres, that cannot be allocated to any CGU on a reasonable and consistent basis have been tested for impairment at a higher level by comparing the carrying value of all CGUs and shared assets against the recoverable value of the business and no additional impairment has been identified.

Management exercises key judgements in assessing the useful life of the assets. These are established at the time each development commences and are regularly reviewed for appropriateness.

Payment systems require a long-term and significant investment of time and resources. They are developed with the quality and resilience necessary to support the national payment system infrastructure. Both the Company and the participating banks undertake significant system design, development and implementation, followed by rigorous testing undertaken prior to service go-live. Both parties have an economic interest in retaining the software in use over the medium to long-term. This has been shown to apply historically and is expected to continue. Economic useful lives of assets are therefore longer than is typical for technology products.

Notes to the Financial Statements (*continued*)

1 Material accounting policies (*continued*)

1.20 Critical accounting judgements and estimates (*continued*)

Critical estimates in the application of the accounting policies include:

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the likelihood of an outflow of resources is less than probable, but more than remote, or a reliable estimate is not determinable, the matter is disclosed as a contingency provided that the obligation or the legal claim is material.

Provisions are measured at management's best estimate, at the end of the reporting period, of the expenditure required to settle the obligation, and are discounted to present value where the effect is material. From time to time, parts of provisions may also be reversed due to a better-than-expected outcome in the related activities in terms of cash outflow.

Management exercised judgements in making estimates in relation to the appropriate provisions required for dilapidation and lease exit costs. Management's assessment of provisions is set out in note 16.

Retirement benefit obligations

The Company operates a defined benefit pension scheme for which actuarial valuations are carried out as determined by the trustees at yearly intervals.

The pension cost under IAS 19 is assessed in accordance with Directors' best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuation. The assumptions are based on information supplied to the actuary, supplemented by discussions between the actuary and management. It is required to form judgements in relation to market conditions, including the discount rate and future inflation. Discussions also include a review of the profile of scheme members, including their life expectancy, entitlement and choices regarding future benefits and options, including cash commutation. The principal assumptions used to measure schemes' liabilities, sensitivities to changes in assumptions and future funding obligations are set out in note 15 of the financial statements.

2 Revenue

2 (a) Disaggregation of revenue

Nature of service provided

In the following table revenue is disaggregated by the nature of the service provided.

	2024	2023
	£m	£m
Revenue from contracts with customers		
Transaction processing	159.2	150.9
Licence and maintenance	11.9	10.0
Development, implementation and consultancy	6.0	4.9
	<hr/>	<hr/>
External revenue	177.1	165.8
Internal revenue: recharges to other group undertakings	44.4	52.4
	<hr/>	<hr/>
Total revenue	221.5	218.2
	<hr/> <hr/>	<hr/> <hr/>

2 (b) Contract balances

Contract assets comprise accrued income, which solely relates to revenue from contracts with customers.

Contract liabilities comprise deferred income; the Company's deferred income balances solely relate to revenue from contracts with customers, further details of which are set out in 2 (c) below.

Notes to the Financial Statements (*continued*)

2 Revenue (*continued*)

2 (c) Revenue recognised in relation to deferred income

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2024 £m	2023 £m
Revenue recognised that was included in the contract liability balance at the beginning of the year	3.7	6.1
Total	3.7	6.1

2 (d) Contract fulfilment assets

	2024 £m	2023 £m
Contract fulfilment assets brought forward 1 January	8.4	9.2
Additions during the year	-	1.9
Amortisation during the year	(1.7)	(2.9)
Intercompany transfer	-	0.2
Contract fulfilment assets carried forward as at 31 December	6.7	8.4

Amortisation of contract fulfilment assets was £1.7m (2023: £2.0m), as per note 3, which is stated after intercompany recharges of £nil (2023: £0.9m) to a related entity.

The Company capitalises the costs incurred in developing and implementing payment systems on specific customer contracts as these costs do not transfer a distinct good or service to the customer and are only required to provide the related payment service.

At 31 December 2024, the Company recognised contract fulfillment assets of £6.7m (2023: £8.4m) in relation to these costs, of which £1.3m (2023: £1.4m) was short-term and £5.4m (2023: £7.0m) was long-term.

3 Total expenses

	2024 £m	2023 £m
Staff costs (note 5)	80.0	70.6
Cybersecurity transformation and people related expenses including contractors	36.3	32.0
Maintenance, support and other costs	44.3	40.1
Licence fees	37.9	44.4
Provision expense	11.9	-
Rent and associated costs	1.9	2.1
Legal, professional and consultancy	3.7	4.3
Depreciation of property, plant and equipment (note 8)	18.7	19.3
Depreciation of right of use assets (note 9)	2.7	3.2
Amortisation of intangible assets (note 10)	2.4	5.2
Amortisation of contract fulfilment assets (note 2)	1.7	2.0
Total expenses	241.5	223.2

Notes to the Financial Statements (*continued*)

3 Total expenses (*continued*)

The increased expense on 'staff costs', 'cybersecurity transformation and people related expenses including contractors' and 'maintenance, support and other costs' is due to increased expenditure on security, data processing maintenance and the strengthening of resilience capabilities.

