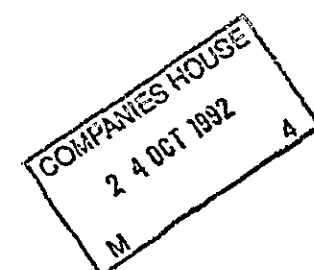


REPORT AND ACCOUNTS

Morgan Stanley Services
(UK) Limited

31 DECEMBER 1991



Registered No. 2164628

Morgan Stanley Services (UK) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1991.

REVIEW OF THE BUSINESS

The company has not traded during the year and hence has had no income or expense.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

N R Sachs (Chairman)

T A Hultquist

R S Kent

D I Neeson

J S Ward

None of the directors had a disclosable interest in the shares of group companies.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


R S Kent

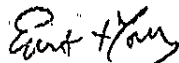
Secretary

14th October, 1992

REPORT OF THE AUDITORS
to the members of Morgan Stanley Services (UK) Limited

We have audited the accounts on pages 4 to 6 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1991 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

14 October 1992

Morgan Stanley Services (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1991

	Note	1991 \$	1990 \$
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Tax on profit on ordinary activities		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
Dividend paid		-	(1,605,271)
Retained profit brought forward		-	1,605,271
RETAINED PROFIT CARRIED FORWARD		-	-

Morgan Stanley Services (UK) Limited

BALANCE SHEET

at 31 December 1991

	Note	1991 \$	1990 \$
CURRENT ASSETS			
Amounts due from group companies		1,000	1,000
		<u>1,000</u>	<u>1,000</u>
NET CURRENT ASSETS		<u>1,000</u>	<u>1,000</u>
CAPITAL AND RESERVES			
Called up share capital	3	1,000	1,000
Profit and loss account		<u>-</u>	<u>-</u>
		<u>1,000</u>	<u>1,000</u>

Director

Director

14th October, 1992

Morgan Stanley Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 December 1991

1. ACCOUNTING POLICIES

Accounting convention

These accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Preparation of accounts in US dollars

It is considered that a fairer reflection of the company's activities is given by presenting the accounts in US dollars since the company's transactions are denominated in this currency.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company has not traded during the year and hence has had no income or expense. Auditors' remuneration is borne by another group undertaking. There were no directors' emoluments (1990 - £nil).

3. CALLED UP SHARE CAPITAL

	1991	1990
	\$	\$
Ordinary shares of \$1 each	1,000	1,000
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>1,000</u>	<u>1,000</u>

4. PARENT UNDERTAKINGS

The ultimate holding company is Morgan Stanley Group Inc., which is incorporated in the United States of America.

The parent undertaking of the smallest group of companies for which group accounts are drawn up and of which the company is a member is Morgan Stanley UK Holdings PLC, which is registered in England and Wales. Copies of Morgan Stanley Group Inc.'s accounts can be obtained from 25 Cabot Square, Canary Wharf, London E14 4QA and Morgan Stanley UK Holdings PLC's accounts can be obtained from the Registrar of Companies for England and Wales.