



LINK ANNUAL REPORT 2017/2018



THE UK'S CASH MACHINE NETWORK



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Company Information

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Company Number 10535808

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Introduction to LINK



The LINK Scheme is the network which connects the UK's cash machines and provides consumers with universal access to their cash.

The LINK Scheme provides the operational service and contractual certainty that connects card issuers and cash machine operators to enable card holders to access their cash. LINK membership consists of all the UK's main debit and cash machine card issuers (banks and building societies) and all the main cash machine operators (banks, building societies and independent ATM deployers – IADs).

Effectively all the UK's 65,000 cash machines are LINK-enabled and over 53,000 of these ATMs are free-to-use. There are over 100 million UK issued LINK-enabled cards in circulation.

LINK's objective is to provide nationwide access to cash for consumers. Financial inclusion is a key common objective of all LINK's Members.

LINK and its Members are committed to defending and where possible improving access to cash. This is especially important given the decline in cash usage in the UK. In pursuit of this, LINK has operated a Financial Inclusion Programme since 2006. This Programme is being enhanced during 2018 by increasing the subsidies paid to ATM operators in deprived areas without a free ATM. This subsidy is made via a premium to interchange for qualifying ATMs and this premium will be increased by up to threefold. The Financial Inclusion Programme will continue to be strengthened to maintain consumer access to cash in the coming years. In addition, all existing ATMs over one kilometre from the next nearest free machine will have their interchange protected, and if necessary enhanced, in order to maintain access to cash in the areas where they are sited.

LINK's Members compete vigorously to identify and secure new ATM locations. There is no central organisation or plan for ATM locations, rather competition to meet consumer demand. This has proved very effective, with UK consumers enjoying excellent access to free-to-use cash machines.

LINK has a Consumer Council to provide advice on relevant consumer issues and to represent consumers in the governance and development of the network. It gives advice to the Scheme's governing body and can independently publish its views as it wishes.

In January 2018, LINK announced changes to Interchange to help secure the future of free-to-use ATMs.

Interchange is the fee the customer's bank pays to the ATM operator to cover the cost of its transactions. Changes announced in January 2018 are designed to maintain and rebalance the UK's ATM network – shifting incentives from deploying ATMs in urban centres to more remote and less-affluent communities.

The main changes are a phased reduction in interchange beginning with a 5% (around 1p) reduction from 1 July 2018. The position will then be reviewed annually taking into account the impact on consumers.

The LINK rules also support pay-to-use cash machines as they supplement the strong free-to-use network with additional machines to improve consumer access.

These cash machines do not receive ATM interchange for dispensing cash. There are around 12,000 such machines (18% of all ATMs) but they account for less than 3% of cash withdrawals. All decisions about charging are made by the ATM operator in agreement with the owner of the premises where the ATM is located, and not by LINK itself. Most pay-to-use ATMs are in low transacting locations.

LINK is tendering its infrastructure platform

LINK is undertaking a competitive procurement for ATM switching and settlement services, the mechanism that links together all the card issuers and operators. This will be completed in the first half of 2019.

Chairman's Message



Sir Mark Boleat
LINK Chairman

LINK is a vital national payment system relied on by almost every consumer in the UK to provide safe, reliable, and easy access to cash.

Cash usage in the UK is declining. LINK's challenge is to maintain good free access to cash for those many consumers who will need it for years to come. Given LINK's role, we are rightly seen by policy makers as systemically important to the UK economy. Hence, LINK's other key task is to manage risk and keep it low across the end-to-end ATM system to ensure that consumers continue to enjoy a safe and reliable service.

From the beginning of 2018, LINK became a not-for-profit organisation with a fully independent Board and a public interest objective. It is now a company limited by guarantee, owned by its members, with each having one equal share. This important change in structure, and the associated increased powers, means that we can now focus on what the public needs and balance the competing commercial interests of the various participants.

LINK is regulated by both the Bank of England and the Payment Systems Regulator and works closely with these two regulators, as well as with the thirty-six member organisations that currently make up LINK. These include every major bank and building society in the UK, independent ATM deployers, and businesses such as Tesco and Sainsbury's.

Using our new powers, LINK has in the past year made a number of fundamental changes to maintain a broad free ATM network. In particular, we have reformed the interchange model, the fee the customer's bank pays to the ATM operator to cover the cost of its transactions. The changes will maintain and rebalance the UK's ATM network – shifting incentives from deploying ATMs in urban centres where there is overprovision to more remote and less-affluent communities where ATMs are at risk of withdrawal.

Our reforms will only stabilise the position for a few years, given the reducing demand for cash from consumers underway. LINK has therefore commissioned an independent review into cash access and how it should be developed. This will be a key ingredient in shaping LINK's long-term vision for the next five to fifteen years. I am delighted that Natalie Ceeney CBE has agreed to chair the Review. LINK looks forward to receiving the Review's findings and recommendations at the start of 2019.