Staff costs charged to the Statement of Comprehensive Income, as shown above, are net of the capitalised costs. In the year, third-party contractor expenses of £1.2m (2023: £0.9m) were capitalised; £1.2m (2023: £0.7m) within internally developed intangible assets, and £nil (2023: £0.2m) to fulfilment. Staff costs of £5.7m (2023: £5.5m) were capitalised and the net cost is shown above; the full costs of permanent staff are detailed in note 5.

Licence fees are payable to a group undertaking, IPCO 2012 Limited, as provided for in agreements for the licensing of intellectual property utilised by the Company in the delivery of payment services. In the year, licence fees of £37.9m (2023: £44.4m) were recognised. Effective 1 November 2024, the intellectual property and associated assets were transferred to the Company from IPCO 2012 Limited. Consequently, from that date, licence fees are no longer incurred.

Lease expenses recognised in the Statement of Comprehensive Income:

	2024 £m	2023 £m
Depreciation charged on right of use assets - leasehold premises	<u>2.7</u>	<u>3.2</u>
Interest expense (included in finance costs)	<u>0.7</u>	<u>0.3</u>

The total lease payments to the lessors in the financial year was £2.8m (2023: £2.5m).

The provision expense for £11.9m is for a financial penalty imposed by the Bank. Refer to note 16 for details.

Auditors' remuneration:

The fees paid to PricewaterhouseCoopers LLP as auditors for the year ended 31 December 2024 and 2023 were:

	2024 £m	2023 £m
Audit of the financial statements	0.4	0.6
Audit-related assurance services	0.8	0.8
Total	<u>1.2</u>	<u>1.4</u>

4 Net finance income/(cost)

	2024 £m	2023 £m
<i>Finance income</i>		
Interest receivable	7.0	5.5
Foreign exchange gain	-	0.1
Pension scheme interest	1.3	1.6
Total	<u>8.3</u>	<u>7.2</u>
<i>Finance costs</i>		
Interest on lease liabilities	(0.7)	(0.3)
Total	<u>(0.7)</u>	<u>(0.3)</u>
Net finance income	<u>7.6</u>	<u>6.9</u>

Notes to the Financial Statements (*continued*)

5 Staff costs

The monthly average number of persons (including Directors) employed by the Company during the year was as follows:

	Number of employees	
	2024	2023
Operations	570	567
Sales and product development	110	110
Administration	65	53
Total	745	730

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£m	£m
Wages and salaries	65.8	59.0
Social security costs	8.4	7.4
Other pension costs (note 15)	7.1	6.4
Share based payment expense (note 15)	4.4	3.3
Total	85.7	76.1

In the year, staff costs of £5.7m (2023: £5.5m) which are included above were capitalised; £1.8m (2023: £0.8m) within internally developed intangible assets and contract fulfilment assets and £3.9m (2023: £4.7m) in preparing computers and ancillary equipment for use within tangible assets.

Shared based payment expenses relate to the Mastercard equity plan. Further details are contained in note 15.

6 Directors' remuneration

Included within wages and salaries expense are amounts related to compensation for the Directors of the Company which were as follows:

	2024	2023
	£m	£m
Directors' remuneration	1.2	1.2
Amounts receivable under other performance related scheme	0.8	0.6
Total	2.0	1.8

	2024	2023
	£m	£m
Directors' remuneration	0.3	0.3
Amounts receivable under other performance related scheme	0.8	0.6
Total	1.1	0.9

The amounts paid to the highest paid Director are included below:

	2024	2023
	£m	£m
Directors' remuneration	0.3	0.3
Amounts receivable under other performance related scheme	0.8	0.6
Total	1.1	0.9

The emoluments of some 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.

During the year, the Directors exercised 2,813 (2023: 1,625) Mastercard stock options, 463 (2023: nil) PSUs and 885 (2023: nil) RSUs. 2,813 stock options (2023: 1,625), 463 (2023: nil) PSUs and 885 (2023: nil) RSUs were exercised by the highest paid Director.

Notes to the Financial Statements (*continued*)

7 Taxation

Recognised in the Statement of Comprehensive Income

	2024 £m	2023 £m
<i>Current tax expense</i>		
UK corporation tax at 25.0% (2023: 23.5%)	1.8	-
Amounts payable for group relief	-	0.5
Adjustments for prior periods	3.2	0.7
	<u>5.0</u>	<u>1.2</u>
<i>Deferred tax credit</i>		
Origination and reversal of timing differences	(3.4)	(0.6)
Adjustment for prior years	(3.6)	(0.2)
Pension scheme related	0.3	0.3
	<u>(6.7)</u>	<u>(0.5)</u>
Deferred tax credit		
	<u>(6.7)</u>	<u>(0.5)</u>
Total tax (credit)/expense	<u>(1.7)</u>	<u>0.7</u>

Income tax recognised in other comprehensive income/(expense)

