VOCALINK mastercard

ANNUAL REPORT AND FINANCIAL STATEMENTS • 2025

Powering payments everyday

Vocalink Limited

Contents

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	Jeffrey Brooker Kelly Devine Keith Douglas Laurence Krieger (Appointed on 1 September 2025) Sheryl Lawrence Ed McLaughlin Victoria Mitchell Timothy Murphy (Resigned on 22 July 2026) Sir Jonathan Thompson (Appointed on 18 May 2026)
Company secretary	Maria Willis (Appointed on 12 January 2026) Jackie Panayi (Resigned on 12 January 2026)

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.

01

Strategic report

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 an inclusive and 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 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.

HM Treasury specified Vocalink for supervision by the Bank as a Specified Service Provider (SSP) in recognition of the fact that the RPSOs Pay.UK and LINK depend on Vocalink's infrastructure to deliver critical parts of their operations. The Bank's supervision of Vocalink is in addition to its supervision of Pay.UK and LINK and focuses on operational and financial resilience.

Vocalink continues to operate as an infrastructure company under the Financial Services (Banking Reform) Act 2013 and is subject to Bank supervision in accordance with Part V of the Banking Act 2009.

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.

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 3 million cash withdrawals and balance enquiries a day and ATMs account for almost 90% of cash acquisition in the UK.

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.

Faster Payments Service: Instant account-to-account payments, all day, every day

Pay.UK's FPS facilitates real-time payments of up to £1 million 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.

Image Clearing System

The 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. It has significantly reduced the clearing process time of cheques, resulting in a faster and more efficient experience for customers. In 2025, ICS processed more than 78 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 12 million current accounts in the UK since its launch.

14b

transactions securely processed

£11t

value of payments processed

Independent Chair and Chief Executive Officer's statement

Sir Jonathan Thompson
Independent Non-Executive Chair, Vocalink Limited

Keith Douglas
Chief Executive Officer, Vocalink Limited

"I'm honoured to join Vocalink at an important time for UK payments. I look forward to working with the Board and the leadership team to continue to strengthen the critical services that Vocalink provides. This is a world-class operation that continually draws on its expertise and innovation to help shape the future of UK retail payments infrastructure and protect against an evolving threat landscape.

Sir Jonathan Thompson
Independent Non-Executive Chair
Vocalink Limited

2025 was a year of deliberate progress for Vocalink – strengthening our foundations and actively preparing the business for sustainable growth. Against a backdrop of continued change across the UK payments landscape, the Board and executive team remained focused on resilience, security and operational excellence, while positioning Vocalink strongly to support the next phase of payments evolution in the UK.

Throughout the year, Vocalink continued to reliably and securely operate the UK's critical national infrastructure, seamlessly processing more than £11 trillion worth of account-to-account payments – nearly a trillion more than in 2024 – alongside the infrastructure that supports c.£77 billion (2024: c.£80 billion) worth of cash transactions across the UK.

This rapid growth in real-time payments, the enduring strength of Bacs, and the continued decline in cash usage reinforces the growing importance of account-to-account payments to the UK economy.

Payments landscape

The UK payments ecosystem continues to undergo significant transformation, shaped by the National Payments Vision and its long-term ambition to deliver a more innovative, resilient and competitive retail payments infrastructure for the UK.

Throughout 2025, Vocalink played an active role in this journey, actively engaging across the industry and sharing our vision for the future of payments, while remaining focused on the secure operation of the core payment systems that millions of people and businesses rely on every day.

Security, resilience and operational focus

The UK's strong record in payments resilience is underpinned by Vocalink's role in operating these systems reliably for over five decades, giving consumers and businesses the confidence that their payments will arrive safely and on time.

In 2025, we continued to strengthen our security and cyber resilience, building on the significant investment and enhancements undertaken in previous years. This included strengthening our capabilities across security, technology, risk management and people, further embedding robust controls and reinforcing our culture of accountability across the business.

Alongside this, operational resilience remained a core priority. We continued to invest in our platforms, processes and people to ensure that we can continue to operate safely, reliably and at scale, even as transaction volumes grow and the threat landscape becomes more complex.

In July 2025, the Bank of England concluded its investigation into certain system and control weaknesses relating to the period from 2020 to 2022.

We will continue to mature our control environment and resilience capabilities through 2026 and beyond, ensuring we are strongly positioned to power the UK's payments infrastructure safely, securely and at scale.

Partner of choice and trusted advisor

A defining feature of 2025 was the continued confidence placed in Vocalink by our customers, partners and regulators. Through close collaboration with customers, we delivered service improvements that reinforced our role as a trusted partner enabling innovation across the UK payments ecosystem. This confidence was demonstrated through the successful extension of core Pay.UK contracts, securing Vocalink's role in operating the UK's critical national payments infrastructure into the early 2030s.

These contracts will enable further enhancements to security and operational resilience, fortifying the critical payment services and unlocking greater benefits for all participating banks. They will also provide a growth driver in 2026 and the stability and time required to support the design and delivery of the future retail payments infrastructure.

Governance, culture and people

Throughout the course of 2025, we continued to implement the evolution of our new Target Operating Model, refining our organisational structure and strengthening accountability and prioritisation across the business, to ensure we have the right people, in the right roles, supported by the right technical and operational capabilities.

Our leadership team was further strengthened through the appointment of five new Executive members, alongside the transition of several interim roles into permanent positions. Together, these changes have built a strong and experienced leadership team with the capability to lead the business and support Vocalink's growth ambitions as the new Target Operating Model is embedded.

Our Board remained actively engaged throughout the year, providing effective oversight, challenge and support to management, with strong governance and decision-making underpinning performance and long-term business growth.

During 2025, the Board undertook a comprehensive search for a new Independent Non-Executive Chair. Following a rigorous selection process, including the Bank of England's non-objection, Sir Jonathan Thompson was appointed to the role in May 2026.

“

Sir Jonathan brings deep experience of governance and leadership in complex, highly regulated environments and will provide robust oversight, constructive challenge and support as Vocalink delivers its 2030 strategy and continues to strengthen resilience and security.

Timothy Murphy
Group Non-Executive Director and
previous Interim Executive Chair
Vocalink Limited

> ***Looking ahead, our focus remains on keeping the UK's payments infrastructure resilient and secure, supporting innovation under the National Payments Vision, and delivering our strategy for sustainable growth.***
>
> **Keith Douglas**
> Chief Executive Officer

On behalf of the Board, we would like to thank Timothy Murphy for his leadership as Interim Executive Chair. His stewardship ensured continuity and strong governance, supporting Vocalink's management to maintain focus on resilience, security and the core business priorities throughout the past 19 months.

Additionally, in 2025, Vocalink's Board was further strengthened by the appointment of Laurence Krieger as an Independent Non-Executive Director, who brings more than 30 years of experience across high-growth and regulated businesses. His leadership of innovative fintechs, including Revolut and Tide, has given him deep expertise in scaling businesses and building high-performing teams, further strengthening Vocalink's Board skillset.

Vocalink continues to benefit from exceptional talent across the organisation, recognised both internally and across the wider Mastercard business. Our people are central to our success, and during the year we continued to invest in capability, leadership and culture to support their development and ensure we attract and retain the best talent.

Strategy refresh

In 2025, we began the process to refresh our Vocalink strategy to position the business strongly for the rest of the decade.

Since our last strategy was set in 2021, the payments landscape in which we operate in has evolved significantly. This strategy refresh reflects the global trends reshaping our industry – such as artificial intelligence, digital wallets, tokenised money and ever-evolving cyber threats – alongside the specific dynamics of our UK market, including the National Payments Vision and the changing role and needs of our customers, consumers and businesses.

Against a rapidly evolving technology landscape, the strategy refresh underscores the importance of disciplined prioritisation – balancing resilience and delivery today with selective investment in future opportunities such as artificial intelligence and interoperability with digital money.

Our 2030 strategy, which was approved by the Board in March 2026, gives us a confident, growth-oriented path forward – one that builds on our strengths while ensuring Vocalink continues to play a long term, meaningful role in the UK payments ecosystem.

Well-positioned for the future

Vocalink plays a vital role in the UK economy, delivering services that underpin everyday payments and make a real difference for consumers, businesses and communities across the country. The value we provide to our customers translates directly into trust, reliability and confidence in the payments people rely on every day.

As we look ahead, our priorities remain clear – maintaining the highest standards of resilience and security, supporting industry innovation under the National Payments Vision and executing our strategy to enable sustainable growth.

Vocalink enters the next phase from a position of strength, with robust foundations, strong partnerships and a clear sense of purpose, positioning the business strongly to capitalise on the opportunities ahead in 2026 and beyond.

Jonathan Thompson

Sir Jonathan Thompson
Independent Non-Executive Chair
Vocalink Limited

Keith Douglas

Keith Douglas
Chief Executive Officer
Vocalink Limited

Our purpose and strategy

Our mission is to provide secure, resilient, innovative and profitable payment services that drive sustainable growth for participants and the UK economy. Having contracts in place beyond the end of the decade, our strategy remains focused on enhancing our business, so we continue to invest in the security, resilience and service quality of our UK operations, including robust governance, risk management and cyber-security. In addition to Vocalink's unparalleled account-to-account payment capabilities we are able to leverage assets and expertise from Mastercard and our global account-to-account markets to bring innovation to the UK payments market as a strategic advisor to our customers and to further develop innovative products and services.

Our strategy is aligned with Mastercard and is expressed through the four strategic imperatives shown in the strategic framework below, enabled by our people and operating model.

Our strategy

Our purpose

Our mission is to provide secure, resilient, innovative and profitable payment services that drive sustainable growth for participants and the UK economy.

Our strategic imperatives

- Customer focus
- Service and operational excellence
- Robust security, risk and regulatory compliance
- Sustainable business growth

Enabled by

Our people
- The Mastercard way
- Doing the right thing
- With the right mindset

Our operating model
- Process
- Technology
- Governance

Our strategic priorities

Vocalink's four strategic business imperatives support our vision of remaining the Leading Partner of UK Account-to-Account Payments

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.

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 obligations, in turn providing confidence in our infrastructure and services to our customers and wider stakeholders, and supporting the financial stability of the UK economy.

Service and operational excellence

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

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

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 values

Create value

Think big and bold. Innovate with intention. Deliver scalable solutions.

Grow together

Say what you mean. Bring in different perspectives. Help each other be great

Move fast

Prioritise what matters. Learn and pivot. Own the outcome.

Do the right thing

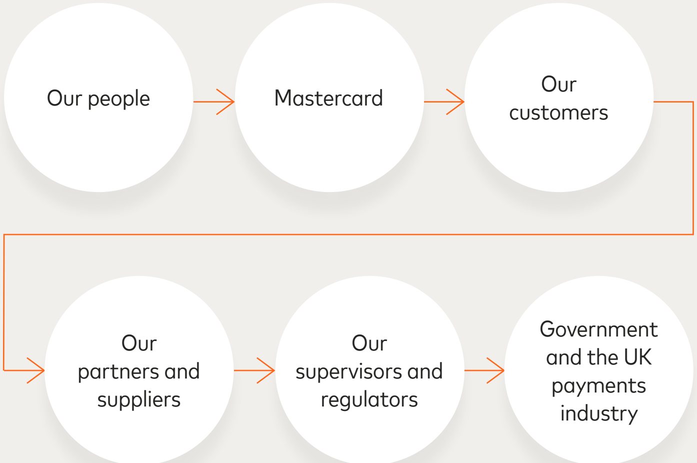
Decency. Inclusion. Force for Good.

With the right mindset

Create a strong risk and security culture.

Our stakeholders

Our culture puts our stakeholders at the heart of Vocalink. Building strong relationships and ensuring that we are engaging effectively with our stakeholders are critical to the long-term success of our business. This includes working closely with RPSOs Pay.UK and LINK, customers that use our systems, individuals and businesses who make and receive payments, as well as Mastercard, our supervisors and 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 27 to 30 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.

2025 strategic performance

Two key developments have captured attention in 2025; cyber-security and resilience remain an area of focus across the industry, heightened by widespread public awareness of high-profile, customer impacting incidents, and the increased use of generative artificial intelligence. In payments specifically, the momentum towards tokenised money and programmable payments is gaining traction and the industry is moving closer to the realisation of the National Payments Vision with a new governance model and Delivery Company approach, and the planned consolidation of the Payment Systems Regulator into the Financial Conduct Authority.

During 2025 Vocalink focused on further strengthening its reputation for service excellence which has been hard-won in over five decades of service to the UK payments industry.

2025

Our 2025 achievements

£11t
Value of payments processed

14b
Transactions securely processed

Service availability

100%
FPS and LINK

99.96%
Bacs

Processing records broken

11
Bacs

7
Faster Payments

2032+
Contract extensions date for Pay.UK

zero
Priority 1 issues, delivering all contractual product maintenance releases on time

6339
Production changes implemented

99.3%
Production change success rate

12
Extreme but plausible operational resilience scenarios tested

500k
Participant customers migrated

27%
Reduction in high-priority incidents

200km
Of data centre cabling installed

99%
Risk training completion

Customer focus

Vocalink primarily provides services to two RPSOs Pay.UK and LINK who are responsible for the Bacs, Faster Payments, Cheque Imaging Clearing and ancillary services, and ATM services respectively. 2025 was a pivotal year for Vocalink in which we successfully extended the core contracts with Pay.UK into the next decade, embedding the uplift in regulatory requirements and providing continuity of supply and industry certainty while the National Payments Vision design work continues.

- ✓ Faster Payments contract extended to 2032
- ✓ Bacs contract extended to 2033
- ✓ Cheque Image Clearing Service extended to 2030

In addition, Vocalink continued to provide thought-leadership supporting Pay.UK discussions with the regulators on enhancements to further strengthen the resilience and security of the current services.

Working with LINK we continued to provide support for the government's 'Access to Cash' policy including 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, rural communities and vulnerable members of society.

