

LOTHIAN FIFTY (735) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008



These financial statements have been prepared principally for the use of the beneficial owner from the books and records maintained by .

The financial statements comply with the requirements of UK accounting standards only in so far as necessary to meet the needs of the beneficial owner.

LOTHIAN FIFTY (735) LIMITED

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LOTHIAN FIFTY (735) LIMITED

COMPANY INFORMATION

DIRECTOR	Rothschild Trust New Zealand Limited
COMPANY SECRETARY	Rothschild Trust Corporation Limited
COMPANY NUMBER	213973
REGISTERED OFFICE	Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

LOTHIAN FIFTY (735) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The director presents its report and unaudited financial statements for the year ended 31 December 2008.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and generally accepted accounting practice.

Company law applicable in Scotland requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the applicable law. It is 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.

PRINCIPAL ACTIVITIES

The Company's principal activity is the holding of investments, a schedule of which is attached to these financial statements.

DIVIDENDS

There were no dividends declared in the year under review (2007 - \$NIL).

RESULTS

The Income and expenditure account for the year is set out on page 3.

DIRECTOR

The director who served during the year was:

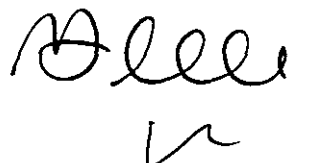
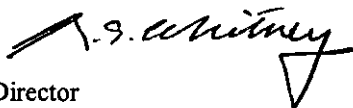
Rothschild Trust New Zealand Limited

COMPANY SECRETARY

The Company secretary who held office throughout the year was Rothschild Trust Corporation Limited.

This report was approved by the board on 22/10/09 and signed on its behalf.

Director



LOTHIAN FIFTY (735) LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	As restated 2007 \$
INVESTMENT INCOME			
Bank interest		3,658	3,052
General partner management fee		14,429	19,929
		<u>18,087</u>	<u>22,981</u>
OPERATING EXPENSES			
Legal & professional fees		(989)	(1,238)
Company fees		(469)	(471)
Bank charges		(121)	(57)
		<u>(1,579)</u>	<u>(1,766)</u>
OPERATING SURPLUS			
Profit/(loss) on foreign exchange		16,508	21,215
		<u>(36,245)</u>	<u>1,516</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			
		(19,737)	22,731
Taxation		(6,075)	-
		<u>(25,812)</u>	<u>22,731</u>
RETAINED EARNINGS FOR THE YEAR			
		<u>(25,812)</u>	<u>22,731</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those included in the net deficit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net deficit retained for the year as stated above and its historical cost equivalent.

The notes on pages 5 to 6 form part of these financial statements.

LOTHIAN FIFTY (735) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	\$	2008 \$	\$	As restated 2007 \$
FIXED ASSETS					
Fixed asset investments	3		1		1
CURRENT ASSETS					
Debtors	4	58,049		60,250	
Cash at bank		48,763		72,374	
			<u>106,812</u>		<u>132,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>106,813</u>		<u>132,625</u>
CAPITAL AND RESERVES					
Called up share capital	5		1		1
Income and expenditure account	6		106,812		132,624
SHAREHOLDERS' FUNDS			<u>106,813</u>		<u>132,625</u>

All amounts relate to continuing operations.

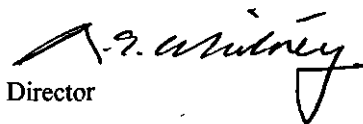
For the year ended 31 December 2008 the company was entitled to exemption under section 249a(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The director acknowledged its responsibility for:

- 1) Ensuring the company keeps accounting records which comply with section 221; and
- 2) Preparing accounts which give a true and fair value of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Director


Director

The notes on pages 5 to 6 form part of these financial statements.

LOTHIAN FIFTY (735) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 CHANGE IN ACCOUNTING POLICY

During the year under review, a change in accounting policy in relation to investments was made; investments are now recorded at the value of the company's capital contribution to the partnership, per the Limited Partnership Agreement dated 19th January 2001.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and on a going concern basis.

1.3 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised in the Balance sheet when the entity becomes a party to the contractual provisions of the instrument.

1.4 INVESTMENTS

Investment in the partnership, Edsel L.P., is recorded at the value of the company's capital contribution to the partnership, per the Limited Partnership Agreement dated 19th January 2001.

1.5 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Income and expenditure account.

1.6 CASH FLOW

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007).

2. OPERATING SURPLUS

During the year, no director received any emoluments (2007 - \$NIL).

3. FIXED ASSET INVESTMENTS

COST

At 1 January 2008 (as restated) and 31 December 2008

Unlisted
investments
\$

1

LOTHIAN FIFTY (735) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4. DEBTORS

	2008 \$	2007 \$
DUE WITHIN ONE YEAR		
Accruals and prepayments	58,049	60,250
	<u>58,049</u>	<u>60,250</u>

5. SHARE CAPITAL

	2008 \$	As restated 2007 \$
AUTHORISED		
100 shares of £1 each	146	146
	<u>146</u>	<u>146</u>
ALLOTTED, CALLED UP AND FULLY PAID		
1 share of £1	1	1
	<u>1</u>	<u>1</u>

6. RESERVES

	Income and expenditure account \$
At 1 January 2008	132,624
Deficit for the year	(25,812)
	<u>106,812</u>
At 31 December 2008	<u>106,812</u>

7. PRIOR YEAR ADJUSTMENT

As a result of a change in accounting policy, the value of the investments was revalued downwards by US\$ 135,197.51 to US\$ 1.45 in 2007.