	2024 £m	2023 £m
Deferred tax expense/(credit) related to actuarial movements on defined benefit pension	2.2	(1.8)
	<u>2.2</u>	<u>(1.8)</u>

Tax recorded directly in equity

	2024 £m	2023 £m
Deferred tax (credit)/expense related to share schemes	(0.3)	0.1
	<u>(0.3)</u>	<u>0.1</u>

Reconciliation of tax expense/(credit)

	2024 £m	2023 £m
(Loss)/profit for the financial year	(10.7)	1.2
Total tax (credit)/expense	(1.7)	0.7
	<u>(12.4)</u>	<u>1.9</u>
(Loss)/profit before taxation		
	<u>(12.4)</u>	<u>1.9</u>
Tax using UK Corporation tax rate of 25.0% (2023: 23.5%)	(3.1)	0.4
Effects of:		
Expenses not deductible for tax purposes	3.1	0.1
Adjustments to tax charge in respect of previous periods	(0.4)	0.5
Share schemes	(1.3)	(0.3)
	<u>(1.7)</u>	<u>0.7</u>
Total tax (credit)/expense	<u>(1.7)</u>	<u>0.7</u>

The UK corporation tax rate increased from 19.0% to 25.0% on 1 April 2023. A tax rate of 25.0% has been used to evaluate current tax (credit)/expense relating to the year ended 31 December 2024 (2023: *blended tax rate of 23.5%*).

Notes to the Financial Statements (*continued*)

7 Taxation (*continued*)

The Organization for Economic Co-operation and Development ("OECD") Pillar 2 guidelines published to date include transition and safe harbour rules around the implementation of the 15% global minimum tax (the "Pillar 2 Rules"). In 2024, the Company did not experience a material impact as a result of Pillar 2 Rules. The Company is continuously monitoring developments and evaluating the impacts these new rules may have on its future effective income tax rate, tax payments, financial condition and results of operations. Additionally, the Company has applied the temporary relief from accounting for deferred taxes arising from the implementation of the Pillar 2 rules, and accounts for the global minimum tax as a current tax.

8 Property, plant and equipment

	Freehold buildings £m	Leasehold improvements £m	Plant and equipment £m	Computers & ancillary equipment £m	Fixtures & fittings £m	Total £m
Cost						
Balance at 1 January 2024	3.5	16.2	21.2	104.7	5.5	151.1
Additions	-	0.3	0.6	17.0	0.2	18.1
Disposals	-	(0.9)	(0.8)	(10.7)	(0.6)	(13.0)
Intercompany transfer	-	2.7	-	-	-	2.7
Balance at 31 December 2024	3.5	18.3	21.0	111.0	5.1	158.9
Accumulated depreciation						
Balance at 1 January 2024	2.6	14.8	19.7	51.6	5.4	94.1
Depreciation charge for the year	0.4	0.3	0.7	17.2	0.1	18.7
Disposals	-	(0.9)	(0.7)	(10.6)	(0.5)	(12.7)
Intercompany transfer	-	2.7	-	-	-	2.7
Balance at 31 December 2024	3.0	16.9	19.7	58.2	5.0	102.8
Net book value						
At 31 December 2023	0.9	1.4	1.5	53.1	0.1	57.0
At 31 December 2024	0.5	1.4	1.3	52.8	0.1	56.1

Additions in the year principally relate to Computers and Ancillary Equipment which totalled £17.0m (2023: £10.2m), of which £13.7m (2023: £5.8m) was invested in shared infrastructure projects. Internal time in preparing infrastructure and other assets for use is capitalised with the physical assets and depreciated over the economic useful life of the combined assets.

Depreciation is charged over the shorter of the useful economic life of the asset and related customer contracts. The depreciation of tangible assets commences when the asset is complete and available for use. Included in assets held as at 31 December 2024 are assets with a carrying value of £13.1m (2023: £14.2m) which were being prepared for use and therefore were not depreciated during the year.

Following an impairment review, no impairments were identified in 2024 (2023: £nil).

Notes to the Financial Statements (*continued*)

9 Right of use assets

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

	Leasehold premises	
	2024	2023
	£m	£m
Cost		
Balance at 1 January	25.0	28.6
Additions	7.9	-
Disposals	-	(4.0)
Revaluations of asset retirement obligations	-	0.4
Balance at 31 December	32.9	25.0
Accumulated depreciation		
Balance at 1 January	12.8	13.6
Depreciation charge for the year (note 3)	2.7	3.2
Disposals	-	(4.0)
Balance at 31 December	15.5	12.8
Net book value		
Balance at 31 December	17.4	12.2

10 Intangible assets

	Total
	£m
Cost	
Balance at 1 January 2024	64.1
Additions	3.0
Intercompany transfer	0.9
Disposals	(18.9)
Balance at 31 December 2024	49.1
Accumulated amortisation	
Balance at 1 January 2024	53.5
Amortisation for the year	2.4
Intercompany transfer	0.6
Disposals	(18.9)
Balance at 31 December 2024	37.6
Net book value	
At 31 December 2023	10.6
At 31 December 2024	11.5

Notes to the Financial Statements (*continued*)

10 Intangible assets (*continued*)

Intangible assets comprise software utilised in delivering payment services to customers. UK payment scheme assets are utilised in support of specific long-term customer contracts for the core payment platforms. Other product assets are developed and used in serving multiple customers. At the reporting date, the net book value of shared infrastructure assets was £3.6m (2023: £4.5m).