Service and operational excellence

2025 was another exceptional and consistent service performance year for Vocalink. Across all payment services Vocalink processed 14 billion transactions with a value to the UK economy of £11 trillion. 18 processing records were broken and against this background Vocalink achieved exceptional service levels of almost 100% availability. There were no incidents impacting Vocalink's Important Business Services, demonstrating our strong operational resilience, reliability and security focus as a UK critical national payments infrastructure provider.

Vocalink continues to support growth in account-to-account transactions, with FPS volumes growing exponentially, as they have done now for over a decade.

Underpinning these exceptional service statistics is a relentless focus on continuous improvement which will continue into 2026. Our teams successfully delivered over 6000 changes across our services – the highest volume of change implemented in a 12-month period, showcasing our ability to adapt, innovate and respond quickly to evolving business and RPSO needs.

Over the same period, we have seen a 15% reduction in the Digital Operational Resilience Act (DORA) measure 'Mean Time to Recovery' which assesses the average time taken from the detection of an incident through to its resolution.

2025:

A year of exceptional and consistent service performance

Robust security, risk and regulatory compliance

In 2025 Vocalink continued to enhance and embed improvements across all three areas of security, risk and regulatory compliance including the consolidation of controls assurance with the introduction of a new Controls Office. Key highlights for the year were:

- ✓ Mandatory risk training achieved a 99% completion rate complementing the mandatory and in-depth curriculum of online compliance training covering subjects such as anti-bribery and corruption, privacy compliance, information security and workplace conduct which are completed annually
- ✓ Risk and Controls and Policy compliance self-assessments completed by all functions
- ✓ Additional investment in the Three Lines of Defence (3LOD) risk model with the consolidation of controls assurance into the new Controls Office
- ✓ All regulatory deliverables completed on time
- ✓ Successfully completed tests on response and recovery capabilities in 12 ‘extreme but plausible[1]’ scenarios which are essential to understanding and enhancing operational resilience to meet the regulatory obligations of the Code of Practice under section 189 of the Banking Act 2009

1. These are based on the definition of Important Business Services (IBS) and the associated Impact Tolerances (ITOL). For more information see Bank of England Supervisory Statement – Operational Resilience: Recognised Payment System Operators and Specified Service Providers Supervisory Statement March 2021

Sustainable business growth

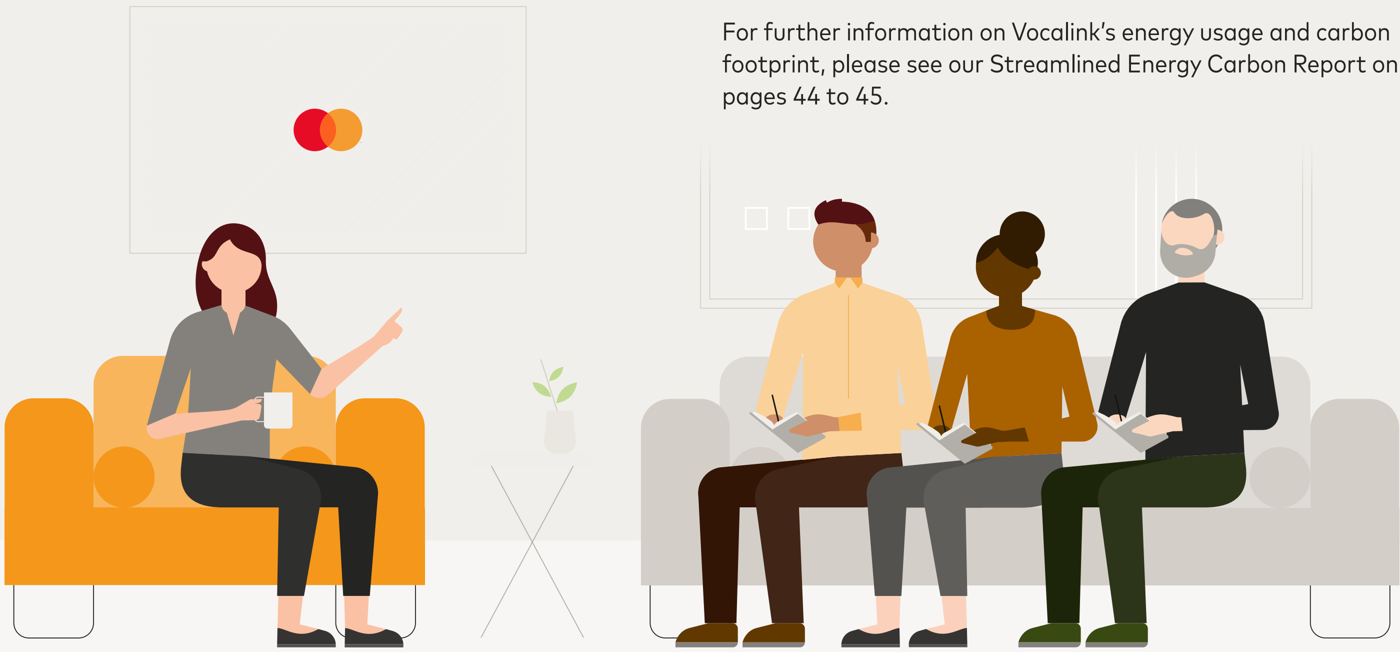
Bacs volumes and value processed continue to see growth, and Faster Payments continues the trend of double-digit value growth in 2025.

- ✓ Bacs transaction volume increased 1% to 6.9 billion transactions and value processed increased 4% to £6.1 trillion
- ✓ Faster Payments volume increased by 9.4% to 5.5 billion transactions and value processed increased by 14% to £4.8 trillion

Although the role of cash and cheques is declining in the UK, the Government has committed to supporting their ongoing provision, particularly to support those who are unable or prefer not to transact digitally. In support of the UK government’s ‘Access to Cash’ policy, Vocalink continues to support the delivery of LINK’s strategy to provide sustainable access to cash through its national ATM network, as well as supporting the Post Office to continue providing banking services to those who could otherwise be affected by branch closures.

With Vocalink’s data centres accounting for over 90% of our total energy consumption, we continuously drive improvements in data centre efficiency to support our environmental responsibilities and the efficiency targets of the Climate Change Agreement (CCA) scheme. Our North Yorkshire data centre’s solar photovoltaic system generates on-site renewable energy, which reduces our purchased electricity consumption. In addition, Vocalink’s Power Usage Effectiveness (PUE) continued to see year-on-year improvement across all data centres despite growth in service demand. All of Vocalink’s data centres are accredited to ISO 14001 for Environmental Management, demonstrating our continued stewardship of responsible energy use and waste control.

For further information on Vocalink’s energy usage and carbon footprint, please see our Streamlined Energy Carbon Report on pages 44 to 45.



Our People

The key enabler underpinning Vocalink's strategic imperatives and fundamental to the successes outlined above is our people – especially their focus, resilience and can-do attitude. In July 2025, a new People Strategy was approved by the Board and underpins our commitment to our staff into 2026 and beyond.

Throughout 2025, Vocalink's commitment to enhancing our people capability has delivered:

- ✓ People Leader Forums reaching 100+ leaders to promote strong and inclusive leadership skills and community, helping them to better support their teams
- ✓ Completion of the first Director Pathway Programme targeting investment in director-level talent
- ✓ An organisation-wide focus on the realisation of agile delivery practices to enhance cross-functional working and strengthen management capabilities

As well as efforts to ensure equal pay for work of equal value and equal access to opportunities for career development and growth, Vocalink is committed to closing its overall gender pay gap: from 2017 to 2025 the Mean Pay Gap reduced from 22.6% to 2.3% and the Mean Bonus Gap reduced from 52.5% to 1.1%.

Voluntary attrition has remained low between 3.0% and 4.5% on a rolling 12-month basis and the Employee Experience Survey results indicate that we continue to perform strongly in engagement, culture and people leader effectiveness:

91%
of Vocalink employees responded to the survey

90%
of Vocalink employees shared that they are proud to work for Mastercard

88%
would recommend Mastercard as a good place to work

91%
said their people leader supports their wellbeing

In 2025 we also completed the evolution of our Target Operating Model and accountability framework. This included the appointment of five new Executive Committee members and the conversion of several interim appointments into permanent roles. Collectively, these updates have contributed to a highly capable and experienced leadership group, well placed to steer the business and deliver Vocalink's growth ambitions.

Our 2026 priorities

The backdrop to 2026 remains the realisation of the National Payments Vision and the anticipated consultation and design of the 'Next Generation' payments systems set out in the Payments Forward Plan. Looking forward, Vocalink has undertaken a planned refresh of the Business Strategy; the Business Imperatives framework is retained with updated objectives which drive alignment and performance.

2026

Customer focus

In 2026 the primary aspect of customer focus relates to the dual aspects of the National Payments Vision. Firstly, to work with Pay.UK to 'proportionately implement short-term enhancements to the current Faster Payment System and Bacs Payment System to improve resilience and better support innovation, including in account-to-account payments' as outlined in the Payments Forward Plan[2]. Secondly, to identify UK growth opportunities supporting the innovation and growth aspirations. We continue to work closely with LINK, the Post Office and Independent ATM Deployers to maintain provision of the essential Access to Cash services.

Robust security, risk and regulatory compliance

Ensuring Vocalink not only delivers service excellence but also ensures delivery against commitments and obligations to supervisors and regulators is a cornerstone of the business. In 2026, Vocalink will continue to promote the organisation-wide focus on risk culture, risk maturity and risk-based security approaches, and partnering with RPSOs on strengthening end-to-end resilience and scenario testing. The development of a sustainable Security Target Operating Model will continue in 2026, to further uplift Vocalink's cyber capabilities, reflecting the ever-evolving cyber landscape and advancement of artificial intelligence.

Service and operational excellence

To deliver Vocalink's exceptional service levels requires constant vigilance and a continuous improvement mindset. In 2026 Vocalink will retain the focus on delivering against the Operational Resilience Maturity Model and driving efficacy when implementing change across all services.

Sustainable business growth

The Pay.UK contract extensions secured at the end of 2025 provide a growth driver in 2026 through the formalisation of responsibilities and new obligations alongside the changes to current services in support of the National Payments Vision outcomes. 2026 will see a similar focus for the cash-based services to ensure that the industry and public confidence is retained into the 2030s. In the longer-term the focus remains on engagement and support for the Retail Payments Infrastructure Board to shape and deliver the National Payments Vision outcomes to achieve the envisaged UK growth potential.

2. Payments Forward Plan

2025 financial review

Overview

We set ourselves the goal of returning to profitability in 2025, and this was achieved with Vocalink generating a profit before tax of £10.3m for the year (2024: loss of £12.4m). We invested in new technology and expertise, whilst maintaining strong cost discipline. Our balance sheet remains strong, with total net assets of £234.7m and cash and cash equivalents of £142.1m. The improvement in profitability, alongside our robust balance sheet, positions us well to continue delivering resilient and secure critical national payments infrastructure services in the UK, as well as supporting the National Payments Vision ambitions and seizing the growth opportunities it presents.

James Howl
Chief Financial Officer, Vocalink Limited

Financial performance

	2025 (£m)	2024 (£m)
Total revenue:	**211.8**	221.5
Total expenses:	**(210.0)**	(241.5)
Operating profit/(loss)	**1.8**	(20.0)
Net finance income:	**8.5**	7.6
Profit/(loss) before tax:	**10.3**	(12.4)
Net assets:	**234.7**	225.1
Cash and cash equivalents	**142.1**	178.7

Revenue

Total revenue in the financial year ended 31 December 2025 declined by 4% to £211.8m (2024: £221.5m).

The decline in total revenue was driven by a reduction in internal revenue from Mastercard group companies which declined 28% to £31.8m (2024: £44.4m). The reduction was driven by the cessation of maintenance fees received from IPCO 2012 Limited (IPCO), as well as employees transferring from Vocalink to other Mastercard entities. These actions reduced Vocalink's costs but also led to reduced revenue from charges to other group companies.

External revenue generated from Bacs, Faster Payments Service (FPS), Image Clearing System (ICS), LINK and other such contracts, increased by 2% to £180.0m (2024: £177.1m). This was driven by higher FPS transaction volumes, though this was partly offset by an ongoing decline in ATM cash transactions for the LINK service. As noted previously, during 2025 we reached agreement with Pay.UK regarding the extension of several service contracts, effective 1 January 2026, securing continuity for FPS to 30 June 2032, Bacs to 31 December 2033 and ICS to 31 October 2030, with contractual options to extend further beyond these dates.

Costs and capital investment

Maintaining cost discipline across our operations remained a focus area in 2025, enabling us to become more efficient while also investing further into our business.

Total expenses reduced by 13% to £210.0m (2024: £241.5m) driven primarily by a reduction in license fees and lower contractor spend. The 2024 comparative includes a one-off £11.9m regulatory financial penalty, which was recorded as an expense in 2024 and paid in 2025.

Whilst reducing our overall cost base, we continued targeted investment in operational resilience, security, regulatory compliance and service delivery, with capital expenditure in 2025 of £23.4m (2024: £21.2m) on information technology infrastructure and software development.

Profitability

Vocalink Limited generated a profit before tax of £10.3m for the financial year ended 31 December 2025 (2024: loss of £12.4m). Despite a slight decline in revenue, we saw the benefit of strategic actions taken in 2024 and early 2025 to reduce the cost base, with a significant improvement in profitability for the full year 2025. These cost reductions were achieved whilst still maintaining a consistently high level of service delivery for our customers and stakeholders.

The operating profit for the year was £1.8m which includes a one-off provision charge of £7.2m relating to certain onerous customer contracts – when this is excluded Vocalink Limited generated an underlying operating profit of £9.0m. The reported operating loss in 2024 was £20.0m which included a one-off expense of £11.9m for a financial penalty noted on page 17 – excluding this item the 2024 underlying operating loss was £8.1m.

