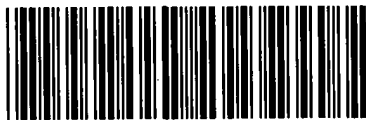


Vocalink Holdings Limited

Annual Report and Financial Statements **31 December 2017**

Registered company number 06119036

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Strategic Report For the year ended 31 December 2017

The Directors present the Strategic Report on Vocalink Holdings Limited ('the Company') for the year ended 31 December 2017.

Principal activity

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

On 28 April 2017 Mastercard Incorporated ('Mastercard') acquired 92.4% of the issued share capital of the Company through its subsidiary, Mastercard UK Holdco Limited. Following the change of ownership, the Company's financial statements are consolidated within the financial statements of the group headed up by the ultimate parent undertaking of the Company, Mastercard.

Review of business and future outlook

The Company results are set out in the Statement of Comprehensive Income on page 10.

The Statement of Financial Position is set out on page 11.

The Company made a loss for the financial year of £10.5m (2016: £9.8m). The loss in the year was after charging £10.8m (2016: £9.9m) of professional advisors' fees and other costs in relation to the sale of the Company to Mastercard. At 31 December 2017 the Company had net assets of £151.1m (2016: £161.6m).

The activity of the Company was unchanged during the year and no significant changes are expected in the coming year.

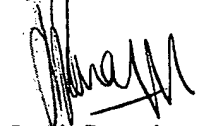
Key performance indicators

As the Company's principal activity is that of a holding company. The Directors are of the opinion that there are no meaningful financial or non-financial key performance indicators to understand the development, performance and position of the Company as part of the group headed up by Mastercard.

Principal risks and uncertainties

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. Many risks are to a greater or lesser degree controllable, but some are not controllable. Through its internal risk management process, the Company identifies business-specific risks, which includes liquidity and cashflow. The Company monitors its liquidity and cashflow requirements on a regular basis. The company's operations are supported by other Group companies, through intercompany arrangements. It classifies the key risks as those which could materially damage the Company's strategy, reputation, business, profitability or assets.

By order of the Board



Jackie Panayi
Company Secretary
13 March 2018

Directors' Report For the year ended 31 December 2017

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2017.

Directors

The Directors who held office during the year (Non-Executive Directors unless otherwise stated) and up to the date of this report are:

Sir Edward John Gieve
David Yates (Chairman)

Resigned 10 February 2017

John Lyons - Royal Bank of Scotland Group

Resigned 28 April 2017

Richard Hooper CBE

Eric Anstee

Paul Emney - Barclays Bank plc

Geeta Gopalan

Paul Horlock - Nationwide Group

Manroop Khela - Santander Group

Angus MacLennan

Daniel Meredith-Jones - Lloyds Banking Group

Andrew Slough - HSBC Bank plc

Timothy Ensor-Clinch (Chief Legal Officer - Director and Secretary)

Appointed 28 April 2017

Michael Miebach

Edward McLaughlin

Ajay Bhalla

Mark Barnett

Paul Stoddart (Chief Executive Officer)

Marion King

Appointed 20 September 2017

Daniel Meredith-Jones

Secretary

Timothy Ensor-Clinch – resigned 28 April 2017

Jackie Panayi – appointed 28 April 2017

Directors' indemnities

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

Dividends

The Directors do not recommend the payment of a dividend (2016: *£nil*).

Financial risk management

The Company has limited exposure to financial risk, as all material financial instruments are with companies within the group headed up by Mastercard, its ultimate parent company.

Directors' Report (continued)

For the year ended 31 December 2017

Employees

The Company has no employees (2016: none). The resources utilised in carrying out the activities of the Company are provided by Vocalink Limited.

Future developments

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

Going concern

These financial statements have been prepared on a going concern basis. The Directors of other group companies have advised, in writing, to the Company that they do not intend to demand repayment of amounts due from the Company until at least 31 March 2019.

Whilst the Company does not trade, based on these written assurances and after making enquiries, the Directors confirm that they have a reasonable expectation that the Company has adequate capital resources to continue in operational existence for the foreseeable future.

Events after the reporting date

There are no events after the reporting date that require disclosure.

Independent auditors

Following the change in the majority shareholding of the Company, PricewaterhouseCoopers LLP were appointed as auditors of the Company on 20 September 2017. Pursuant to Section 485 of the Companies Act 2006, a resolution to reappoint the auditors will be proposed at a future meeting of the board of directors.

By order of the Board



Jackie Panayi
Company Secretary
13 March 2018

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

On behalf of the Board



Paul Stoddart
Director
13 March 2018

Independent Auditors' Report to the members of Vocalink Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vocalink Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Independent Auditors' Report to the members of Vocalink Holdings Limited (continued)

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 6, 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.

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.

