705936/20

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

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

Companies House

✓ **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 to an alteration of manner of c with accounting requiremen

FRIDAY

L8XTJ8Y2
LD9 31/01/2020 #162
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶	LANCASHIRE TRADING B.V.
UK establishment number	B R 0 0 7 8 1 9

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

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 ❷	DUTCH CIVIL CODE

❷ 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.**

Name of organisation or body ❸	UK FINANCIAL REPORTING COUNCIL (FRS 101)

❸ Please insert the name of the appropriate accounting organisation or body.

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'**.

Name of organisation or body ❶

❶ Please insert the name of the appropriate accounting organisation or body.

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☑ **No.**

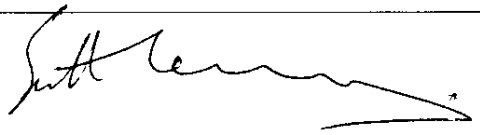
☐ **Yes.**

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.

OS AA01

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: John Haile

Company name: Morgan Stanley

Address: 10th Floor
20 Bank Street
Canary Wharf

Post town: London

County/Region:

Postcode: E14 4AD

Country: United Kingdom

DX:

Telephone: 0207 677 2498

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 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email 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

UK Registered Number: FC025521

Registered number: 34212273

Business Office :
25 Cabot Square,
Canary Wharf,
London, E14 4QA,
United Kingdom

Statutory seat :
Luna Arena
Herikerbergweg 238
1101 CM
Amsterdam
Netherlands

LANCASHIRE TRADING B.V.

Report and financial statements

31 December 2018

FRIDAY

LANCASHIRE TRADING B.V.

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Statement of changes in equity	4
Statement of comprehensive Income	5
Notes to the financial statements	6

LANCASHIRE TRADING B.V.

DIRECTORS' REPORT

The Directors present their report and financial statements for the Company for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £1,928,000 (2017: £1,335,000).

During the year, no dividends were paid to the Company's shareholder, Morgan Stanley Swallow Limited (2017: £nil).

PRINCIPAL ACTIVITY

The principal activity of the Company is to enter into financing transactions and investments, with no significant changes expected in 2019.

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

The Company was incorporated under Dutch law on 31 August 2004, and has its statutory seat in Amsterdam, the Netherlands. The business office of the Company is at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom and its financial year end is 31 December.

BUSINESS REVIEW

As noted above, the principal activity of the Company is to enter into financing transactions and investments. The Company manages the risk of potential external impacts on its business (including but not limited to the impact of the United Kingdom's (the "UK") decision to leave the European Union (the "EU") of which a thorough assessment has been made by the Company and the Morgan Stanley Group of various Brexit scenarios). The Company maintains a constant planning dialogue with the wider Morgan Stanley Group and accordingly management does not expect any significant impact on the operations and business of the Company arising from these external factors.

Overview of 2018 performance and key performance indicators

The Company's main key performance indicators are profit after tax, total assets and total liabilities.

Total assets have increased by £1,934,000 which is driven by interest income on loans receivables from other Morgan Stanley Group undertakings. Total liabilities have also increased by £8,000 primarily due to an increase in loans payable to other Morgan Stanley Group undertakings. The prior year tax liabilities were settled during the year.

The Company's profit after tax for the year amounted to £1,928,000, compared to £1,335,000 in the prior year.

The profit for the current year mainly comprises of net interest income of £1,928,000 received from Morgan Stanley Group undertakings. In the prior year the profit was similarly generated by net interest income of £1,335,000 from Morgan Stanley Group undertakings.

Risk management

The Directors consider that the Company's key financial risks are credit risk, primarily its concentration of exposure to other Morgan Stanley Group undertakings, and liquidity risk arising through its exposure to other Morgan Stanley Group undertakings presented within other receivables and payables. The Company leverages the Morgan Stanley Group's credit and liquidity risk frameworks to identify, measure, monitor and control credit risk and to ensure that the Company has access to adequate funding.

The Company also has some limited exposure to country, operational and legal, regulatory and compliance risks.

The Company leverages the risk management policies and procedures of the Morgan Stanley Group.

DIRECTORS' REPORT (CONTINUED)

Going concern

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Company's strategy. The Company has access to Morgan Stanley Group capital and liquidity as required. Taking the above factors into consideration, the Directors believe it is reasonable to assume that the Company will have 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.

DIRECTORS

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

Y W Goddard
S I Merry

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

Approved by the board and signed on its behalf.
Date: 29 May 2019

Y W Goddard
Director

S I Merry
Director

LANCASHIRE TRADING B.V.

