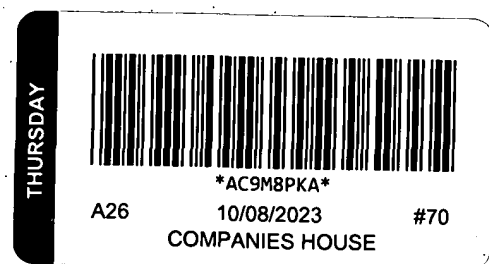


# HSBC Master Trust Trustee Limited

Registration No: 11762788

Annual Report and Financial Statements for the year ended 31  
December 2022



RESTRICTED

## Annual Report and Financial Statements for the year ended 31 December 2022

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## HSBC Master Trust Trustee Limited

### Strategic Report

HSBC Master Trust Trustee Limited ('the Entity') is a private entity incorporated by shares in London, United Kingdom. Its registered address is 8 Canada Square, London E14 5HQ.

#### Principal activities

The principal activity of the Entity is to act as a trustee to pension funds. The Entity is not yet trading.

#### Review of the Entity's business and Performance

The Entity has a loss for the year amounting to £0.04m (2021: nil).

The year-end Balance Sheet was mainly composed of cash totaling £1.71 million as at 31 December 2022 (2021: £1.70 million).

During the year the Entity declared the return of capital contribution of £1.70 million to parent HSBC Retirement Service limited. (2021: nil).

The directors have decided to terminate the trust and then liquidate the Entity.

#### Key performance indicators

The Directors use Key Performance Indicators (KPIs) to monitor the business. As well as the Income Statement and the Balance Sheet, these indicators include measures to identify the returns on different categories of assets and the risks to which the Entity is exposed.

#### Financial KPIs

	2022	2021
Loss before tax (£'000)	(37)	
Net assets (£'000)	13	1,750
Return on equity (%)	(284.62%)	0.00%

#### Principal risks and uncertainties

The Board is responsible for setting the risk appetite for the Entity within the context of the HSBC Group's direction. The Board has considered the principal risks facing the Entity and the exposure in relation to each of those risks. The Entity also has its own established governance framework, with clear terms of reference for the Board and a clear organizational structure, with documented delegated authorities and responsibilities. Note 11 of the financial statements includes further information on risk management.

#### Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to: (i) the likely consequences of any decision in the long term; (ii) the interests of the company's employees; (iii) the need to foster the company's business relationships with suppliers, customers and others; (iv) the impact of the company's operations on the community and the environment; (v) the desirability of the company maintaining a reputation for high standards of business conduct; and (vi) the need to act fairly as between members of the company. The directors of HSBC Master Trust Trustee Limited (the "Directors") give careful consideration to the factors set out above in discharging their duties under section 172.


## Strategic report (continued)

As a Group, HSBC considers its stakeholders to be the people who work for us, bank with us, own us, regulate us and live in the societies we serve. The Board recognise that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values, and operate the business in a sustainable way.

As a non-trading company with no employees, the principal stakeholder of the Entity is the Entity's parent entity and HSBC Master Trust's (the "Scheme") Settlor, Funder and Scheme Strategist, HSBC Retirement Services Limited ("HRSL"). The Scheme was authorised by the Pensions Regulator on 11 December 2019 but did not have any participating members during the reporting period.

The principal decisions taken by the Entity during the reporting period were made in relation to the Scheme, for which the Entity is the Trustee. The Scheme's Default Glide path was approved after careful consideration of the long-term interests of the Scheme's future members. Other decisions taken included: the appointment of PwC as its independent auditors; approval of the Business Plan; agreement to the Investment Consultant Objectives and to terminate the trust and then liquidate the Entity. In making these decisions, the Directors considered the Scheme's capital position; the Trustee's access to funds; regulatory guidance, including guidance received from direct engagement with the Pensions Regulator; the importance of Trustee independence and the long-term interests of the Entity and the Scheme. The Directors also considered the views and the roles of HRSL, obtained by building relationships and establishing information flows between the Board and the Board of HRSL.

