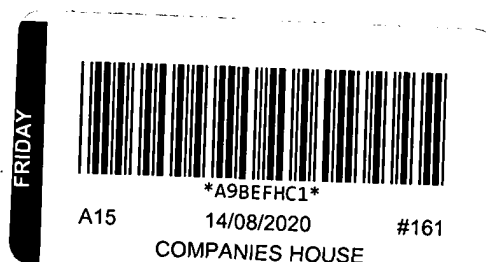


HSBC Master Trust Trustee Limited

Registration No: 11762788

Annual Report and Financial Statements for the period 11 January
2019 to 31 December 2019



HSBC Master Trust Trustee Limited

Annual Report and Financial Statements for the period 11 January 2019 to 31 December 2019

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Strategic Report

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

Principal activities

The principal activity 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 is not trading and does not have any profit or loss for the period.

The period-end Balance Sheet was mainly composed of cash totalling £1.7 million. At 31 December 2019 the net assets were £1.75 million.

Key performance indicators

The Directors use Key Performance Indicators ('KPI's) 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

11 January to 31 December 2019

Profit/(Loss) before tax (£'000)	0
Net assets (£'000)	1,750
Return on equity (%)	0%

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 organisation structure, with documented delegated authorities and responsibilities.

The COVID-19 outbreak has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. As the Entity has not yet started trading, the impact of COVID-19 is expected to be minimal. Should the COVID-19 outbreak continue to cause disruption to economic activity globally through 2020, there could further impacts on the future business plans of the Entity, for example, a delay in the onboarding of customers.

The Entity operates within the risk management framework of HSBC Holdings plc. The framework defines the principal risk categories and sets out the methodology for the identification, assessment, mitigation and reporting of risks. A risk management structure is in place which embeds risk management into the business.

The Board reviews the key risks facing the Entity by receiving regular reports as to the current status of each risk.

The financial services industry remains closely regulated and the UK regulators may take actions that could result in changes to industry practices, sales and pricing. The Entity maintains strong compliance culture and monitors the regulatory environment closely to proactively adapt to changes and reduce risks to the Entity.

Strategic Report (continued)

The Entity has processes in place to identify, evaluate and manage the operational risk inherent in its business activities. Operational losses are monitored and assessed to ensure that business improvements are identified and implemented as appropriate. All of the Entity's activities involve, to varying degrees, the analysis, evaluation, acceptance and management of risks or combinations of risks.

The Directors consider it appropriate to differentiate between those financial risks which directly impact the Entity and those which indirectly impact the Entity due to risks borne by the Entity in relation to its asset holdings and their valuations.

Section 172 (1) statement

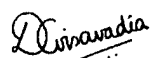
Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other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

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 recognises 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.

During the Entity's first period of operation, a number of key decisions were made in relation to the establishment of the Company and the HSBC Master Trust (the "Scheme"), for which the Entity is the Trustee. The Scheme was authorised by the Pensions Regulator on 11 December 2019 but did not have any participating members or employees during the period.

Decisions taken within the period included entry into the Trust Deed and Rules relating to the Scheme; approval of Trustee policies; approval of the submission of the Scheme authorisation application; and the appointment of the Trustee's Legal Adviser. In making these decisions, the Directors considered the Scheme's capital position; the Trustee's access to funds; regulatory guidance; the importance of Trustee independence; the long-term interests of the Entity and the Scheme; and the potential needs of the Scheme's future members and employers. The Directors also considered the views and the roles of the Entity's parent and the Scheme's Settlor, Funder and Scheme Strategist, HSBC Retirement Services Limited ("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
13 July 2020
Registered Office
8 Canada Square
London
E14 5HQ

Directors' Report

Directors

The Directors who served during the period were as follows:

Name	Appointed
T J Palmer	11/01/2019
J Parker-Welch	11/01/2019
Capital Cranfield Pension Trustees Limited	18/01/2019
Independent Trustee Services Limited	11/01/2019
Pensions 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 period 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 period ended 31 December 2019.

Significant events since the end of the financial period

COVID-19 outbreak which emerged and spread to the UK in early 2020, has now become a global pandemic which has caused widespread market and economic disruption. The disruption has been evident in the recent global stock market fluctuations, however the long term outlook remains uncertain. At the present time, given the uncertainty, the full impact of the COVID-19 cannot be predicted or measured.