This year has seen the departure of the three member-nominated Board Members – Jonathan Simpson-Dent, Fiona Walmsley and Adrian Roberts. I would like to thank them for all their help, expertise and support in guiding LINK through its early days of independence. They each brought detailed technical knowledge of ATMs to the Board. Following a comprehensive search exercise, John Gill, Bill Raynal and David Rigney have been appointed as directors. John has been specifically recruited to chair a newly-established Risk Committee. Their experience in banking and payment systems will bring valuable insight to help the Board in its deliberations.

I am grateful for the support of my Board colleagues, the excellent executive team led by John Howells and LINK's participants as we continue to develop LINK and maintain its position as one of the leading payment systems in the UK.

Sir Mark Boleat

“LINK's role is to maintain free nationwide access to cash for UK consumers for as long as is needed”

Sir Mark Boleat, LINK Chairman

Chief Executive's Report



John Howells
LINK Chief Executive

The LINK network is a fundamental part of the UK's payments infrastructure and cash machines are by far the most popular channel for cash withdrawals in the UK, used by millions of consumers every day.

The total value of LINK cash withdrawals can exceed £10 billion a month and, at its busiest, LINK has processed over 20,000 transactions a minute.

LINK, along with all other core payment systems in the UK, is undergoing a massive amount of change, supported by our regulators the Payment Systems Regulator and the Bank of England. For LINK, the primary strategic challenge is the reduction in cash usage by consumers. In 2007 cash accounted for 61% of all payments. Ten years later, in 2017, 34% (13.1 billion) of the 38.8 billion consumer payments were made in cash, and debit card payments exceeded cash for the first time. This trend is expected to continue, with cash usage forecast

to halve over the next decade, to account for only 16% (6.4 billion) of all consumer payments by 2027¹. There is a direct knock-on effect for the LINK network and LINK is now seeing sustained declines in its transaction volumes of over 5% per annum. LINK's role is to support consumers' access to cash for as long as they need it, even as

consumers are increasingly using digital means to make payments and the demand for cash to finance transactions is falling.

In order to maintain a broad free network in the face of declining usage, LINK announced significant changes to interchange in early 2018 – shifting incentives from deploying ATMs in urban centres to more remote and less-affluent communities.

This will be reviewed annually taking into account the impact on consumers and the broader requirements for access to cash. LINK's Financial Inclusion Programme is also being strengthened to maintain a broad network footprint and make sure consumers can get the cash access they need. LINK will also continue to investigate innovation opportunities for cash distribution channels other than ATMs, and closer working with the Post Office which offers free access to cash at all of its counters. LINK is proud of its focus on consumers, and financial inclusion will be a core part of its strategy going forward.

LINK is also responsible for maintaining a low level of risk across the end-to-end payment system, and is investing heavily to deliver this, especially given the notable increases in threats in areas such as cyber.

LINK continues to work closely with the Bank of England in its role as provider of the UK's bank notes. This work has included the launch of the polymer £5 and £10 notes and we look forward to the release of the polymer £20 in 2020.

John Howells

“LINK is committed to maintaining an extensive footprint of free ATMs as cash usage declines, supported by a highly safe and secure infrastructure.”

John Howells, LINK CEO

¹UK Finance. UK Payment Markets 2018.

LINK Board Members

Board Members

Sir Mark Boleat Director and Chair

Sir Mark Boleat is Chairman of Link Scheme Holdings Ltd. He was previously the Chair of the City of London's Policy and Resources Committee, and in this capacity, was also Deputy Chair of TheCityUK (the promotional body for the UK finance industry) and the International Regulatory Strategy Group, a Vice Chair of London Councils and a Board Member of London and Partners. He is also Chair of the Housing and Finance Institute and the City of London Academy Highbury Grove and a Board Member of the Centre for London. Mark was awarded a knighthood for services to the financial services industry and local government in London in June 2017.

John Gill Director and Chair of the Risk Committee.

John is also a Non-Executive Director and Chair of the Risk Committee for both Quilter Plc's UK platform business, Old Mutual Wealth UK Platform, and Chetwood Financial, the digital bank.

Tracey Graham Director and LINK Consumer Council Chair

Tracey is also a Non-Executive Director of Royal London Group, where she is Chair of the Remuneration Committee, and Chair of Investment Funds Direct Limited, a subsidiary company of the Royal London Group. Tracey is also a Non-Executive Director of Ibstock plc and a Non-Executive Director of DiscoverIE plc.

John Howells Director and Chief Executive Officer

John is CEO of Link Scheme Holdings Ltd and an Executive Director. He is a member of the Payment Systems Regulator's Panel and the LINK Scheme's Consumer Council. Prior to LINK, John held a number of senior roles with Gemini Consulting and Capgemini. His early career was with Lloyds Bank.