Amortisation is charged over the shorter of the useful economic life of the product and related customer contracts; generally, between three to seven years, except for certain software licence where licence term is applied. The amortisation of intangible assets commences when the asset is complete and available for use. Of the total assets of £11.5m (2023: £10.6m) as at 31 December 2024, assets with a carrying value of £nil (2023: £1.7m) were under development and therefore were not amortised during the year.

£18.9m (2023: £3.2m) of disposals during the year relate to assets with a nil net book value which are no longer in use.

Following an impairment review, no impairment was recognised in the current financial year (2023: £nil).

11 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	2024	2023
	£m	£m
Property, plant and equipment	6.4	6.2
Share scheme	2.1	1.2
Pension schemes	(9.3)	(7.0)
Losses and other deductions	6.0	-
Total	5.2	0.4

Movement in deferred tax assets/(liabilities) during the year

	1 January 2024	Recognised in income	Recognised in equity	Recognised in OCI	31 December 2024
	£m	£m	£m	£m	£m
Property, plant and equipment	6.2	0.2	-	-	6.4
Share scheme	1.2	0.6	0.3	-	2.1
Pension schemes	(7.0)	(0.1)	-	(2.2)	(9.3)
Losses and other deductions	-	6.0	-	-	6.0
Total	0.4	6.7	0.3	(2.2)	5.2

Movement in deferred tax assets/(liabilities) during the prior year

	1 January 2023	Recognised in income	Recognised in equity	Recognised in OCI	31 December 2023
	£m	£m	£m	£m	£m
Property, plant and equipment	5.5	0.7	-	-	6.2
Share scheme	1.1	0.2	(0.1)	-	1.2
Pension schemes	(8.4)	(0.4)	-	1.8	(7.0)
Total	(1.8)	0.5	(0.1)	1.8	0.4

Deferred tax assets and liabilities are required to be valued using the tax rate which will be in force at the time when the temporary differences are expected to unwind. The rate for the year ended 31 December 2024 is 25% (2023: 25%).

Notes to the Financial Statements (*continued*)

12 Trade and other receivables

	2024 £m	2023 £m
Current		
Trade receivables	10.5	12.7
Other receivables	5.9	15.2
Prepayments	15.7	15.3
Accrued income	13.9	13.0
Amounts due from group undertakings	2.3	8.8
	<hr/>	<hr/>
Trade and other receivables	48.3	65.0
Contract fulfilment assets	1.3	1.4
	<hr/>	<hr/>
Total	49.6	66.4

Amounts due to the Company from group undertakings classified as current are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

	2024 £m	2023 £m
Non-current		
Prepayments	5.3	11.1
	<hr/>	<hr/>
Trade and other receivables	5.3	11.1
Contract fulfilment assets	5.4	7.0
	<hr/>	<hr/>
Total	10.7	18.1

13(a) Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	11.1	15.4
Corporation tax	1.8	-
Other taxation and social security	2.9	2.5
Amounts due to group undertakings	58.2	24.6
Other payables	0.5	1.5
Accruals	19.1	15.2
Deferred income	5.1	12.9
	<hr/>	<hr/>
Total	98.7	72.1

Amounts due by the Company to group undertakings classified as current are unsecured, non-interest bearing and are repayable on demand.

	2024 £m	2023 £m
Non-current		
Deferred income	8.9	-
	<hr/>	<hr/>
	8.9	-

Notes to the Financial Statements (*continued*)

13(b) Deferred income

The movements in the current and non-current deferred income were:

	2024 £m	2023 £m
As at 1 January	12.9	11.1
Deferred in year	5.3	11.4
Intercompany transfer	-	(0.9)
Recognised as revenue in the year	(4.2)	(8.7)
As at 31 December	14.0	12.9

The Company's deferred income balances solely relate to revenue from contracts with customers. Movements in the deferred income balances were driven by transactions entered into by the Company within the normal course of business in the year.

14 Lease liabilities

	2024 £m	2023 £m
Lease obligation for right of use assets:		
Current	1.5	2.3
Non-current	15.4	9.8
Total	16.9	12.1

Maturity analysis - contractual undiscounted cash flows

	2024 £m	2023 £m
Less than one year	3.2	2.6
Two to five years	10.3	9.0
More than five years	9.4	1.4
Total undiscounted lease payments	22.9	13.0
Current	3.2	2.6
Non-current	19.7	10.4
Total	22.9	13.0

Notes to the Financial Statements (*continued*)

15 Employee benefits

a) Post-retirement benefits

The Company operates two independent pension schemes. The Company's defined contribution scheme is open to new members and during the year ended 31 December 2024 the Company contributed £6.2m (2023: £6.4m) to the scheme.

