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Registered number: MC-145442

UK Registration number: FC025904

Business office:
20 Bank Street
Canary Wharf
London E14 4AD
United Kingdom

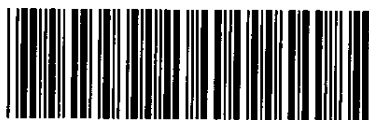
Registered office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

MORGAN STANLEY DOLOR LIMITED

Report and financial statements

31 December 2018

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MORGAN STANLEY DOLOR LIMITED

CONTENTS	PAGE
Strategic report	1
Directors' report	2
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of financial position	6
Notes to the financial statements	7
Appendix to the financial statements	13

MORGAN STANLEY DOLOR LIMITED

STRATEGIC REPORT

The Directors present their Strategic report for Morgan Stanley Dolor Limited (the "Company") for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

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

The principal activity of the Company is to act as an intermediate holding company. In 2015, the share capital of the Company was reduced significantly in line with the Directors' intent to cease operating in the foreseeable future. The financial statements have therefore been prepared on a basis other than that of a going concern.

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 Rivelino Investments Limited.

The management and control of the Company is in the United Kingdom (the "UK"), and the entity is liable to UK corporation tax on its taxable profits.

BUSINESS REVIEW

Overview of 2018 performance and key performance indicators

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

The Company reported a loss after tax for the year ended 31 December 2018 of A\$1,000, compared to A\$nil in the prior year. The loss for the current year relates to net interest expense. Interest income and interest expense have arisen on amounts receivable from and payable to other Morgan Stanley Group undertakings respectively.

The Company's total assets at 31 December 2018 were A\$585,000 compared to A\$569,000 at 31 December 2017. The increase of A\$16,000 is primarily due to an increase in amounts due from other Morgan Stanley Group undertakings. The Company's total liabilities at 31 December 2018 were A\$486,000 compared to A\$469,000 at 31 December 2017. Total liabilities have increased by A\$17,000 primarily due to an increase in amounts due to other 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.

As an intermediate holding company, the Company is also exposed to the risk of decline in value of its investments in subsidiary undertakings. Due to the current financial strength of its subsidiary undertaking, the Directors consider that the actual risk the Company is exposed to is minimal.

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. The Company also manages the risk of potential impacts on its business (including but not limited to the impact of the UK's decision to leave the European Union (the "EU")) by maintaining a constant planning dialogue with the wider Morgan Stanley Group.

Approved by the Board and signed on its behalf by **EMILY LAINO**



Director

26 NOVEMBER 2019

MORGAN STANLEY DOLOR LIMITED

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The loss for the year, after tax, was A\$1,000 (2017: A\$nil).

During the year, no dividends were paid or proposed (2017: A\$nil).

RISK MANAGEMENT AND FUTURE DEVELOPMENTS

Information regarding risk management and future developments has been included in the Strategic report.

DIRECTORS

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

E T Laino
S I Merry

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and Officers' Liability Insurance is taken out by Morgan Stanley, the Company's ultimate parent undertaking, for the benefit of the Directors and Officers of the Company and its subsidiary undertakings.

DIRECTORS' INDEMNITY

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006 of the UK (the "Companies Act 2006")) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Company and its subsidiary undertakings.

EVENTS AFTER THE REPORTING DATE

On 30 October 2019, Morgan Stanley Tostao Limited, a subsidiary of the Company, repurchased 10,099 of its issued share capital. On the same day Morgan Stanley Tostao Limited distributed to the Company A\$100,000 from share premium and paid a dividend of A\$614,000.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including Financial Reporting Standard ("FRS") 101 *Reduced Disclosure Framework* ("FRS 101"), have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

MORGAN STANLEY DOLOR LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT (CONTINUED)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Part 15 of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by **EMILY CAHO**

Emily Cairns

Director

26 NOVEMBER 2019

MORGAN STANLEY DOLOR LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	Note	2018 AS'000	2017 AS'000
Interest income	4	16	14
Interest expense	4	(17)	(14)
(LOSS) / RESULT BEFORE TAXATION		<u>(1)</u>	<u>-</u>
Income tax result	6	-	-
(LOSS) / RESULT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(1)</u></u>	<u><u>-</u></u>

All operations were continuing in the current and prior year.

The notes on pages 7 to 12 form an integral part of the financial statements.

MORGAN STANLEY DOLOR LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Share capital AS'000	Retained earnings AS'000	Total equity AS'000
Balance at 1 January 2017	100	-	100
Result and total comprehensive income for the year	-	-	-
Balance at 31 December 2017	<u>100</u>	<u>-</u>	<u>100</u>
Loss and total comprehensive income for the year	-	(1)	(1)
Balance at 31 December 2018	<u><u>100</u></u>	<u><u>(1)</u></u>	<u><u>99</u></u>

The notes on pages 7 to 12 form an integral part of the financial statements.

MORGAN STANLEY DOLOR LIMITED

Registered number: MC-145442

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 AS'000	2017 AS'000
ASSETS			
Other receivables	9	475	459
Investments in subsidiaries	7	110	110
TOTAL ASSETS		<u>585</u>	<u>569</u>
LIABILITIES			
Other payables	9	486	469
TOTAL LIABILITIES		<u>486</u>	<u>469</u>
EQUITY			
Share capital	8	100	100
Retained earnings		(1)	-
Equity attributable to owners of the Company		<u>99</u>	<u>100</u>
TOTAL EQUITY		<u>99</u>	<u>100</u>
TOTAL LIABILITIES AND EQUITY		<u>585</u>	<u>569</u>

These financial statements were approved by the Board and authorised for issue on 26 NOVEMBER 2019

Signed on behalf of the Board



Director

EMILY CAIRNS

The notes on pages 7 to 12 form an integral part of the financial statements.