UK Registered Number: FC025521

Registered number: 34212273

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(including proposed appropriation of net results)

	Note	2018 £'000	2017 £'000
ASSETS			
Other receivables	8	91,376	89,442
TOTAL ASSETS		**91,376**	**89,442**
LIABILITIES			
Other payables	8	363	1
Current tax liabilities		-	354
TOTAL LIABILITIES		363	355
EQUITY			
Share capital	7	40	39
Share premium	7	196,204	196,204
Currency translation reserve	7	(10)	(9)
Retained earnings		(105,221)	(107,147)
Equity attributable to owners of the Company		91,013	89,087
TOTAL EQUITY		91,013	89,087
TOTAL LIABILITIES AND EQUITY		**91,376**	**89,442**

These financial statements were approved by the Board and authorised for issue on 29 May 2019.

Signed on behalf of the Board

Y W Goddard
Director

S I Merry
Director

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Note	Share capital	Share premium	Currency traslation reserve	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017		38	196,204	(8)	(108,482)	87,752
Profit and total comprehensive income for the year		-	-	-	1,335	1,335
Exchange movement on translation of shares		1	-	(1)	-	-
Balance at 31 December 2017		**39**	**196,204**	**(9)**	**(107,147)**	**89,087**
Profit and total comprehensive income for the year		-	-	-	1,928	1,928
Exchange movement on translation of shares		1	-	(1)	-	-
Impact of adoption of new accounting standards		-	-	-	(2)	(2)
Balance at 31 December 2018		**40**	**196,204**	**(10)**	**(105,221)**	**91,013**

The notes on pages 6 to 10 form an integral part of the financial statements

LANCASHIRE TRADING B.V.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Interest income	4	1,934	1,335
Interest expense	4	(6)	-
Net interest income		1,928	1,335
PROFIT BEFORE TAXATION		**1,928**	**1,335**
Income tax result	6	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,928**	**1,335**

All operations were continuing in the current and prior year.

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. CORPORATE INFORMATION

The Company having its statutory seat in Amsterdam, The Netherlands, currently operating from 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom, enters into financing transactions and investments. The Company is a private company with limited liability. The registered number of the Company is 34212273.

The Company's immediate parent undertaking is Morgan Stanley Swallow Limited which has its registered office at 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom. Copies of the financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's 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 which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the Morgan Stanley Group. Morgan Stanley has its registered office c/o The Corporation Trust Company, The Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America and is incorporated in the state of Delaware, in the United States of America. Copies of its financial statements can be obtained from www.morganstanley.com/investorrelations.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared on a going concern basis as explained in the Directors' report and under the historical cost convention in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 and the Dutch Civil Code.

The Dutch Civil Code permits the use of FRS 101 as issued by the Financial Reporting Council in the preparation of financial statements on the basis of the Company's international connections as stated in Article 362.1 of Book 2 of the Dutch Civil Code.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to financial instruments, fair value measurement, capital management, presentation of a cash-flow statement, accounting standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been provided in the group accounts of Morgan Stanley in which the Company is consolidated. Copies of Morgan Stanley's accounts can be obtained as detailed at note 1.

New standards and interpretations adopted during the year

The following standards and amendments to standards relevant to the Company's operations were adopted during the year and did not have a material impact on the Company's financial statements, except where otherwise stated.

IFRS 9 'Financial instruments' ("IFRS 9") was issued by the IASB in November 2009, reissued in October 2010, amended in November 2013, and revised and reissued by the IASB in July 2014. It is effective for annual periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. The Company has adopted IFRS 9 from 1 January 2018 with no restatement of comparative periods under the transitional provisions of the Standard. There is no impact on the classification and measurement of the Company's financial assets and liabilities. Impairment of financial assets is based on expected credit losses ("ECL") and the effect on opening reserves was £2,000.

2. BASIS OF PREPARATION (CONTINUED)

New standards and interpretations adopted during the year (continued)

Amendments to FRS 100 and FRS 101 *'Triennial review 2017 amendments'* were issued by the Financial Reporting Council in December 2017 for application in accounting periods beginning on or after 1 January 2019. The Company has early adopted all these amendments from 1 January 2018.

Critical judgements

No judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional currency

Items included in the financial statements are measured and presented in Pounds Sterling, the currency of the primary economic environment in which the Company operates.

b. Foreign currencies

Monetary assets and liabilities denominated in currencies other than Pounds Sterling are translated into Pounds Sterling at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than Pounds Sterling are recorded at the rates prevailing at the dates of the transactions. All translation differences are recognised through the statement of comprehensive income.

c. Financial instruments

Financial assets and liabilities primarily comprise other receivables and payables.

