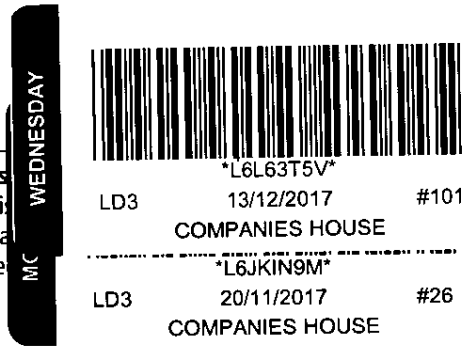
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In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

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

BLUEPRINT OneWorld



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

✗ **What this form is**
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Part 1 Corporate company name

Corporate name of overseas company ❶	Norfolk Trading B.V.
UK establishment number	B R 0 0 7 9 8 8

→ **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: NETHERLANDS 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

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

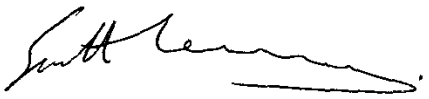
A4 Audited accounts

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

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: UK

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

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UK Registered Number: FC025713

Registered number: 34216064

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

Registered office:
Luna Arena
Herikerbergweg 238
1101 CM
Amsterdam
The Netherlands

NORFOLK TRADING B.V.

Report and financial statements

31 December 2016

LD3 [redacted]
COMPANIES HOUSE

LD2 25/09/2017 #47
COMPANIES HOUSE

NORFOLK TRADING B.V.

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NORFOLK TRADING B.V.

DIRECTORS' REPORT

The Directors present their report and financial statements (which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position and the related notes, 1 to 14) for Norfolk Trading B.V. (the "Company") for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £82,000 (2015: £95,000 profit after tax).

During the year, no dividends were paid or proposed (2015: £nil).

PRINCIPAL ACTIVITY

The principal activity of the Company is to enter into financing transactions and investments.

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 was incorporated under Dutch law on 17 November 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.

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

BUSINESS REVIEW

On 23 June 2016, the United Kingdom ("UK") electorate voted to leave the European Union (the "EU"). It is difficult to predict the future of the UK's relationship with the EU, which uncertainty may increase the volatility in the global financial markets in the short and medium-term. On 29 March 2017, the UK formally invoked Article 50 of the Lisbon Treaty which triggered a two-year period, subject to extension, during which the UK government is expected to negotiate its withdrawal agreement with the EU. Absent any extension, the UK is expected to leave the EU in early 2019. The terms and conditions of the anticipated withdrawal from the EU, and which of the several alternative models of relationship that the UK might ultimately negotiate with the EU, remain uncertain. However, the UK government has stated that the UK will leave the EU single market and will seek a phased period of implementation for the new relationship that may cover the legal and regulatory framework applicable to financial institutions with significant operations in Europe, such as Morgan Stanley. Potential effects of the UK exit from the EU and potential mitigation actions may vary considerably depending on the timing of withdrawal and the nature of any transition or successor arrangements. Any future limitations on providing financial services into the EU from our UK operations could require us to make potentially significant changes to our operations in the UK and Europe and our legal structure there, which could have an adverse effect on our business and financial results.

Overview of 2016

The statement of comprehensive income is set out on page 5. The Company has made a profit of £82,000 in the current year compared to a profit of £95,000 in the prior year. The decrease in profit of £13,000 is primarily due to a decrease in interest income following a decrease in applicable interest rates for the current year as compared to prior year.

The statement of financial position on page 7 of the financial statements shows that the Company's total assets at the end of the current year were £4,273,000 compared to total assets of £4,188,000 at the prior year end. This is principally due to interest income of £85,000 accruing on amounts due from other Morgan Stanley Group undertakings.

DIRECTORS' REPORT

BUSINESS REVIEW (CONTINUED)

The performance of the Company 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 US 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 Company's Directors believe that providing further performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the business of the Company.

The risk management section below sets out the Company's and the Morgan Stanley Group's policies for the management of liquidity and cash flow risk and other significant business risks.

Risk management

Risk is an inherent part of the Company's business activity. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities, in accordance with defined policies and procedures. The Company has developed its own risk management policy framework, which leverages the risk management policies and procedures of the Morgan Stanley Group, and which include escalation to the appropriate senior management personnel of the Company.