-£12.4m

before tax loss 2024

£10.3m

before tax profit 2025

Balance sheet

Vocalink Limited continues to maintain a strong capital and liquidity base. Net assets increased 4% to £234.7m (2024: £225.1m), which includes cash and cash equivalents of £142.1m (2024: £178.7m), materially in excess of regulatory capital requirements. The reduction in cash during the year primarily reflects an intended settlement of an outstanding payable owing to IPCO. Vocalink's other main assets include trade and other receivables, fixed assets, and pension assets.

£225.1m

net assets 2024

£234.7m

net assets 2025

Risk management

Risk management

Vocalink operates critical national infrastructure and payment services that are of systemic importance to the UK and the UK payments ecosystem. In 2025, Vocalink continued to invest in and focus on enhancing risk management across the business via two key transformation programmes: the Strategic Risk Management Framework and the Operational Resilience Readiness Programme. Programme deliverables were completed in 2025 as well as the establishment of a new Controls Office, resulting in an uplift in Vocalink's risk, control and resilience capabilities. This focus continues into 2026, recognising the systemic risks and cyber threat landscape.

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's Enterprise Risk Management Framework (ERMF) ensures a consistent approach to identifying, assessing, measuring, managing, and reporting on Vocalink's risks as well as identifying and monitoring emerging and horizon risks in the broader ecosystem which have the potential to disrupt Vocalink's operations and impact customers. The ERMF, visualised below, sets out Vocalink's guiding principles and boundaries to establishing, communicating and reporting against Vocalink's Board approved risk appetite and to help foster a risk-aware culture, drive growth and innovation, and support decision-making.

Risk strategy and appetite

- Risk appetite statement
- Risk appetite metrics and limits
- Risk-based decision-making

Risk operating model and governance

- Board and Board Risk Committee
- Executive Risk Management Committees
- Policies and procedures
- Three lines of defence and interfaces

Risk processes and controls

- Risk identification and taxonomy
- Risk assessment and controls
- Emerging risks and scenario analysis

Risk monitoring and reporting

- Risk events (including near misses), escalation, management and resilience
- Committee risk reporting and MI

People and risk culture

- Risk culture and accountability (including training and performance)
- Second line Risk resourcing and organisation

Risk systems, tools and technology

Risk systems, tools and technology

Risk strategy and appetite

Vocalink's risk appetite defines the level and types of risk that we are willing to take to achieve our strategic objectives. Its forward-looking nature helps us to understand our willingness to engage in certain activities and is fundamental to our ERMF, helping to ensure an appropriate balance of return for the risk we are taking.

Risk appetite is formally articulated through Vocalink's Risk Appetite Statements and Metrics, which are approved and monitored by the Vocalink Board. Risk appetite informs Vocalink's policies, procedures, and controls, which guide risk management operations to ensure that risks can be effectively managed. Risk appetite operates in tandem with the annual risk planning process and supports risk-based decision-making.

Vocalink's teams continually monitor performance against risk appetite tolerances and associated metrics to ensure that early warning indicators or breaches are escalated to the Executive Risk Committee or Board Risk Committee, as appropriate.

Risk operating model and governance

Vocalink has established Board and Executive level committees to monitor and oversee risk management and the effective operation of the ERMF, which operate in line with their delegated authorities and defined terms of reference.
This includes:

Vocalink committee	Summary of remit related to risk management
Board	The Board recognises the importance of effective risk oversight to the success of Vocalink's business strategy. The Board is responsible for the overall governance of Vocalink, determining strategy and objectives, establishing risk appetite, determining values and culture, and providing leadership within an effective risk management and internal control framework. The Board has established a Board Risk Committee for the delegation of certain risk matters.
Board Risk Committee (BRC)	The BRC is responsible for providing oversight of the effective management of risk. BRC's responsibilities include: considering recommendations and matters escalated from the Executive Risk Committee, monitoring Vocalink's risk profile against risk appetite, reviewing and assessing the effectiveness of the ERMF and control frameworks, reviewing the appropriateness of Vocalink's risk culture, and advising the Board on principal and emerging risks, having carried out a robust assessment.
Technology and Cybersecurity sub-Committee (TCC)	The TCC is a sub-committee of BRC with delegated oversight for Vocalink's technology and cyber security risk management, including technology and cyber resilience.
Executive Risk Committee (ERC)	The ERC is an executive committee chaired by Vocalink's Chief Risk Officer (CRO). The ERC is principally focussed on the effective reporting and management of risks and controls across Vocalink. The ERC's primary responsibilities include ensuring effective risk management and oversight of first line functions and providing a forum for the CRO and Accountable Executive Risk Owners to manage and monitor top risks, risk events and risk appetite compliance. It is also responsible for managing Vocalink's risk profile against risk appetite, identifying and monitoring emerging and horizon risks and embedding Vocalink's risk culture.

Risk Management is also supported by defined policies, standards, and procedures, which are subject to ongoing review and, where required, enhancement, to ensure these continue to reflect Vocalink's regulatory requirements and systemic risk role operating critical national infrastructure as a Specified Service Provider to RPSOs. Risk Management policies, standards, and procedures are also established and maintained with recognition of the holistic risk environment, and engagement with the RPSOs Pay.UK and LINK as systemic risk managers is an important part of Vocalink's ERMF.

Additionally, Vocalink operates a Three Lines of Defence (3LoD) model, which establishes a clear organisational structure and allocation of responsibilities for risk management:

Line of Defence	Role in the risk management framework
First Line of Defence	The First Line of Defence comprises the functions engaged in or supporting revenue generating activities, responsible for identifying, assessing, mitigating, responding, monitoring, reporting, and escalating existing or emerging risks and managing these risks on a day-to-day basis. Risk Owners form part of the First Line of Defence and are accountable for risks and managing the risk profile within the risk appetite. The First Line of Defence also comprises the newly established Controls Office, with responsibility for controls testing, the co-ordination of certification assurance activity, and the monitoring and governance of control gaps and weaknesses across Vocalink.
Second Line of Defence	The Second Line of Defence in Vocalink comprises both the Risk Function and Compliance: • The risk function is a dedicated team accountable for independent oversight and challenge of risk management activities. The risk function sets the ERMF policies, standards, and procedures required to enable effective risk management. They provide subject matter expertise, advice, and guidance to support the First Line in their risk management responsibilities. The risk function also performs targeted assurance over key areas, including embedding of the ERMF. • The compliance function is responsible for monitoring and assuring compliance with applicable regulations.
Third Line of Defence (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 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.

Risk processes and controls

To ensure that Vocalink continues to deliver resilient and secure services, and to support sustainable business growth aligned to Vocalink's risk appetite, risks are continually identified, assessed and managed by the organisation. This ongoing assessment activity, which is underpinned by a defined risk taxonomy, is also supported by an annual Risk & Control Self-Assessment (RCSA) process and Second Line Risk Assurance. All risks have assigned risk owners, who are accountable for ensuring that risks are managed within risk appetite and tolerance thresholds.

Controls help prevent, detect, or correct risks, with the Controls Office and second line ensuring that controls are designed and operate effectively to manage risks in line with risk appetite.

In 2025, Vocalink significantly invested in establishing the new Controls Office, emphasising Vocalink's focus on objectively assessing the design and operating effectiveness of controls and ensuring that control weaknesses and gaps are remediated effectively and on a timely basis. The effectiveness of the control environment is also assessed by the second line and Internal Audit, as well as via external certifications and audits.

Additionally, as part of the ongoing process of risk identification, Vocalink identifies and assesses emerging and horizon risks, that whilst having limited impact to the organisation in the immediate 12-month time horizon, may impact Vocalink's longer-term strategic objectives.

Risk monitoring and reporting

Where a risk has crystalised, processes are in place to ensure effective management to minimise any impact on Vocalink and prevent recurrence (e.g. process or control enhancements). This includes an assessment of risk severity, escalation, and ongoing management and reporting of Risk Events to the ERC, including Near Misses, through to closure.

Additionally, it is critical that we report the right information, to the right people, at the right time. Accordingly, our ERMF is underpinned by meaningful risk management information that accurately reflects the risk profile of Vocalink, enabling timely and effective decision-making in line with delegated authorities.

People and risk culture

Risk management capabilities and risk culture are key foundational enablers of the ERMF. In addition to organisation-wide training and targeted training to key role holders, Vocalink embeds a strong risk culture through its use of the 'Three Lines of Defence' Model (see page 21), with clear leadership and accountability driven from the top.

The Vocalink ERC and BRC monitor the organisation's risk culture, which is reinforced through role modelling, performance management, and clear behavioural expectations aligned with Vocalink's values and established cultural norms.

Recognising Vocalink's commercial structure and systemic importance, responsible risk-taking in pursuit of Vocalink's strategic objectives is considered. All employees are expected to understand and comply with Vocalink's ERMF and take ownership of their actions, with open communication and accountability supported across all levels through formal policies, training, and regular cultural assessments.

Risk systems, tools and technology

Risks and controls are recorded in a centralised risk tool for management, analysis and reporting. This helps ensure that there is timely, accurate, and relevant risk data to support risk-informed decision-making. This is supported by a programme of ongoing enhancements to tooling and other systems to ensure that this continues to meet the needs of Vocalink and industry best-practice.

Internal audit

Throughout 2025, Internal Audit performed assurance engagements in accordance with the approved annual Internal Audit Plan and identified key risks for the Executive Committee and Board Audit Committee's attention. Internal Audit also provided advice to the Executive on key Vocalink programmes of work and actively undertook business monitoring by engaging with internal stakeholders on a regular basis, including attending key committee and management meetings, to understand changing business risks, trends and emerging issues. Internal Audit regularly reported insights, progress and the status of its work to the Board Audit Committee.

In relation to the oversight of Vocalink's Internal Audit function in 2025, the Board Audit Committee continued to meet quarterly to review internal audit reports and progress made by management to address any findings. The Committee also undertook its annual review of the performance and effectiveness of Vocalink's Internal Audit function, including compliance with the Chartered Institute of Internal Auditors Internal Audit Code of Practice.

External audit

In line with the Financial Reporting Council (FRC's) 'Audit Committees and the External Audit: Minimum Standard' (the 'Standard') guidance, the Board Audit Committee considered whether it had fulfilled its responsibilities against the Standard and confirmed that the Committee had acted in line with its remit during the period under review.

Principal risks

Having undertaken a robust assessment of the Company's emerging and principal risks, the Board has confirmed that the key risks which could impact Vocalink's medium-term performance have not materially changed from those set out in Vocalink's 2024 Annual Report.

Strategic risk

Principal risk	Key considerations for Vocalink
Strategic risk: Risks to Vocalink arising from adverse business decisions, improper implementation of strategic decisions, failure to take advantage of opportunities, or lack of responsiveness to industry or competitive changes	Our mission is to provide secure, resilient, innovative and profitable payment services that drive sustainable growth for participants and the UK economy. Maintaining exceptional services is a key element in managing our strategic risks and securing future opportunities. To support this, we continue to invest in our core infrastructure and service delivery capabilities including robust governance, risk management and cyber-security, and leveraging our deep payments expertise to provide innovative solutions, without compromising resilience. Our people are at the core of our ability to deliver and maintain our technology and manage strategic risks, therefore our skills and capabilities, culture and wellbeing remain a key focus for the Executive team and Board. In 2025 Vocalink has secured contract extensions for the Pay.UK services through to 2032 with provision for a subsequent extension as needed. These extensions provide certainty in 'continuity of supply' for Vocalink, Pay.UK and the wider industry while the governance bodies continue to develop the approach for the 'Next Generation Infrastructure'. In the meantime, the Payments Forward Plan has set out an innovation and operational resilience agenda for Faster Payments and Bacs delivering 'proportionate enhancements' through 2028. In addition, Vocalink will continue to closely monitor the work of the Retail Payments Infrastructure Board for decisions that might affect the strategic risks to the business.

Operational risk

Whilst Vocalink is exposed to various types of Operational Risk (the risk of loss arising from inadequate or failed internal processes, human error, systems, or due to external events), as an operator of critical national infrastructure, our Principal Operational Risks relate to:

Principal risk	Key considerations for Vocalink
Information security risk: Risks that impact the confidentiality, integrity and/or availability of Vocalink's data and information (e.g., cyber-attack, data breach, denial of service attack, ransomware attack, loss of intellectual property)	Information Security risk remains a prevalent and fast-evolving risk for Vocalink and maintaining the trust of our customers and the wider UK payments ecosystem depends on our ability to operate secure and resilient services in the face of increasingly sophisticated and persistent cyber threats across the financial and payments sector. Continued global investment in cyber security capabilities and collaboration has helped strengthen collective resilience; however, the scale, sophistication and persistence of cyber threats remain significant. Vocalink therefore continues to invest in a defence-in-depth security posture, supported by layered technical controls, enhanced system monitoring and resilient system design to protect the confidentiality, integrity and availability of our critical services. This defensive capability is informed by threat intelligence drawn from internal monitoring, industry collaboration, government engagement and external sources, enabling timely detection and response to emerging threats. During the year, Vocalink further reinforced its cyber resilience through a threat-led Cyber Risk & Control Assessment, which tested the effectiveness of preventative, detective and recovery controls against credible threat scenarios and informed targeted enhancements where required. Looking ahead, cyber security capabilities and resilience arrangements will continue to evolve in line with the changing threat landscape, technology environment, and external dependencies to ensure emerging risks are identified early and managed proactively.