Other receivables and payables are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value and subsequently measured at amortised cost (less allowance for impairment on financial assets). Interest is recognised in the statement of comprehensive income using the effective interest rate ("EIR") method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

d. Impairment of financial assets

From 1 January 2018, the Company recognises loss allowances for expected credit losses ("ECL") for its financial assets classified at amortised cost. ECLs are the present value of cash shortfalls over the expected life of the financial instrument, discounted at the asset's EIR. ECL is recognised in the statement of comprehensive income within 'Net impairment loss on financial instruments' and is reflected against the carrying amount of the impaired asset on the statement of financial position as an ECL allowance. Until 31 December 2017, impairment losses on financial assets were measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original EIR.

e. Income tax

The tax expense represents the sum of the tax currently payable and is calculated based on taxable profit for the year. Taxable profit may differ from profit before taxation as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4. INTEREST INCOME AND INTEREST EXPENSE

'Interest income' and 'Interest expense' represent total interest income and total interest expense for financial assets and financial liabilities that are not carried at fair value.

5. OTHER EXPENSE

The Company employed no staff during the year (2017: nil).

The Company's Directors are employed by other Morgan Stanley Group entities. The Directors' services to the Company are considered to be incidental to their other responsibilities within the Morgan Stanley Group and as such, Directors' remuneration is £nil for the current year (2017: £nil).

6. INCOME TAX RESULT

The Company is centrally managed and controlled in the UK and is therefore subject to UK taxation.

	2018 £'000	2017 £'000
Current tax expense		
UK corporation tax at 19% (2017: 19.25%)		
- Current year	-	-
Income tax result	-	-

Finance (No.2) Act 2015 enacted a reduction in the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 enacted a further reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 which will impact the current tax charge in future periods.

Reconciliation of effective tax rate

The current year income tax expense is lower (2017: lower) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 19% (2017: 19.25%). The main differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	1,928	1,335
Income tax using the average standard rate of corporation tax in the UK of 19% (2017: 19.25%)	366	257
Impact on tax of		
Group relief received for no cash consideration	(366)	(257)
Total income tax result in the statement of comprehensive income	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

7. EQUITY

Ordinary share capital

	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	Number	Number
Authorised :			
At 1 January 2018 and 31 December 2018	40,000	4,000,000	4,040,000

	Class A ordinary shares of €1.20 each	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	£'000	Number	£'000	£'000
Alloted and fully paid :					
At 1 January 2018	20,000	21	2,000,000	18	39
Currency translation adjustment	-	1	-	-	1
At 31 December 2018	20,000	22	2,000,000	18	40

The Class A shares carry 120 votes per share. The Class B shares carry 1 vote each. Neither class of shares are redeemable. All ordinary shares are ranked equally with regard to the Company's residual assets.

Reserves

The 'Share premium account' of £196,204,000 (2017: £196,204,000) comprises the capital raised in an issue of shares that exceeds the nominal value of the shares.

The 'Currency translation reserve' of £10,000 (2017: £9,000) comprises all foreign exchange differences arising from the translation of share capital.

8. EXPECTED MATURITY OF ASSETS AND LIABILITIES

Other receivables and payables relate wholly to amounts due from and to Morgan Stanley Group undertakings respectively.

Other receivables of £91,376,000 (2017: £89,442,000), other payables of £363,000 (2017: £1,000) and current tax liabilities of £nil (2017: £354,000) are expected to be settled no more than twelve months after the reporting period, with all other amounts expected to be settled more than twelve months after the reporting period end.

9. SEGMENT REPORTING

The Company has only one class of business, as described in the Directors' report, operating in a single geographic market, Europe, Middle East and Africa ("EMEA") and accordingly no segmental analysis has been provided.

10. PROPOSED APPROPRIATION OF THE RESULT

Appropriation of net result for the financial year 2017

The annual report 2017 was determined in the General Meeting on 16 August 2018. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Appropriation of net result for the financial year 2018

The statement of financial position is presented after the proposed appropriation of net result for the year ended 31 December 2018. Management proposes to add the net result for the year to retained earnings. This proposal has been included in the financial statements

Signing of the financial statements :

London, 29 May 2019

Management:

Y W Goddard
Director

S I Merry
Director

UK Registered Number: FC025521

Registered number: 34212273

Business Office :
25 Cabot Square,
Canary Wharf,
London, E14 4QA,
United Kingdom

Statutory seat :
Luna Arena
Herikerbergweg 238
1101 CM
Amsterdam
Netherlands

LANCASHIRE TRADING B.V.

Report and financial statements

31 December 2018

LANCASHIRE TRADING B.V.

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LANCASHIRE TRADING B.V.

DIRECTORS' REPORT

The Directors present their report and financial statements for the Company for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £1,928,000 (2017: £1,335,000).

During the year, no dividends were paid to the Company's shareholder, Morgan Stanley Swallow Limited (2017: £nil).

