

OS AA01

# Statement of details of parent law and other information for an overseas company

097681-20

FC 024614



☒ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law

☒ What this form is NOT for  
You cannot use this form for  
an alteration of manner  
with accounting requirements

THURSDAY



LD3 10/01/2013 #31  
COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of  
overseas company ①

SHAVANO COOPERATIEVE UA

If the company has already been registered in the UK, please enter the  
establishment number below

UK establishment  
number ②

B R 0 1 0 6 8 1

### → Filling in this form

Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

② This should only be completed if  
the company has already been  
registered in the UK

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ③

NETHERLANDS CIVIL CODE

③ This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

④ Please insert the name of the  
appropriate accounting organisation  
or body

Name of organisation  
or body ④

UK ACCOUNTING STANDARDS BOARD

### A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

**OS AA01**

Statement of details of parent law and other information for an overseas company

**A4****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

☐ **No** Go to Part 3 'Signature'☒ **Yes** Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

● Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ●

NETHERLANDS AUDITING STANDARDS BOARD

**A5****Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

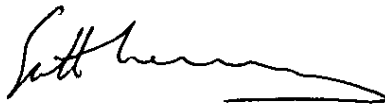
Please tick the appropriate box

☐ **No**☐ **Yes****Part 3****Signature**

I am signing this form on behalf of the overseas company

Signature

Signature

**X****X**This form may be signed by  
Director, ~~Secretary, Permanent representative~~

- Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	PAUL BARTLETT
Company name	MORGAN STANLEY
Address	10TH FLOOR 20 BANK STREET CANARY WHARF
Post town	LONDON
County/Region	
Postcode	E 1 4 4 A D
Country	UNITED KINGDOM
DX	
Telephone	+44 (0) 207 677 1802



### Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



### Important information

Please note that all this information will appear on the public record.



### Where to send

You may return this form to any Companies House address

#### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

#### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

#### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 NR Belfast 1



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**Registered Number: 34170850**

**UK Registered Number: FC024614**

Business Office  
20 Bank Street  
Canary Wharf  
London E14 4AD

Registered office  
20 Bank Street  
Canary Wharf  
London E14 4AD

**SHAVANO COÖPERATIEVE U.A.**

**Report and financial statements**

**31 December 2011**

## **SHAVANO COÖPERATIEVE U.A.**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' report	1
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
Additional information	15
Independent auditors' report	16

# **SHAVANO COÖPERATIEVE U.A.**

## **DIRECTORS' REPORT**

The Directors present their report and financial statements (which comprise the profit and loss account, the balance sheet, and the related notes, 1 to 16) for Shavano Cooperatieve U A (the "Cooperatieve") for the year ended 31 December 2011

## **RESULTS AND DIVIDENDS**

The profit for the year, after tax, was €1,279,946,000 (2010 €352,893,000 loss after tax)

A dividend of €66,082,000 was paid to the C Member of the Cooperatieve during the year (2010 €nil)

## **PRINCIPAL ACTIVITY**

The principal activity of the Cooperatieve to enter into financing transactions and investments

The Cooperatieve's ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with the Cooperatieve and Morgan Stanley's other subsidiary undertakings, form the "Morgan Stanley Group"

The Cooperatieve was incorporated under Dutch law on 22 February 2002 and has its statutory seat in Amsterdam, The Netherlands. The business office of the Cooperatieve is at 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom

The management and control of the Cooperatieve is in the United Kingdom and the entity is liable to UK Corporation Tax on its taxable profits

## **BUSINESS REVIEW**

The profit and loss account for the year is set out on page 5. The Cooperatieve's profit after tax for the financial year was €1,279,946,000, an increase of €1,632,839,000. This increase is primarily attributable to dividend income of €1,626,878,000 received from associated undertakings in the current year. Interest expense has decreased by €19,339,000 and interest income has decreased by €13,379,000, as the majority of amounts due to and from other Morgan Stanley Group undertakings have been repaid and recalled in the year.

The balance sheet for the Cooperatieve is set out on page 6. The Cooperatieve's net assets at the end of the year were €100,000 compared to net liabilities of €141,064,000 at the end of the prior year. It is the Directors' intention to liquidate the Cooperatieve within the next 12 months and steps have been taken in the current year in line with this intent. On 7 June 2011 the Cooperatieve acquired further shares in its associated undertaking for a total consideration of €1,568,786,000 and on 27 October 2011, following the receipt of dividends, the Cooperatieve disposed of the entire shareholding in its associated undertaking for a total consideration of €19,568,786,000. There was no gain or loss on the sale of the investment. The proceeds of the sale were used, along with the recall of amounts due from other Morgan Stanley Group undertakings, to repay all amounts due to other Morgan Stanley Group undertakings. Furthermore, in line with the Directors' intent to cease operating, in December 2011 the Members' capital accounts were reduced by €1,072,700,000, leaving funds of €100,000 in the Members' capital accounts.