Operational risk (continued)

Principal risk	Key considerations for Vocalink
Operational resilience risk (including technology risks): Risks related to Vocalink's ability to respond and recover Important Business Services within Impact Tolerance. This also includes Technology risks impacting services and operations	**Operational resilience:** Operational Resilience remains a core strategic priority for Vocalink. We have continued to strengthen and mature our capabilities through our enhanced Operational Resilience Framework and, more specifically, through the development of our Operational Resilience Strategy. This strategy sets out objectives that go beyond regulatory compliance, focusing on sustaining and embedding the significant uplifts delivered in 2024–25, while aligning to the overarching organisational strategy and business imperatives. Key areas of focus include elevating our Response and Recovery capability, with particular emphasis on advancing the maturity of our Scenario Testing approach. This involves creating a clearer traceability from threat intelligence and risk assessments through to scenario design and measurable outcomes. In parallel, we are continuing to embed the Operational Resilience Operating Model, reinforcing both team effectiveness and Product-level accountability for the end-to-end resilience of our Important Business Services (IBS). In addition, Vocalink works closely with the Cross-Market Operational Resilience Group (CMORG) to strengthen industry-wide resilience and ensure alignment with sector expectations. Through active participation in CMORG forums, working groups, and coordinated exercises, Vocalink contributes to shared insights, collaborates on best practices, and helps shape collective responses to emerging risks. This engagement enables Vocalink to validate its own preparedness, support cross-industry coordination, and enhance the resilience of the financial ecosystem. **Technology Risk:** Technology risk remains a key area of focus for Vocalink, given our role in underpinning critical national payment infrastructure. We continue to strengthen our control environment through proactive risk identification, enhanced monitoring, and disciplined governance across our technology estate. Key priorities include maintaining resilient and secure platforms, modernising technology, ensuring robust cyber defences, and reducing technical debt in a controlled and transparent manner. Through ongoing investment, rigorous testing, and partnership across the wider financial ecosystem, Vocalink remains committed to safeguarding the integrity, availability, and performance of the technology services our customers depend on.
Third-party risk: Risk arising from Vocalink's reliance on outside parties (both internal and external) to perform services or activities without adequate redundancy or backup (including our reliance on Cloud and Software as a Service Providers)	Vocalink manages the bulk of its core infrastructure and operations; but is reliant on suppliers for selected activities. As such, there is a risk that third-party or extended supply chain failures or service performance issues may impact the resilience or quality of Vocalink services. We ensure that our suppliers are managed via a comprehensive Supplier Management Framework and Outsourcing and Third-Party Risk Management Policy, which together set standards for oversight, performance management, and risk and control management of our suppliers. We maintain structured governance forums for all critical and key suppliers, providing clear mechanisms to identify, assess, and mitigate risks across our supply chain and to ensure that third-party dependencies are robustly managed.

Legal and regulatory risk

Principal risk	Key considerations for Vocalink
Regulatory risk: Risks associated with Vocalink's failure to comply with applicable regulations	Vocalink is supervised by the Bank of England and falls within the regulatory perimeter of the Payment Systems Regulator (PSR), the UK's economic regulator for payment systems. As announced by the UK Government in March 2025, the PSR will be largely consolidated into the Financial Conduct Authority over the coming years. Regulatory risk is managed through a risk based approach that is aligned to our risk appetite and informed by our proximity to potential disruption. We have a dedicated Compliance function responsible for identifying, assessing, and monitoring regulatory developments and for ensuring ongoing compliance with applicable regulatory obligations through structured monitoring, testing, and assurance activities. The Compliance function provides regular reporting to the Executive and the Board on the status and effectiveness of Compliance programmes within its remit. Vocalink maintains open and transparent engagement with our regulators, in particular the Bank of England, in line with the Financial Market Infrastructure supervisory regime and actively participates in regulatory and industry forums, events, and roundtables to remain informed of developments across the wider payments ecosystem.

Financial risk

Principal risk	Key considerations for Vocalink
Financial risk: Risks caused by external financial factors impacting Vocalink such as credit risk, liquidity, foreign exchange, and/or market risks	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 can recover financially from an 'extreme but plausible' scenario and, if required, to wind down in an orderly manner, a Wind-Down 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

Principal risk	Key considerations for Vocalink
Reputational risk	Vocalink acknowledges the importance of managing its 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. We safeguard our brand and industry reputation primarily by ensuring the continuous operation of the UK's critical national payments infrastructure, 24/7, 365 days a year, with internal and external communications a key component of any response to incidents that may arise. We also give due regard to Vocalink's brand and reputation as part of the Mastercard Group.

Board decision-making and stakeholder engagement

Board decision-making and engagement with stakeholders

Effective engagement and consideration of Vocalink's stakeholders are central to Vocalink's strategy and the Board's decision-making processes.

Section 172(1) Statement

This section forms the Vocalink Board's Section 172(1) Statement and describes how the Board has regard for its duties under section 172(1) of the Companies Act 2006 to promote the success of the Company and how this is considered in their decision making.

The Board recognises that, to promote Vocalink's success, a culture centred on the concept of decency – acting with integrity, empathy and respect – should be the foundation for how we behave, work together and serve customers. The Board is also aligned to Mastercard's impact strategy to power economies and empower people, and build an inclusive and sustainable economy where everyone prospers. This is supported by Vocalink's core values which promote collective success through connection, collaboration and a shared purpose.

Section 172	Further information
(a) The likely consequences of any decisions in the long-term	• Our purpose and strategy on pages 9 to 11 • Our performance on pages 12 to 15 • Our strategic priorities on pages 10 to 16
(b) Interests of employees	• Our stakeholders on page 11 • Our culture and values on page 11 • Our people on pages 11 to 15
(c) Fostering business relationships with customers, suppliers and others	• Our strategic priorities on pages 10 to 16 • Our stakeholders on page 11 • Customer focus on pages 12 to 16
(d) The impact of operations on the community and environment	• Sustainable business growth on pages 10 to 16 • Our stakeholders on page 11 • Our streamlined energy and carbon report on pages 44 to 45
(e) Maintaining a reputation for high standards of business conduct	• Our culture and values on page 11 • Risk report on pages 19 to 26
(f) Acting fairly between members of the Company	• Who we are on pages 4 to 5 • Our purpose and strategy on pages 9 to 11

The likely consequences of any decision in the long term

The Board understands its fundamental role in formulating and overseeing Vocalink's strategy to achieve long-term success and to fulfil Vocalink's vision. When taking 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. 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 also an integral part of Vocalink's activities, focussed on managing the principal risks and inherent threats which could impact the achievement of Vocalink's strategic goals.

Board considerations and outcomes: An interim update to Vocalink's business strategy was approved by the Board in September 2025, reflecting the National Payments Vision and Vocalink's systemic role in the UK as a critical national payments infrastructure provider. The implementation of a new organisational Target Operating Model was overseen by the Board, including the creation of a Chief Operating Officer role and a Controls Office, to further support delivery of the strategy. The Board also approved ongoing significant investment in the continued enhancement of Vocalink's resilience and risk capabilities to support Vocalink's long-term strategic objectives as the leading provider of account-to-account payments systems in the UK.

The interests of the Company's employees

The Board recognises the crucial importance of our employees and encourages open communication, engaging directly with teams across all Vocalink sites through engagement sessions and Town Halls. Engagement opportunities provide a forum for members of the Board and Executive team to share key business updates and initiatives which impact employees and to understand their views through feedback and questions.

Employee experience and pulse surveys give employees an opportunity to provide feedback on how they experience working at Vocalink. The Board supports the Executive team to act on the results and People Leader Forums provide further opportunities for employees to provide feedback. Vocalink continues to invest in people to attract and retain talented employees from diverse backgrounds and industries, to strengthen knowledge, skills and expertise and to build a culture aligned to Vocalink's values.

Board considerations and outcomes: The Board recognises that Vocalink's success is dependent on having motivated people with the expertise and skills required to deliver our strategy. In June 2025, the Board reviewed and approved a new People Strategy to support succession planning, talent management and capability creation. The Board also held 'Meet and Greet' sessions across the Vocalink offices and data centres where Board members engaged directly with colleagues. This enabled the Board to bring insight from colleagues into their discussions on areas such as the Vocalink lease extension, business strategy, people strategy and prioritisation.

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

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

Vocalink partners with businesses that share its values, ensuring that Vocalink's operations are aligned to its purpose, values and objectives. The Board delegates engagement and oversight of Vocalink's suppliers to the Executive team and compliance with Vocalink's Supplier Management Framework and Outsourcing and Third-Party Risk Management Policy ensures that suppliers are managed appropriately.

Board considerations and outcomes: In 2025, the Board reviewed and approved contract extensions and new terms for Vocalink's core service contracts with Pay.UK, including the delivery of enhancements to existing infrastructure. The extensions reinforce Vocalink's role as a trusted partner to its customers and confidence in the Board's role in providing oversight. The Board also considers and approves a Modern Slavery Statement each year to promote transparency, accountability, and ethical action in its operations and supply chains.

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

The Board remains focussed on building a sustainable economy where everyone prospers, aligned to Mastercard's impact strategy. Board meetings provide a forum for updates from the Executive team on environmental and social impact matters. Vocalink monitors and measures its energy usage and Greenhouse Gas emissions and invests in capital projects that promote energy efficiency.

Our employees are also a powerful force for good in the communities where we live and work. We encourage employees to donate funds and share their skills to support our charitable partners and advance causes that are meaningful to them through volunteering, mentoring and more. In 2025, Vocalink employees volunteered 1,100 hours, and received volunteer rewards for charity partners for eligible volunteer hours logged.

Board considerations and outcomes: Following the Board's approval of investment in infrastructure upgrades, our Bedfordshire data centre Mechanical, Electrical and Plumbing upgrade was completed in December 2025, marking the end of a major three-year programme. The infrastructure investment will enhance the environmental sustainability of the data centre and office Heating, Ventilation and Cooling systems by transitioning the energy sources to electricity and lowering our reliance on natural gas.

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

Vocalink is committed to conducting business in a legal, ethical and socially responsible manner, delivering the best possible value for the organisation and its customers. The 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 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.

Board considerations and outcomes: Against the backdrop of the National Payments Vision, the Board remained focused on resilience, security and operational excellence, maintaining Vocalink's reputation for ensuring the safe and secure operation of the UK's critical national infrastructure. In its oversight of the contract negotiations with Pay.UK, the Board ensured high standards of business conduct were maintained when agreeing the extensions.

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, at least two of the Board's Non-Executive Directors are appointed from senior roles within Mastercard. To ensure an efficient and effective approach to engagement, certain stakeholder engagement is led at a Mastercard level, in particular where matters are of Group-wide significance.

Board considerations and outcomes: The refresh of Vocalink's Business Strategy in September 2025 took insight from Mastercard's strategy and Mastercard Executives provided valuable input into Vocalink's emerging strategic position. The Mastercard Group are aligned with Vocalink's visions and strategic ambitions.

Key strategy and engagement sessions 2025

- Bank of England governance review session
- Strategy session: ESG impact assessment
- Operational resilience board engagement session
- Strategy session: ESG impact assessment
- Strategy session: Geopolitics and cyber and fraud security solutions
- Strategy session: business and people strategies, National Payments Vision
- 2025 Vocalink board strategy day
- External independent board performance review
- Operational resilience board engagement session
- Strategy session: National Payments Vision

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

Key Board decisions 2025

- Approval of 2025 budget
- Approval of 2025 business objectives
- Approval of Operational resilience framework, operational resilience policy, operational resilience important business services and impact tolerances
- Directors handbook, including annual terms of reference refresh, reviewed and approved
- Appointment of interim NRC Chair

- Approval of 2025 internal audit plan
- Approval of 2025 Operational Resilience Written Record
- Approval of ISAE 3000 reports

- Approval of modern slavery statement

- Approval of 2024 annual report and financial statements and letter of representation

- Approval of revised cyber risk appetite statement

- Approval of the extension of core Pay. UK contracts
- Approval of 2025 equity capital requirement, wind-down plan and financial recovery plan
- Approval of Annex F self-assessment
- External independent board performance review report endorsed

Signed on behalf of the Vocalink Board on 22 July 2026 by:

Jonathan Thompson

Sir Jonathan Thompson
Independent Non-Executive Chair,
Vocalink Limited

02

Directors report

Governance at a glance

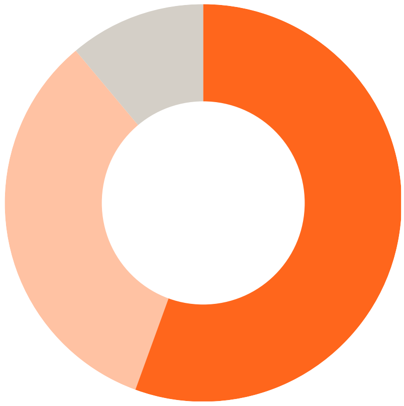
Key actions

- Carried out searches for an Independent Chair and additional Independent Non-Executive Director
- Commissioned an externally facilitated Board Performance Review and created an action plan to address recommendations
- Reviewed and refreshed the Board Skills Assessment to further strengthen succession planning

Key achievements

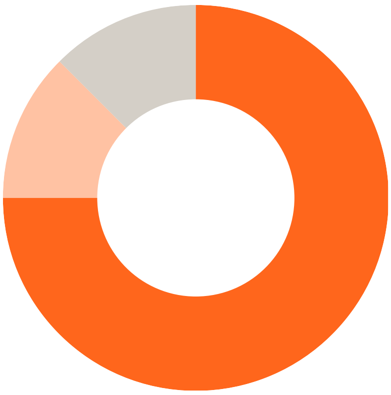
- Completed the actions arising from the Bank's 2024 Thematic Governance Review
- Appointed a new Independent Non-Executive Director further strengthening the Board's skillset
- Oversaw the implementation of a new organisational Target Operating Model with a strong and experienced leadership team to lead the business

Board independence



- Independent Non-Executive Directors (5)*
- Group Non-Executive Directors (3)
- Executive Directors (1)

Non executive directors' tenure



- 0 to 3 years (6)*
- 4 to 6 years (1)
- 7 to 9 years (1)

* As at 18 May 2026, following the appointment of Sir Jonathan Thompson as Independent Chair.