Signed on behalf of the Board



D Visavadia  
For and on behalf of Independent Trustee Services Limited  
Director  
25 July 2023  
Registered Office  
HSBC, 8 Canada Square, London, E14 5HQ

## Directors' Report

### Directors

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

Name	Appointed	Resigned
T J Palmer	11/01/2019	18/03/2022
J Parker-Welch	11/01/2019	11/07/2023
Capital Cranfield Pension Trustees Limited	18/01/2019	
Independent Trustee Services Limited	11/01/2019	
Pension Lawyer Trustees Limited (formerly Pension Legacy Trustees Limited)	16/01/2019	

The Articles of Association of the Entity provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Entity against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors. All Directors have the benefit of directors' and officers' liability insurance.

### Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2022. (2021: nil).

### Other Matters

During the year the Entity declared the return of capital contribution of £1.70 million to parent HSBC Retirement Service limited. (2021: nil).

### Significant events since the end of the financial year

The Directors of the Entity have decided to terminate the trust and thereafter liquidate the entity.

There are no other significant events affecting the Entity which have occurred since the end of the financial year (2021: nil).

### Going concern basis

The Directors made the decision to terminate the trust and followed by liquidation of the Entity. It is expected that the Entity will be liquidated within 12 months of the date when the Financial Statements are approved. Accordingly, the going concern basis of preparation is not appropriate and the Financial Statements have been prepared on a basis other than going concern. Liquidation expenses, estimated at £0.03 million (inclusive of VAT) will be borne by the Entity and adjusted in the financial statements, no other adjustments were necessary in these Financial Statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

### Disclosure of information to auditors

Each person who is a Director at the date of approval auditors of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Entity's auditors are unaware; and the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Entity's auditors are aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance therewith.

### Independent Auditors

Pursuant to section 487 of the Companies Act 2006, the independent Auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP ("PwC") will therefore continue in office.

## Directors' report (continued)

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Entity and of the profit or loss of the Entity for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Entity will continue in business.

The directors are responsible for safeguarding the assets of the Entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

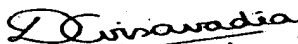
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Entity's transactions and disclose with reasonable accuracy at any time the financial position of the Entity and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Signed on behalf of the Board



D Visavadia

For and on behalf of Independent Trustee Services Limited

Director

25 July 2023

Registered Office

HSBC, 8 Canada Square, London, E14 5HQ

# Independent auditors' report to the members of HSBC Master Trust Trustee Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, HSBC Master Trust Trustee Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Income statement, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1(g) to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### 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 on, 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 the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and the Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2022 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 the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 posting of inappropriate journal entries. Audit procedures performed by the engagement team included:



- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the directors;
- Understanding of management's internal controls designed to prevent and detect irregularities; and
- Reviewing the general ledger for indication of any inappropriate journal entries.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

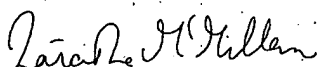
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Natasha McMillan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 July 2023

**HSBC Master Trust Trustee Limited**

**Financial Statements**

**Income statement for the year ended 31 December 2022**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Interest Income	<u>11</u>	<u>-</u>
Net income	<u>11</u>	<u>-</u>
General and administrative expenses	<u>(48)</u>	<u>-</u>
Total expenses	<u>(48)</u>	<u>-</u>
Net loss	<u>(37)</u>	<u>-</u>
Loss before tax	<u>(37)</u>	<u>-</u>
Tax expense/credit	<u>-</u>	<u>-</u>
Loss for the year	<u>(37)</u>	<u>-</u>

The notes on pages 14 to 22 form an integral part of these Financial Statements.

All activities relate to discontinued operations.

**HSBC Master Trust Trustee Limited**

Registered No: 11762788


**Financial Statements (continued)**

**Balance Sheet as at 31 December 2022**

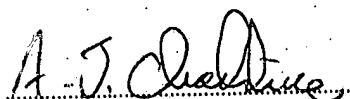
	Note	2022 £'000	2021 £'000
<b>Assets</b>			
Cash and cash equivalents	4	1,711	1,700
Trade and other receivables	5	50	50
<b>Total assets</b>		<b>1,761</b>	<b>1,750</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Trade and other payables	6	1,748	-
<b>Total liabilities</b>		<b>1,748</b>	-
<b>Equity</b>			
Called up share capital	7	50	50
Capital contribution			1,700
Accumulated losses		(37)	-
<b>Total equity</b>		<b>13</b>	<b>1,750</b>
<b>Total equity and liabilities</b>		<b>1,761</b>	<b>1,750</b>

The notes on pages 14 to 22 form an integral part of these Financial Statements.