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. CORPORATE INFORMATION

The Company is incorporated and domiciled in the Cayman Islands, at the following registered address of Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company is an exempted company and is limited by shares. The registered number of the Company is MC-145442.

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

The parent undertaking of the smallest group of companies for which group financial statements are drawn up and of which the Company is a member is Morgan Stanley & Co. International plc, which has its registered office at 25 Cabot Square, Canary Wharf, London, E14 4QA, UK and is registered in England and Wales. Copies of its financial statements can be obtained from the Registrar of Companies in England and Wales, Companies House, Crown Way, Cardiff CF14 3UZ.

The Company's ultimate parent undertaking and controlling entity and the largest 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

The Company is not required to prepare consolidated financial statements by virtue of the exemption under section 401 of the Companies Act 2006.

The Company is incorporated under the laws of the Cayman Islands, which permits the use of the UK Company law and the use of UK accounting standards in the preparation of financial statements.

In 2015, the share capital of the Company was reduced significantly in line with the Directors' intent to cease operations in the foreseeable future. Consequently, the financial statements have been prepared on a basis other than that of a going concern. No adjustments arose from ceasing to apply the going concern basis. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed to at the balance sheet date.

Statement of compliance

These financial statements are prepared on a basis other than that of a going concern as explained above and under the historical cost convention in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS 101.

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, 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 & Co. International plc ("MSIP") in which the Company is consolidated. Copies of MSIP's accounts can be obtained as detailed at note 1.

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

2. BASIS OF PREPARATION (CONTINUED)

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 International Accounting Standards Board ("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 A\$nil.

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 Australian dollars, the currency of the primary economic environment in which the Company operates.

b. Foreign currencies

Monetary assets and liabilities denominated in currencies other than Australian dollars are translated into Australian dollars at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than Australian dollars 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 investments in subsidiaries, other receivables and payables.

Investments in subsidiaries are stated at cost, less provision for any impairment. Dividends, impairment losses and reversals of impairment losses are recognised in the statement of comprehensive income in 'Net gains on investments in subsidiaries'.

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.

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Impairment of financial assets

From 1 January 2018, the Company recognises loss allowances for 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.

Impairment losses on investments 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 losses on investment in subsidiaries,' and is reflected against the carrying amount of the impaired asset on the statement of financial position.

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.

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

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 A\$nil for the current year (2017: A\$nil).

6. INCOME TAX RESULT

	2018 A\$'000	2017 A\$'000
Current tax expense		
UK corporation tax at 19% (2017: 19.25%)		
- Current year	-	-
Income tax result	<u>-</u>	<u>-</u>

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 higher (2017: equal to) 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 A\$'000	2017 A\$'000
(Loss) / result before taxation	<u>(1)</u>	<u>-</u>
Income tax using the average standard rate of corporation tax in the UK of 19% (2017: 19.25%)	-	-
Impact on tax of:		
Group relief surrendered for no cash consideration	-	-
Total income tax result in the statement of comprehensive income	<u>-</u>	<u>-</u>

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

7. INVESTMENTS IN SUBSIDIARIES

	Subsidiary undertakings A\$'000
Cost	
At 1 January 2018 and 31 December 2018	<u>2,162,892</u>
Impairment provisions	
At 1 January 2018 and 31 December 2018	<u>2,162,782</u>
Carrying amounts	
At 1 January 2018 and 31 December 2018	<u>110</u>

Details of investment in subsidiary of the Company at 31 December 2018 and 31 December 2017 can be found in the Appendix to the financial statements.

8. EQUITY

Ordinary share capital

	Ordinary shares of A\$100,000 each Number
Authorised	
At 1 January 2018 and 31 December 2018	<u>1</u>
	Ordinary shares of A\$100,000 each Number
	Ordinary shares of A\$100,000 each A\$'000
Allotted and fully paid	
At 1 January 2018 and 31 December 2018	<u>1</u> <u>100</u>

9. EXPECTED MATURITY OF ASSETS AND LIABILITIES

Other receivables and payables relate wholly to amounts due from and to group undertakings respectively.

Other receivables of A\$475,000 (2017: A\$459,000) and other payables of A\$486,000 (2017: A\$469,000) are expected to be settled no more than twelve months after the reporting period.

10. SEGMENT REPORTING

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

MORGAN STANLEY DOLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2018**

11. EVENTS AFTER THE REPORTING PERIOD

On 30 October 2019, Morgan Stanley Tostao Limited, a subsidiary of the Company, repurchased 10,099 of its issued share capital. On the same day Morgan Stanley Tostao Limited distributed to the Company A\$100,000 from share premium and paid a dividend of A\$614,000.

MORGAN STANLEY DOLOR LIMITED

APPENDIX TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

Details of investment in subsidiary of the Company at 31 December 2018 and 31 December 2017 are shown in the table below:-

All shares held are ordinary shares and relate to 100% holdings and 100% proportion of voting rights held.

Name of Company	Address of undertaking's registered office	Nature of business
Morgan Stanley Tostao Limited	Maples Corporate Services Limited PO Box 309, Uglund House, Grand Cayman, KY1-1104 Cayman Islands	Financial services