The performance of the Cooperatieve is included in the results of the Morgan Stanley Group which are disclosed in the Morgan Stanley Group's Annual Report on Form 10-K to the United States Securities and Exchange Commission. The Morgan Stanley Group manages its key performance indicators on a global basis but in consideration of individual legal entities. For this reason, the Cooperatieve's Directors believe that providing performance indicators for the Cooperatieve itself would not enhance an understanding of the development, performance or position of the business of the Cooperatieve.

## SHAVANO COÖPERATIEVE U.A.

### DIRECTORS' REPORT (CONTINUED)

#### **Risk Management**

Risk is an inherent part of the Cooperative's business activity and is managed within the context of the broader Morgan Stanley Group's business activities. The Morgan Stanley Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities on a global basis, in accordance with defined policies and procedures and in consideration of the individual legal entities.

##### *Credit risk*

Credit risk refers to the risk of loss arising from borrower or counterparty default when a borrower, counterparty or obligor does not meet its obligations.

The Morgan Stanley Group manages credit risk exposure on a global basis as well as giving consideration to each individual legal entity, by ensuring transparency of material credit risks, ensuring compliance with established limits, approving material extensions of credit, escalating risk concentrations to appropriate senior management and mitigating credit risk through the use of collateral and other arrangements.

##### *Liquidity risk*

Liquidity and funding risk refers to the risk that the Cooperative will be unable to meet its funding obligations in a timely manner. Liquidity risk stems from the potential risk that the Cooperative will be unable to obtain necessary funding through borrowing money at favourable interest rates or maturity terms, or selling assets in a timely manner and at a reasonable price.

The Morgan Stanley Group's senior management establishes the overall liquidity and funding policies of the Morgan Stanley Group and the liquidity risk management policies and procedures conducted within the Cooperative are consistent with those of the Morgan Stanley Group. The Morgan Stanley Group's liquidity and funding risk management policies are designed to mitigate the potential risk that entities within the Morgan Stanley Group, including the Cooperative, may be unable to access adequate financing to service their financial liabilities when they become payable without material, adverse franchise or business impact. The key objective of the liquidity and funding risk management framework is to support the successful execution of both the Cooperative's and the Morgan Stanley Group's business strategies while ensuring ongoing and sufficient liquidity through the business cycle and during periods of stressed market conditions.

##### *Operational risk*

Operational risk refers to the risk of financial or other loss, or damage to the Cooperative's or the Morgan Stanley Group's reputation, resulting from inadequate or failed internal processes, people, resources, systems or from other internal or external events (e.g. internal or external fraud, legal and compliance risks, damage to physical assets, etc.). Legal and compliance risk is included in the scope of operational risk and is discussed below under "Legal and regulatory risk".

The Morgan Stanley Group has established an operational risk management process which operates on a global and regional basis to identify, measure, monitor and control risk. Effective operational risk management is essential to reducing the impact of operational risk incidents and mitigating legal, regulatory, and reputational risks.

##### *Legal and regulatory risk*

Legal and regulatory risk includes the risk of exposure to fines, penalties, judgements, damages and/or settlements in conjunction with regulatory or legal actions as a result of non-compliance with applicable legal or regulatory requirements or litigation. Legal risk also includes contractual risk such as the risk that a counterparty's performance obligations will be unenforceable. In the current environment of rapid and possibly transformational regulatory change, the Morgan Stanley Group also views regulatory change as a component of legal risk.

## **SHAVANO COÖPERATIEVE U.A.**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Risk Management (continued)**

##### *Legal and regulatory risk (continued)*

The Morgan Stanley Group has established procedures based on legal and regulatory requirements on a worldwide basis that are designed to foster compliance with applicable statutory and regulatory requirements. The Morgan Stanley Group, principally through the Legal and Compliance Division, also has established procedures that are designed to require that the Morgan Stanley Group's policies relating to conduct, ethics and business practices are followed globally. In connection with its businesses, the Morgan Stanley Group has and continuously develops various procedures addressing issues such as regulatory capital requirements, sales and trading practices, new products, potential conflicts of interest, structured transactions, use and safekeeping of customer funds and securities, credit granting, money laundering, privacy and recordkeeping. In addition, the Morgan Stanley Group has established procedures to mitigate the risk that a counterparty's performance obligations will be unenforceable, including consideration of counterparty legal authority and capacity, adequacy of legal documentation, the permissibility of a transaction under applicable law and whether applicable bankruptcy or insolvency laws limit or alter contractual remedies. The legal and regulatory focus on the financial services industry presents a continuing business challenge for the Morgan Stanley Group.

