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MORGAN STANLEY HIMALIA CAYMAN LIMITED

Report and financial statements

31 December 2009

MORGAN STANLEY HIMALIA CAYMAN LIMITED

CONTENTS

MORGAN STANLEY HIMALIA CAYMAN LIMITED

DIRECTORS' REPORT

The Directors present their report and consolidated financial statements of Morgan Stanley Himalia Cayman Limited (the "Company") and all of its subsidiary undertakings (together the "Group"), together with the Company's balance sheet and related notes for the year ended 31 December 2009 The Group's consolidated financial statements have been prepared in accordance with applicable Cayman Islands law and United Kingdom accounting standards

RESULTS AND DIVIDENDS

The Group's profit for the year, after tax, was €89,000 (Period from 1 December 2007 to 31 December 2008 €827,000 profit after tax)

During the year, no dividends were paid or proposed (Period from 1 December 2007 to 31 December 2008 €Nil)

PRINCIPAL ACTIVITY

The Company is an exempt company incorporated under the laws of the Cayman Islands

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

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

The principal activity of the Group is to act as an intermediate holding company

There have not been any significant changes in the Group's principal activity in the year under review and no significant change in the Group's principal activity is expected

BUSINESS REVIEW

The Group's profit and loss account for the period is set out on page 4 The Group's profit for the year has decreased by €738,000 from the prior period This decrease can be attributed to a net decrease in the Euro proxy rate received on loans to Morgan Stanley Group undertakings along with the movement in foreign currency rates

The Group balance sheet is set out on page 5 The Group's net assets at the end of the year were €6,876,000, an increase in net assets from the prior period of €89,000 This can be attributed primarily to the net profit the Group incurred in the year

The performance of the Group is included in the results of the Morgan Stanley Group which are discussed 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 Group's Directors believe that providing performance indicators for the Group itself would not enhance an understanding of the development, performance or position of the business of the Group

Current market conditions

During the second half of 2009, global market and economic conditions improved and global capital markets began to recover from the severe downturn that occurred at the end of 2008 Economic conditions however continue to be challenging These conditions present difficulties and uncertainty for the business outlook which may adversely impact the financial performance of the Group in the future

During the year ending 31 December 2008, the Morgan Stanley Group took certain steps to respond to the stresses experienced in the global financial markets at the end of 2008 and to strengthen the Morgan Stanley Group's overall capital and liquidity position, including participation in the US Government's Troubled Asset Relief Program ("TARP") In mid 2009, as a result of its strong capital position, Morgan Stanley received approval from the US Treasury to repay the $10 billion TARP investment received in 2008 Morgan Stanley continues to actively manage its capital and liquidity position to ensure adequate resources are available to support the activities of the Morgan Stanley Group, including its subsidiary entities The risk management section below sets out the Group's and the Morgan Stanley Group's policies for the management of liquidity and cash flow risk and other significant business risks

DIRECTORS' REPORT (CONTINUED)

Risk Management

Risk is an inherent part of the Group'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

Market risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, implied volatilities (the price volatility of the underlying instrument imputed from option prices), correlations or other market factors, such as liquidity, will result in losses for a position or portfolio

The Morgan Stanley Group manages the market risk associated with its trading activities in consideration of each individual legal entity, but on a global basis, at both a trading division and an individual product level

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 in consideration of each individual legal entity, but on a global basis, 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 Group will be unable to meet its funding obligations in a timely manner Liquidity risk stems from the potential risk that the Group 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 capital policies of the Morgan Stanley Group The Morgan Stanley Group's liquidity and funding risk management policies are designed to mitigate the potential risk that the Morgan Stanley Group and the Group may be unable to access adequate financing to service its financial obligations without material franchise or business impact The key objectives of the liquidity and funding risk management framework are to support the successful execution of the Morgan Stanley Group's and the Group's business strategies while ensuring sufficient liquidity through the business cycle and during periods of stressed market conditions The Morgan Stanley Group has established regional committees to oversee the activities of its subsidiaries from a regional perspective

DIRECTORS

The following Directors held office throughout the year and to the date of approval of this report (except where otherwise shown)

P K M Green (appointed 11 June 2009)
S I Merry
A Coull (resigned 11 June 2009)

DIRECTORS' LIABILITY INSURANCE

Qualifying indemnity provisions (as defined in section 234 of the Companies Act 2006 of the United Kingdom (the "Companies Act 2006")) were in force during the year and at the date of the Directors' report for the benefit of all the Directors of the Company under a Directors' and Officers' Liability Insurance policy taken out by Morgan Stanley, the Group's ultimate parent company

MORGAN STANLEY HIMALIA CAYMAN LIMITED

DIRECTORS' REPORT (CONTINUED)