The Rt. Hon. the Lord Hunt of Wirral MBE (David Hunt)

Senior Non-Executive Director and Chair of the Remuneration and Nominations Committees

Lord Hunt is Chair of the Financial Services Division of the international commercial law firm DAC Beachcroft LLP. David Hunt has been a parliamentarian for over 40 years, first as MP for Wirral, then Wirral West, from 1976-1997. He was a Minister in successive Governments for 16 years and a member of the Cabinets of both Margaret Thatcher and John Major. He became a life peer in 1997.

Bill Raynal Director

Bill is an experienced banker having spent over 30 years with RBS Group where he was part of the wider Group Executive Team. Latterly, Bill was Chief Operating Officer of YourCash Europe Limited, an independent ATM deployer operating ATMs across Europe.

Liz Richards Director and Chair of the Audit Committee

Liz has extensive experience as a CFO of private equity-backed business in the Fintech sector. She is also a Non-Executive Director and Chair of the Audit Committee of Tracsis plc. A Governor Director of Leeds Trinity University, Liz also chairs its Audit Committee and sits on its Remuneration Committee.

David Rigney Director

David is also Executive Director at Principality Building Society and ELEXON Limited. He was previously Chairman of BACS, and a main Board Executive Director at Nationwide Building Society where his responsibilities included ATMs.

"I am pleased that LINK continues to operate to the highest levels of governance best practice."

Lord David Hunt, Senior Independent Non-Executive Director

Senior Management Team

John Howells Chief Executive Officer

John is CEO of Link Scheme Holdings Ltd and an Executive Director. He is a member of the Payment Systems Regulator's Panel and the LINK Scheme's Consumer Council.

Mary Buffee Head of Consumer Affairs

Mary is responsible for ensuring that the consumer is at the heart of LINK's activity, focusing on access to cash, financial inclusion and working with consumer groups and Government.

Graham Mott Head of Strategy and External Relations

Graham's role covers external relations, public relations, public affairs, and strategic issues like interchange, industry initiatives such as polymer, fraud management, and physical ATM crime.

Adrian Roberts Head of Innovation

Adrian is responsible for innovation and development of industry structure for LINK. He was previously the Director of the UK ATM Business at the Bank of Ireland Group where he was responsible for over 2,700 ATMs, and is a former LINK Board Director.

Sue Wallace Chief Operating Officer

Sue is LINK's COO and has over 35 years' experience of working in payments, having previously held senior roles at Barclaycard and Vocalink.

Mike Knight Finance Director

Principal at the FD Centre, Mike is a qualified Chartered Accountant and has an extensive business career in both SMEs and large corporates.