Independent Auditors' Report to the members of Vocalink Holdings Limited (continued)

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

We have no exceptions to report arising from this responsibility.

Gemma Clark

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

14 March 2018

Statement of Comprehensive Income
for year ended 31 December 2017

| | Note | 2017 £m | 2016 £m |
|---|------|---------------|---------------|
| Administrative expenses | 2 | (10.9) | (10.0) |
| Operating loss | | (10.9) | (10.0) |
| Finance income | 3 | 0.4 | 0.3 |
| Loss before taxation | | (10.5) | (9.7) |
| Tax on loss | 5 | - | (0.1) |
| Loss for the financial year | | (10.5) | (9.8) |
| Total other comprehensive income | | | |
| Total comprehensive expense for the year | | (10.5) | (9.8) |

The notes on pages 13 to 19 form an integral part of these financial statements.

Statement of Financial position
at 31 December 2017

| | Note | 2017 £m | 2016 £m |
|--|------|---------------|--------------|
| Non-current assets | | | |
| Investments | 6 | 163.8 | 163.8 |
| Total non-current assets | | <u>163.8</u> | <u>163.8</u> |
| Current assets | | | |
| Trade and other receivables | 7 | 0.5 | 6.7 |
| Total current assets | | <u>0.5</u> | <u>6.7</u> |
| Total assets | | <u>164.3</u> | <u>170.5</u> |
| Current liabilities | | | |
| Total current liabilities | | <u>-</u> | <u>-</u> |
| Non-current liabilities | | | |
| Trade and other payables | 8 | (13.2) | (8.9) |
| Total non-current liabilities | | <u>(13.2)</u> | <u>(8.9)</u> |
| Total liabilities | | <u>(13.2)</u> | <u>(8.9)</u> |
| Net assets | | <u>151.1</u> | <u>161.6</u> |
| Equity | | | |
| Called up share capital | 9 | 133.4 | 133.4 |
| Share premium account | 9 | 14.6 | 14.6 |
| Other reserves | 9 | 12.2 | 12.2 |
| (Accumulated losses)/retained earnings | 9 | (9.1) | 1.4 |
| Total equity | | <u>151.1</u> | <u>161.6</u> |

The notes on pages 13 to 19 form an integral part of these financial statements.

These financial statements on pages 10 to 19 were approved by the board of directors on 13 March 2018 and were signed on its behalf by:



Paul Stoddart

Registered company number: 06119036

Statement of Changes in Equity

| | Called up share capital £m | Share premium account £m | Other reserves £m | (Accumulated losses)/ Retained earnings £m | Total equity £m |
|---|-------------------------------------|-----------------------------------|-------------------------|--|-----------------------|
| Balance at 1 January 2017 | 133.4 | 14.6 | 12.2 | 1.4 | 161.6 |
| Total comprehensive expense for the year | | | | | |
| Loss for the financial year | | | | (10.5) | (10.5) |
| Total comprehensive expense for the year | | | | (10.5) | (10.5) |
| Balance at 31 December 2017 | 133.4 | 14.6 | 12.2 | (9.1) | 151.1 |
| | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Total equity £m |
| Balance at 1 January 2016 | 133.4 | 14.6 | 12.2 | 11.2 | 171.4 |
| Total comprehensive expense for the year | | | | | |
| Loss for the financial year | | | | (9.8) | (9.8) |
| Total comprehensive expense for the year | | | | (9.8) | (9.8) |
| Balance at 31 December 2016 | 133.4 | 14.6 | 12.2 | 1.4 | 161.6 |

The notes on pages 13 to 19 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

1.1 General information

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

On 28 April 2017, Mastercard acquired 92.4% of the issued share capital of the Company through its subsidiary Mastercard UK Holdco Limited. Following the change of ownership, Mastercard Incorporated is the ultimate parent undertaking of the Company.

1.2 Basis of preparation

In the prior year the financial statements were presented as consolidated financial statements, prepared and approved within the framework of International Financial Reporting Standards as adopted by the EU.

Following the change of ownership of the Company set out above, the Directors have revised the basis of the preparation of the financial statements, so that they are prepared on an unconsolidated basis and in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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

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

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a. the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- b. the requirements of IAS 7 Statement of Cash Flows
- c. the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- d. the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group

1.3 Going concern

These financial statements have been prepared on a going concern basis. The Directors of the group companies have advised, in writing, to the Company that they do not intend to demand repayment of amounts due from the Company until at least 31 March 2019.

Whilst the Company does not trade, based on these written assurances and after making enquiries, the Directors confirm that they have a reasonable expectation that the Company has adequate capital resources to continue in operational existence for the foreseeable future.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Foreign currency translation

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

1.5 Investments in subsidiaries

Investments in subsidiaries held as fixed assets are stated at cost less any provision for impairment. The need for any fixed asset impairment write-down is assessed by comparing the carrying value of the asset with the higher of realisable value or value in use.