POST BALANCE SHEET EVENTS

There have been no significant events since the balance sheet date

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

It is the Company and the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and the Group and their suppliers, providing that all trading terms and conditions have been complied with

As at 31 December 2009 the Company and the Group had no trade creditors (2008 Nil)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing their report and the non-statutory financial statements in accordance with applicable law and regulations

The Company was incorporated as an exempt company in the Cayman Islands under the Laws of the Cayman Islands The Directors and Company shareholders require the financial statements of the Group to be prepared in accordance with Part 15 of the Companies Act 2006 (that would have applied had these been statutory accounts under the Companies Act 2006) and drawn up in Euros

The Directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and Group for that period In preparing those financial statements, the Directors are required to

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Approved by the Board and signed on its behalf by

SI Merry
Director
12 October 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2009

	Note	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Interest income	2	12,903	28,275
Interest Expense	3	(12,764)	(27,678)
Other income	4	-	238
Other Expense	5	(50)	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		89	827
Tax on profit on ordinary activities	7	-	-
PROFIT FOR THE FINANCIAL YEAR / PERIOD		89	827

All operations were continuing in the current year and prior period

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

A reconciliation of the movement in shareholders' funds is disclosed in note 11 to the financial statements

The notes on pages 6 to 11 form an integral part of the financial statements

MORGAN STANLEY HIMALIA CAYMAN LIMITED
Registered Number MC161513

CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	Note	2009 €'000	2008 €'000
CURRENT ASSETS			
Debtors	8	474,719	461,798
Cash at Bank		-	20
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(467,843)	(455,031)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,876	6,787
CAPITAL AND RESERVES			
Called up share capital	10	4,782	4,782
Profit and loss account	11	2,094	2,005
SHAREHOLDERS' FUNDS		6,876	6,787

These financial statements were approved by the Board and authorised for issue on 12 October 2010.
Signed on behalf of the Board

SI Merry
Director

The notes on pages 6 to 11 form an integral part of the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

1. ACCOUNTING POLICIES

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

a) Basis of preparation

The Group financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom company law and United Kingdom accounting standards The Company is incorporated under Cayman law, which permits the use of United Kingdom company law and the use of United Kingdom accounting standards in the preparation of financial statements

In the prior period the Group changed its accounting reference date from 30 November to 31 December to align with the changed year end of its ultimate parent undertaking, Morgan Stanley The change resulted in the Group reporting a period of thirteen months to 31 December 2008 The comparative figures reflected in these financial statements are for the thirteen month period to 31 December 2008 as previously reported and therefore are not entirely comparable with amounts shown for the current year

b) Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries made up to 31 December 2009 The financial statements for the subsidiaries are prepared for the same reporting year as the Group, using consistent accounting policies Subsidiaries are consolidated from the date that the Group gains control until the date that control ceases

c) The going concern assumption

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review section of the Directors' report on pages 1 to 3

The Group operates within the global liquidity management framework of the Morgan Stanley Group Throughout the difficult market conditions, this framework has continued to provide sufficient liquidity to the Group and to the Company Although the Group is in a net liability position, the Group is performing in line with expectations and the net liability position is due to amounts owing to fellow Group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the Group

Taking all of these factors into consideration, the Directors believe it is reasonable to assume that the Group will not be required to meet its debts without the Group having access to adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

d) Functional currency

Items included in the financial statements are measured and presented in Euros, the currency of the primary economic environment in which the Group operates All currency amounts in the Directors' report and the financial statements are rounded to the nearest thousand Euros

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

1. ACCOUNTING POLICIES (CONTINUED)

e) 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'

f) Recognition of income and expense

i) 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(g)

g) Fixed asset investments

Fixed asset investments are stated at cost, less provision for any impairment Monetary fixed asset investments denominated in currencies other than Euros are revalued to Euros at the rates ruling at the balance sheet date, as described in note 1(d) above

Interest, dividend income, impairment losses and reversal of impairment losses on fixed asset investments, and foreign exchange differences on monetary fixed asset investments are reported in the profit and loss account in 'Net gains/ losses from fixed asset investments'

h) Impairment of financial assets

At each balance sheet date, an assessment is made as to whether there is any objective evidence of impairment in the value of other fixed asset investments or loans and receivables Impairment losses are recognised if an event has occurred which will have an adverse impact on the expected future cash flows of an asset and the expected impact can be reliably estimated

Impairment losses on fixed asset investments in subsidiary and associated undertakings, measured as the difference between cost and the current estimated recoverable amount, are recognised within the profit and loss account in 'Net gains and losses on fixed asset investments in subsidiary and associated undertakings' and are reflected against the carrying amount of the impaired asset on the balance sheet