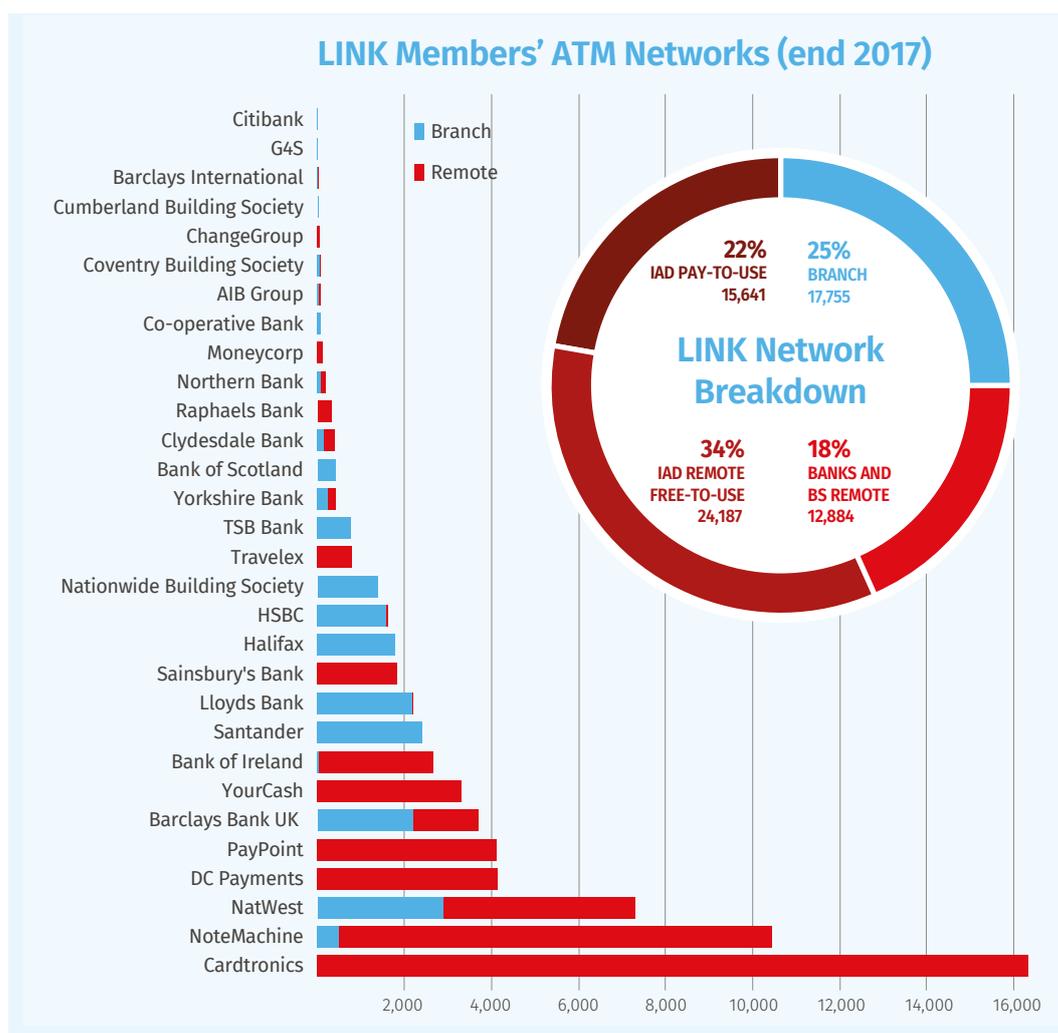
LINK Members

LINK currently has 36 Members consisting of banks, building societies, schemes, and independent operators:

Membership is open to all on equal terms – existing Members have no say over who joins.

“I am delighted to be joining the LINK Board at a time of great change in how consumers make payments.”

Bill Raynal, Independent Non-Executive Director

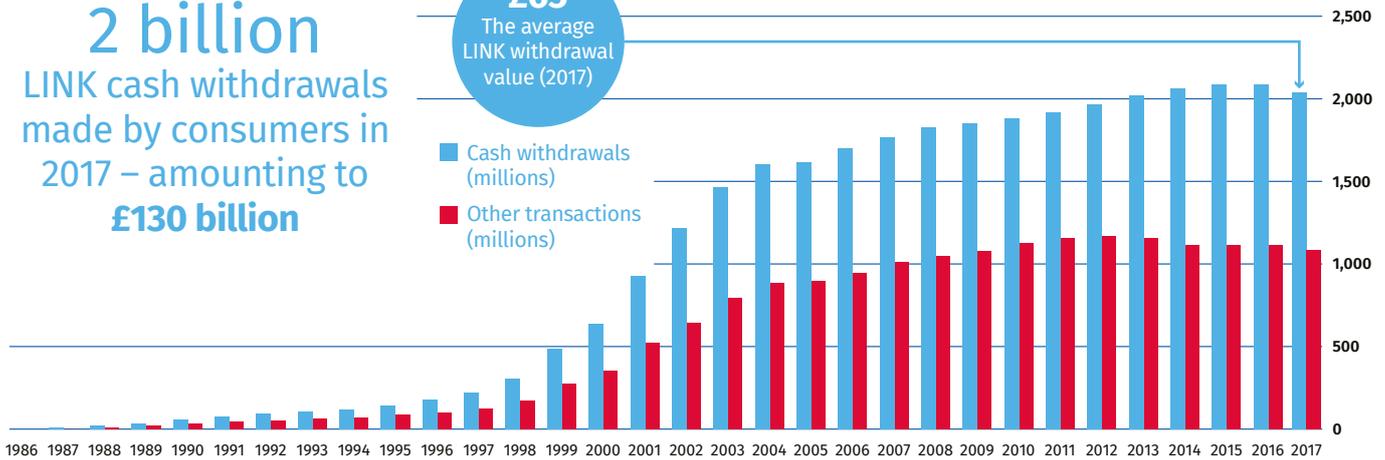


Source: Link Scheme

Statistics

2 billion
LINK cash withdrawals
made by consumers in
2017 – amounting to
£130 billion

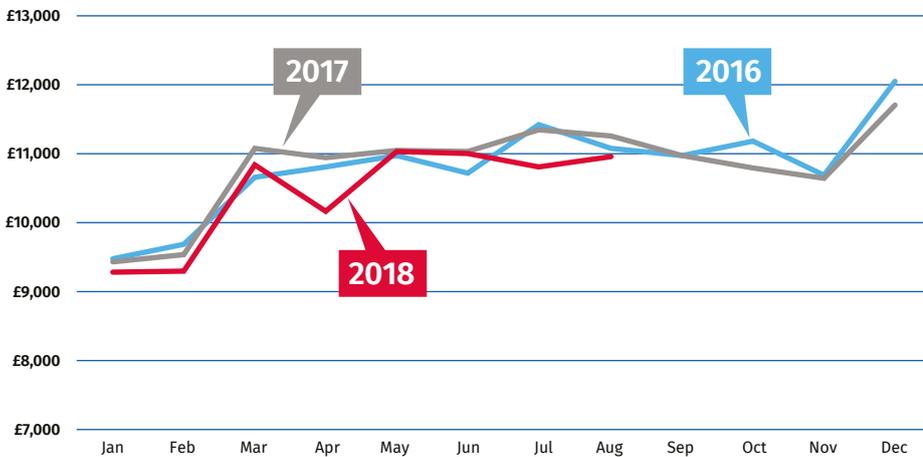
£65
The average
LINK withdrawal
value (2017)