1.6 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, in which case it is recognised in equity.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. The deferred tax asset balances attributable to carried forward losses are expected to be recoverable against future taxable profits (as projected in the latest operating plan) within two years. The deferred tax assets have not been discounted.

Where applicable, deferred tax assets are calculated at 17% (2016: 17%), being the rate substantively enacted at the balance sheet date.

Notes to the financial statements (continued)

2 Administrative expenses

Included in the Statement of Comprehensive Income are the following expenses:

| | 2017 £m | 2016 £m |
|-------------------------------------|---------------|---------------|
| Directors' fees | (0.1) | (0.1) |
| Legal, professional and consultancy | (10.8) | (8.5) |
| Other costs | - | (1.4) |
| | <u>(10.9)</u> | <u>(10.0)</u> |

Administrative expenses include non-recurring costs relating to the sale of the Company in the year of £10.8m (2016: £9.9m). These comprise legal, professional and consultancy fees of £10.8m (2016: £8.5m) and, in 2016, restructuring costs of £1.4m.

The Company had no employees during the year (2016: none).

Auditors' remuneration

The fees paid to PricewaterhouseCoopers LLP as auditors for the year ended 31 December 2017 and fees paid to KPMG LLP as the auditors of the Company for the year ended 31 December 2016 were:

| | 2017 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Audit of these financial statements | 5.5 | 5.0 |
| Taxation services | 8.0 | - |
| Advisory services relating to the sale of shares in the Company | <u>103.0</u> | <u>-</u> |
| | <u>116.5</u> | <u>5.0</u> |

3 Finance income

| | 2017 £m | 2016 £m |
|---|------------|------------|
| Interest receivable on intercompany receivables | 0.4 | 0.3 |
| | <u>0.4</u> | <u>0.3</u> |

4 Directors' emoluments

The Directors of the Company provide services to a number of Vocalink companies, including the Company, and the related fees were funded by Vocalink Limited.

Directors' fees paid to the Non-Executive Directors of the Company for services provided to Vocalink companies totalled £0.4m in the year (2016: £0.3m). A portion of these fees, together with a portion of the emoluments paid to the executive directors, were recharged to the Company from Vocalink Limited, the amount charged being in proportion to the activities of the Company, totalling £0.1m for the year (2016: £0.1m).

In the period following the change in the ownership of the majority shareholding of the Company, certain directors of the Company are employed as part of the group headed up by Mastercard in respect of their services to the Mastercard group as a whole. These directors are undertaking duties on behalf of 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.

Notes to the financial statements (continued)

5 Tax on loss

Recognised in the Statement of Comprehensive Income

| | 2017 £m | 2016 £m |
|---------------------|------------|------------|
| Current tax expense | | |
| Current year | | 0.1 |
| | | |
| Current tax expense | | 0.1 |
| | | |
| Total tax expense | | 0.1 |

Reconciliation of effective tax rate

| | | |
|---|-------|-------|
| Loss for the financial year | 10.5 | 9.8 |
| Total tax expense | - | (0.1) |
| | | |
| Loss before taxation | 10.5 | 9.7 |
| | | |
| Tax using the UK corporation tax rate of 19.25% (2016: 20%) | 2.0 | 1.9 |
| Expenses not deductible for tax purposes | (2.1) | (2.0) |
| Amounts received from other group companies | 0.1 | - |
| | | |
| Total tax expense | | (0.1) |

Expenses not deductible for tax purposes relate to non-recurring transaction costs associated with the sale of the Company.

A weighted average rate of tax of 19.25% has been used for the year ended 31 December 2017 given the reductions on 1 April 2017 to a corporate tax rate of 19%, previously at 20% (2016: 20%).

6 Investments

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

| | Principal activities | Class of shares held | Ownership 2017 | Ownership 2016 |
|--|----------------------------------|-------------------------|-------------------|-------------------|
| Vocalink Limited | Payment services | Ordinary | 100% | 100% |
| IPCO 2012 Limited | Intellectual Property Management | Ordinary | 100% | 100% |
| Vocalink Interchange Network Limited * | Dormant | Ordinary | 100% | 100% |
| Voca Limited * | Dormant | Ordinary | 100% | 100% |

The balance sheet carrying value of investments of £163.8m largely comprises the Company's investment in Vocalink Limited (2016: £163.8m). The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Notes to the financial statements (continued)

6 Investments (continued)

*Dormant entities exempt from the requirement of the Companies Act 2006 relating to the preparation of their individual financial statements in respect of their year ended 31 December 2017.