Credit risk
Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to the Company. Credit risk includes the risk that economic, social and political conditions and events in a foreign country will adversely affect an obligor's ability and willingness to fulfil their obligations.

Credit risk management policies and procedures for the Company are consistent with those of the Morgan Stanley Group and include escalation to appropriate senior management personnel.

Credit risk exposure is managed on a global basis and in consideration of each significant legal entity within the Morgan Stanley Group. Its credit risk management policies and procedures establish the framework for identifying, measuring, monitoring and controlling credit risk whilst ensuring transparency of material credit risks, ensuring compliance with established limits and escalating risk concentrations to appropriate senior management.

Liquidity and funding risk
Liquidity and funding risk refers to the risk that the Company will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Liquidity and funding risk encompasses the risk that the Company's financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner. It also includes the associated funding risks triggered by the market or idiosyncratic stress events that may cause unexpected changes in funding needs or an inability to raise new funding.

The Morgan Stanley Group's senior management establishes the liquidity and funding policies of the Morgan Stanley Group and the liquidity risk management policies and procedures conducted within the Company are consistent with those of the Morgan Stanley Group. The primary goal of the Morgan Stanley Group's liquidity risk management framework is to ensure that the Morgan Stanley Group, including the Company, have access to adequate funding across a wide range of market conditions and time horizons. The framework is designed to enable the Morgan Stanley Group to fulfil its financial obligations and support the execution of the Company's business strategies.

The Company continues to actively manage its capital and liquidity position to ensure adequate resources are available to support its activities, to enable it to withstand market stresses.

DIRECTORS' REPORT

BUSINESS REVIEW (CONTINUED)

Risk management (continued)

Operational risk
Operational risk refers to the risk of loss, or of damage to the Company's reputation, resulting from inadequate or failed processes, people and systems, or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Operational risk relates to the following risk event categories as defined by Basel Capital Standards: internal fraud; external fraud, employment practices and workplace safety; clients, products and business practices; business disruption and system failure; damage to physical assets; and execution, delivery and process management. Legal, regulatory and compliance risk is discussed below under "Legal, regulatory and compliance risk".

Legal, regulatory and compliance risk
Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss; including fines, penalties, judgements, damages and/ or settlements or loss to reputation the Company may suffer as a result of a failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to our business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with Anti-Money Laundering and terrorist financing rules and regulations.

The Company, principally through the Morgan Stanley Group's Legal and Compliance Division, has established procedures based on legal and regulatory requirements on a worldwide basis that are designed to facilitate compliance with applicable statutory and regulatory requirements and to require that the Company's policies relating to business conduct, ethics and practices are followed globally.

In addition, the Company 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 heightened legal and regulatory focus on the financial services industry presents a continuing business challenge for the Company.

Going concern

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Morgan Stanley Group's and the Company's strategy. Additionally, the Company has access to further 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' REPORT

DIRECTORS

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

S E Bayfield
S I Merry
B Young

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

Approved by the Board and signed on its behalf by

S I Merry	S E Bayfield	B Young
Director	Director	Director

10 AUGUST 2017

NORFOLK TRADING B.V.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Interest income	4	85	98
Interest expense	4	(3)	(3)
PROFIT BEFORE TAXATION		82	95
Income tax	6	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		82	95

All operations were continuing in the current and prior year.

The notes on pages 8 to 15 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2016

	Share capital £'000	Share premium £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	51	156,461	(4)	(152,565)	3,943
Profit for the year	-	-	-	95	95
Total comprehensive income	-	-	-	95	95
Exchange movements on translation of shares	(2)	-	2	-	-
Balance at 31 December 2015	49	156,461	(2)	(152,470)	4,038
Profit for the year	-	-	-	82	82
Total comprehensive income	-	-	-	82	82
Exchange movements on translation of shares	7	-	(7)	-	-
Balance at 31 December 2016	56	156,461	(9)	(152,388)	4,120

The notes on pages 8 to 15 form an integral part of the financial statements.

NORFOLK TRADING B.V.