Significant changes in the way that major financial services institutions are regulated are occurring in the UK, Europe, the US and worldwide. The reforms being discussed and, in some cases, already implemented, include several that contemplate comprehensive restructuring of the regulation of the financial services industry. Such measures will likely lead to stricter regulation of financial institutions generally, and heightened prudential requirements for systemically important firms in particular. Such measures could include taxation of financial transactions, liabilities and employee compensation as well as reforms of the over-the-counter ("OTC") derivatives markets, such as mandated exchange trading and clearing, position limits, margin, capital and registration requirements.

Many of these reforms, if enacted, may materially affect the Cooperatieve's and the Morgan Stanley Group's business, financial condition, results of operations and cash flows in the future.

#### **Future outlook**

It is the Directors' intent to cease operating and the financial statements have therefore been prepared on a basis other than that of a going concern.

### **DIRECTORS**

The following Directors held office throughout the year and to the date of approval of this report:

P K M Falk

S I Merry

## SHAVANO COÖPERATIEVE U.A.

### POST BALANCE SHEET EVENTS

There have been no significant events since the balance sheet date

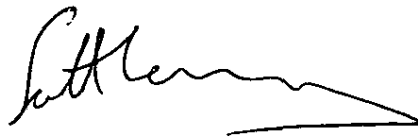
Approved by the Board and signed on its behalf by

London, 18 May 2012

Management



P K M Falk  
Director



S I Merry  
Director

## SHAVANO COOPERATIEVE U.A.

### PROFIT AND LOSS ACCOUNT Year ended 31 December 2011

	Note	2011 €'000	2010 €'000
Net gains on fixed asset investments	2	1,626,878	-
Interest income	3	11,021	24,400
Interest expense	4	(357,953)	(377,292)
Other expense	5	-	(1)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,279,946</b>	<b>(352,893)</b>
Tax on profit/(loss) on ordinary activities	7	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>1,279,946</b>	<b>(352,893)</b>

All operations were discontinued in the current year

There were no recognised gains or losses during the current year or prior year other than those disclosed above. Accordingly no statement of total recognised gains and losses has been prepared.

A reconciliation of the movement in members' funds/(deficit) is disclosed in note 12 to the financial statements.

The notes on pages 7 to 14 form an integral part of the financial statements.

## SHAVANO COOPERATIEVE U.A.

Registered Number 34170850

UK Registered Number FC024614

### BALANCE SHEET

As at 31 December 2011

(After appropriation of the net results)

	Note	2011 €'000	2010 €'000
<b>FIXED ASSETS</b>			
Investments - associated undertakings	8	-	18,000,000
<b>CURRENT ASSETS</b>			
Debtors	9	100	1,149,982
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	-	(19,291,046)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		100	(18,141,064)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		100	(141,064)
<b>NET ASSETS/(LIABILITIES)</b>		100	(141,064)
<b>CAPITAL AND RESERVES</b>			
Members' capital accounts	11	100	(141,064)
Unallocated results	12	-	-
<b>TOTAL MEMBERS' FUNDS/(DEFICIT)</b>		100	(141,064)

The notes on pages 7 to 14 form an integral part of the financial statements

# SHAVANO COÖPERATIEVE U.A.

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

### 1. ACCOUNTING POLICIES

The Cooperative's principal accounting policies are summarised below and have been applied consistently throughout the year and preceding year

#### a) Basis of preparation

The financial statements are prepared under the historic cost convention, modified by the use of a basis other than that of a going concern as described below, and in accordance with applicable Netherlands Civil Code. The Cooperative is incorporated under the Netherlands Civil Code, and the Netherlands Civil Code permits the use of United Kingdom generally accepted accounting practice in the preparation of accounts on the basis of the Cooperative's international connections as stated in Article 362 1 of Book 2 of the Netherlands Civil Code.

The Cooperative, having its statutory seat in Amsterdam, The Netherlands, currently operating from 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom, enters into financing transactions and investments.