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

7 Trade and other receivables

| | 2017 £m | 2016 £m |
|-------------------------------------|------------|------------|
| Other receivables | - | 0.4 |
| Amounts due from group undertakings | 0.5 | 6.3 |
| | <u>0.5</u> | <u>6.7</u> |

In the period between 1 January 2017 and the date of the acquisition by Mastercard, 28 April 2017, £50m was drawn under the Company's external bank facility and the funds were advanced to Vocalink Limited. The intercompany balance in the period therefore included the external debt advanced, on which interest receivable accrued at 2% over Libor, with a total of £0.4m receivable in the year.

On 28 June 2017 a Mastercard group company entered into a £90m loan agreement with Vocalink Limited. On 30 June 2017, part of the proceeds of the loan were advanced through the intercompany account and applied in the repayment of the external debt.

Prior to the balance sheet date, Vocalink Limited recharged the Company £10.8m of costs relating to the sale of the Company. This created a balance due to Vocalink Limited, which is disclosed within 'Trade and other Payables'.

Amounts receivable at the 2017 balance sheet date of £0.5m were due from non-trading entities, do not bear interest, are repayable on demand and are unsecured.

8 Trade and other payables

| | 2017 £m | 2016 £m |
|------------------------------------|-------------|------------|
| Non-current | | |
| Amounts due to group undertakings* | 13.2 | 8.9 |
| | <u>13.2</u> | <u>8.9</u> |

Amounts owed to group undertakings include balances with Vocalink Limited of £5.4m (2016: £nil), which bears interest at 2% over LIBOR (2016: 2%) and is unsecured. The balance also includes £7.8m (2016: £8.9m) due to a non-trading subsidiary, Vocalink Interchange Network Limited, which does not bear interest and is unsecured.

* The Directors of each of these group undertakings have confirmed, in writing, that it is not their intention to require repayment of amounts payable to those undertakings until at least 31 March 2019.

Notes to the financial statements (continued)

9 Capital and reserves

| | 2017 £m | 2016 £m |
|---|------------------|------------------|
| Share capital | | |
| <i>Authorised</i> | | |
| 190,698,425 ordinary shares of £1 each | 190.7 | 190.7 |
| <i>Allotted called up and fully paid</i> | | |
| 133,354,643 ordinary shares of £1 each at 31 December | 133.4 | 133.4 |
| Shareholders (ordinary shares) | 2017 | 2016 |
| | % Holding | % Holding |
| Mastercard UK Holdco Limited | 92.41 | - |
| Lloyds Banking Group | 2.51 | 25.10 |
| Lloyds Bank plc | 1.43 | 14.29 |
| Bank of Scotland plc | 1.08 | 10.81 |
| The Royal Bank of Scotland Group | 2.14 | 21.40 |
| Royal Bank of Scotland plc | 1.23 | 12.31 |
| National Westminster Bank plc | 0.91 | 9.06 |
| Coutts & Co. | 0.003 | 0.03 |
| Other shareholders | | |
| HSBC | - | 15.91 |
| Barclays Bank Plc | 1.52 | 15.18 |
| Santander | 0.78 | 7.76 |
| Nationwide Building Society | 0.43 | 4.34 |
| The Co-operative Bank plc | - | 3.31 |
| Clydesdale Bank plc | - | 3.24 |
| AIB Group (UK) plc | - | 0.84 |
| Virgin Money | - | 0.79 |
| Coventry Building Society | 0.07 | 0.72 |
| Yorkshire Building Society | 0.07 | 0.72 |
| Bristol & West plc | 0.07 | 0.69 |
| | 100.00 | 100.00 |

On 28 April 2017, shareholders owning 92.4% of the ordinary shares of the Company disposed of all or part of their shareholdings to Mastercard.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. During the year the Company did not issue any ordinary shares (2016: none were issued).

Notes to the financial statements (continued)

9 Capital and reserves (continued)

| | Called up share capital £m | Share premium account £m | Other reserves £m | Retained earnings/ (accumulated losses) £m |
|--------------------------------|----------------------------------|-----------------------------------|-------------------------|--|
| Balance at 1 January 2017 | 133.4 | 14.6 | 12.2 | 1.4 |
| Loss for the financial year | - | - | - | (10.5) |
| Balance as at 31 December 2017 | <u>133.4</u> | <u>14.6</u> | <u>12.2</u> | <u>(9.1)</u> |

Other reserves comprise:

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

10 Related parties

Transactions with the shareholders of the Company

During the financial year Barclays Investment Bank, an entity trading within the Barclays Bank Plc group, provided advisory services to the Company with an amount charged of £0.2m (2016: £nil).

11 Immediate and ultimate holding company

The Company's immediate parent undertaking is Mastercard UK Holdco Limited, a company incorporated in the UK. Its 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 2017. The consolidated financial statements of Mastercard Incorporated are available from its registered office at 2000 Purchase Street, Purchase, New York.

12 Subsequent events

There were no events subsequent to the balance sheet date that require disclosure (2016: none).