There are no other significant events affecting the Entity which have occurred since the end of the financial period.

Future developments

The Entity's business plan is to be the trustee of a Pension Scheme which would be managed by a corporate trustee board and supported by the HSBC Group. The Pension Scheme is not yet operational, however, the Pension Scheme plans to be operational in the coming year.

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Entity has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Entity has no employees. All of the Entity's costs are borne by the parent company 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.

Since early January 2020, the COVID-19 outbreak has spread across the globe and has been classified by the World Health Organisation as a Pandemic. This is causing ongoing disruption to business and economic activity, and is resulting in substantial and substantive government and central banks relief actions and support measures in many countries to protect the economy. These events have also increased the level of operational risk in our business due to the impact on our business operations, employees and suppliers. Whilst it cannot be predicted how long the disruption will continue or the full extent of the impact on the Entity and its future clients, the Directors have considered the impact in carrying out their assessment of the principal risks the Entity faces.

HSBC Master Trust Trustee Limited

Capital management

The Entity defines capital as total Shareholders' Equity. It is HSBC Group's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. There were no changes to the Entity's approach to capital management during the period.

Disclosure of information to auditors

Each person who is a Director at the date of approval 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 Auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP ("PwC") will therefore continue in office.

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.

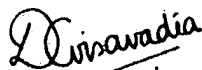
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 IFRSs as adopted by the European Union 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 also 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 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.

Signed on behalf of the Board



D Visavadia

For and on behalf of Independent Trustee Services Limited

Director

13 July 2020

Registered Office

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 2019 and of its result and cash flows for the period from the date of incorporation on 11 January 2019 to 31 December 2019 (the "period");
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 2019, the income statement, the statement of cash flows and the statement of changes in equity for the period 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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.

HSBC Master Trust Trustee Limited

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2019 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 entity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Independent Auditors' Report to the members of HSBC Retirement Services Limited (continued)

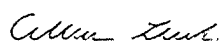
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the entity, 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.



Colleen Local (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 July 2020

Financial Statements

Income statement for the period 11 January 2019 to 31 December 2019

11 January to 31
December 2019
£'000

Income	-
Net operating income	-
General and administrative expenses	-
Total operating expenses	-
Operating result	-
Result before tax	-
Tax expense/credit	-
Result for the period	-

The notes on pages 14 to 19 form an integral part of these Financial Statements.

HSBC Master Trust Trustee Limited

Registered No: 11762788

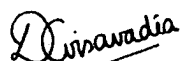
Financial Statements (continued)

Balance Sheet as at 31 December 2019

	<i>Note</i>	2019 £'000
Assets		
Cash and cash equivalents	4	1,700
Trade and other receivables	5	50
Total assets		1,750
Liabilities and equity		
Liabilities		
Trade and other payables		-
Total liabilities		-
Equity		
Called up share capital	6	50
Capital contribution		1,700
Total equity		1,750
Total equity and liabilities		1,750

The notes on pages 14 to 19 form an integral part of these Financial Statements.

These Financial Statements on pages 10 to 19 were approved by the Board of Directors on 13 July 2020 and were signed on its behalf by:



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

Financial Statements (continued)

Statement of Cash Flows for the period 11 January 2019 to 31 December 2019

	11 January to 31 December 2019 £'000
Cash flows from operating activities	
Result before tax	-
Net cash used in operating activities	-
Cash flows from financing activities	
Proceeds from capital contribution	1,700
Net cash generated from financing activities	1,700
Net increase in Cash and cash equivalents	1,700
Cash and cash equivalents brought forward	-
Cash and cash equivalents carried forward	1,700

The notes on pages 14 to 19 form an integral part of these Financial Statements.

Financial Statements (continued)

Statement of Changes in Equity for the period 11 January 2019 to December 2019

	Called up share capital £'000	Capital Contribution £'000	Total £'000
At 11 January 2019	-	-	-
Capital injection	-	1,700	1,700
New shares issued	50	-	50
	<u>50</u>	<u>1,700</u>	<u>1,750</u>
Total contributions by owners for the period	50	1,700	1,750
	<u>50</u>	<u>1,700</u>	<u>1,750</u>
At 31 December 2019	<u>50</u>	<u>1,700</u>	<u>1,750</u>

The notes on pages 14 to 19 form an integral part of these Financial Statements.