PRINCIPAL ACTIVITY

The principal activity of the Company is to enter into financing transactions and investments, with no significant changes expected in 2019.

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

The Company was incorporated under Dutch law on 31 August 2004, and has its statutory seat in Amsterdam, the Netherlands. The business office of the Company is at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom and its financial year end is 31 December.

BUSINESS REVIEW

As noted above, the principal activity of the Company is to enter into financing transactions and investments. The Company manages the risk of potential external impacts on its business (including but not limited to the impact of the United Kingdom's (the "UK") decision to leave the European Union (the "EU") of which a thorough assessment has been made by the Company and the Morgan Stanley Group of various Brexit scenarios). The Company maintains a constant planning dialogue with the wider Morgan Stanley Group and accordingly management does not expect any significant impact on the operations and business of the Company arising from these external factors.

Overview of 2018 performance and key performance indicators

The Company's main key performance indicators are profit after tax, total assets and total liabilities.

Total assets have increased by £1,934,000 which is driven by interest income on loans receivables from other Morgan Stanley Group undertakings. Total liabilities have also increased by £8,000 primarily due to an increase in loans payable to other Morgan Stanley Group undertakings. The prior year tax liabilities were settled during the year.

The Company's profit after tax for the year amounted to £1,928,000, compared to £1,335,000 in the prior year.

The profit for the current year mainly comprises of net interest income of £1,928,000 received from Morgan Stanley Group undertakings. In the prior year the profit was similarly generated by net interest income of £1,335,000 from Morgan Stanley Group undertakings.

Risk management

The Directors consider that the Company's key financial risks are credit risk, primarily its concentration of exposure to other Morgan Stanley Group undertakings, and liquidity risk arising through its exposure to other Morgan Stanley Group undertakings presented within other receivables and payables. The Company leverages the Morgan Stanley Group's credit and liquidity risk frameworks to identify, measure, monitor and control credit risk and to ensure that the Company has access to adequate funding.

The Company also has some limited exposure to country, operational and legal, regulatory and compliance risks.

The Company leverages the risk management policies and procedures of the Morgan Stanley Group.

DIRECTORS' REPORT (CONTINUED)

Going concern

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Company's strategy. The Company has access to Morgan Stanley Group capital and liquidity as required. Taking the above factors into consideration, the Directors believe it is reasonable to assume that the Company will have 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.

DIRECTORS

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

Y W Goddard
S I Merry

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

Approved by the board and signed on its behalf.
Date: 29 May 2019

Y W Goddard
Director

S I Merry
Director

LANCASHIRE TRADING B.V.

UK Registered Number: FC025521

Registered number: 34212273

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(including proposed appropriation of net results)

	Note	2018 £'000	2017 £'000
ASSETS			
Other receivables	8	91,376	89,442
TOTAL ASSETS		**91,376**	**89,442**
LIABILITIES			
Other payables	8	363	1
Current tax liabilities		-	354
TOTAL LIABILITIES		363	355
EQUITY			
Share capital	7	40	39
Share premium	7	196,204	196,204
Currency translation reserve	7	(10)	(9)
Retained earnings		(105,221)	(107,147)
Equity attributable to owners of the Company		91,013	89,087
TOTAL EQUITY		91,013	89,087
TOTAL LIABILITIES AND EQUITY		**91,376**	**89,442**

These financial statements were approved by the Board and authorised for issue on 29 May 2019.

Signed on behalf of the Board

Y W Goddard
Director

S I Merry
Director

The notes on pages 6 to 10 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	Share capital	Share premium	Currency traslation reserve	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017		38	196,204	(8)	(108,482)	87,752
Profit and total comprehensive income for the year		-	-	-	1,335	1,335
Exchange movement on translation of shares		1	-	*(1)*	-	-
Balance at 31 December 2017		**39**	**196,204**	**(9)**	**(107,147)**	**89,087**
Profit and total comprehensive income for the year		-	-	-	1,928	1,928
Exchange movement on translation of shares		1	-	(1)	-	-
Impact of adoption of new accounting standards		-	-	-	(2)	(2)
Balance at 31 December 2018		**40**	**196,204**	**(10)**	**(105,221)**	**91,013**

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Interest income	4	1,934	1,335
Interest expense	4	(6)	-
Net interest income		1,928	1,335
PROFIT BEFORE TAXATION		**1,928**	**1,335**
Income tax result	6	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,928**	**1,335**

All operations were continuing in the current and prior year.

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. CORPORATE INFORMATION

The Company having its statutory seat in Amsterdam, The Netherlands, currently operating from 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom, enters into financing transactions and investments. The Company is a private company with limited liability. The registered number of the Company is 34212273.