These Financial Statements on pages 10 to 22 were approved by the Board of Directors on 25 July 2023 and were signed on its behalf by:



D Visavadia  
For and on behalf of Independent Trustee Services Limited  
Director



A Cheseldine  
For and on behalf of Capital Cranfield Pension Trustees Limited  
Director

## Financial Statements (continued)

### Statement of Cash Flows for the year ended 31 December 2022

	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>		
Loss before tax	(37)	-
Increase in trade and other payables	1,748	-
<b>Net cash generated from operating activities</b>	<b>1,711</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds used in return of capital contribution	(1,700)	-
<b>Net cash used in financing activities</b>	<b>(1,700)</b>	<b>-</b>
<b>Net increase in Cash and cash equivalents</b>	<b>11</b>	<b>-</b>
Cash and cash equivalents brought forward	1,700	1,700
<b>Cash and cash equivalents carried forward</b>	<b>1,711</b>	<b>1,700</b>

The notes on pages 14 to 22 form an integral part of these Financial Statements.

**HSBC Master Trust Trustee Limited**

**Financial Statements (continued)**

**Statement of Changes in Equity for the year ended 31 December 2022**

	Called up share capital £'000	Capital Contribution £'000	Accumulated Losses £'000	Total Equity £'000
At 1 January 2022	50	1,700	-	1,750
Return of Capital Contribution	-	(1,700)	-	(1,700)
New shares issued	-	-	-	-
Loss for the year	-	-	(37)	(37)
	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>(37)</u>
Total contributions by owners for the year	-	-	-	-
At 31 December 2022	<u>50</u>	<u>-</u>	<u>(37)</u>	<u>13</u>

**Statement of Changes in Equity for the year ended 31 December 2021**

	Called up share capital £'000	Capital Contribution £'000	Accumulated Losses £'000	Total Equity £'000
At 1 January 2021	50	1,700	-	1,750
Capital injection	-	-	-	-
New shares issued	-	-	-	-
Loss for the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions by owners for the year	-	-	-	-
At 31 December 2021	<u>50</u>	<u>1,700</u>	<u>-</u>	<u>1,750</u>

The notes on pages 14 to 22 form an integral part of these Financial Statements.

Equity is wholly attributable to equity shareholders of HSBC Retirement Services limited.

## Notes to the Financial Statements

### 1 Basis of preparation and significant accounting policies

The Financial Statements of the Entity have been prepared in accordance with international accounting standards, in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006. The principal accounting policies applied in the preparation of these Financial Statements have been consistently applied to all of the periods presented, unless otherwise stated. Further information is highlighted in the notes to the financial statements.

#### 1.1 Basis of preparation

##### (a) Compliance with International Financial Reporting Standards

The financial statements of the Entity have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006 under the historical cost convention.

##### (b) Future accounting developments

There are no amendments to IFRS which are effective from 1 January 2023 which could have a material impact on the Entity's financial statements.

##### (c) Presentation of information

The functional currency of the Entity is Sterling, which is also the presentation currency of the Financial Statements of the Entity.

The Financial Statements present information about the Entity as an individual undertaking.

##### (d) Critical accounting estimates and judgments

There is no use of estimates and judgments in the preparation of financial information of the Entity apart from winding up cost of £0.03 million adjusted in the financial statements.

##### (e) Trade and other receivables

Trade and other receivables represent amounts due to the Entity from group Entities prior to the end of the financial period. The amounts are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### (f) Called up share capital

Financial instruments issued are generally classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

##### (g) Going concern

The Directors made the decision to terminate the trust and followed by liquidation of the Entity. It is expected that the Entity will be liquidated within 12 months of the date when the Financial Statements are approved. Accordingly, the going concern basis of preparation is not appropriate and the Financial Statements have been prepared on a basis other than going concern. Liquidation expenses, estimated at £0.03 million (inclusive of VAT) will be borne by the Entity and adjusted in the financial statements, no other adjustments were necessary in these Financial Statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

##### (h) Tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement in which the related item appears.

There is no tax payable or receivable by the Entity for the year ended 31 December 2022 (2021: Nil).