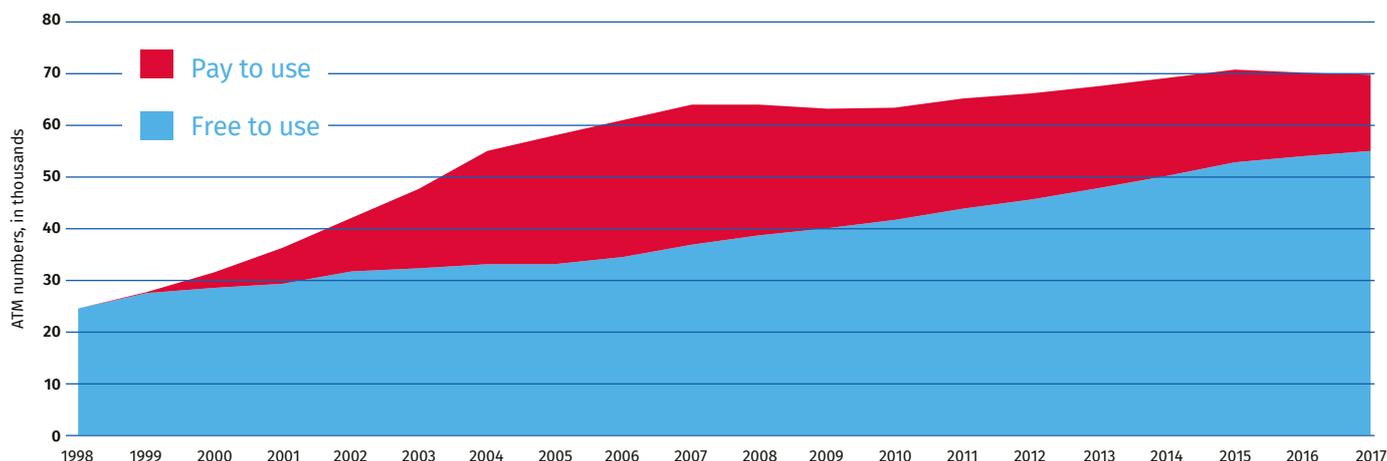
"I look forward to bringing my experience from the Board of BACS to LINK and both are essential payment networks for the UK economy."

David Rigney, Independent Non-Executive Director

Transaction Values (£ millions)



ATM numbers

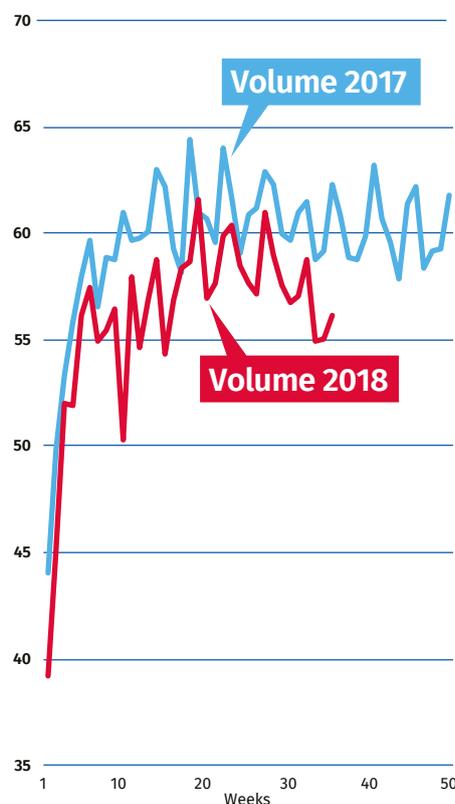


£766m

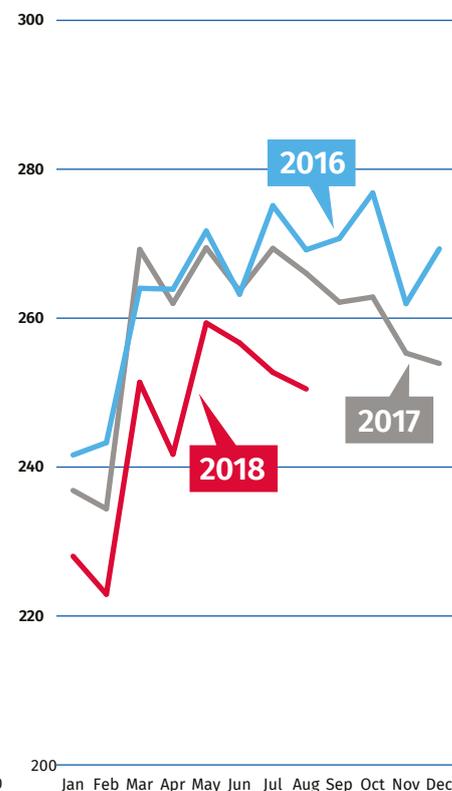
Amount withdrawn on 22 December 2017, the busiest day of 2017 – with 8.7m cash withdrawals (also a record for 2017).