The Cooperative disposed of its associated undertaking and the Members' capital accounts of the Cooperative were also reduced significantly in line with the intent of the Directors' to cease operating. Consequently, the financial statements have been prepared on a basis other than that of a going concern. No impairment losses have been recognised as debtors do not exceed their net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Cooperative except to the extent that such costs were committed at the balance sheet date.

The results of the Cooperative are included within the financial statements of Morgan Stanley & Co International plc, a company registered in England and Wales, which will prepare consolidated financial statements for the year to 31 December 2011. Therefore, and in accordance with the provisions of Article 2:408, paragraph 1 of the Netherlands Civil Code, the Cooperative does not prepare consolidated financial statements. The financial statements therefore present information about the Cooperative as an individual entity and not about its group.

#### b) Functional currency

Items included in the financial statements are measured and presented in Euros, the currency of the primary economic environment in which the Cooperative operates.

All currency amounts in the Directors' report and the financial statements are rounded to the nearest thousand Euros.

#### c) Foreign currencies

All monetary assets and liabilities denominated in currencies other than Euros are translated into Euros at the rates ruling at the balance sheet date. Transactions in currencies other than Euros are recorded at the rates prevailing at the dates of the transactions. All translation differences are taken through the profit and loss account and are presented in 'Other income' or 'Other expense'.

# SHAVANO COÖPERATIEVE U.A.

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

### 1. ACCOUNTING POLICIES (CONTINUED)

#### d) Recognition of income and expense

##### i) Net gains on fixed asset investments

Net gains on fixed asset investments includes dividend income on fixed asset investments as described in note 1(e)

Dividend income from fixed asset investments is recognised when the Company's right to receive payment is established

##### ii) Interest income and expense

Interest income and interest expense are recognised on an accruals basis within 'Interest income' and 'Interest expense' in the profit and loss account, with the exception of interest from fixed asset investments as described in note 1(e)

#### e) Fixed asset investments

Fixed asset investments are stated at cost, less provision for any impairment

Interest, dividend income, impairment losses and reversal of impairment losses on fixed asset investments are reported in the profit and loss account in 'Net gains on fixed asset investments'

#### f) Taxation

UK corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

#### g) Cash flow statement

The Cooperative's ultimate parent undertaking produces consolidated financial statements in which the Cooperative is included and which are publicly available. Accordingly, the Cooperative, which is a wholly owned subsidiary, has elected to avail itself of the exemption provided in Financial Reporting Standard ("FRS") 1 (Revised 1996) *Cash Flow Statements* and not present a cash flow statement

### 2. NET GAINS ON FIXED ASSET INVESTMENTS

	2011 €'000	2010 €'000
Income from fixed asset investments in Morgan Stanley Group undertakings	<u>1,626,878</u>	<u>-</u>

## SHAVANO COÖPERATIEVE U.A.

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

#### 3. INTEREST INCOME

	2011 €'000	2010 €'000
Interest income from loans to Morgan Stanley Group undertakings	<u>11,021</u>	<u>24,400</u>

#### 4. INTEREST EXPENSE

	2011 €'000	2010 €'000
Interest expense on loans from Morgan Stanley Group undertakings	<u>357,953</u>	<u>377,292</u>

#### 5. OTHER EXPENSE

	2011 €'000	2010 €'000
Foreign exchange losses	<u>-</u>	<u>1</u>

The Cooperative employed no staff during the year (2010 nil)

The fees for the audit of the Cooperative's statutory accounts of €13,000 (2010 €12,000) have been borne by another Morgan Stanley Group undertaking in both the current year and prior year

#### 6. DIRECTORS' BENEFITS

The Directors did not receive any remuneration for their qualifying services to the Cooperative during the year (2010 €nil)

# SHAVANO COOPERATIEVE U.A.

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

### 7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

#### Analysis of charge/(credit) in the year

	2011 €'000	2010 €'000
UK corporation tax at 26.49% (2010: 28%)		
- Current year	-	-
<b>Tax on profit/(loss) on ordinary activities</b>	<b>-</b>	<b>-</b>

#### Factors affecting the tax charge/(credit) for the year

The current year UK taxation charge/(credit) is lower than that resulting from applying the average standard UK corporation tax rate of 26.49% (2010: 28%). The main differences are explained below:

	2011 €'000	2010 €'000
Profit/(loss) on ordinary activities before tax	1,279,946	(352,893)
Profit/(loss) on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 26.49% (2010: 28%)	339,058	(98,810)
<b>Effects of</b>		
Tax exempt income	(430,960)	-
Group relief surrendered for nil consideration	91,902	98,810
<b>Current tax charge/(credit) for the year</b>	<b>-</b>	<b>-</b>

Finance (No. 2) Act 2010 enacted a 1% reduction in the UK corporation tax rate to 27% with effect from April 2011. Finance Act 2011 enacted a further 1% reduction in the rate of UK corporation tax to 26% from April 2011. The combined 2% reduction in the tax rate impacted the current tax charge in 2011.