The Company's immediate parent undertaking is Morgan Stanley Swallow Limited which has its registered office at 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom. Copies of the financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ.

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2. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared on a going concern basis as explained in the Directors' report and under the historical cost convention in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 and the Dutch Civil Code.

The Dutch Civil Code permits the use of FRS 101 as issued by the Financial Reporting Council in the preparation of financial statements on the basis of the Company's international connections as stated in Article 362.1 of Book 2 of the Dutch Civil Code.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to financial instruments, fair value measurement, capital management, presentation of a cash-flow statement, accounting standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been provided in the group accounts of Morgan Stanley in which the Company is consolidated. Copies of Morgan Stanley's accounts can be obtained as detailed at note 1.

New standards and interpretations adopted during the year

The following standards and amendments to standards relevant to the Company's operations were adopted during the year and did not have a material impact on the Company's financial statements, except where otherwise stated.

IFRS 9 'Financial instruments' ("IFRS 9") was issued by the IASB in November 2009, reissued in October 2010, amended in November 2013, and revised and reissued by the IASB in July 2014. It is effective for annual periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. The Company has adopted IFRS 9 from 1 January 2018 with no restatement of comparative periods under the transitional provisions of the Standard. There is no impact on the classification and measurement of the Company's financial assets and liabilities. Impairment of financial assets is based on expected credit losses ("ECL") and the effect on opening reserves was £2,000.

2. BASIS OF PREPARATION (CONTINUED)

New standards and interpretations adopted during the year (continued)

Amendments to FRS 100 and FRS 101 *'Triennial review 2017 amendments'* were issued by the Financial Reporting Council in December 2017 for application in accounting periods beginning on or after 1 January 2019. The Company has early adopted all these amendments from 1 January 2018.

Critical judgements

No judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional currency

Items included in the financial statements are measured and presented in Pounds Sterling, the currency of the primary economic environment in which the Company operates.

b. Foreign currencies

Monetary assets and liabilities denominated in currencies other than Pounds Sterling are translated into Pounds Sterling at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than Pounds Sterling are recorded at the rates prevailing at the dates of the transactions. All translation differences are recognised through the statement of comprehensive income.

c. Financial instruments

Financial assets and liabilities primarily comprise other receivables and payables.

Other receivables and payables are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value and subsequently measured at amortised cost (less allowance for impairment on financial assets). Interest is recognised in the statement of comprehensive income using the effective interest rate ("EIR") method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

d. Impairment of financial assets

From 1 January 2018, the Company recognises loss allowances for expected credit losses ("ECL") for its financial assets classified at amortised cost. ECLs are the present value of cash shortfalls over the expected life of the financial instrument, discounted at the asset's EIR. ECL is recognised in the statement of comprehensive income within 'Net impairment loss on financial instruments' and is reflected against the carrying amount of the impaired asset on the statement of financial position as an ECL allowance. Until 31 December 2017, impairment losses on financial assets were measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original EIR.

e. Income tax

The tax expense represents the sum of the tax currently payable and is calculated based on taxable profit for the year. Taxable profit may differ from profit before taxation as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4. INTEREST INCOME AND INTEREST EXPENSE

'Interest income' and 'Interest expense' represent total interest income and total interest expense for financial assets and financial liabilities that are not carried at fair value.

5. OTHER EXPENSE

The Company employed no staff during the year (2017: nil).

The Company's Directors are employed by other Morgan Stanley Group entities. The Directors' services to the Company are considered to be incidental to their other responsibilities within the Morgan Stanley Group and as such, Directors' remuneration is £nil for the current year (2017: £nil).

6. INCOME TAX RESULT

The Company is centrally managed and controlled in the UK and is therefore subject to UK taxation.

	2018 £'000	2017 £'000
Current tax expense		
UK corporation tax at 19% (2017: 19.25%)		
- Current year	-	-
Income tax result	-	-

Finance (No.2) Act 2015 enacted a reduction in the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 enacted a further reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 which will impact the current tax charge in future periods.

Reconciliation of effective tax rate

The current year income tax expense is lower (2017: lower) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 19% (2017: 19.25%). The main differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	1,928	1,335
Income tax using the average standard rate of corporation tax in the UK of 19% (2017: 19.25%)	366	257
Impact on tax of		
Group relief received for no cash consideration	(366)	(257)
Total income tax result in the statement of comprehensive income	-	-

7. EQUITY

Ordinary share capital

	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	Number	Number
Authorised :			
At 1 January 2018 and 31 December 2018	40,000	4,000,000	4,040,000

	Class A ordinary shares of €1.20 each	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	£'000	Number	£'000	£'000
Alloted and fully paid :					
At 1 January 2018	20,000	21	2,000,000	18	39
Currency translation adjustment	-	1	-	-	1
At 31 December 2018	20,000	22	2,000,000	18	40

The Class A shares carry 120 votes per share. The Class B shares carry 1 vote each. Neither class of shares are redeemable. All ordinary shares are ranked equally with regard to the Company's residual assets.