## HSBC Master Trust Trustee Limited

### Notes to the Financial Statements (continued)

#### 2 Directors' emoluments

The Entity has no employees (2021: nil). The Directors' emoluments are allocated based on their services to the Entity and the costs are borne by the parent company. The aggregate emoluments of the Directors of the Entity, computed in accordance with the Companies Act 2006 as amended by statutory instrument 2008 No.410, were:

	2022	2021
	£'000	£'000
Fees <sup>1</sup>	105	105
Salaries and other emoluments	3	16
Annual incentives <sup>2</sup>	-	7
<b>Total Directors' emoluments</b>	<b>108</b>	<b>128</b>

<sup>1</sup> Fees included fees paid to non-executive Directors.

<sup>2</sup> Awards made to executive Directors in respect of 2022 performance comprise a mixture of cash and HSBC Holdings plc ordinary shares. The amount shown comprised £0 and £0 in cash and deferred cash respectively (£3,947 in cash, £2,631 in deferred cash, in 2021), £0 in Restricted Shares and £0 in deferred Restricted Shares (vesting annually over a three-year period) issued under the HSBC Share Plan. (£0 in deferred Restricted Shares 2021).

No Director exercised share options over HSBC Holdings plc ordinary shares during the period (Nil in 2021).

Awards were made to 0 Directors under long-term incentive plans in respect of qualifying services rendered in 2022. During 2022, 1 Director received shares in respect of awards under long-term incentive plans that vested during the period.

Retirement benefits are accruing to 0 Directors under a defined benefit scheme and are accruing to 0 Directors under money purchase schemes in respect of Directors' qualifying service. Contributions of £0 were made during the period to money purchase arrangements and £0 to defined benefit schemes in respect of Directors' qualifying service.

Discretionary bonuses for Directors are based on a combination of individual and corporate performance and are determined by the Remuneration Committee of the Entity's ultimate parent company, HSBC Holdings plc. The cost of any conditional awards under the HSBC Share Plan and the HSBC Plan 2011 ('the Plans') is recognised through an annual charge based on the fair value of the awards, apportioned over the period of service to which the award relates. Details of the Plans are contained within the Directors' Remuneration Report of HSBC Holdings plc.

Of these aggregate figures, the following amounts are attributable to the highest paid Director:

	2022	2021
	£'000	£'000
Salaries and other emoluments	30	16
Annual incentives <sup>1</sup>	-	7
<b>Total highest paid Director emoluments</b>	<b>30</b>	<b>23</b>

<sup>1</sup> Awards made to executive Directors in respect of 2022 performance comprise a mixture of cash and HSBC Holdings plc ordinary shares. The amount shown comprised £0 and £0 in cash and deferred cash respectively (£3,947 in cash, £2,631 in deferred cash, in 2021), £0 in Restricted Shares and £0 in deferred Restricted Shares (vesting annually over a three-year period) issued under the HSBC Share Plan. (£0 in deferred Restricted Shares 2021).

## HSBC Master Trust Trustee Limited

### Notes to the Financial Statements (continued)

#### 2 Directors' emoluments (continued)

The highest paid Director received 0 shares, in respect of qualifying services, as the result of awards under long-term incentive plans that vested during the period (0 in 2021). The highest paid Director exercised 0 share options over HSBC Holdings plc ordinary shares during the period (0 in 2021). Pension contributions of £0 were made by the Entity in respect of services by the highest paid Director during the period (£0 in 2021).

#### 3 Auditors' remuneration

	2022 £'000	2021 £'000
Auditors' remuneration for:		
- Audit fees for statutory audit	10	9
<b>Total auditors' remunerations</b>	<b>10</b>	<b>9</b>

All of the Entity's costs are borne by the HSBC Retirement Services Limited and are not recoverable from the Entity. The Entity's costs for the next 12 months will also be borne by the parent company and will not be recoverable from the Entity.

#### 4 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents held with other Group undertakings	1,711	1,700
	<b>1,711</b>	<b>1,700</b>

#### 5 Trade and other receivables

	2022 £'000	2021 £'000
Amounts due from other group undertakings	50	50
	<b>50</b>	<b>50</b>

Amounts due from other group undertakings are unsecured, interest free and have no fixed date of repayment.