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.

Sir Jonathan Thompson
Independent Non-Executive Chair

Committee Membership: None

Appointed: Board: May 2026; Chair: May 2026

Relevant skills, business experience and contribution

Sir Jonathan has had a lengthy leadership and finance career including as Chief Executive of the Financial Reporting Council, HMRC and the Ministry of Defence as well as Director General of Finance at the Ministry of Defence and Director General of Corporate Services at the Department for Education. He has held a range of non-executive positions in the public and private sector.

External Appointments

- Independent Non-Executive Chair of the Frasers Group plc

Keith Douglas
Chief Executive Officer

Committee Membership: ExCo*

Appointed: CEO: August 2022; Board: May 2023

Relevant skills, business experience and contribution

Prior to joining Vocalink, Keith held Executive Vice President roles in Mastercard's Open Banking group, the Payment Gateway business and US Regional Banks. He was also previously General Manager for the UK and Ireland Division of Mastercard. Before joining Mastercard, Keith spent twelve years in Retail Banking at Lloyds Banking Group and NatWest.

External Appointments

- Member of NTT DATA Client Advisory Board

Victoria Mitchell
Senior Independent Director (SID) and Chair of the Risk Committee

Committee Membership: BRC*, NRC*, BAC, TCC

Appointed: Board: August 2023; SID: July 2024

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.

External Appointments

- Independent Non-Executive Director (INED) and member of the Risk, Nomination and Remuneration Committees at Secure Trust Bank Plc

* Chair of the Committee

Sheryl Lawrence
Chair of the Audit Committee

Committee Membership: BAC*, BRC

Appointed: January 2024

Relevant skills, business experience and contribution

Sheryl has 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 and Wales.

External Appointments

- Independent Chair of the Board at RCI UK Bank
- Senior INED at DF Capital Bank Limited
- INED at Habib Bank AG Zurich plc
- Non Executive Director (NED) at St Andrews Healthcare
- Trustee at the Royal Foundation of St Katharine
- Director of Ratcliffe Hospitality Limited
- Trustee of Hope FM Ministries Limited
- Director at GRC Advisory Limited

Laurence Krieger
Independent Non-Executive Director

Committee Membership: TCC

Appointed: September 2025

Relevant skills, business experience and contribution

Laurence has over 30 years' experience in technology and financial services, holding senior executive and non-executive roles across high-growth and regulated businesses. He was part of the founding leadership teams at Revolut and Tide, serving as COO at both and later as CEO for Tide UK and Europe.

External Appointments

- INED and Chair of the Board at Enfuce UK Limited
- INED and Chair of the Board Risk and Compliance Committee at Chip Financial Limited
- INED at Coinbase UK
- NED at Quint Group Limited
- Director at Lanisa Limited
- Director at Merlin Property Investments Limited
- Director at Merlin Property South East Limited

Jeffrey Brooker
Chair of the Technology and Cybersecurity Sub-Committee

Committee Membership: TCC*, BRC

Appointed: January 2023

Relevant skills, business experience and contribution

Jeff is a specialist in information technology, cyber, fraud and security risk management, with over 30 years' of international experience 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 Chief Information Security Officer (CISO) and has significant expertise in improving operational performance and resilience while forming and developing teams of security professionals.

External Appointments

- Jeff does not have any current external appointments

Timothy Murphy
Group Non-Executive Director, Interim Executive Chair (until 18 May 2026)

Committee Membership: None

Appointed: Board: December 2024;
Interim Executive Chair: December 2024 to May 2026

Relevant skills, business experience and contribution

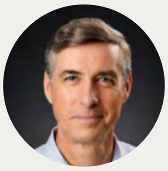
Tim is Mastercard's Vice Chair, with more than 20 years of invaluable contributions to Mastercard including as Chief Administration Officer, General Counsel, Chief Product Officer and President of the US Region.

Tim 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.

External Appointments

- Vice Chairman, Mastercard
- NED at Northwestern Mutual
- Board Chair at National Urban League
- NED at Community Solutions

* Chair of the Committee



Ed McLaughlin
Group Non-Executive Director

Committee Membership: NRC, BRC, TCC

Appointed: April 2017

Relevant skills, business experience and contribution

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, customer care and technology operations. Ed joined Mastercard in 2005, and prior to his current role, Ed served as Mastercard's Chief Information Officer, directing the development efforts for products and services, Chief Emerging Payments Officer, leading the company's digital, mobile and new payments initiatives, and Executive Vice President Franchise, responsible for global franchise development, brand standards, network rules, and compliance programs.

External Appointments

- Director of Vocalink Holdings Limited
- NED at Xerox Holdings Corporation
- NED at Karat Inc.

Kelly Devine
Group Non-Executive Director

Committee Membership: BAC

Appointed: November 2020

Relevant skills, business experience and contribution

Kelly has served as President of Mastercard Europe since September 2025, overseeing the company's strategy and operations across 43 countries. In this role, she drives the success of Mastercard's multi-rail payments technology business, enabling innovation and growth.

Kelly rejoined Mastercard after a year at Dunelm, where she held the role of Chief Customer Officer. Prior to that, she was Mastercard's Divisional President for the UK and Ireland for five years, having led both the consumer and commercial businesses previously.

Before Mastercard, Kelly spent a decade at American Express.

External Appointments

- Director of Mastercard Europe S.A.

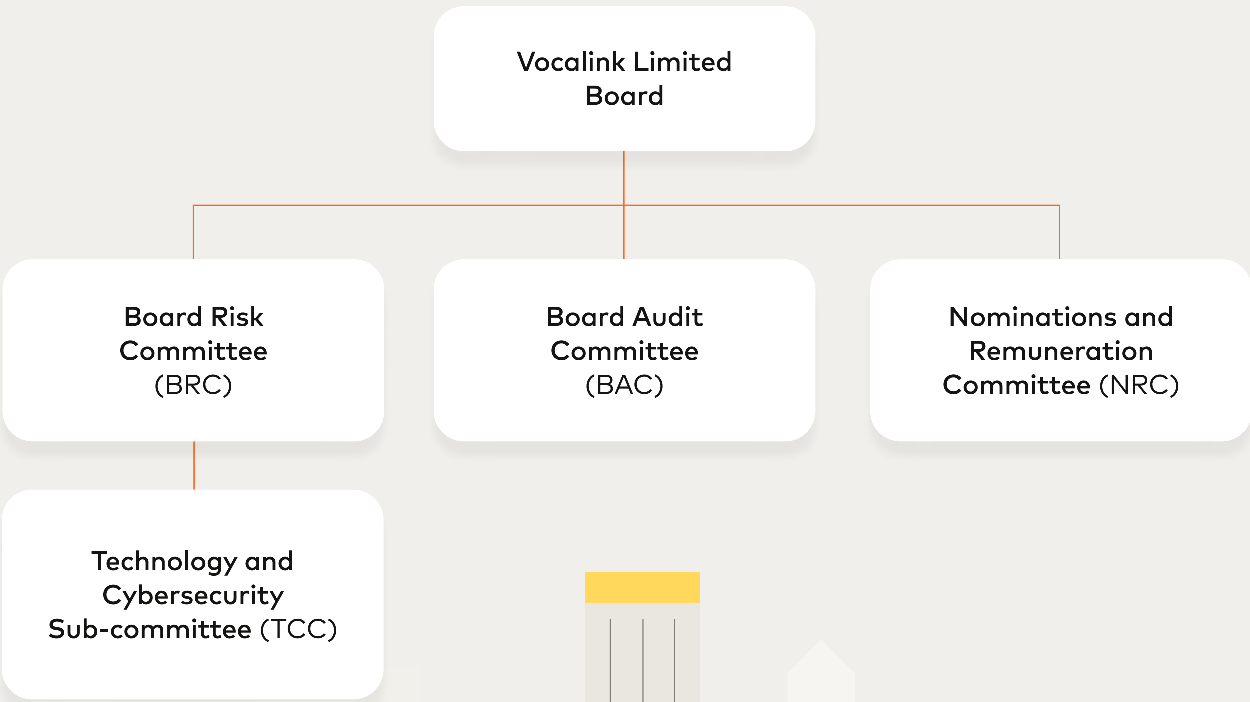
Our governance framework

A robust governance framework

Vocalink's governance framework supports the delivery 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. Except for matters specifically reserved for the Board, all operational matters are delegated to the Chief Executive Officer, who is supported by the Executive Committee.

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 the responsibilities for each committee is provided on page 37.



Key Board committees

Nominations and Remuneration Committee (NRC)

In respect of nominations matters, the NRC is primarily responsible for reviewing Board and Executive succession plans, considering Board composition and appointments, and for the ongoing review of Vocalink's governance arrangements. In respect of remuneration matters, the NRC considers remuneration objectives, and the remuneration arrangements for 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 their performance and reappointment, to oversee the performance of the Internal Audit function, and to oversee the quality and effectiveness of internal financial controls.

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 Vocalink's Enterprise Risk Management and Control Framework, considering Vocalink's principal and emerging risks, and monitoring Vocalink's compliance with applicable laws and regulations.

Technology and Cybersecurity sub-Committee (TCC)

The TCC is a sub-Committee of the Board Risk Committee and has delegated oversight for Vocalink's management of technology and cyber security risk and cyber resilience, and Vocalink's technology and cyber security planning and strategy, in the context of Vocalink's overarching business strategy. The TCC also reviews significant technology and security investments and change initiatives and reviews reports on service performance.

Board roles and responsibilities

Chair

The Chair is responsible for leading the Board to ensure that it oversees Vocalink's strategy, promotes Vocalink's values and culture and effectively discharges its responsibilities. The Chair will set the Board's agenda and encourage open and constructive debate to facilitate informed decision-making, taking into account the risks faced.

Senior Independent Director

The Senior Independent Director provides a sounding Board for the Chair, is responsible for facilitating the Board's annual evaluation of the Chair and serves as a trusted intermediary for Non-Executive Directors as and when necessary.

Non-Executive Directors

Non-Executive Directors provide independent and effective oversight and challenge to the Executive in the management of Vocalink, across all relevant aspects such as strategy, financial planning and risk management and controls.

Chief Executive Officer

Responsible for the day-to-day management of Vocalink under delegated authority from the Board, the Chief Executive Officer leads the Executive in delivering the strategic goals within the agreed risk appetite and making and implementing operational decisions.

Board and Committee membership

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. Details of Vocalink Board and Committee memberships and Directors' attendance for scheduled meetings, as at 31 December 2025, are set out below:

	Board		Nominations and Remuneration Committee		Board Audit Committee		Board Risk Committee		Technology and Cybersecurity Sub-Committee	
	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Timothy Murphy Interim Executive Chair	✓ *	6/6								
Victoria Mitchell Senior Independent Director	✓	5/6	✓ *	4/4	✓	4/4	✓ *	6/6	✓	6/6
Sheryl Lawrence Independent Non-Executive Director	✓	6/6			✓ *	4/4	✓	6/6		
Jeffrey Brooker Independent Non-Executive Director	✓	6/6					✓	6/6	✓ *	6/6
Laurence Krieger† Independent Non-Executive Director	✓	2/2								
Ed McLaughlin Non-Executive Director	✓	6/6	✓	4/4			✓	4/6	✓	5/6
Kelly Devine Non-Executive Director	✓	6/6			✓	2/4				
Keith Douglas Chief Executive Officer	✓	6/6								

* Chair
† Appointed as a Board member as of 1st September 2025. Appointed as a member of the Technology and Cybersecurity Sub-Committee as of 15th December 2025.

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-ended 31 December 2025, changes to the Board included:

- Laurence Krieger was appointed to the Board as Independent Non-Executive Director on 1 September 2025, following a recruitment process carried out with the support of consultants from executive search firm Heidrick & Struggles, who have no connection with Vocalink or any individual director from which any conflict of interest could arise.

- Heidrick & Struggles also supported the Board in their search for an Independent Non-Executive Chair, with a rigorous and comprehensive process, supported by Vocalink's Senior Independent Director and the NRC. The Bank of England have granted their non-objection to the appointment and Sir Jonathan Thompson was appointed as Vocalink's Independent Non-Executive Chair on 18 May 2026.

The NRC continues to evaluate the current composition of the Vocalink Board with consideration of the capabilities required to support the future of Vocalink. To this end, Vocalink's Board Skills Assessment was refreshed in December 2025, aligned to the skills most critical to Vocalink's strategic direction, business model and risks, and providing a top down, balanced reflection of the current skills, knowledge, experience and capabilities of the Board.

The NRC also keeps Committee membership under review to ensure a balanced mix of skills, experience and knowledge across each Board Committee.

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 the annual Board Skills Assessment and through the annual effectiveness review, and these inform individual and collective training. Directors are also 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.

During the year, Board engagement and development sessions included: operational resilience, Vocalink's scenario testing, external cyber and fraud trends and industry briefings on the National Payments Vision.

Independence of the Non-Executive Directors

The NRC reviews the 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 Independent Director continues to be independent.

Vocalink's Board benefits greatly from the expertise of its Non-Executive Directors, who, through their Executive 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, served as Vocalink's Interim Executive Chair during the 2025 financial year, providing support to Vocalink whilst it identified and appointed an Independent Non-Executive Chair. Effective 18 May 2026, Vocalink appointed Sir Jonathan Thompson as its Independent Chair and Mr Murphy continued as a Group Non-Executive Director until 22 July 2026.
- Kelly Devine serves as Vocalink's Group Non-Executive Director having returned to Mastercard in June 2025 as Mastercard's President of Europe.
- Ed McLaughlin, Mastercard's President and Chief Technology Officer, serves as Vocalink's Group Non-Executive Director.

2025 independent Board performance review

The annual review of the effectiveness of the Vocalink Board and its Committees constitutes a vital process for considering Board performance and succession planning, supporting a culture of continuous improvement. In line with best practice, the review is externally facilitated every three years.