Reserves

The 'Share premium account' of £196,204,000 (2017: £196,204,000) comprises the capital raised in an issue of shares that exceeds the nominal value of the shares.

The 'Currency translation reserve' of £10,000 (2017: £9,000) comprises all foreign exchange differences arising from the translation of share capital.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

8. EXPECTED MATURITY OF ASSETS AND LIABILITIES

Other receivables and payables relate wholly to amounts due from and to Morgan Stanley Group undertakings respectively.

Other receivables of £91,376,000 (2017: £89,442,000), other payables of £363,000 (2017: £1,000) and current tax liabilities of £nil (2017: £354,000) are expected to be settled no more than twelve months after the reporting period, with all other amounts expected to be settled more than twelve months after the reporting period end.

9. SEGMENT REPORTING

The Company has only one class of business, as described in the Directors' report, operating in a single geographic market, Europe, Middle East and Africa ("EMEA") and accordingly no segmental analysis has been provided.

10. PROPOSED APPROPRIATION OF THE RESULT

Appropriation of net result for the financial year 2017

The annual report 2017 was determined in the General Meeting on 16 August 2018. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Appropriation of net result for the financial year 2018

The statement of financial position is presented after the proposed appropriation of net result for the year ended 31 December 2018. Management proposes to add the net result for the year to retained earnings. This proposal has been included in the financial statements

Signing of the financial statements :

London, 29 May 2019

Management:

Y W Goddard
Director

S I Merry
Director

UK Registered Number: FC025521

Registered number: 34212273

Business Office :
25 Cabot Square,
Canary Wharf,
London, E14 4QA,
United Kingdom

Statutory seat :
Luna Arena
Herikerbergweg 238
1101 CM
Amsterdam
Netherlands

LANCASHIRE TRADING B.V.

Report and financial statements

31 December 2018

LANCASHIRE TRADING B.V.

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LANCASHIRE TRADING B.V.

DIRECTORS' REPORT

The Directors present their report and financial statements for the Company for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £1,928,000 (2017: £1,335,000).

During the year, no dividends were paid to the Company's shareholder, Morgan Stanley Swallow Limited (2017: £nil).

PRINCIPAL ACTIVITY

The principal activity of the Company is to enter into financing transactions and investments, with no significant changes expected in 2019.

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

The Company was incorporated under Dutch law on 31 August 2004, and has its statutory seat in Amsterdam, the Netherlands. The business office of the Company is at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom and its financial year end is 31 December.

BUSINESS REVIEW

As noted above, the principal activity of the Company is to enter into financing transactions and investments. The Company manages the risk of potential external impacts on its business (including but not limited to the impact of the United Kingdom's (the "UK") decision to leave the European Union (the "EU") of which a thorough assessment has been made by the Company and the Morgan Stanley Group of various Brexit scenarios). The Company maintains a constant planning dialogue with the wider Morgan Stanley Group and accordingly management does not expect any significant impact on the operations and business of the Company arising from these external factors.

Overview of 2018 performance and key performance indicators

The Company's main key performance indicators are profit after tax, total assets and total liabilities.

Total assets have increased by £1,934,000 which is driven by interest income on loans receivables from other Morgan Stanley Group undertakings. Total liabilities have also increased by £8,000 primarily due to an increase in loans payable to other Morgan Stanley Group undertakings. The prior year tax liabilities were settled during the year.

The Company's profit after tax for the year amounted to £1,928,000, compared to £1,335,000 in the prior year.

The profit for the current year mainly comprises of net interest income of £1,928,000 received from Morgan Stanley Group undertakings. In the prior year the profit was similarly generated by net interest income of £1,335,000 from Morgan Stanley Group undertakings.

Risk management

The Directors consider that the Company's key financial risks are credit risk, primarily its concentration of exposure to other Morgan Stanley Group undertakings, and liquidity risk arising through its exposure to other Morgan Stanley Group undertakings presented within other receivables and payables. The Company leverages the Morgan Stanley Group's credit and liquidity risk frameworks to identify, measure, monitor and control credit risk and to ensure that the Company has access to adequate funding.

The Company also has some limited exposure to country, operational and legal, regulatory and compliance risks.

The Company leverages the risk management policies and procedures of the Morgan Stanley Group.