The busiest day of 2018 so far was Friday 1 June with £604m withdrawn across 8.4m cash withdrawals

Weekly LINK ATM transactions (millions)



Transaction Volumes (millions)



Source: Link Scheme

Consumers

Financial Inclusion Programme

Over the past decade, the establishment and development of the LINK Financial Inclusion Programme has been critical to meeting the needs of the most vulnerable in society.

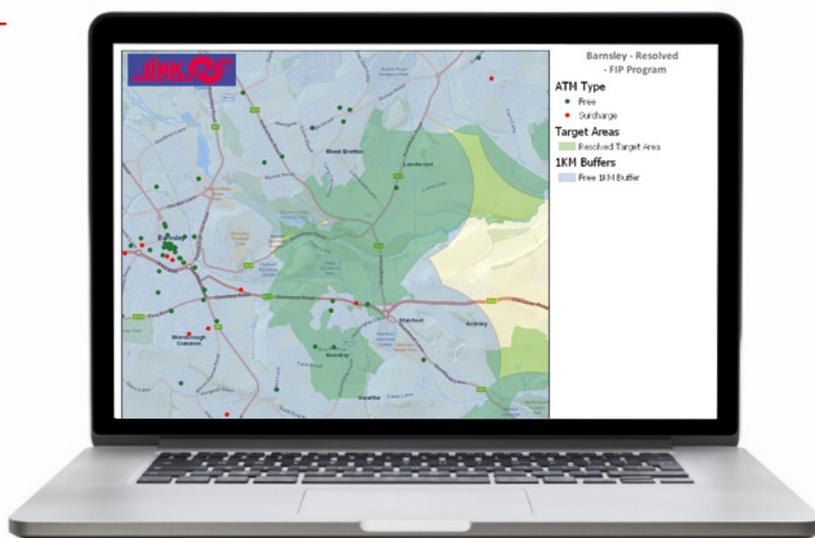
On 1st July 2018, LINK introduced an enhanced Financial Inclusion Programme with larger subsidies and more protection for remote ATMs in deprived areas. The objective is to maintain a broad network footprint of free ATMs for years to come.

LINK's Board has committed to protect the interchange for all existing free ATMs one kilometre or more from another free ATM. LINK is also increasing the Financial Inclusion Premium to up to 30p from the current 10p in the most deprived areas of the UK. The Board is mandated to use these measures across the UK to deal with specific problems with access to cash that would otherwise be caused by the loss of a free ATM.

The LINK Consumer Council will review and refine the criteria as the strengthened Financial Inclusion Programme develops in use. There will be no financial cap on the Financial Inclusion Programme's cost.

"I am delighted to see LINK significantly strengthening its Financial Inclusion Programme. This will help protect existing ATMs and ensure consumers in remote and rural areas will still get access to the cash they need. The Consumer Council will continue to provide scrutiny and advice to the LINK Board on the vital importance of maintaining free access to cash."

Tracey Graham, Chair of LINK Consumer Council



The LINK website includes a Financial Inclusion Mapping Tool [www.link.co.uk/initiatives/financial-inclusion-tool/] that helps consumers, policy makers and consumer groups identify areas which may still have requirements for additional free ATM access. Resolved areas are shown in green while outstanding target areas are in red and each free-to-use ATM has its 1 kilometre access boundary displayed.

Consumer Support

Consumer Council

The LINK Consumer Council was established in 2006 and consists of independent consumer representatives and LINK Members and is chaired by an Independent Chair Tracey Graham. The Council provides advice on consumer issues relating to the UK cash machine network. The Council represents consumer interests and produces its own report towards the year end.

The Members of the Consumer Council are:

- Tracey Graham**, Chair (also a LINK Independent Non-Executive Director)
- Lady Margaret Bloom**, CBE
- Teresa Pearce**, MP for Erith & Thamesmead
- Eimear Duffy**, Consumer Council of Northern Ireland
- Joe Lane**, Citizens Advice
- Helen Walker**, Department for Work and Pensions
- Sian Williams**, Toynbee Hall
- Tim Allen**, Barclays
- Adam Bailey**, NatWest
- Nigel Constable**, NoteMachine
- Tim Watkin-Rees**, PayPoint



Polymer Ten Pound Note

September 2017 saw the introduction of the second Bank of England Polymer banknote with the new Ten Pound Note. This was the culmination of a long process and careful planning which started in September 2013 when the Bank of England announced a public consultation. To launch a new banknote is a considerable challenge for the ATM industry as effectively every ATM needed modification. Careful planning and testing was required.

LINK ATM Locator App

Launched in 2017, the free ATM locator App is the most comprehensive mobile tool for finding ATMs in the UK. Connected to LINK's ATM database, it shows the location of all LINK ATMs, which is effectively every cash machine in the UK.