Impairment losses on loans and receivables carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated cash flows discounted at the asset's original effective interest rate Such impairment losses are recognised in the profit and loss account within 'Other expenses' and are reflected against the carrying amount of the impaired asset on the balance sheet

Interest on the impaired asset continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

1. ACCOUNTING POLICIES (CONTINUED)

i) 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

Full provision has been made for deferred tax assets and liabilities arising from timing differences Deferred tax is measured using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

j) Cash flow statement

The Company's ultimate parent undertaking produces a cash flow statement Accordingly, the Company, which is a wholly-owned subsidiary, has elected to avail itself of the exemption provided in FRS 1 (Revised 1996) *Cash Flow Statements* and not present a cash flow statement

2. INTEREST INCOME

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Interest income from loans to Morgan Stanley Group undertakings	12,902	28,275
Other interest income	1	-
	12,903	28,275

3. INTEREST EXPENSE

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Interest expense on loans from Morgan Stanley Group undertakings	12,764	27,677
Other interest expense	-	1
	12,764	27,678

4. OTHER INCOME

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Foreign exchange gains	-	238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

5. OTHER EXPENSE

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Foreign exchange losses	37	-
Auditors' remuneration – fees for audit of statutory accounts	11	8
Other Expenses	2	-
	50	8

The Group employed no staff during the year (2008 Nil)

6. DIRECTORS' BENEFITS

The Directors did not receive any remuneration for their qualifying services to the Company during the year (2008 Nil)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year / period

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
UK corporation tax at 28% (2008 28 62%)		
- Current year / period	-	-
Tax on profit on ordinary activities	-	-

Factors affecting the tax charge for the year / period

The current year UK taxation charge is lower than that resulting from applying the standard UK corporation tax rate of 28% (2008 28 62%) The main differences are explained below

	Year ended 31 December 2009 €'000	1 December 2007 to 31 December 2008 €'000
Profit on ordinary activities before tax	89	827
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28 62%)	25	237
Effects of:		
Group relief received for nil consideration	(25)	(237)
Current tax charge for the year / period	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

8. DEBTORS

	2009 €'000	2008 €'000
Amounts due from Morgan Stanley Group undertakings	474,719	461,798

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 €'000	2008 €'000
Amounts owing to Morgan Stanley Group undertakings	467,843	454,784
Corporation tax	-	247
	467,843	455,031

10. CALLED UP SHARE CAPITAL

	2009 €'000
Allotted and fully paid:	
Equity shares	
1 ordinary share of $1 each	-
4,781,582 ordinary shares of €1 each	4,782
	4,782

Equity shares

All ordinary shares are recorded at the rates of exchange ruling at the date the shares were paid up

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

Group

	Called up share capital €'000	Profit and loss account €'000	Total €'000
At 1 December 2007	4,782	1,178	5,960
Profit for the financial period	-	827	827
At 1 January 2009	4,782	2,005	6,787
Profit for the financial year	-	89	89
At 31 December 2009	4,782	2,094	6,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2009

12. SEGMENTAL REPORTING

The Group has only one class of business as described in the Directors' report and operates in one geographic market, the United Kingdom

13. RELATED PARTY TRANSACTIONS

The Group 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

MORGAN STANLEY HIMALIA CAYMAN LIMITED
Registered Number MC161513

COMPANY BALANCE SHEET
Year ended 31 December 2009

	Note	2009 €'000	2008 €'000
FIXED ASSETS			
Investments			
- Subsidiary and associated undertakings	3	135,000	135,000
CURRENT ASSETS			
- Debtors	4	8,903	8,660
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(161,299)	(156,900)
NET CURRENT LIABILITIES		(152,396)	(148,240)
TOTAL ASSETS LESS CURRENT LIABILITIES		(17,396)	(13,240)
CAPITAL AND RESERVES			
Called up share capital	6	4,782	4,782
Profit and loss account	7	(22,178)	(18,022)
SHAREHOLDERS' FUNDS		(17,396)	(13,240)

These financial statements were approved by the Board and authorised for issue on 12 October 2010
Signed on behalf of the Board

SI Merry
Director

The notes on pages 13 to 17 form an integral part of the financial statements

1. ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom company law and United Kingdom accounting standards The Company is incorporated under Cayman law, which permits the use of United Kingdom company law and the use of United Kingdom accounting standards in the preparation of financial statements

In the prior period the Company changed its accounting reference date from 30 November to 31 December to align with the changed year end of its ultimate parent undertaking, Morgan Stanley The change resulted in the Company reporting a period of thirteen months to 31 December 2008 The comparative figures reflected in these financial statements are for the thirteen month period to 31 December 2008 as previously reported and therefore are not entirely comparable with amounts shown for the current year

b) The going concern assumption

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review section of the Directors' report on pages 1 to 3