## HSBC Master Trust Trustee Limited

### Notes to the Financial Statements (continued)

#### 6 Trade and other payables

	2022 £'000	2021 £'000
Amounts due to other group undertakings	1,748	
	<u>1,748</u>	<u></u>

Amounts due to other group undertakings are unsecured, interest free and have no fixed date of repayment.

#### 7 Called up share capital

	2022 £'000	2021 £'000
Issued, allotted and calls in arrears	50	50
50,000 Ordinary shares of £1 each (2021:50,000)	<u>50</u>	<u>50</u>
As at 31 December	<u>50</u>	<u>50</u>

The holders are entitled to one vote per share at meetings of the Entity. All shares rank equally with regard to repayment of capital. The Entity's articles of association do not permit any dividends to be paid

#### 8 Contingent liabilities and contractual commitments and guarantees

There were no contingent liabilities or financial guarantee contracts as at 31 December 2022 (none in 2021).

#### 9 Analysis of financial assets and liabilities by measurement basis

Financial assets and financial liabilities are measured on an ongoing basis at net realisable value. Fair value is considered equivalent to net realisable value.

The following table analyses the carrying amount of financial assets and liability by category as defined in IAS 39 and by Balance Sheet heading:

At 31 December 2022	Financial assets and liabilities at net realisable value £'000	Total £'000
<b>Assets</b>		
Cash and cash equivalents	1,711	1,711
Trade and other receivables	50	50
	<u>1,761</u>	<u>1,761</u>
Total financial assets		
Total non-financial assets		
	<u>1,761</u>	<u>1,761</u>
<b>Total Assets</b>	<u>1,761</u>	<u>1,761</u>

## HSBC Master Trust Trustee Limited

### Notes to the Financial Statements (continued)

#### 9 Analysis of financial assets and liabilities by measurement basis (continued)

	Financial assets and liabilities at net realisable value £'000	Total £'000
<b>Liabilities</b>		
Trade and other payables	1,748	1,748
Total financial liability	1,748	1,748
Total non-financial liability	-	-
<b>Total liabilities</b>	<b>1,748</b>	<b>1,748</b>
<b>At 31 December 2021</b>		
	Financial assets and liabilities at net realisable value £'000	Total £'000
<b>Assets</b>		
Cash and cash equivalents	1,700	1,700
Trade and other receivables	50	50
Total financial assets	1,750	1,750
Total non-financial assets	-	-
<b>Total Assets</b>	<b>1,750</b>	<b>1,750</b>
<b>Liabilities</b>		
Trade and other payables	-	-
Total financial liability	-	-
Total non-financial liability	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>

#### 10 Fair value of financial instruments not carried at fair value

There are no material differences between the carrying value and the net realisable value of financial assets and liabilities at 31 December 2022 (2021: nil). Fair value is considered equivalent to net realisable value.

#### 11 Management of financial risk

All of the Entity's activities involve to varying degrees, the analysis, evaluation, acceptance and management of risks or combination of risks. The most important types of risk include financial risk, which comprise credit risk, liquidity risk and market risk. The management of financial risk and consideration of profitability, cash flows and capital resources form a key element in the Directors' assessment of HSBC group entities, including the Entity.

Notes to the Financial Statements (continued)

11 Management of financial risk (continued)

a) Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty of the Entity fails to meet a payment obligation under a contract.

Within the overall framework of the HSBC Group policy, the Entity has an established risk management process encompassing credit approvals, the control of exposures, credit policy direction to the Entity, and the monitoring and reporting of exposures.

The Entity's exposure to credit risk arises from cash and intercompany receivables. An important measure of credit risk is the ageing as reported below:

As at 31 Dec 2022	Due within 90 days £'000	Due between 90 days – 1 year £'000	Due over 1 year £'000	Total £'000
Cash and cash equivalents	1,711	-	-	1,711
Trade and other receivables	50	-	-	50
Net exposure	1,761	-	-	1,761

As at 31 Dec 2021	Due within 90 days £'000	Due between 90 days – 1 year £'000	Due over 1 year £'000	Total £'000
Cash and cash equivalents	1,700	-	-	1,700
Trade and other receivables	50	-	-	50
Net exposure	1,750	-	-	1,750

b) Liquidity and funding risk management

Liquidity risk is the risk that the Entity does not have sufficient financial resources to meet obligations as they fall due or will have access to such resources only at an excessive cost.