Fraud and Crime Prevention

Cash machines are a very safe way to access your account and avoid the risks of having to carry large amounts of cash. Millions of transactions are made through the LINK system every day and the chances of becoming a victim of ATM crime are very low. However, to make this even safer, LINK publishes online and downloadable guides to help consumers stay safe when using ATMs.

To help counter physical attacks on cash machines themselves, LINK supports the cross-industry ATM Security Working Group and it also runs and chairs the European Expert Group on Physical ATM Crime. LINK actively liaises with counterparts, technical experts and law enforcement bodies across the UK, Europe and the wider world to share intelligence and information as widely as possible.

Managing Systemic Risk

LINK's network is considered systemically important by policy makers. Accordingly LINK is regulated by the Bank of England as one of a handful of systemic payment systems in the UK.

This means that LINK is responsible for managing systemic risk across the end-to-end payment system. This is a central activity for LINK and is owned by the LINK Board.

“The new Board Risk Committee that I chair will maintain LINK as a highly safe and resilient payment system.”

John Gill, Risk Committee Chair, Independent Non-Executive Director

Payment systems such as LINK face increasing levels of risk as technology develops and as the interconnected nature of payment systems grows. Maintaining extremely high levels of resilience and reliability is a top priority for LINK and it is investing significantly in this. LINK's track record of safe performance is exceptionally high, and the intention is that this remains the case.

Work this year has included a procurement to secure a new infrastructure provision that raises even higher the levels of safety and security across the system. This work will be concluded next year with the establishment of a new supply contract.

LINK has also established a new Board Risk Committee to oversee all aspects of risk on behalf of the Board.

Governance and Regulation

LINK is regulated by both the Payment Systems Regulator (PSR) and the Bank of England. The PSR is concerned with ensuring that LINK meets the needs of its service users, and is effective at competition and innovation. The Bank's focus is on ensuring that LINK manages systemic integrity effectively. Both regulators work closely with the LINK Board and management team.

Audit Committee Members

Liz Richards (Chair)
John Gill
Bill Raynal

Remuneration Committee Members

Lord David Hunt (Chair)
Sir Mark Boleat
Tracey Graham

Nomination Committee Members

Lord David Hunt (Chair)
Sir Mark Boleat
Tracey Graham
Liz Richards

Risk Committee Members

John Gill (Chair)
Sir Mark Boleat
Tracey Graham
David Rigney

Access to Cash Review



Natalie Ceeney CBE
Chair
Access to Cash Review

“I was delighted to be approached by LINK, to lead an independent review looking at the future of cash and how to ensure it is accessible by all consumers, whatever their circumstances. The independent Access to Cash Review brings together representatives from consumer organisations and industry to examine the future cash needs of consumers across the UK.

The independent Review is gathering evidence on the current trends of cash usage in the UK, the role cash plays among different groups of consumers (including those with disabilities, lower income levels, and the elderly), and geographic variations including the different role of cash in rural communities and urban areas.

It will also look at the impact of new technologies over the next 10 to 15 years and what the future infrastructure will need to look like to make sure that no one is left behind, as well as the lessons that can be learned from how other countries are dealing with these issues.

We are seeking input from as wide an audience as possible including consumer groups and industry.

The Review, which is completely independent of LINK, will include recommendations on how the UK should best respond to the challenges and the opportunities of consumers’ evolving relationship with cash over the next 15 years. In particular, I am keen to develop a coordinated approach which will avoid the issues which have surrounded, for example, the branch closure programme, and which risk leaving consumers with a less than effective ATM network and cash distribution system.”

Panel Members

Sian Williams, Director, Financial Health Exchange, Toynbee Hall

Lucy Malenczuk, Senior Policy Advisor, Age UK

Monica Kalia, Founder, Neyber

Lady Margaret Bloom CBE, Independent, LINK Consumer Council

James Daley, CEO, Fairer Finance

Richard Lloyd, Independent, former Executive Director, Which?

David Hensley, Head of Cash Services

Phil Kenworthy, Independent, former CEO, CHAPS

Website: www.accesstocash.org.uk

e-mail: contact-us@accesstocash.org.uk



Financial Statements

Background

Link Scheme Holdings Ltd (“the Company”) was incorporated on 21 December 2016 as a company limited by guarantee without share capital. Its guarantors are the LINK network members. The Company is responsible for the running of the LINK Scheme through its wholly-owned subsidiary, Link Scheme Ltd (together “the Group”).

The Group recorded a loss for the year of £438,400 as a result of restructuring costs relating to the implementation of governance changes to the LINK Scheme. This cost was funded from brought forward reserves. The Group’s capital and reserves were further strengthened during the course of the year by capital injections from Members. These resulted in an increase in total equity from £780,972 at 31st December 2016 to £1,922,571 as at 31st December 2017.

The Company’s **Full Statutory Accounts, Report and Financial Statements** are audited by the Company’s auditor, PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds LS1 4DL.

“LINK’s finances remain robust and well managed. The Audit Committee works closely with the Board and internal and external auditors to ensure strong governance and to provide a high level of assurance.”