In 2025, Rise Regulatory Consulting, who have no connection with Vocalink or any individual director, were appointed to conduct an Independent Board Performance Review. They reviewed the results and actions undertaken in response to the Bank of England's 2024 Thematic Governance Review to understand the context and scope of the 2025 Review. The scope aligned with the principles of the Financial Reporting Council's 2024 UK Corporate Governance Code and also considered relevant regulatory requirements and expectations, in particular the Bank of England's Code of Practice and Supervisory Statement on the Governance of Recognised Payment System Operators (June 2017) and Supervisory Statement – Operational Resilience: Recognised Payment System Operators and Specified Service Providers (March 2021).

Rise Regulatory Consulting presented the results of their review to the Vocalink Board in December 2025, together with a series of recommendations to further enhance and embed the Board's effectiveness.

Findings

The findings of the Board Performance Review concluded that the Board and Committees continue to function effectively. The review identified the following strengths:

Board composition: The appointment of an additional Independent Non-Executive Director in 2025 has enriched the Board's overall skill set, with further enhancements expected with the recently appointed Independent Non-Executive Chair. Vocalink also continues to strengthen its Executive leadership team, with several key appointments made during 2025.

Board management: Board time and attention is appropriately focused on strategic and commercial priorities and outcomes. Meetings are conducted effectively, with constructive challenge and debate observed across all meetings.

Board governance: Effective governance practices are supported by a disciplined approach to authorities delegated to committees. The roles and responsibilities for committees are appropriate, align with good governance and include specific Bank of England requirements applicable to Vocalink.

Board culture: The Board recognises the importance of fostering a culture and "tone from the top" that supports open and constructive engagement, balanced oversight and support, and increased openness and transparency.

Board performance action plan

In order to address recommendations from the review in areas where further improvements could be made, the Board approved and implemented a 2026 action plan. A summary of the key actions is outlined below:

Progress on completing these actions and embedding improvements through the course of 2026 will remain a key area of focus for the Board.

2025 recommendations	2026 action plan
Board composition and skills	• Undertake an assessment of the current Board's skills in Q1 2026, using the refreshed Board Skills Assessment • Use the output of this assessment to inform Board succession planning, recruitment, and targeted development activity
Executive succession planning	• Following completion of the implementation of the new Target Operating Model, review updated Executive succession plans
Board effectiveness	• Refresh the annual internal Board Performance Review in Q4 2026 to ensure focus on priority themes and clear outcomes • Strengthen the strategic focus and insight of certain Board reporting
Board dynamics and culture	• As the new Executive team embeds and Board composition continues to evolve, the Board should continue to monitor and proactively develop its dynamics and 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 2025.

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 4 to 30.

Further detail on Vocalink's financial performance and position is provided in the Strategic Report on pages 17 to 18 and within Vocalink's financial statements on pages 52-82.

A description of the principal risks and uncertainties facing the Company can be found in the Strategic Report on pages 23 to 26.

Directors

The names of 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 page 2, and their biographies are set out on pages 33-35.

The changes in the year and up to the date of signing of the financial statements are as follows:

- Laurence Krieger (Independent Non-Executive Director) was appointed to the Board on 1 September 2025
- Sir Jonathan Thompson (Independent Non-Executive Chair) was appointed to the Board on 18 May 2026
- Timothy Murphy (Group Non-Executive Director) resigned from the Board on 22 July 2026

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, 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 Vocalink or of any associated company.

Dividends

In accordance with the Vocalink Limited Dividend Policy, Directors reviewed Vocalink's cash requirements throughout 2025 to establish if payment of a dividend was appropriate whilst ensuring Vocalink could continue to meet its financial responsibilities. No dividend was paid in 2025 (2024: £nil).

Political and charity donations

Vocalink did not make any political donations or incur any political expenditure during the year (2024: £nil), and no charitable donations were made during the year (2024: £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 27 to 30.

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 pages 27 to 30.

Equal opportunities

Vocalink's goal is to foster a culture of community and belonging rooted in fairness and equal opportunity where everyone, everywhere can thrive. 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. This also included a consideration of severe but plausible scenarios and the Bank of England's minimum capital requirement, which the Company holds as cash or cash equivalents.

As a result of the review, and the existence of a letter of 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 that basis, consider it appropriate to prepare the financial statements on a going concern basis.

Further information on future developments is provided within the Strategic Report on pages 4 to 30.

Subsequent events

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

Streamlined energy and carbon report

Streamlined energy and carbon report (SECR)

At Vocalink, we understand that a thriving economy requires a healthy planet, which is why as part of the Mastercard family, we are driving toward net zero greenhouse gas (GHG) emissions. Energy efficiency and partnering with our suppliers to reduce our Scope 3 GHG emissions are key strategies to strengthen our business, create long-term value and help preserve our planet.

Further details on Vocalink's environmental objectives and our 2025 performance are provided in the Strategic Report on pages 3 to 30.

Reporting period

The following presents Vocalink's GHG emissions required under UK SECR regulations, comprising Scope 1 and 2 emissions and Scope 3 emissions from business travel.

The energy and GHG emissions data presented below relates to the operations of Vocalink's property portfolio and business travel activities from 1 January to 31 December 2025, which is aligned with Vocalink's 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 and relevant business activities. The operational control boundary includes a fellow subsidiary in the Mastercard Vocalink portfolio, Vocalink International Limited, which pays a monthly service charge to Vocalink.

Methodology

The methodology to quantify energy use and GHG emissions is based on 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.

Vocalink extrapolates or estimates energy use and/or GHG emissions for operations of its 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 2025 GHG emissions used emissions factors from the 2025 UK Government Greenhouse Gas Conversion Factors for Company Reporting and Mastercard's business travel provider. Intensity metrics have been calculated using Vocalink and Vocalink International Limited revenue.

2025 performance

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

The primary drivers of Vocalink's energy management and emissions results for 2025 compared to 2024 were:

- Scope 1 emissions increased from the inclusion of routine refrigerant top-ups as part of our standard maintenance practices
- Electricity consumption and related Scope 2 emissions decreased due to downsizing at a property
- Scope 2 emissions were also impacted by a 15 percent decline in the UK's electricity emission factor
- Scope 3 business travel emissions decreased, reflecting the refinement of entity-level allocation methodologies of travel activity

2025 results

Greenhouse gas emissions by scope (MTCO2e)	2025	2024
Scope 1: Emissions from combustion of gas and other fuels	**194**	190
Scope 2: Location-based emissions from electricity purchased for own use	**1,850**	2,223
Scope 3: Business Travel	**566**	1,195
Greenhouse gas intensity (MTCO2e/£revenue)[3]	**0.000008**	0.000012
Energy management (kWh)		
Energy use from the combustion of gas and other fuels	**801,978**	1,045,337
Energy use from consumption of electricity purchased for own use	**10,452,434**	10,738,925
Total energy consumed	**11,254,412**	11,784,262

3. Prior period amount has been revised to conform to 2025 presentation.

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 2025 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 22 July 2026 by:

Maria Willis

Maria Willis
Company Secretary, Vocalink Limited

03

Independent Auditors' report to the members of Vocalink Limited

VOCALINK mastercard

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 2025 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 2025;
- the Statement of Comprehensive Income for the year then ended;
- 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 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 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 2025 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, relevant 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 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 revenue;
- Challenging assumptions and judgements made by management in their significant accounting estimates and validating key assumptions where appropriate;
- Inquiring with management and the Board with respect to known or suspected instances of fraud; and
- Inquiring with management and reviewing correspondence, including with regulators, in consideration of instances of non-compliance with laws and regulations.

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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Adri Loubser

Adri Loubser (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 July 2026

04

Financial statements

Statement of Comprehensive Income for year ended 31 December 2025

	Note(s)	**Year ended 31 December 2025 £m**	Year ended 31 December 2024 £m
Revenue	2	**211.8**	221.5
Staff costs	3,5	**(93.9)**	(80.0)
Depreciation and amortisation	3	**(25.8)**	(25.5)
Licence fees	3	**–**	(37.9)
Other operating expenses	3	**(90.3)**	(98.1)
Total expenses		**(210.0)**	(241.5)
Operating profit/(loss)		**1.8**	(20.0)
Finance income	4	**9.1**	8.3
Finance costs	4	**(0.6)**	(0.7)
Profit/(loss) before tax		**10.3**	(12.4)
Taxation	7	**(3.0)**	1.7
Profit/(loss) for the financial year		**7.3**	(10.7)
Other comprehensive income			
Items that will not be reclassified to profit or loss Remeasurement gains on defined benefit pension	15(b)	**3.5**	8.7
Deferred tax charge related to actuarial movements on defined benefit pension	7	**(0.9)**	(2.2)
Total other comprehensive income		**2.6**	6.5
Total comprehensive income/(expense) for the year		**9.9**	(4.2)

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

The notes on pages 56 to 82 are an integral part of these financial statements.

Statement of Financial Position as at 31 December 2025

	Note(s)	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Non-current assets			
Property, plant and equipment	8	**51.5**	56.1
Right of use assets	9	**16.5**	17.4
Intangible assets	10	**17.1**	11.5
Deferred tax assets	11	**–**	5.2
Trade and other receivables	12	**3.9**	5.3
Contract fulfilment assets	2(d), 12	**4.5**	5.4
Pension surplus	15b	**42.7**	38.2
Total non-current assets		**136.2**	139.1
Current assets			
Trade and other receivables	12	**51.7**	48.3
Contract fulfilment assets	12	**1.6**	1.3
Cash and cash equivalents		**142.1**	178.7
Total current assets		**195.4**	228.3
Total assets		**331.6**	367.4
Current liabilities			
Trade and other payables	13	**57.6**	98.7
Lease liabilities	14	**2.0**	1.5
Provisions	16	**2.7**	11.9
Total current liabilities		**62.3**	112.1
Non-current liabilities			
Deferred tax liabilities	11	**2.1**	–
Trade and other payables	13	**8.1**	8.9
Lease liabilities	14	**13.7**	15.4
Provisions	16	**10.7**	5.9
Total non-current liabilities		**34.6**	30.2
Total liabilities		**96.9**	142.3
Net assets		**234.7**	225.1
Equity			
Called up share capital	17	**52.9**	52.9
Share premium account		**18.5**	18.5
Retained earnings		**163.3**	153.7
Total equity		**234.7**	225.1

The notes on pages 56 to 82 are an integral part of these financial statements.

The financial statements on pages 52 to 82 were approved by the Board of Directors on 22 July 2026 and were signed on its behalf by:

Jonathan Thompson

Sir Jonathan Thompson
Independent Non-Executive Chair
Company registered number: 06119048

Statement of Changes in Equity for year ended 31 December 2025

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 January 2025		52.9	18.5	153.7	225.1
Total comprehensive income for the year					
Profit for the financial year		–	–	7.3	7.3
Other comprehensive income					
Remeasurement gains on defined benefit pension	15(b)	–	–	3.5	3.5
Deferred tax charge related to actuarial movements on defined benefit pension	11	–	–	(0.9)	(0.9)
Total comprehensive income for the year		–	–	9.9	9.9
Transactions recorded directly in equity					
Deferred tax charge related to share schemes	7	–	–	(0.3)	(0.3)
Total contributions by and distributions to owners		–	–	(0.3)	(0.3)
Balance at 31 December 2025		**52.9**	**18.5**	**163.3**	**234.7**

Statement of Changes in Equity for year ended 31 December 2024

	Note	Share capital £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					
Remeasurement gains on defined benefit pension	15(b)	–	–	8.7	8.7
Deferred tax charge related to actuarial movements on defined benefit pension	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	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**

The notes on pages 56 to 82 are 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 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 88C and 88D of IAS 12 Income Taxes in respect of Pillar 2 income.
j. the requirements of paragraphs 17 and 18A 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 paragraphs 130(f)(iii), 134(d) to (f) and paragraph 135(c) to (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.

1.3 Change in accounting policies

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

- Amendments to IAS 21 (Lack of Exchangeability) from 1 January 2025. The amendments clarify when a currency is exchangeable into another currency, how a company estimates a spot rate when a currency lacks exchangeability and disclosures required in that case.

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

IFRS 18 Presentation and Disclosure in Financial Statements, which is effective for annual reporting periods beginning on or after 1 January 2027, will replace IAS 1 Presentation of Financial Statements. The standard is expected to primarily impact the presentation formats and disclosure requirements of the entity's financial statements, including the structure of the statement of comprehensive income, the introduction of defined categories for income and expenses, requirements for management-defined performance measures, and enhanced aggregation and disaggregation guidance. The adoption of IFRS 18 is not expected to have a material impact on the recognition or measurement of any items in the financial statements

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. This also included a consideration of severe but plausible scenarios and the Bank of England's minimum capital requirement, which the Company holds as cash or cash equivalents.

As a result of the review and the existence of letter of 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.

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 service agreements. Revenue is recognised when services are performed and are accounted for net of VAT and other sales-related taxes.

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 Company'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 fair value less cost of disposal 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 are initially recognised when the Company has an unconditional right to consideration. 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.

A financial asset 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 instrument 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 instrument-by-instrument 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 instruments at FVOCI – these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity instruments at FVOCI – these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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.

(iii) Impairment

The Company recognises loss allowances for Expected Credit Losses ("ECL") on financial assets measured at amortised cost, and debt instruments measured at FVOCI.

The Company measures loss allowances at an amount equal to lifetime ECL, except for debt instruments 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 instruments 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 may enter 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.

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.

(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 development 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. The Company's intangible and tangible assets form part of the UK real time payments CGU ("UK RTP") which provides critical payment services such as Bacs, Faster Payment Services ("FPS") and ATM managed services. At the end of 2025, management conducted an impairment review on the net book value of UK RTP.

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 of 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.

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 option 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.

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 Long Term Incentive Plan agreement.