The entity monitors its cash flow requirements on a monthly basis and will compare expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. In light of this the Entity will borrow funds as and when required from parent undertakings.

The following is an analysis of undiscounted cash flows payable under various financial liabilities by remaining contractual maturities at the balance sheet date:

As at 31 Dec 2022	Carrying value £000	Contractual cash flows £000	On Demand £000	Due within 3 months £000	Due between 3- 12 months £000	Due between 1-5 years £000	Total £000
Trade and other payables	1,748	1,748	1,748	-	-	-	1,748
Net exposure	1,748	1,748	1,748	-	-	-	1,748

## HSBC Master Trust Trustee Limited

### Notes to the Financial Statements (continued)

#### 11 Management of financial risk (continued)

As at 31 Dec 2021	Carrying value	Contractual cash flows	On Demand	Due within 3 months	Due between 3-12 months	Due between 1-5 years	Total
	£000	£000	£000	£000	£000	£000	£000
Trade and other payables	-	-	-	-	-	-	-
Net exposure	-	-	-	-	-	-	-

#### c) Market risk management

The Entity's objective is to manage and control market rate exposures while maintaining a market profile consistent with its risk appetite.

The Entity manages market risk through risk limits approved by the HSBC Group Risk Management Meeting of the HSBC Group Management board and adopted by the Entity's Board. An independent risk unit develops risk management policies and measurement techniques, and reviews limit utilization on a daily basis.

#### d) Interest rate risk

The entity has no exposure to interest rate risk.

#### 12 Related party transactions

The Entity's related parties include the parent and fellow subsidiaries post-employment benefits plans for the Entity's employees, Key Management Personnel, close family members of Key Management Personnel and entities which are controlled or significantly influenced by Key Management Personnel or their close family members.

#### a) Transactions with Directors and other Key Management Personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Entity and includes members of the Board of Directors. No loans were made to Key Management Personnel for the period ended 31 December 2022 (2021:nil). Other than as described in Note 2, there are no transactions between the Entity and Key Management Personnel, which fall to be disclosed under IAS24 'Related Party Disclosures' between the Entity and the Key Management Personnel.

**HSBC Master Trust Trustee Limited**

**Notes to the Financial Statements (continued)**

**12 Related party transactions (continued)**

**b) Transactions with other related parties**

Transactions detailed below include amounts due to/from group Entities.

<b>2022</b>	<b>Highest balance during the period<sup>1</sup> £'000</b>	<b>Balance as at 31 December 2022<sup>1</sup> £'000</b>
<b>Assets</b>		
Cash and cash equivalents	1,711	1,711
Trade and other receivables	50	50
<b>Liabilities</b>		
Trade and other payables	1,748	1,748
<b>2021</b>	<b>Highest balance during the period<sup>1</sup> £'000</b>	<b>Balance as at 31 December 2021<sup>1</sup> £'000</b>
<b>Assets</b>		
Cash and cash equivalents	1,700	1,700
Trade and other receivables	50	50
<b>Liabilities</b>		
Trade and other payables		

<sup>1</sup> The disclosure of the period-end balance and the highest balance during the period is considered the most meaningful information to represent transactions during the period.

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Income statement</b>		
General and administrative expenses	48	

## **HSBC Master Trust Trustee Limited**

### **Notes to the Financial Statements (continued)**

#### **13 Parent undertakings**

The ultimate parent undertaking and ultimate controlling party is HSBC Holdings plc which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

The immediate parent undertaking is HSBC Retirement Services Limited. All companies are registered in England and Wales.

Copies of HSBC Holdings plc consolidated financial statements can be obtained from:

HSBC Holdings plc  
8 Canada square  
London E14 5HQ  
United Kingdom

[www.hsbc.com](http://www.hsbc.com)

#### **14 Events after the balance sheet date**

The Directors of the Entity have decided to terminate the trust and thereafter liquidate the entity.

There are no other significant events affecting the Entity which have occurred since the end of the financial year (2021: nil).