Liz Richards, Audit Committee Chair, Independent Non-Executive Director

Summary statement of comprehensive income for the year ended 31 December 2017

	2017	2016
	£	£
Turnover	4,233,971	2,415,048
Administrative expenses	(4,675,264)	(4,376,631)
Operating loss	(441,293)	(1,961,583)
Interest receivable and similar income	2,893	–
Loss before taxation	(438,400)	(1,961,583)
Taxation	–	–
Loss and total comprehensive expense for the financial year	(438,400)	(1,961,583)

Loss for the financial year is all attributable to the members of the parent company.

Turnover consists of fees charged to members by virtue of their membership of the LINK scheme and fees for specific projects as agreed by the members from time to time. Turnover is recognised in the period to which it relates and is shown net of VAT and other sales related taxes.

The Group has collected the annual fees from members, which are due to the Payments Systems Regulator (“PSR”), and pays them over to the PSR. Since the Group is acting as an agent in this regard, these amounts are not included in the group’s turnover. The PSR has announced that, from 1 January 2018 onwards, it will collect its fees direct from payment service providers without using the group as its agent.

Under the Framework Agreement dated 6 April 2017 between Mastercard UK HoldCo Limited (“Mastercard”), Vocalink Holdings Ltd, Vocalink Ltd (together “Vocalink”) and Link Scheme Ltd, the parties agreed to implement certain remedies in order to satisfy

the Competition and Markets Authority (“CMA”) that, following the acquisition of Vocalink by Mastercard, the competition of the LINK Scheme network would not be substantially lessened. In addition, Mastercard agreed to make a payment of £2 million to the Group to establish a Development Fund for the purposes of developing and implementing innovative products and services relating to the LINK network. If the Group does not adhere to the conditions regarding the use of the Development Fund, then the Group will be liable to pay the appropriate funds back to Mastercard. Revenue on the Development Fund is recognised on an accruals basis and matched with the expenditure in the period in which it is incurred. Any costs incurred and allocated against the Development Fund are accounted for in the appropriate manner according to their nature.

Members’ fees are set to cover the budgeted operating expenditure of the Group with any surplus or deficit carried forward to future years.

Summary statement of financial position as at 31 December 2017

	2017		2016	
	£	£	£	£
Fixed assets				
Tangible assets		15,701		27,196
Current assets				
Debtors	425,450		239,093	
Cash at bank and in hand	4,316,221		1,029,704	
	4,741,671		1,268,797	
Creditors: amounts falling due within one year	(2,834,801)		(515,021)	
Net current assets		1,906,870		753,776
Total assets less current liabilities		1,922,571		780,972
Capital and reserves				
Other reserves		5,891,214		4,311,215
Profit and loss reserves		(3,968,643)		(3,530,243)
Total equity		1,922,571		780,972

Summary statement of changes in equity for the year ended 31 December 2017

The total equity of the Company at 31 December 2017 of £1,922,571 was derived from capital contributions of £5,891,214 less the accumulated deficit of £3,968,643.

The cumulative capital contributions came from three sources.

- Total of "advance payments" of Vocalink Limited's discount against the future payment processing fees it would charge to Members under its agreement for the provision of switching and settlement services which were made to Link Scheme Ltd. Part of these advance payments were used to fund start up and transaction costs, particularly legal fees, incurred by Link Scheme Ltd in the setting up of the new arrangements between the various parties. The total of the advance payments made to the company for this purpose was £3,485,700.

- Under the restructuring arrangements with Vocalink Limited, the surplus of the Scheme accumulated over its years of operation within that entity was transferred over to Link Scheme Ltd. The total amount transferred from Vocalink Limited was £825,514.

- In accordance with The Committee on Payments and Market Infrastructures and the Board of the International Organization of Securities Commission (CPMI-IOSCO) Principles for Financial Market Infrastructures, the company must hold a reserve of at least 50% of operational expenditure. As such, an initial call of £1,580,000 was received in March 2017 and recognised as a capital contribution. The value of this reserve will be considered annually, and amended in line with operational expenditure.

	Merger reserve	Capital contribution reserve	Profit and loss reserves	Total equity
	£	£	£	£
Balance at 1 January 2016	1	1,420,000	(1,568,660)	(148,659)
Year ended 31 December 2016:				
Loss and total comprehensive loss for the year	-	-	(1,961,583)	(1,961,583)
Capital contribution	-	2,891,214	-	2,891,214
Balance at 31 December 2016	1	4,311,214	(3,530,243)	780,972
Year ended 31 December 2017:				
Loss and total comprehensive loss for the year	-	-	(438,400)	(438,400)
Capital contribution	-	1,580,000	-	1,580,000
Reduction in merger reserve	(1)	-	-	(1)
Balance at 31 December 2017	-	5,891,214	(3,968,643)	1,922,571





If you would like to know more about LINK or have any suggestions or feedback, please get in touch.

www.link.co.uk/contact-us

www.link.co.uk