Finance Act 2011 enacted an additional 1% reduction to the UK corporation tax rate to 25% with effect from April 2012. In the Budget announcement on the 21 March 2012, this reduction was increased to 2% and was substantively enacted on 26 March 2012. The combined 2% reduction in the tax rate to 24% from 1 April 2012 will impact the current tax charge in 2012.

# SHAVANO COÖPERATIEVE U.A.

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

### 8. FIXED ASSET INVESTMENTS

	Subsidiary undertakings €'000
<b>Cost</b>	
At 1 January 2011	18,000,000
Additions	1,568,786
Disposals	(19,568,786)
At 31 December 2011	<u>-</u>
<b>Net book value</b>	
At 1 January 2011	<u>18,000,000</u>
At 31 December 2011	<u><u>-</u></u>

On 7 June 2011, the Cooperatieve acquired 1,569 Class B Preference Shares of €1 each and 522 Ordinary Shares of €1 each in Morgan Stanley Hampstead Limited ("Hampstead") from a fellow Morgan Stanley Group undertaking for a total consideration of €1,568,786,000

On 27 October 2011, the Cooperatieve received dividends of €49,319,000 on the Class B preference shares and €1,577,559,000 on the Ordinary Shares held by the Company in Hampstead. On the same date, the Cooperatieve subsequently disposed of its entire holding in Hampstead to a fellow Morgan Stanley Group undertaking for a total consideration of €19,568,786,000. There was no gain or loss on disposal of the investment in Hampstead.

### 9. DEBTORS

	2011 €'000	2010 €'000
Amounts due from Morgan Stanley Group undertakings	<u>100</u>	<u>1,149,982</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €'000	2010 €'000
Amounts owed to Morgan Stanley Group undertakings	<u>-</u>	<u>19,291,046</u>

## SHAVANO COÖPERATIEVE U.A.

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

#### 11. MEMBERS' CAPITAL ACCOUNTS

	2011 €'000	2010 €'000
A Member capital account	-	-
C Member capital account	100	(141,064)
	<u>100</u>	<u>(141,064)</u>

The profit of €1,279,946,000 was transferred to the members' capital accounts (2010 €352,893,000 deficit) (Note 12)

On 15 December 2011, a dividend of €66,082,000 was paid to the C Member. Subsequently, on the same date, the A Member capital account was reduced from €1 to nil and the C Member capital account was reduced by €1,072,700,000 leaving funds of €100,000 in the C Member capital account (Note 12)

The Articles of the Cooperative state that every A Member may cast 80 votes and that every C Member may cast 15 votes

The Articles also state that the surplus assets remaining after all the Cooperative's debt have been satisfied shall be distributed as follows, taking into account the profit and loss allocation as contemplated in Article 19 par 3

(a) firstly each of the A Member pro rata to the amounts standing to the credit of their respective member capital accounts shall receive the amount standing to the credit of such member's member capital account,

(b) secondly each of the C Member pro rata to the amounts standing to the credit of their respective member capital accounts shall receive the amount standing to the credit of such member's member capital account,

(c) thirdly, each of the A Members, pro rata to the amounts standing to the credit of their respective member capital accounts (prior to the distribution as referred to in subpar (a) above) shall receive the amount of the A Member Termination Payment as determined in accordance with Article 20 par 7, decreased by the amount distributed to it pursuant to subpar (a) above, and

(d) fourthly, each of the C Members, pro rata to the amounts standing to the credit of their respective member capital accounts (prior to the distribution as referred to in subpar (b) and (c) respectively above), shall receive the amount standing to the credit of such member's dividend account

Otherwise membership interests rank pari passu in all respects with each other

# SHAVANO COÖPERATIEVE U.A.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 12. RECONCILIATION OF TOTAL MEMBERS' FUNDS/(DEFICIT) AND MOVEMENTS ON RESERVES