UK Registered number: FC025713
Registered number: 34216064

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

(including proposed appropriation of net results)

	Note	2016 £'000	2015 £'000
ASSETS			
Loans and receivables:			
Other receivables	7	4,236	4,151
		4,236	4,151
Investments in subsidiaries	8	37	37
TOTAL ASSETS		4,273	4,188
LIABILITIES AND EQUITY			
Financial liabilities at amortised cost:			
Other payables	9	153	150
TOTAL LIABILITIES		153	150
EQUITY			
Share capital	11	56	49
Share premium account		156,461	156,461
Currency translation reserve		(9)	(2)
Retained earnings		(152,388)	(152,470)
Equity attributable to owners of the Company		4,120	4,038
TOTAL EQUITY		4,120	4,038
TOTAL LIABILITIES AND EQUITY		4,273	4,188

These financial statements were approved by the Board and authorised for issue on 10 August 2017

Signed on behalf of the Board

S I Merry - Director

The notes on pages 8 to 15 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2016

1. CORPORATE INFORMATION

The Company was incorporated under Dutch law on 17 November 2004 and has its statutory seat in The Amsterdam, The Netherlands. The registered office is Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands. The business office of the Company is at 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom. The Company is a private company and is limited by shares. The registered number of the Company is 34215064 (UK registered number is FC025713).

Details of parent and ultimate parent of the group are disclosed in the related party disclosure note 14 to these financial statements.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

The Company meets the definition of a qualifying entity as defined in Financial Reporting Standard 100 *Application of Financial Reporting Requirements*. 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 comparative information in respect of certain assets, 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 14.

New standards and interpretations adopted during the year

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

An amendment to IAS 1 '*Presentation of financial statements*' was issued by the IASB in December 2014, as part of the Disclosure Initiative project. The amendment is applicable in annual periods beginning on or after 1 January 2016. The amendment was endorsed by the EU in December 2015.

Amendments to IFRS 10, IFRS 12 and IAS 28 '*Investment entities: Applying the consolidation exemption*' were issued by the IASB in December 2014 for retrospective application in annual periods beginning on or after 1 January 2016. The amendments were endorsed by the EU in September 2016.

As part of the 2012 – 2014 Annual Improvements Cycle published in September 2014, the IASB made amendments to the following standards that are relevant to the Company's operations: IFRS 7 '*Financial instruments: Disclosures*', for application in accounting periods beginning on or after 1 January 2016. The improvements were endorsed by the EU in December 2015.

There were no other standards or interpretations relevant to the Company's operations which were adopted during the year.

Basis of measurement

The financial statements of the Company are prepared under the historical cost basis, except for certain financial instruments that have been measured at fair value as explained in the accounting policies below, and in accordance with applicable UK Accounting Standards, including FRS 101, and the Netherlands Civil Code. The Netherlands 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 Netherlands Civil Code.

The Company, 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.

2. BASIS OF PREPARATION (CONINUED)

Use of estimates and sources of uncertainty

The preparation of the Company's financial statements requires management to make judgements and assumptions regarding matters that affect the financial statements and related disclosures. The Company believes that the estimates utilised in preparing the financial statements are reasonable, relevant and reliable. Actual results could differ from these estimates.

The going concern assumption

The Company's business activities, together with the factors likely to affect its future development, performance and position, are reflected in the Business review section of the Directors' report on pages 1 to 4.

As set out in the Directors' report, retaining sufficient liquidity and capital to withstand market pressures remains central to the Morgan Stanley Group's and the Company's strategy.

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.

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.

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

b. Foreign currencies

All 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 taken through the statement of comprehensive income. Exchange differences recognised in the statement of comprehensive income are presented in 'Other income' or 'Other expense'.

c. Financial instruments

The Company classifies its financial assets into the following categories on initial recognition: investments in subsidiaries and loans and receivables.

The Company classifies its financial liabilities into the following categories on initial recognition: financial liabilities at amortised cost.

More information regarding these classifications is included below:

i) Investments in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated at cost, less provision for any impairment (see note 3(f) below). Dividends, impairment losses and reversals of impairment losses are recognised in the statement of comprehensive income in 'Net gains/ (losses) on investments in subsidiaries. Dividends from investments which would be classified as financial liabilities by the investee are classified as interest and recognised in the statement of comprehensive income in 'Interest income'.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Financial instruments (continued)

ii) Loans and receivables and financial liabilities at amortised cost

Financial assets classified as loans and receivables are recognised when the Company becomes a party to the contractual provisions of the instrument. They are initially measured at fair value (see note 3(d) below) and subsequently measured at amortised cost less allowance for impairment. Interest is recognised in the statement of comprehensive income in 'Interest income', using the effective interest rate method as described below. Transaction costs that are directly attributable to the acquisition of the financial asset are added to or deducted from the fair value on initial recognition. Impairment losses and reversals of impairment losses on financial assets classified as loans and receivables are recognised in the statement of comprehensive income in 'Other expense'.