The Company also operates a defined benefit scheme which is closed to new entrants and provides pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

b) Defined benefit pension scheme

The defined benefit scheme closed to new entrants and future accruals on 31 July 2013, although previously enrolled employed members retain a link to their final salary. During the year, negotiations commenced regarding the 2024 triennial valuation of the scheme, which has been finalised in 2025. The valuation concluded that the scheme had a funding surplus, hence no recovery plan or deficit contributions are required.

The major assumptions used by the actuary were (in nominal terms):

	2024	2023
Discount rate	5.50%	4.55%
RPI inflation	3.10%	3.05%
CPI inflation	2.60%	2.45%
Salary inflation	n/a for 2024 3.00% for 2025 and thereafter	n/a for 2023 2.75% for 2024 and thereafter
Pension increases in payment (CPI, max 3%)	2.10%	2.00%
Pension increases in payment (RPI, max 4%)	2.65%	2.65%
Pension increases in payment (RPI, max 5%)	2.90%	2.90%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

Age	2024		2023	
	Males	Females	Males	Females
67	20.3 years	21.8 years	20.8 years	22.3 years
61 in 10 years	26.3 years	28.1 years	26.7 years	28.6 years

The major assumption sensitivities are considered to be discount rate, inflation and life expectancy. The approximate effects of movements in the main assumptions at 31 December are shown in the table below, detailing the impact on scheme liabilities:

	2024	2023
Discount rate +/- 0.1% pa	+/- 1.0%	+/- 1.2%
Inflation assumptions +/- 0.1% pa	+0.9%/-0.5%	+0.6%/-0.9%
Life expectancy +/- 1 year	+3.1%/-3.2%	+2.8%/-2.9%

The inflation sensitivity shown above includes the impact of corresponding changes to future increases to pensions in payment and in deferment assumptions.

The sensitivities shown reflect the duration of the scheme liabilities of approximately 12 years based on the Company's understanding of the Scheme's membership and liability profile.

Results under IAS 19 can change dramatically depending on market conditions. Changing markets in conjunction with discount rate fluctuations will lead to volatility in the funded status of the pension plan. To a lesser extent, changes in market conditions will lead to some movement in the IAS 19 pension expense in the Statement of Comprehensive Income.

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

b) Defined benefit pension scheme (*continued*)

The assumptions used in determining the valuation of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

The assets in the scheme were:

	2024	2024	2023	2023
	£m	%	£m	%
Liability-driven investments/Government bonds	124.8	52.1	124.2	47.5
Equities	17.0	7.1	17.6	6.7
Credit funds	81.3	33.9	83.5	31.9
Cash	4.3	1.8	7.7	2.9
Property	10.2	4.3	26.6	10.2
Insured pensioners	1.9	0.8	2.1	0.8
	239.5	100.0	261.7	100.0

The scheme invested assets comprising both quoted and unquoted assets. The value of quoted assets in 2024 was £139.1m (2023: £130.3m), included within corporate bonds, equities, cash and liability driven investments/government bonds in the above table, with the remaining assets being unquoted.

Reconciliation of funded status to Statement of Financial Position:

	2024	2023
	£m	£m
Fair value of scheme assets	239.5	261.7
Present value of scheme liabilities	(201.3)	(233.4)
Funds in the scheme	38.2	28.3
Related deferred tax liability (note 11)	(9.3)	(7.0)
Net pension funds	28.9	21.3

Analysis of the amount charged to Statement of Comprehensive Income:

	2024	2023
	£m	£m
Interest cost on the defined benefit obligations	10.4	10.7
Interest income on plan assets	(11.7)	(12.3)
Total interest credit (note 4)	(1.3)	(1.6)

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

b) Defined benefit pension scheme (*continued*)

Remeasurement of the net defined asset in Other Comprehensive Income:

	2024 £m	2023 £m
Actuarial gain/(loss) on defined benefit obligations arising from changes in financial assumptions	21.8	(4.4)
Actuarial gain on defined benefit obligation arising from changes in demographic assumptions	3.1	1.0
Actuarial gain/(loss) on obligations arising from experience	6.6	(1.2)
Total actuarial gain/(loss) on liability	31.5	(4.6)
Loss on plan assets excluding amounts included in net interest cost	(22.8)	(2.1)
Remeasurement gain/(loss) of the defined asset in OCI	8.7	(6.7)
Net impact of the defined asset on OCI	8.7	(6.7)

Reconciliation of net defined asset:

	2024 £m	2023 £m
Net defined asset at beginning of year	28.3	33.5
Net interest income	1.3	1.6
Remeasurement of the net defined asset in OCI	8.7	(6.7)
Employer contributions	0.9	0.9
Administration expenses incurred	(1.0)	(1.0)
Net defined asset at end of year	38.2	28.3

Movements in the present value of defined benefit obligations were as follows:

	2024 £m	2023 £m
Defined benefit obligations at beginning of year	233.4	227.8
Interest cost	10.4	10.7
Actuarial (gain)/loss on defined benefit obligations arising from changes in financial assumptions	(21.8)	4.4
Actuarial gain on obligations arising from changes in demographic assumptions	(3.1)	(1.0)
Actuarial (gain)/loss on obligations arising from experience	(6.6)	1.2
Benefits paid	(11.0)	(9.7)
Defined benefit obligations at end of year	201.3	233.4

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

b) Defined benefit pension scheme (*continued*)

Movements in the fair value of scheme assets were as follows:

	2024	2023
	£m	£m
Fair value of scheme assets at beginning of year	261.7	261.3
Interest income on plan assets	11.7	12.3
Loss on plan assets excluding amounts included in interest income on plan assets	(22.8)	(2.1)
Employer contributions	0.9	0.9
Benefits paid	(11.0)	(9.7)
Administration expenses incurred	(1.0)	(1.0)
Fair value of scheme assets at end of year	239.5	261.7

Regulatory framework for pension schemes in the UK

The Pensions Regulator is established by UK Pensions Law and has significant powers in respect of ensuring the protection of UK pension plan members. The Regulator's key objectives are:

- To monitor pension scheme plan operation and funding
- Promote good governance
- To protect pension scheme members' benefits.

The Pension Protection Fund was set up to rescue defined benefit plan where the sponsoring employer fails. It is funded mainly from an annual levy on defined benefit plan.

Every three years, a defined benefit pension plan must undertake a full valuation of its assets and liabilities with agreement of the valuation to be reached within fifteen months of the effective date of the full valuation. The outcome will determine how much contribution a sponsoring employer will need to pay in the future. Where there is a funding deficit the sponsoring employer is required to make these contributions. During the year, negotiations commenced regarding the 2024 triennial valuation of the scheme, which has been finalized in 2025. The valuation concluded that the scheme had a funding surplus, hence no recovery plan or deficit contributions are required.

c) Share-based payments

(i) Restricted Stock Units ("RSUs") scheme

RSUs are denominated in Common Shares and are settled either by the delivery of Common Shares or the payment of cash based upon the value of a specified number of Common Shares. Mastercard grants RSUs periodically to employees in accordance with the Restricted Stock Unit Agreement.

Mastercard's RSUs are time-based awards that typically vest at the end of a one to three-year requisite service period. However, for the RSUs granted on or after 1 March 2020 but before 1 March 2022, the awards generally vest evenly over a four-year period. These awards are conditional upon the Employee's continued employment with the Company as of the Vesting Date. There are no market conditions applicable to the awards.

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

c) Share-based payments (*continued*)

(i) Restricted Stock Unit scheme (*continued*)

RSUs movements during the year:

	2024	2023
	Number	Number
Outstanding at beginning of year	25,937	17,621
Granted	11,899	15,307
Forfeited	(1,639)	(1,719)
Release/Vested	(11,309)	(6,782)
Transferred In	1,940	6,243
Transferred Out	(274)	(4,733)
RSUs at end of year	26,554	25,937

Outstanding awards vest between March 2025 and March 2027, typically vesting three years after grant date.

Due to the nature of these awards, they are exercised at the point of vesting. Details of the RSUs outstanding as at 31 December and their vest dates, are as follows:

Vest date	31 December 2024			31 December 2023		
	Grant date	RSUs	Remaining	Grant date	RSUs	Remaining
		outstanding	contract life		outstanding	contract life
		(no.)	Years		(no.)	Years
		market value			market value	
		per RSUs			per RSUs	
		US \$			US \$	
01 March 2024	-	-	-	10,819	336.09	0.17
01 October 2024	-	-	-	124	355.85	0.75
02 October 2024	-	-	-	370	391.78	0.76
03 October 2024	-	-	-	309	286.91	0.76
01 March 2025	13,228	384.03	0.16	8,875	348.31	1.17
01 October 2025	160	355.85	0.75	140	355.85	1.75
02 October 2025	107	391.78	0.75	371	391.78	1.76
03 October 2025	291	286.91	0.76	309	286.91	1.76
01 March 2026	8,552	406.22	1.16	4,249	349.40	2.17
02 October 2026	107	391.78	1.75	371	391.78	2.75
01 March 2027	4,109	471.86	2.16	-	-	-
Total RSUs outstanding	26,554			25,937		

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

c) Share-based payments (*continued*)

(ii) Performance Stock Unit scheme

PSUs are funded primarily with the issuance of new shares of Class A common stock. PSUs vest after three years, however, are subject to a mandatory one-year post-vest hold. A participant's unvested awards are forfeited upon termination of employment. In the event of termination due to job elimination (as defined by the Company), however, a participant will retain a pro-rata portion of the unvested awards for services performed through the date of termination. In the event a participant terminates employment due to disability or retirement more than seven months after receiving the award, the participant retains all of their awards without providing additional service to the Company.