	A Member capital account €'000	C Member capital account €'000	Unallocated results €'000	Total €'000
At 1 January 2010	-	211,829	-	211,829
Loss for the financial year	-	-	(352,893)	(352,893)
Transfer profit and loss account to Members' capital accounts (Note 11)	-	(352,893)	352,893	-
At 1 January 2011	-	(141,064)	-	(141,064)
Profit for the financial year	-	-	1,279,946	1,279,946
Transfer profit and loss account to Members' capital accounts (Note 11)	-	1,279,946	(1,279,946)	-
Dividends	-	(66,082)	-	(66,082)
Reduction of member capital accounts (Note 11)	-	(1,072,700)	-	(1,072,700)
At 31 December 2011	-	100	-	100

In the current year a dividend of €66,082,000 was paid to the C Member of the Cooperatieve (2010 €nil)

### 13. SEGMENTAL REPORTING

The Cooperatieve has only one class of business as described in the Directors' report and operates in one geographic market, Europe, Middle East and Africa ("EMEA")

‡

### 14. RELATED PARTY TRANSACTIONS

The Cooperatieve is exempt from the requirement to disclose transactions with fellow wholly owned Morgan Stanley Group undertakings under paragraph 3(c) of FRS 8 *Related Party Disclosures*. There were no other related party transactions requiring disclosure.

### 15. POST BALANCE SHEET EVENTS

No significant events have occurred since the balance sheet date.

## SHAVANO COÖPERATIEVE U.A.

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

#### 16. PARENT UNDERTAKINGS

The ultimate parent undertaking and controlling entity and the largest group of which the Cooperative is a member and for which group financial statements are prepared is Morgan Stanley. Morgan Stanley is incorporated in Delaware, the United States of America and copies of its financial statements can be obtained from 25 Cabot Square, Canary Wharf, London E14 4QA.

The Cooperative's immediate controlling party is Morgan Stanley Northcote Investments Limited which is registered in England and Wales. Copies of its financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.

The parent undertaking of the smallest group of companies for which group financial statements are drawn up and of which the Company is a member is Morgan Stanley & Co. International plc which is registered in England and Wales. Copies of its financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

#### Signing of the financial statements

London, 18 May 2012

Management



P K M Falk  
Director



S I Merry  
Director

## **SHAVANO COÖPERATIEVE U.A.**

### **ADDITIONAL INFORMATION**

**Year ended 31 December 2011**

#### **Independent auditors' report**

Reference is made to the independent auditors' report recorded on the next pages

#### **Statutory rules concerning appropriation of the net result**

The Articles of Incorporation of the Cooperatieve provide that the net result for the year is at the disposition of the Annual General Meeting of Shareholders

Articles of Association Article 19, part 3, 4 and 5, read as follows

- The surplus shall be allocated to the general reserve. Upon a proposal to this effect by the board, the general meeting of members may resolve to re-allocate amounts from the general reserve to all or any of the specific dividend accounts of all or any of the members. The general meeting of members may re-allocate such amounts in its absolute discretion
- Losses shall be allocated first of the general reserve, thereafter to the dividend accounts of the members in proportion to the amounts of their member capital accounts and finally to the member capital accounts in proportion to the amount of these accounts
- Upon a proposal to this effect by the board, the general meeting of members may resolve to make an interim allocation of surplus to all or any of the specific dividend accounts of all or any of the members

#### **Appropriation of the net result for the year**

The balance sheet is presented after the proposed appropriation of net result for the year ended 31 December 2011. Management propose to add the net result for the year to Members' capital accounts. This proposal has been included in the financial statements

#### **Subsequent events**

No events have occurred since the balance sheet date which would change the financial position of the Cooperatieve and which would require adjustment or disclosure in the annual report now presented

## **Independent auditor's report**

To the Shareholders of Shavano Cooperatieve U A

### **Report on the financial statements**

We have audited the accompanying financial statements 2011 of Shavano Cooperatieve U A , Amsterdam, which comprise the balance sheet as at December 31, 2011, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Directors' Report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code and in accordance with applicable United Kingdom law and accounting standards as permitted by 2:362 sub 1 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of Shavano Cooperatieve U A as at December 31, 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and in accordance with applicable United Kingdom law and accounting standards as permitted by 2 362 sub 1 of the Netherlands Civil Code

### **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2 392 sub 1 at b-h has been annexed Further we report that the Directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2 391 sub 4 of the Dutch Civil Code

Amsterdam, June 7, 2012

Deloitte Accountants B V

Already signed W H E van Ommeren