Financial assets classified as loans and receivables include other receivables.

Financial liabilities at amortised cost are recognised when the Company becomes a party to the contractual provisions of the instrument. They are initially measured at fair value (see note 3(d) below) and subsequently measured at amortised cost. Interest is recognised in the statement of comprehensive income in 'Interest expense' using the effective interest rate method as described below. Transaction costs that are directly attributable to the issue of the financial liability are added to or deducted from the fair value on initial recognition.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument (or a group of financial instruments) and of allocating the interest income or interest expense over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate a shorter period) to the carrying amount of the financial instrument. The effective interest rate is established on initial recognition of the financial instrument. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument.

d. Fair value

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches and establishes a hierarchy for inputs used in measuring fair value that maximises the use of relevant observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability that were developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect assumptions the Company believes other market participants would use in pricing the asset or liability, that are developed based on the best information available in the circumstances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Fair value (continued)

The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities

  Valuations based on quoted prices in active markets for identical assets or liabilities that the Morgan Stanley Group has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgement.

- Level 2 – Valuation techniques using observable inputs

  Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

- Level 3 – Valuation techniques with significant unobservable inputs

  Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

e. Derecognition of financial assets and liabilities

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.

If the asset has been transferred, and the entity neither transfers nor retains substantially all of the risks and rewards of the asset, then the entity determines whether it has retained control of the asset.

If the entity has retained control of the asset, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset. If the entity has not retained control of the asset, it derecognises the asset and separately recognises any rights or obligation created or retained in the transfer.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

f. Impairment of financial assets

At each reporting date, an assessment is made as to whether there is any objective evidence of impairment in the value of a financial asset classified as either loans and receivables or investments in subsidiaries, associates and joint ventures. 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 investment in subsidiaries are measured as the difference between cost and the current estimated recoverable amount. When the recoverable amount is less than the cost, an impairment is recognised within the statement of comprehensive income in 'Net gains/ (losses) on investment in subsidiaries' and is reflected against the carrying amount of the impaired asset on the statement of financial position.

Impairment losses on loans and receivables are measured as the difference between the carrying amount of the loans and receivables and the present value of estimated cash flows discounted at the asset's original effective interest rate. Such impairment losses are recognised in the statement of comprehensive income within 'Other expense' and are recognised against the carrying amount of the impaired asset on the statement of financial position. Interest on the impaired asset continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Impairment of financial assets (continued)

For all other financial assets, if in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any reversal is limited to the extent that the value of the asset may not exceed the original amortised cost of the asset had no impairment occurred.

g. Income tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable 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. Current tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the current tax is also recorded within other comprehensive income or equity respectively.

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.

No other gains or losses have been recognised in respect of loans and receivables other than as disclosed as 'Interest income' within the statement of comprehensive income.

No other gains or losses have been recognised in respect of financial liabilities at amortised cost other than as disclosed as 'Interest expense' within the statement of comprehensive income.

5. OTHER EXPENSE

The Company employed no staff during the year (2015: nil).

6. INCOME TAX

Analysis of result in the year

	2016 £'000	2015 £'000
Current tax expense		
UK corporation tax at 20% (2015: 20.25%)		
- Current year	-	-
Income tax result	-	-

Reconciliation of effective tax rate

The current year income tax expense is lower (2015: lower) than that resulting from applying the average standard rate of corporation tax in the United Kingdom ("UK") for the year of 20.00% (2015: 20.25%). The main differences are explained below:

6. INCOME TAX (CONTINUED)

	2016 £'000	2015 £'000
Profit before taxation	82	95
Income tax using the average standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	16	19
Impact on tax of:		
Group relief received for no cash consideration	(16)	(19)
Total income tax result in the statement of comprehensive income	-	-

7. OTHER RECEIVABLES

	2016 £'000	2015 £'000
Amounts due from other Morgan Stanley Group undertakings	4,236	4,151

8. INVESTMENTS IN SUBSIDIARIES

	Subsidiary undertakings £'000	Total £'000
Cost and net book value		
At 1 January 2016 and 31 December 2016	37	37