PSUs containing performance and market conditions have been issued. Performance measures used to determine the actual number of shares that vest after three years include net revenue growth, EPS growth and relative total shareholder return ("TSR"). Relative TSR is considered a market condition, while net revenue and EPS growth are considered performance conditions. The Monte Carlo simulation valuation model is used to determine the grant-date fair value.

PSUs movements during the year:

	2024	2023
	Number	Number
Outstanding at beginning of year	1,058	475
Granted	227	382
Forfeited	-	(675)
Release/Vested	(463)	-
Transferred In	846	1,005
Transferred Out	-	(382)
Changes due to Performance	249	253
PSUs at end of year	1,917	1,058

During the period, 463 shares vested. Outstanding awards vest between March 2025 and March 2027, typically vesting three years after grant date.

Due to the nature of the awards, they are exercised at the point of vesting and for nil consideration. Details of the PSUs outstanding as at 31 December and their vest dates are as follows:

Vest date	31 December 2024			31 December 2023		
	PSUs outstanding (no.)	Grant date market value per PSUs US \$	Remaining contract life Years	PSUs outstanding (no.)	Grant date market value per PSUs US \$	Remaining contract life Years
01 March 2024	-	-	-	463	385.39	0.17
01 March 2025	821	335.44	0.16	297	335.44	1.17
01 March 2026	617	364.97	1.16	298	364.97	2.17
01 March 2027	479	513.22	2.16	-	-	-
Total PSUs outstanding	1,917			1,058		

Notes to the Financial Statements (*continued*)

15 Employee benefits (*continued*)

c) Share-based payments (*continued*)

(iii) Non-qualifying Stock Options scheme

Mastercard periodically grants options to employees as determined by the remuneration committee. The Options entitle the equity scheme participant to receive Mastercard common shares upon the exercise of the Options. The grant or vesting of the awards may be conditional upon various criteria being met, as determined by the committee. The conditions include the employee's continued employment with the Company as of the Vesting Date. The Options period for an award is fixed by Mastercard's Remuneration Committee and shall be no longer than ten years from the Options' grant date. The standard rate at which the Options shall be exercisable is thirty three percent of the award on each of the first three anniversaries of the grant.

The exercise price per share for an award shall not be less than the fair market value per share as of the grant date.

Options movements during the year:

	2024	2023
	Number	Number
Outstanding at beginning of year	9,127	3,394
Granted	438	731
Forfeited	-	(1,945)
Exercised	(3,389)	(3,074)
Transferred In	1,841	10,752
Transferred Out	-	(731)
Options at end of year	8,017	9,127

At the reporting date, the Options had a weighted average exercise price of \$248.92 (2023: \$183.79), a weighted average remaining vesting life of 0.22 years (2023: 0.14 years) and the weighted average contractual term of outstanding options is 4.9 years (2023: 4.5 years).

Share based payments charged to the Statement of Comprehensive income in the year comprise the following:

	2024	2023
	£m	£m
Mastercard Equity Scheme	4.4	3.3
Total	4.4	3.3

When share based instruments vest, where applicable, amounts settled are included within Directors' Emoluments, which is disclosed in note 6.

Vest Date	Ending Options Outstanding	Weighted Average Grant Date Fair Value US \$	Weighted Average Remaining Contractual Term	Weighted Average Remaining Vesting Life
01/03/2020	1,531	21.23	2.16	-
01/03/2021	1,916	25.18	2.36	-
01/03/2022	975	50.28	3.72	-
01/03/2023	441	88.87	6.76	-
01/03/2024	630	99.18	7.18	-
01/03/2025	1,515	113.12	7.62	0.16
01/03/2026	701	141.43	8.60	1.16
01/03/2026	308	164.66	9.16	2.16
Total	8,017			

Notes to the Financial Statements (*continued*)

16 Provisions

	Reorganisation provision £m	Other provisions £m	Total £m
Balance at 1 January 2024	0.9	5.9	6.8
Provisions made during the year	-	11.9	11.9
Provisions reversed during the year	(0.9)	-	(0.9)
Balance at 31 December 2024	-	17.8	17.8
Non-current	-	5.9	5.9
Current	-	11.9	11.9
Provisions	-	17.8	17.8

	Reorganisation provision £m	Other provisions £m	Total £m
Balance at 1 January 2023	0.3	7.0	7.3
Provisions made during the year	1.3	0.4	1.7
Provisions reversed during the year	(0.7)	(1.5)	(2.2)
Balance at 31 December 2023	0.9	5.9	6.8
Non-current	-	5.9	5.9
Current	0.9	-	0.9
Provisions	0.9	5.9	6.8

The Company recognises a provision for the present obligation resulting from a past event when it is probable that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably. Most provisions are expected to be utilised within one year, except for dilapidations (within 10 years).

Other provisions include provisions for dilapidations and other lease exit costs of £5.5m (2023: £5.4m) and transitioning costs relating to the potential termination of a customer contract of £0.4m (2023: £0.4m).