Equity is wholly attributable to equity shareholders of HSBC Master Trust Trustee 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 the Companies Act 2006 as applicable to companies using IFRS as adopted by the European Union. 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 IFRS as issued by the IASB, including interpretations ("IFRICs") issued by the IFRS Interpretations Committee, and as adopted by the European Union ("EU").

(b) Future accounting developments

There are no amendments to IFRS as adopted by the EU which are effective from 1 January 2020 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.

(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 financial statements are prepared on a going concern basis, as the Directors are satisfied that the Entity has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

HSBC Master Trust Trustee Limited

2 Directors' emoluments

The Entity has no employees. The Director's 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:

	11 January to 31 December 2019
	£'000
Fees ¹	121
Salaries and other emoluments	13
Annual incentives ²	6
	<u>140</u>

1 Fees included fees paid to non-executive Directors.

2 Awards made to executive Directors in respect of 2019 performance comprise a mixture of cash and HSBC Holdings plc ordinary shares. The amount shown comprised £3,900 in cash, £2,600 in deferred cash (vesting annually over a three-year period), £0 in Restricted Shares and £0 in deferred Restricted Shares (vesting annually over a three-year period) issued under the HSBC Share Plan.

1 Director exercised share options over HSBC Holdings plc ordinary shares during the period.

Awards were made to 1 Director under long-term incentive plans in respect of qualifying services rendered in 2019. During 2019, 1 Directors 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:

	11 January to 31 December 2019
	£'000
Salaries and other emoluments	13
Annual incentives ¹	6
	<u>19</u>

1 Awards made to the highest paid Director in respect of 2019 performance comprise a mixture of cash and HSBC Holdings plc ordinary shares. The amount shown comprised £3,900 in cash, £2,600 in deferred cash (vesting annually over a three-year period), £0 in Restricted Shares and £0 in deferred Restricted Shares (vesting annually over a three-year period) issued under the HSBC Share Plan.

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. The highest paid Director exercised 5,893 share options over HSBC Holdings plc ordinary shares during the period. Pension contributions of £0 were made by the Entity in respect of services by the highest paid Director during the period.

HSBC Master Trust Trustee Limited

3 Auditors' remuneration

	11 January to 31 December 2019 £'000
Auditors' remuneration for:	
- Audit fees for statutory audit	9
	<u>9</u>

The Entity has no employees. All of the Entity's costs are borne by the parent company 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

	2019 £'000
Cash and cash equivalents held with other Group undertakings	1,700
	<u>1,700</u>

5 Trade and other receivables

	2019 £'000
Amounts due from other group undertakings	50
	<u>50</u>

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

6 Called up share capital

	2019 £'000
Issued, allotted and calls in arrears	
50,000 Ordinary shares of £1 each	
As at 31 December	<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.

7 Contingent liabilities and contractual commitments and guarantees

There were no contingent liabilities or financial guarantee contracts as at 31 December 2019.

8 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 2019	Financial assets and liabilities at net realisable value £'000	Total £'000
Assets		
Cash and cash equivalents	1,700	1,700
Trade and other receivables	50	50
	<hr/>	<hr/>
Total financial assets	1,750	1,750
Total non-financial assets		-
		<hr/>
Total assets		1,750
		<hr/>

9 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 2019. Fair value is considered equivalent to net realisable value.

10 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.

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:

HSBC Master Trust Trustee Limited

As at 31 Dec 2019	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.

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 utilisation on a daily basis.

d) Interest rate risk

The entity has no exposure to interest rate risk.

11 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 2019. 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

No loans were made to Key Management Personnel for the period ended 31 December 2019.

b) Transactions with other related parties

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

	2019 Highest balance during the period ¹ £'000	Balance at 31 December ¹ £'000
Assets		
Cash and cash equivalents	1,700	1,700
Trade and other receivables	50	50

¹ 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.

12 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

13 Events after the balance sheet date

COVID-19 outbreak which emerged and spread to the UK in early 2020, has now become a global pandemic which has caused widespread market and economic disruption. The disruption has been evident in the recent global stock market fluctuations, however the long term outlook remains uncertain. At the present time, given the uncertainty, the full impact of the COVID-19 cannot be predicted or measured. The COVID-19 outbreak is considered to be a non-adjusting post balance sheet event as per IAS 10.