Details of all investments in subsidiaries of the Company at 31 December 2016 and 31 December 2015 are as follows:

Name of Company	Address of undertaking's registered office	Type of shares held	Proportion of shares held		Proportion of voting rights held		Nature of business
			2016	2015	2016	2015	
Great St.Helen's Finance Limited	25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom	Class B Ordinary shares	100%	100%	0%	0%	Financial services

9. OTHER PAYABLES

	2016 £'000	2015 £'000
Amounts due to other Morgan Stanley Group undertakings	153	150

10. *COMMITMENTS AND CONTINGENCIES*

The Company has entered into a guarantee with Great St. Helen's Finance Limited where the Company acts as guarantor of payment of principal and a final coupon amount under the agreement on two stepped coupon bonds issued by Great St. Helen's Finance Limited, a fellow Group undertaking.

On 18 December 2007, Great St. Helen's Finance Limited issued bonds (the "Second Bonds") with a nominal value of 1,070,000,000 Canadian Dollars ("CAD"). The Company is exposed to the principal amount and final coupon amount of 20,000,000 CAD until the maturity date 10 March 2020.

No provision has been recognised in the statutory accounts, as the directors believe payment under the guarantee is unlikely. Great St. Helen's Finance Limited enters into transactions with the Morgan Stanley Group and as a result is unlikely to default on its loan agreement. The financial statements of Great St. Helens Finance Limited show that the Company had net assets of 1,465,000 CAD as at 30 November 2016.

11. EQUITY

Ordinary share capital

	Ordinary shares of €0.01 each Number
Authorised	
At 1 January 2016 and 31 December 2016	12,700,000

	Ordinary shares of €0.01 each 2016 Number	Total ordinary shares 2016 £'000	Ordinary shares of €0.01 each 2015 Number	Total ordinary shares 2015 £'000
Allotted and fully paid				
At 1 January 2016 and 31 December 2016	6,600,000	56	6,600,000	49

All ordinary shares are denominated in Euros ("EUR") and recorded at the rates of exchange ruling at the balance sheet date, being EUR 0.854:£1 on 31 December 2016 (2015 EUR 0.738:£1).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2016

12. EXPECTED MATURITY OF ASSETS AND LIABILITIES

None of the Company's assets and liabilities are expected to be recovered or settled more than twelve months after the reporting period (2015: £none).

During 2017 there has been a change to the payment terms of receivables due from other Morgan Stanley Group undertakings amounting to £4,236,000 and payables due to other Morgan Stanley Group undertakings amounting to £65,000 expected to be settled in more than twelve months.

13. SEGMENT REPORTING

The Company 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 DISCLOSURES

Parent and subsidiary relationships

Parent and ultimate controlling entity

The Company's immediate parent undertaking is Morgan Stanley Investment Holdings Jersey Limited, which has its registered office at 13 Castle Street, St Helier, Jersey, JE4 5UT and is registered in Jersey, Channel Islands.

The ultimate parent undertaking and controlling entity and the smallest and largest group of which the Company is a member and for which group financial statements are prepared is Morgan Stanley. 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.

Signing of the financial statements

London

Management:

S I Merry S E Bayfield B Young

10 August 2017

NORFOLK TRADING B.V.

ADDITIONAL INFORMATION
Year ended 31 December 2016

Statutory rules concerning appropriation of the net results

Distribution can only be made to the extent that the Shareholder's equity exceeds the legal reserves and the reserves provided for by the Articles of Association. The Management Board must grant its approval which it can only withhold in the event that it knows or reasonably should have known that - following the distribution, the Company will not be able to continue with the payment of its debts becoming due and payable in the foreseeable future.

The Articles of Incorporation of the Company provide that the net result for the period is at the disposition of the Annual General Meeting of Shareholders.

Appropriation of net result for the year

The statement of financial position is presented after the proposed appropriation of net result for the year ended 31 December 2016. Management proposes to add the net result for the year to retained earnings. This proposal has been included in the financial statements.

Subsequent events

No events have occurred since the reporting date, which would change the financial position of the Company and which would require adjustment of disclosure in the annual report now presented.

Exempt from audit

Norfolk Trading B.V. qualifies as a small sized company according to Netherlands Civil Code which means it is exempted from auditing the financial statements. For this reason the financial statements do not include an audit report.