DIRECTORS' REPORT (CONTINUED)

Going concern

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Company's strategy. The Company has access to Morgan Stanley Group capital and liquidity as required. Taking the above factors into consideration, the Directors believe it is reasonable to assume that the Company will have 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.

DIRECTORS

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

Y W Goddard
S I Merry

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

Approved by the board and signed on its behalf.
Date: 29 May 2019

Y W Goddard
Director

S I Merry
Director

LANCASHIRE TRADING B.V.

UK Registered Number: FC025521

Registered number: 34212273

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(including proposed appropriation of net results)

	Note	2018 £'000	2017 £'000
ASSETS			
Other receivables	8	91,376	89,442
TOTAL ASSETS		**91,376**	**89,442**
LIABILITIES			
Other payables	8	363	1
Current tax liabilities		-	354
TOTAL LIABILITIES		363	355
EQUITY			
Share capital	7	40	39
Share premium	7	196,204	196,204
Currency translation reserve	7	(10)	(9)
Retained earnings		(105,221)	(107,147)
Equity attributable to owners of the Company		91,013	89,087
TOTAL EQUITY		91,013	89,087
TOTAL LIABILITIES AND EQUITY		**91,376**	**89,442**

These financial statements were approved by the Board and authorised for issue on 29 May 2019.

Signed on behalf of the Board

Y W Goddard
Director

S I Merry
Director

The notes on pages 6 to 10 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Note	Share capital	Share premium	Currency traslation reserve	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017		38	196,204	(8)	(108,482)	87,752
Profit and total comprehensive income for the year		-	-	-	1,335	1,335
Exchange movement on translation of shares		1	-	(1)	-	-
Balance at 31 December 2017		39	196,204	(9)	(107,147)	89,087
Profit and total comprehensive income for the year		-	-	-	1,928	1,928
Exchange movement on translation of shares		1	-	(1)	-	-
Impact of adoption of new accounting standards		-	-	-	(2)	(2)
Balance at 31 December 2018		40	196,204	(10)	(105,221)	91,013

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Interest income	4	1,934	1,335
Interest expense	4	(6)	-
Net interest income		1,928	1,335
PROFIT BEFORE TAXATION		**1,928**	**1,335**
Income tax result	6	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,928**	**1,335**

All operations were continuing in the current and prior year.

The notes on pages 6 to 10 form an integral part of the financial statements.

LANCASHIRE TRADING B.V.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. CORPORATE INFORMATION

The Company having its statutory seat in Amsterdam, The Netherlands, currently operating from 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom, enters into financing transactions and investments. The Company is a private company with limited liability. The registered number of the Company is 34212273.

The Company's immediate parent undertaking is Morgan Stanley Swallow Limited which has its registered office at 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom. Copies of the financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's 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 which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the Morgan Stanley Group. Morgan Stanley has its registered office c/o The Corporation Trust Company, The Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America and is incorporated in the state of Delaware, in the United States of America. Copies of its financial statements can be obtained from www.morganstanley.com/investorrelations.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared on a going concern basis as explained in the Directors' report and under the historical cost convention in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 and the Dutch Civil Code.

The Dutch Civil Code permits the use of FRS 101 as issued by the Financial Reporting Council in the preparation of financial statements on the basis of the Company's international connections as stated in Article 362.1 of Book 2 of the Dutch Civil Code.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to financial instruments, fair value measurement, capital management, presentation of a cash-flow statement, accounting standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been provided in the group accounts of Morgan Stanley in which the Company is consolidated. Copies of Morgan Stanley's accounts can be obtained as detailed at note 1.

New standards and interpretations adopted during the year

The following standards and amendments to standards relevant to the Company's operations were adopted during the year and did not have a material impact on the Company's financial statements, except where otherwise stated.

IFRS 9 'Financial instruments' ("IFRS 9") was issued by the IASB in November 2009, reissued in October 2010, amended in November 2013, and revised and reissued by the IASB in July 2014. It is effective for annual periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. The Company has adopted IFRS 9 from 1 January 2018 with no restatement of comparative periods under the transitional provisions of the Standard. There is no impact on the classification and measurement of the Company's financial assets and liabilities. Impairment of financial assets is based on expected credit losses ("ECL") and the effect on opening reserves was £2,000.

2. BASIS OF PREPARATION (CONTINUED)

New standards and interpretations adopted during the year (continued)

Amendments to FRS 100 and FRS 101 *'Triennial review 2017 amendments'* were issued by the Financial Reporting Council in December 2017 for application in accounting periods beginning on or after 1 January 2019. The Company has early adopted all these amendments from 1 January 2018.