Mastercard's RSUs are time-based awards and vest evenly over a three-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 option ("Options") entitles the participant to receive common shares upon exercise of such options. The remuneration committee may grant 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 option 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.

Onerous contract provisions are recognised on the date on which the contract is identified as onerous. The provision represents the excess of the unavoidable costs of meeting the contractual obligations over the expected economic benefits arising from the contract. The unavoidable costs reflect the lowest net cost of exiting the contract, which is measured as the lower of the cost of fulfilling a contract and any compensation or penalties arising from failure to fulfill it. The cost of fulfilling a contract comprises the costs that relate directly to the contract, including both incremental costs and an allocation of other directly attributable costs.

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 2025.

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

1.15 Finance income and costs

Finance income

Finance income includes interest receivable on funds invested and net foreign exchange gains.

Finance costs

Finance costs include finance lease interest recognised under IFRS 16 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.

Pension interest on the net defined benefit pension liability or asset is recognised within finance income or finance costs, depending on whether the position gives rise to income or expense.

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 the temporary difference 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 Cash and cash equivalents

Cash and cash equivalents include cash held at banks and unrestricted other short-term highly liquid investments with original maturities of three months or less.

1.19 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.

1.20 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 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 performance obligations, 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. Judgements about the performance obligations 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.

The recoverable amount of the UK RTP CGU was determined to be greater than the carrying amount.

As at the reporting date, intangible assets with a net book value of £17.1m *(2024: £11.5m)*, property, plant and equipment assets with a net book value of £51.5m *(2024: £56.1m)* and right of use assets with a net book value of £16.5m *(2024: £17.4m)* were held on the Statement of Financial Position. During the year there were no impairments (2024: £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 period of cash flow used in testing for impairment.

Critical estimates in the application of the accounting policies include:

Provisions

Management has recognised an onerous contract provision of £7.2m (2024: £nil). The estimation uncertainty in measuring this provision relates to identifying and allocating costs directly attributable to the contract. The provision is sensitive to the allocation methodology applied, and alternative approaches could result in materially different outcomes.

Further details of management's assessment of provisions, including onerous contracts, dilapidation and lease exit costs are provided 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. Management 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 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.

	2025 £m	2024 £m
Revenue from contracts with customers		
Transaction processing	**160.6**	159.2
Licence and maintenance	**12.2**	11.9
Development, implementation and consultancy	**7.2**	6.0
External revenue	**180.0**	177.1
Internal revenue: services provided to other group undertakings	**31.8**	44.4
Total revenue	**211.8**	221.5

The Company's operations are based in the United Kingdom and revenue is primarily generated from customers' operations in the United Kingdom. Therefore, no further geographical disaggregation of revenue is presented.

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.

2(c) Revenue recognised in relation to deferred income

£4.9m of revenue was recognised in the current reporting period related to carried-forward contract liabilities (2024: £3.7m).

2(d) Contract fulfilment assets

	2025 £m	2024 £m
Contract fulfilment assets brought forward 1 January	**6.7**	8.4
Additions during the year	**0.7**	–
Amortisation during the year	**(1.3)**	(1.7)
Contract fulfilment assets carried forward as at 31 December	**6.1**	6.7

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 2025, the Company recognised contract fulfilment assets of £6.1m *(2024: £6.7m)* in relation to these costs, of which £1.6m *(2024: £1.3m)* was short-term and £4.5m *(2024: £5.4m)* was long-term.

3. Total expenses

	2025 £m	2024 £m
Staff costs (note 5)	**93.9**	80.0
Depreciation of property, plant and equipment (note 8)	**19.0**	18.7
Depreciation of right of use assets (note 9)	**2.8**	2.7
Amortisation of intangible assets (note 10)	**2.7**	2.4
Amortisation of contract fulfilment assets (note 2)	**1.3**	1.7
Licence fees	**–**	37.9
Cybersecurity transformation and people related expenses including contractors	**28.8**	36.3
Maintenance, support and other costs	**46.2**	44.3
Provision expense (note 16)	**7.5**	11.9
Rent and associated costs	**1.8**	1.9
Legal, professional and consultancy	**6.0**	3.7
Total expenses	**210.0**	241.5

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 £2.4m *(2024: £1.2m)* were capitalised; £0.3m *(2024: £nil)* within property, plant and equipment, £1.5m *(2024: £1.2m)* within internally developed intangible assets, and £0.6m *(2024: £nil)* to fulfilment. Staff costs of £3.0m *(2024: £5.7m)* were capitalised and the net cost is shown above; the full costs of permanent staff are detailed in note 5.

Licence fees were 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. 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 and no licence fees were recognised during the year *(2024: £37.9m)*.

Lease expenses recognised in the Statement of Comprehensive Income:

	2025 £m	2024 £m
Depreciation charged on right of use assets – leasehold premises	**2.8**	2.7
Interest expense (included in finance costs)	**0.6**	0.7

The total lease payments to the lessors in the financial year was £3.1m *(2024: £2.8m)*.

Auditors' remuneration:

The fees paid to PricewaterhouseCoopers LLP as auditors for the year ended 31 December 2025 and 2024 were:

	2025 £m	2024 £m
Audit of the financial statements	**0.4**	0.4
Audit-related assurance services	**0.9**	0.8
Total	**1.3**	1.2

4. Net finance income

	2025 £m	2024 £m
Finance income		
Interest receivable	**6.7**	7.0
Foreign exchange gain	**0.3**	–
Pension scheme interest	**2.1**	1.3
Total	**9.1**	8.3
Finance costs		
Interest on lease liabilities	**(0.6)**	(0.7)
Total	**(0.6)**	(0.7)
Net finance income	**8.5**	7.6

5. Staff costs

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

	Number of employees 2025	Number of employees 2024
Operations	**519**	570
Sales and product development	**138**	110
Administration	**70**	65
Total	**727**	745

The aggregate payroll costs of these persons were as follows:

	2025 £m	2024 £m
Wages and salaries	**74.6**	65.8
Social security costs	**10.7**	8.4
Other pension costs (note 15)	**7.9**	7.1
Share based payment expense (note 15)	**3.7**	4.4
Total	**96.9**	85.7

In the year, staff costs of £3.0m *(2024: £5.7m)* which are included above were capitalised; £0.7m *(2024: £1.8m)* within internally developed intangible assets and contract fulfilment assets and £2.3m *(2024: £3.9m)* 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:

	2025 £m	2024 £m
Directors' remuneration	**0.7**	1.2
Amounts receivable under other performance related scheme	**0.7**	0.8
Total	**1.4**	2.0

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

	2025 £m	2024 £m
Directors' remuneration	**0.3**	0.3
Amounts receivable under other performance related scheme	**0.7**	0.8
Total	**1.0**	1.1

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, one of the Directors exercised 3,503 *(2024: 2,813)* Mastercard stock options, 432 *(2024: 463)* PSUs and 868 *(2024: 885)* RSUs.

7. Taxation

Recognised in the Statement of Comprehensive Income

	2025 £m	2024 £m
Current tax (credit)/expense		
UK corporation tax at 25.0% *(2024: 25.0%)*	**–**	1.8
Amounts receivable in respect of group relief received	**(2.8)**	–
Adjustments for prior periods	**(0.3)**	3.2
Current tax (credit)/expense	**(3.1)**	5.0
Deferred tax expense/(credit)		
Origination and reversal of timing differences	**4.5**	(3.4)
Adjustment for prior years	**1.2**	(3.6)
Pension scheme related	**0.4**	0.3
Deferred tax expense/(credit)	**6.1**	(6.7)
Total tax expense/(credit)	**3.0**	(1.7)

Income tax recognised in other comprehensive income/(expense)

	2025 £m	2024 £m
Deferred tax expense related to actuarial movements on defined benefit pension	**0.9**	2.2
Total	**0.9**	2.2

Tax recorded directly in equity

	2025 £m	2024 £m
Deferred tax expense/(credit) related to share schemes	**0.3**	(0.3)
Total	**0.3**	(0.3)

Reconciliation of tax expense/(credit)

	2025 £m	2024 £m
Profit/(loss) for the financial year	**7.3**	(10.7)
Total tax expense/(credit)	**3.0**	(1.7)
Profit/(loss) before taxation	**10.3**	(12.4)
Tax using UK Corporation tax rate of 25.0% *(2024: 25.0%)*	**2.6**	(3.1)
Effects of:		
Expenses not deductible for tax purposes	**0.1**	3.1
Adjustments to tax charge in respect of previous periods	**0.9**	(0.4)
Tangible assets reclassified as non-qualifying	**0.2**	–
Share options	**(0.8)**	(1.3)
Total tax expense/(credit)	**3.0**	(1.7)

The Organisation 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 2025, 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 and ancillary equipment £m	Fixtures and fittings £m	Total £m
Cost						
Balance at 1 January 2025	3.5	18.3	21.0	111.0	5.1	158.9
Additions	0.7	3.8	1.7	8.8	0.1	15.1
Disposals	(0.4)	–	(0.4)	(6.4)	(0.4)	(7.6)
Balance at 31 December 2025	**3.8**	**22.1**	**22.3**	**113.4**	**4.8**	**166.4**
Accumulated depreciation						
Balance at 1 January 2025	3.0	16.9	19.7	58.2	5.0	102.8
Depreciation charge for the year	0.4	0.1	0.8	17.7	–	19.0
Disposals	(0.4)	–	(0.4)	(6.4)	(0.4)	(7.6)
Reclassification	–	0.7	–	–	–	0.7
Balance at 31 December 2025	**3.0**	**17.7**	**20.1**	**69.5**	**4.6**	**114.9**
Net book value						
At 31 December 2024	0.5	1.4	1.3	52.8	0.1	56.1
At 31 December 2025	**0.8**	**4.4**	**2.2**	**43.9**	**0.2**	**51.5**

Additions in the year principally relate to Computers and Ancillary Equipment which totalled £8.8m *(2024: £17.0m)*, of which £6.4m *(2024: £13.7m)* 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 2025 are assets with a carrying value of £6.7m *(2024: £13.1m)* which were being prepared for use and therefore were not depreciated during the year.

Following an impairment review, no impairments were identified in 2025 *(2024: £nil)*.

9. Right of use assets

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

	Leasehold premises 2025 £m	Leasehold premises 2024 £m
Cost		
Balance at 1 January	**32.9**	25.0
Additions	**1.2**	7.9
Disposals	**(0.4)**	–
Balance at 31 December	**33.7**	32.9
Accumulated depreciation		
Balance at 1 January	**15.5**	12.8
Depreciation charge for the year (note 3)	**2.8**	2.7
Disposals	**(0.4)**	–
Reclassification	**(0.7)**	–
Balance at 31 December	**17.2**	15.5
Net book value		
Balance at 31 December	**16.5**	17.4

10. Intangible assets

	Software and development £m
Cost	
Balance at 1 January 2025	49.1
Additions	8.3
Disposals	(11.5)
Balance at 31 December 2025	**45.9**
Accumulated amortisation	
Balance at 1 January 2025	37.6
Amortisation for the year	2.7
Disposals	(11.5)
Balance at 31 December 2025	**28.8**
Net book value	
At 31 December 2024	11.5
At 31 December 2025	**17.1**

Intangible assets, including additions, 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 £3.3m *(2024: £3.6m)*.

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 £17.1m *(2024: £11.5m)* as at 31 December 2025, assets with a carrying value of £2.2m *(2024: £nil)* were under development and therefore were not amortised during the year.

£11.5m *(2024: £18.9m)* 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 *(2024: £nil)*.

11. Deferred tax

Recognised deferred tax (liabilities)/assets

Deferred tax (liabilities)/assets are attributable to the following:

	2025 £m	2024 £m
Property, plant and equipment	**6.7**	6.4
Share scheme	**1.8**	2.1
Pension schemes	**(10.6)**	(9.3)
Losses and other deductions	**–**	6.0
Total	**(2.1)**	5.2

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

	1 January 2025 £m	**Recognised in income £m**	**Recognised in equity £m**	**Recognised in OCI £m**	**31 December 2025 £m**
Property, plant and equipment	**6.4**	**0.3**	**–**	**–**	**6.7**
Share scheme	**2.1**	**–**	**(0.3)**	**–**	**1.8**
Pension schemes	**(9.3)**	**(0.4)**	**–**	**(0.9)**	**(10.6)**
Losses and other deductions	**6.0**	**(6.0)**	**–**	**–**	**–**
Total	**5.2**	**(6.1)**	**(0.3)**	**(0.9)**	**(2.1)**

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

	1 January 2024 £m	Recognised in income £m	Recognised in equity £m	Recognised in OCI £m	31 December 2024 £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**

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 2025 is 25% *(2024: 25%)*.

There are no unrecognised deferred tax assets.

12. Trade and other receivables

	2025 £m	2024 £m
Current		
Trade receivables	**8.1**	10.5
Other receivables	**4.4**	5.9
Prepayments	**10.4**	15.7
Accrued income	**14.6**	13.9
Amounts due from group undertakings	**14.2**	2.3
Trade and other receivables	**51.7**	48.3
Contract fulfilment assets (note 2(d))	**1.6**	1.3
Total	**53.3**	49.6

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.