On 17 November 2022, the Bank commenced an investigation into the Company in relation to a potential compliance failure in that it may have failed to comply with a direction given to it by the Bank dated 16 June 2021. On 26 June 2025 the Company reached a settlement agreement with the Bank and a financial penalty of £11.9m was imposed. A current provision was included for the year ended 31 December 2024. In the prior year this matter was disclosed as a contingent liability.

17 Called up share capital

	2024 £m	2023 £m
Share capital		
Authorised		
52,901,000 (2023: 52,901,000) ordinary shares of £1 each	52.9	52.9
Allotted called up and fully paid		
52,901,000 (2023: 52,901,000) ordinary shares of £1 each at 31 December	52.9	52.9
Shareholders:	Holding	Holding
Vocalink Holdings Limited	100%	100%

Notes to the Financial Statements (*continued*)

17 Called up share capital (*continued*)

As at 31 December 2024, Mastercard owns 99.22% (2023: 97.70%) of the ordinary share capital of Vocalink Holdings Limited. On 5 December 2024, Barclays Unquoted Investments Limited exercised a put option to sell their 1.52% shareholding; at the year end minority shareholding was 0.78% (2023: 2.30%).

Shareholders of Vocalink Holdings Limited (ordinary shares)	2024 % Holding	2023 % Holding
Mastercard UK Holdco Limited	92.41	92.41
Mastercard Holdings LP	6.81	5.29
Other shareholders		
Barclays Unquoted Investments Limited	-	1.52
Santander Equity Investments Limited*	0.78	0.78
Total	100.00	100.00

*Subsequent to the year end, on 5 February 2025 Santander Equity Investments Limited exercised a put option to sell their 0.78% shareholding to Mastercard Holdings LP as discussed in note 22.

18 Commitments and guarantees

The Company has a legally binding financial obligation from the Bank of England to maintain minimum capital requirements, which is covered by the Company's cash and cash equivalents and the guarantee provided by the Company's parent, Mastercard International Incorporated. As at year end, the guarantee amounted to £92.1m (2023: £92.1m).

Capital commitments

During the year ended 31 December 2024, the Company entered into contracts to purchase property, plant and equipment for £2.2m (2023: £0.5m). These commitments are expected to be settled in the following financial year.

19 Immediate and ultimate holding company

The Company is a subsidiary undertaking of Vocalink Holdings Limited, incorporated and domiciled in England and Wales within 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 2024. The consolidated financial statements of Mastercard Incorporated are available from its registered office at 2000 Purchase Street, Purchase, New York, 10577, United States of America.

20 Investments in subsidiaries

The Company has the following investments in subsidiaries:

	Registered office address	Class of shares held	Ownership 2024	Ownership 2023
Voca Pension Trustees Limited*	1 Angel Lane, London, England, EC4R 3AB	Ordinary	100%	100%

The Statement of Financial Position carrying value of investment is £1 (2023: £1). The Directors believe that the carrying value of the investment is supported by their underlying net assets.

*Dormant entity 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 2024.

Notes to the Financial Statements (*continued*)

21 Related parties

Identity of related parties with which the Company has transacted

The Company's related parties are its shareholders who have significant influence over the decision-making process of the Company arising from representation on the Board of Directors (see note 17) and the defined benefit scheme (Company contributions are disclosed in note 15 (b)).

The following transactions with related parties were in the normal course of business and on substantially the same terms as unrelated parties. The transactions did not involve more than the normal risk of repayment or present other unfavourable features.

Transactions with shareholders of the parent company, Vocalink Holdings Limited

Services supplied by the Company to parent company shareholders comprised the provision of central payment processing infrastructure, principally through the Bacs, Faster Payments and Link Schemes.

	2024	2023
	£m	£m
Sales: service supplied to shareholders of Vocalink Holdings Limited		
- Barclays Bank plc*	29.3	24.5
- Santander Group	8.5	5.9
Amounts receivable/(payable) from/(to) shareholders of Vocalink Holdings Limited		
- Barclays Bank plc*	-	0.8
- Santander Group	-	(0.1)
	<u> </u>	<u> </u>

*On 5 December 2024 Barclays Unquoted Investments Limited exercised a put option to sell their 1.52% shareholding to Mastercard Holdings LP. Sales are for the period to 5 December 2024, the date when Barclays Unquoted Investments Limited sold its shareholding.

22 Subsequent events

Subsequent to the year end, on 5 February 2025, Santander Equity Investments Limited exercised a put option to sell their 0.78% shareholding in Vocalink Holdings Limited to Mastercard Holdings LP; from this date, there are no longer any minority shareholders of the parent company, Vocalink Holdings Limited. The exercise of the put option will not have any financial impact on the Company.

On 26 June 2025 the Company reached a settlement agreement with the Bank and a financial penalty of £11.9m was imposed. The penalty has since been paid by the Company. Refer to notes 3 and 16 for details.

Vocalink Limited

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Vocalink Limited is incorporated in the UK and registered as a private limited company in England and Wales with company number 06119048 and with its Registered Office at 1 Angel Lane, London EC4R 3AB.