Critical judgements

No judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional currency

Items included in the financial statements are measured and presented in Pounds Sterling, the currency of the primary economic environment in which the Company operates.

b. Foreign currencies

Monetary assets and liabilities denominated in currencies other than Pounds Sterling are translated into Pounds Sterling at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than Pounds Sterling are recorded at the rates prevailing at the dates of the transactions. All translation differences are recognised through the statement of comprehensive income.

c. Financial instruments

Financial assets and liabilities primarily comprise other receivables and payables.

Other receivables and payables are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value and subsequently measured at amortised cost (less allowance for impairment on financial assets). Interest is recognised in the statement of comprehensive income using the effective interest rate ("EIR") method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

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From 1 January 2018, the Company recognises loss allowances for expected credit losses ("ECL") for its financial assets classified at amortised cost. ECLs are the present value of cash shortfalls over the expected life of the financial instrument, discounted at the asset's EIR. ECL is recognised in the statement of comprehensive income within 'Net impairment loss on financial instruments' and is reflected against the carrying amount of the impaired asset on the statement of financial position as an ECL allowance. Until 31 December 2017, impairment losses on financial assets were measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original EIR.

e. Income tax

The tax expense represents the sum of the tax currently payable and is calculated based on taxable profit for the year. Taxable profit may differ from profit before taxation as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4. INTEREST INCOME AND INTEREST EXPENSE

'Interest income' and 'Interest expense' represent total interest income and total interest expense for financial assets and financial liabilities that are not carried at fair value.

5. OTHER EXPENSE

The Company employed no staff during the year (2017: nil).

The Company's Directors are employed by other Morgan Stanley Group entities. The Directors' services to the Company are considered to be incidental to their other responsibilities within the Morgan Stanley Group and as such, Directors' remuneration is £nil for the current year (2017: £nil).

6. INCOME TAX RESULT

The Company is centrally managed and controlled in the UK and is therefore subject to UK taxation.

	2018 £'000	2017 £'000
Current tax expense		
UK corporation tax at 19% (2017: 19.25%)		
- Current year	-	-
Income tax result	-	-

Finance (No.2) Act 2015 enacted a reduction in the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 enacted a further reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 which will impact the current tax charge in future periods.

Reconciliation of effective tax rate

The current year income tax expense is lower (2017: lower) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 19% (2017: 19.25%). The main differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	1,928	1,335
Income tax using the average standard rate of corporation tax in the UK of 19% (2017: 19.25%)	366	257
Impact on tax of		
Group relief received for no cash consideration	*(366)*	*(257)*
Total income tax result in the statement of comprehensive income	-	-

7. EQUITY

Ordinary share capital

	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	Number	Number
Authorised :			
At 1 January 2018 and 31 December 2018	40,000	4,000,000	4,040,000

	Class A ordinary shares of €1.20 each	Class A ordinary shares of €1.20 each	Class B ordinary shares of €0.01 each	Class B ordinary shares of €0.01 each	Total ordinary shares
	Number	£'000	Number	£'000	£'000
Alloted and fully paid :					
At 1 January 2018	20,000	21	2,000,000	18	39
Currency translation adjustment	-	1	-	-	1
At 31 December 2018	20,000	22	2,000,000	18	40

The Class A shares carry 120 votes per share. The Class B shares carry 1 vote each. Neither class of shares are redeemable. All ordinary shares are ranked equally with regard to the Company's residual assets.

Reserves

The 'Share premium account' of £196,204,000 (2017: £196,204,000) comprises the capital raised in an issue of shares that exceeds the nominal value of the shares.

The 'Currency translation reserve' of £10,000 (2017: £9,000) comprises all foreign exchange differences arising from the translation of share capital.

8. EXPECTED MATURITY OF ASSETS AND LIABILITIES

Other receivables and payables relate wholly to amounts due from and to Morgan Stanley Group undertakings respectively.

Other receivables of £91,376,000 (2017: £89,442,000), other payables of £363,000 (2017: £1,000) and current tax liabilities of £nil (2017: £354,000) are expected to be settled no more than twelve months after the reporting period, with all other amounts expected to be settled more than twelve months after the reporting period end.

9. SEGMENT REPORTING

The Company has only one class of business, as described in the Directors' report, operating in a single geographic market, Europe, Middle East and Africa ("EMEA") and accordingly no segmental analysis has been provided.

10. PROPOSED APPROPRIATION OF THE RESULT

Appropriation of net result for the financial year 2017

The annual report 2017 was determined in the General Meeting on 16 August 2018. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Appropriation of net result for the financial year 2018

The statement of financial position is presented after the proposed appropriation of net result for the year ended 31 December 2018. Management proposes to add the net result for the year to retained earnings. This proposal has been included in the financial statements

Signing of the financial statements :

London, 29 May 2019

Management:

Y W Goddard
Director

S I Merry
Director