The Company operates within the global liquidity management framework of the Morgan Stanley Group Throughout the difficult market conditions, this framework has continued to provide sufficient liquidity to the Group and to the Company Although the Company is in a net liability position, the Company is performing in line with expectations and the net liability position is due to amounts owing to fellow Group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the Group

Taking all of these factors into consideration, the Directors believe it is reasonable to assume that the Company will not be required to meet its debts without the Company having access to adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

c) Functional currency

Items included in the financial statements are measured and presented in Euros, the currency of the primary economic environment in which the Company operates All currency amounts in the Directors' report and the financial statements are rounded to the nearest thousand Euros

d) 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'

1. ACCOUNTING POLICIES (CONTINUED)

e) Recognition of income and expense

i) **Net revenue**

Net revenue represents fees, commissions and other income for financial services provided and is recognised as the related services are performed

ii) **Net gains/ losses on fixed asset investments**

Dividend income from fixed asset investments is recognised when the Company's right to receive payment is established and is reported within 'Net gains/ losses from fixed asset investments' as described in note 1(f)

iii) **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(f)

f) Fixed asset investments

Fixed asset investments are stated at cost, less provision for any impairment Monetary fixed asset investments denominated in currencies other than Euros are revalued to Euros at the rates ruling at the balance sheet date, as described in note 1(d) above

Interest, dividend income, impairment losses and reversal of impairment losses on fixed asset investments, and foreign exchange differences on monetary fixed asset investments are reported in the profit and loss account in 'Net gains/ losses from fixed asset investments'

g) 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

Full provision has been made for deferred tax assets and liabilities arising from timing differences Deferred tax is measured using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

h) Cash flow statement

The Company's ultimate parent undertaking produces a cash flow statement Accordingly, the Company, which is a wholly-owned subsidiary, has elected to avail itself of the exemption provided in FRS 1 (Revised 1996) *Cash Flow Statements* and not present a cash flow statement

2. PROFIT AND LOSS ACCOUNT OF THE COMPANY

The Company has taken advantage of the exemption, as permitted by section 408 of the Companies Act 2006, from presenting its own profit and loss account The Company's loss after taxation for the year ended 31 December 2009 was €4,156,000 (13 month period ended 31 December 2008 €9,111,000 loss after tax) During the year, no dividends were paid (2008 €nil)

3. FIXED ASSET INVESTMENTS

Fixed asset investments in subsidiary undertakings

	Subsidiary undertakings €'000
Cost and Net Book Value	
At 1 January 2009 and 31 December 2009	135,000

Subsidiaries and significant holdings

Details of the investments of the Company, including those in which the Company holds more than 20% of the nominal value of any class of share capital, and investments with a book value greater than 20% of the Company's own assets at 31 December 2009, are as follows

Name of Company	Country of incorporation	Holding	Type of shares held	Proportion of voting rights	Nature of Business
Morgan Stanley Sinope Cayman Limited	Cayman Islands	100%	Ordinary Shares	100%	Holding company
Morgan Stanley Adrastea Netherlands B V	The Netherlands	100%*	Ordinary Shares	23 529%*	Financial services
Morgan Stanley Adrastea Netherlands B V	The Netherlands	100%*	Class A Redeemable Preference shares	74 469%*	Financial services
Morgan Stanley Adrastea Netherlands B V	The Netherlands	100%*	Class B Redeemable Preference shares	0 001%*	Financial services
Morgan Stanley Adrastea Netherlands B V	The Netherlands	100%*	Class C Redeemable Preference shares	0 001%*	Financial services

An * denotes shareholdings attributed to the Company which are not all held directly by the Company

4. DEBTORS

	2009 €'000	2008 €'000
Amounts due from Morgan Stanley Group undertakings	8,903	8,660

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 €'000	2008 €'000
Amounts owed to Morgan Stanley Group undertakings	161,299	156,900

6. CALLED UP SHARE CAPITAL

	2009 €'000	2008 €'000
Allotted and fully paid:		
Equity shares		
1 ordinary share of $1 each	-	-
4,781,582 ordinary shares of €1 each	4,782	4,782
	4,782	4,782

Equity shares

All ordinary shares are recorded at the rates of exchange ruling at the date the shares were paid up

7. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Called up share capital €'000	Profit and loss account €'000	Total €'000
At 1 December 2007	4,782	(8,911)	(4,129)
Loss for the financial period	-	(9,111)	(9,111)
At 1 January 2009	4,782	(18,022)	(13,240)
Loss for the financial year	-	(4,156)	(4,156)
At 31 December 2009	4,782	(22,178)	(17,396)

8. RELATED PARTY TRANSACTIONS

The Company 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

9. PARENT UNDERTAKINGS

The ultimate parent undertaking and controlling entity and the largest and smallest group of which the Company 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