	2025 £m	2024 £m
Non-current		
Prepayments	**3.9**	5.3
Trade and other receivables	**3.9**	5.3
Contract fulfilment assets (note 2(d))	**4.5**	5.4
Total	**8.4**	10.7

13. Trade and other payables

	2025 £m	2024 £m
Current		
Trade payables	**8.7**	11.1
Corporation tax	**1.5**	1.8
Other taxation and social security	**3.4**	2.9
Amounts due to group undertakings	**11.1**	58.2
Other payables	**1.0**	0.5
Accruals	**27.1**	19.1
Deferred income	**4.8**	5.1
Total	**57.6**	98.7

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

	2025 £m	2024 £m
Non-current		
Deferred income	**8.1**	8.9
Total	**8.1**	8.9

Deferred income

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

	2025 £m	2024 £m
As at 1 January	**14.0**	12.9
Deferred in year	**4.2**	5.3
Recognised as revenue in the year	**(5.3)**	(4.2)
As at 31 December	**12.9**	14.0

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

14. Lease liabilities

	2025 £m	2024 £m
Lease obligation for right of use assets:		
Current	**2.0**	1.5
Non-current	**13.7**	15.4
Total	**15.7**	16.9

	2025 £m	2024 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**3.2**	3.2
Two to five years	**9.0**	10.3
More than five years	**8.5**	9.4
Total undiscounted lease payments	**20.7**	22.9
Current	**3.2**	3.2
Non-current	**17.5**	19.7
Total	**20.7**	22.9

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 2025 the Company contributed £6.6m *(2024: £6.2m)* 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 (the "Scheme") closed to new entrants and future accruals on 31 July 2013, although previously enrolled employed members retain a link to their final salary. The 2024 triennial valuation of the Scheme was completed 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):

	2025	2024
Discount rate	**5.50%**	5.50%
RPI inflation	**2.80%**	3.10%
CPI inflation	**2.40%**	2.60%
Salary inflation	**3.00% for 2025, 3.00% for2026 and thereafter**	n/a for 2024, 3.00% for 2025 and thereafter
Pension increases in payment (CPI, max 3%)	**2.00%**	2.10%
Pension increases in payment (RPI, max 4%)	**2.45%**	2.65%
Pension increases in payment (RPI, max 5%)	**2.65%**	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	**2025 Males**	**2025 Females**	2024 Males	2024 Females
67	**20.7 years**	**22.0 years**	20.3 years	21.8 years
61 in 10 years	**26.6 years**	**28.2 years**	26.3 years	28.1 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:

	2025	2024
Discount rate +/- 0.1% pa	**+/- 1.0%**	+/- 1.0%
Inflation assumptions +/- 0.1% pa	**+0.9%/-0.5%**	+0.9%/-0.5%
Life expectancy +/- 1 year	**+3.3%/-2.9%**	+3.1%/-3.2%

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 11 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.

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:

	2025 £m	**2025 %**	2024 £m	2024 %
Liability-driven investments/Government bonds	**122.4**	**51.6**	124.8	52.1
Equities	**20.3**	**8.5**	17.0	7.1
Credit funds	**90.7**	**38.2**	81.3	33.9
Cash	**2.3**	**1.0**	4.3	1.8
Property	**–**	**–**	10.2	4.3
Insured pensioners	**1.7**	**0.7**	1.9	0.8
	237.4	**100.0**	239.5	100.0

The Scheme assets comprise both quoted and unquoted assets. The value of quoted assets in 2025 was £235.7m *(2024: £139.1m)*, 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:

	2025 £m	2024 £m
Fair value of Scheme assets	**237.4**	239.5
Present value of Scheme liabilities	**(194.7)**	(201.3)
Funds in the Scheme	**42.7**	38.2
Related deferred tax liability (note 11)	**(10.6)**	(9.3)
Net pension funds	**32.1**	28.9

Analysis of the amount charged to Statement of Comprehensive Income:

	2025 £m	2024 £m
Interest cost on the defined benefit obligations	**10.8**	10.4
Interest income on plan assets	**(12.9)**	(11.7)
Total interest credit (note 4)	**(2.1)**	(1.3)

Remeasurement of the net defined asset in Other Comprehensive Income:

	2025 £m	2024 £m
Actuarial gain on defined benefit obligations arising from changes in financial assumptions	**4.0**	21.8
Actuarial gain on defined benefit obligation arising from changes in demographic assumptions	**0.9**	3.1
Actuarial (loss)/gain on obligations arising from experience	**(0.6)**	6.6
Total actuarial gain on liability	**4.3**	31.5
Loss on plan assets excluding amounts included in net interest cost	**(0.8)**	(22.8)
Remeasurement gain of the defined asset in OCI	**3.5**	8.7
Net impact of the defined asset on OCI	**3.5**	8.7

Reconciliation of net defined asset:

	2025 £m	2024 £m
Net defined asset at beginning of year	**38.2**	28.3
Net interest income	**2.1**	1.3
Remeasurement of the net defined asset in OCI	**3.5**	8.7
Employer contributions	**0.2**	0.9
Administration expenses incurred	**(1.3)**	(1.0)
Net defined asset at end of year	**42.7**	38.2

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

	2025 £m	2024 £m
Defined benefit obligations at beginning of year	**201.3**	233.4
Interest cost	**10.8**	10.4
Actuarial gain on defined benefit obligations arising from changes in financial assumptions	**(4.0)**	(21.8)
Actuarial gain on obligations arising from changes in demographic assumptions	**(0.9)**	(3.1)
Actuarial loss/(gain) on obligations arising from experience	**0.6**	(6.6)
Benefits paid	**(13.1)**	(11.0)
Defined benefit obligations at end of year	**194.7**	201.3

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

	2025 £m	2024 £m
Fair value of Scheme assets at beginning of year	**239.5**	261.7
Interest income on plan assets	**12.9**	11.7
Loss on plan assets excluding amounts included in interest income on plan assets	**(0.8)**	(22.8)
Employer contributions	**0.2**	0.9
Benefits paid	**(13.1)**	(11.0)
Administration expenses incurred	**(1.3)**	(1.0)
Fair value of scheme assets at end of year	**237.4**	239.5

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 plans where the sponsoring employer fails. It is funded mainly from an annual levy on defined benefit plans.

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 the contributions a sponsoring employer will need to pay in the future. Where there is a funding deficit the sponsoring employer is required to make contributions.

The 2021 valuation was completed with the scheme estimated to be in surplus. It has been agreed that no further deficit contributions are required from 1 September 2022. During 2024, the triennial valuation process commenced, and it was completed in 2025. As the Scheme had a funding surplus as at 5 April 2025, there was no recovery plan and no deficit contributions payable as a result of the valuation.

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. 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.

RSUs movements during the year:

	2025 number	2024 number
Outstanding at beginning of year	**26,554**	25,937
Granted	**11,332**	11,899
Forfeited	**(3,691)**	(1,639)
Release/Vested	**(12,784)**	(11,309)
Transferred In	**2,943**	1,940
Transferred Out	**(886)**	(274)
RSUs at end of year	**23,468**	26,554

Outstanding awards vest between March 2026 and July 2028, 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 the vesting dates, are as follows:

	31 December 2025			31 December 2024		
Vest date	**RSUs outstanding (no.)**	**Grant date market value per RSU (US$)**	**Remaining contract life (Years)**	RSUs outstanding (no.)	Grant date market value per RSU (US$)	Remaining contract life (Years)
01 March 2025	–	–	–	13,228	384.03	0.16
01 October 2025	–	–	–	160	355.85	0.75
02 October 2025	–	–	–	107	391.78	0.75
03 October 2025	–	–	–	291	286.91	0.76
01 March 2026	**11,814**	**457.55**	**0.16**	8,552	406.22	1.16
01 July 2026	**89**	**559.03**	**0.50**	–	–	–
02 October 2026	–	–	–	107	391.78	1.75
01 March 2027	**7,668**	**519.44**	**1.16**	4,109	471.86	2.16
01 July 2027	**90**	**559.03**	**1.50**	–	–	–
01 March 2028	**3,717**	**570.76**	**2.17**	–	–	–
01 July 2028	**90**	**559.03**	**2.50**	–	–	–
Total RSUs outstanding	**23,468**			**26,554**		

(ii) Performance Stock Unit ('PSU') 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:

	2025 number	2024 number
Outstanding at beginning of year	**1,917**	1,058
Granted	**188**	227
Forfeited	**(846)**	–
Release/Vested	**(432)**	(463)
Transferred In	**–**	846
Changes due to Performance	**(24)**	249
PSUs at end of year	**803**	1,917

During the period, 432 shares vested. Outstanding awards vest between March 2026 and March 2028, 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 options outstanding as at 31 December and the vesting dates are as follows:

	31 December 2025			31 December 2024		
Vest date	**PSUs outstanding (no.)**	**Grant date market value per PSU (US$)**	**Remaining contract life (Years)**	PSUs outstanding (no.)	Grant date market value per PSU (US$)	Remaining contract life (Years)
01 March 2025	**–**	**–**	**–**	821	335.44	0.16
01 March 2026	**388**	**364.97**	**0.16**	617	364.97	1.16
01 March 2027	**227**	**513.22**	**1.16**	479	513.22	2.16
01 March 2028	**188**	**611.66**	**2.17**	–	–	–
Total PSUs outstanding	**803**			**1,917**		

(iii) Non-qualifying Stock Options scheme

Mastercard periodically grants options to employees as determined by the remuneration committee. Options entitle the equity scheme participant to receive Mastercard common shares upon the exercise of the option. 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 option period for an award is fixed by Mastercard's Remuneration Committee and shall be no longer than ten years from the Option's grant date. The standard rate at which an option shall be exercisable is twenty five percent of the award on each of the first four 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:

	2025 number	2024 number
Outstanding at beginning of year	**8,017**	9,127
Granted	**374**	438
Forfeited	**(1,265)**	–
Exercised	**(3,503)**	(3,389)
Transferred In	**–**	1,841
Options at end of year	**3,623**	8,017

At the reporting date, the Options had a weighted average exercise price of $262.02 *(2024: $248.92)*, a weighted average remaining vesting life of 0.18 years *(2024: 0.22 years)* and the weighted average contractual term of outstanding options is 4.1 years *(2024: 4.9 years)*.

Due to the nature of the awards, they are exercised at the point of vesting and for nil consideration. Details of the options outstanding as at 31 December 2025 and the vesting dates, are as follows:

Vest Date	Ending options outstanding	Weighted average grant date fair value (US$)	Weighted average remaining contractual term	Weighted average remaining vesting life
01 March 2021	1447	26.46	1.43	–
01 March 2022	795	40.90	2.17	–
01 March 2024	189	123.22	7.16	–
01 March 2025	336	141.23	7.60	–
01 March 2026	460	155.15	8.02	0.16
01 March 2027	271	177.67	8.63	1.16
01 March 2028	125	192.87	9.16	2.17
Total	**3,623**			

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

	2025 £m	2024 £m
Mastercard Equity Scheme	**3.7**	4.4
Total	**3.7**	4.4

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

16. Provisions

	Onerous contract £m	Other provisions £m	Total £m
Balance at 1 January 2025	–	17.8	17.8
Provisions made during the year	7.2	0.3	7.5
Provisions utilised during the year	–	(11.9)	(11.9)
Balance at 31 December 2025	**7.2**	**6.2**	**13.4**
Non-current	4.5	6.2	10.7
Current	2.7	–	2.7
Provisions	**7.2**	**6.2**	**13.4**

	Other provisions £m	Total £m
Balance at 1 January 2024	6.8	6.8
Provisions made during the year	11.9	11.9
Provisions utilised 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**

An onerous contract provision of £7.2m *(2024: £nil)* in respect of contracts with customers was recognised during the year ending 31 December 2025. Management is undertaking initiatives to ensure onerous customer contracts return to profitability at the earliest possible time.

Other provisions include provisions for dilapidations and other lease exit costs of £5.7m *(2024: £5.5m)* and transition costs relating to the potential termination of a customer contract of £0.4m *(2024: £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. The provision of £11.9m was included in the financial statements for the year ended 31 December 2024.

Non-current provisions relate to dilapidations which are expected to be utilised within 10 years.

17. Called up share capital

	2025 £m	2024 £m
Share capital		
Authorised 52,901,000 *(2024: 52,901,000)* ordinary shares of £1 each at 31 December	**52.9**	52.9
Allotted called up and fully paid 52,901,000 *(2024: 52,901,000)* ordinary shares of £1 each at 31 December	**52.9**	52.9
Shareholders:		
Vocalink Holdings Limited	**Holding 100%**	Holding 100%

As at 31 December 2025, Mastercard owns 100% *(2024: 99.22%)* of the ordinary share capital of Vocalink Holdings Limited.

On 5 February 2025 Santander Equity Investments Limited exercised a put option to sell their 0.78% shareholding to Mastercard Holdings LP.; at the year end minority shareholding was nil *(2024: 0.78%)*.

Shareholders of Vocalink Holdings Limited (ordinary shares)

	2025 % Holding	2024 % Holding
Mastercard UK Holdco Limited	**92.41**	92.41
Mastercard Holdings LP	**7.59**	6.81
Other shareholders		
Santander Equity Investments Limited	**–**	0.78
Total	**100.00**	100.00

18. Commitments

The Company has a legally binding financial obligation from the Bank of England to maintain minimum capital requirements of £107.6m *(2024: £92.1m)*, which is covered by the Company's cash and cash equivalents.

Capital commitments

During the year ended 31 December 2025, the Company entered into contracts to purchase property, plant and equipment for £2.4m *(2024: £2.2m)*. 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 2025. 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:

Entity	Registered office address	Class of shares held	**Ownership 2025**	Ownership 2024
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 *(2024: £1)*. The Directors believe that the carrying value of the investment is supported by underlying net assets.

* Dormant entity exempt from the requirement of the Companies Act 2006 relating to the preparation of individual financial statements in respect of the year ended 31 December 2025.

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 (Employer 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.

	2025 £m	2024 £m
Sales: service supplied to shareholders of Vocalink Holdings Limited		
• Barclays Bank plc*	**–**	29.3
• Santander Group*	**0.7**	8.5

* Barclays Bank plc and Santander Group exercised their put options to sell their shareholdings to Mastercard Holdings LP on 5 December 2024 and 5 February 2025 respectively.

22. Subsequent events

No subsequent events were noted.

1 Angel Lane
London
EC4R 3AB
United Kingdom

Telephone:
+44 (0)370 165 0019
Web:
www.vocalink.com

VOCALINK mastercard