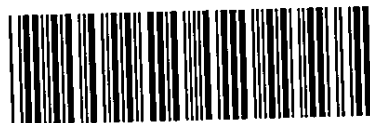


Company Registration No. SC300567 (Scotland)

EARTH RAPID LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2012

MONDAY



SCT 18/11/2013 #374
COMPANIES HOUSE

EARTH RAPID LIMITED

COMPANY INFORMATION

Director	R F M Adair
Company number	SC300567
Registered office	Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Independent Auditors	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

EARTH RAPID LIMITED

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EARTH RAPID LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

The director presents his report and financial statements for the period ended 31 December 2012.

Principal activities and review of the business

The principal activity of the company is an investment holding company.

It is the intention of the Director to wind up the company in the near future. For this reason the financial statements have not been prepared on a going concern basis.

Results and dividends

The results for the period are set out on page 5.

No dividend has been recommended by the director.

Director

The following director has held office since 1 November 2011:

R F M Adair

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The accounts are not prepared on a going concern basis, as set out in note 1.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

EARTH RAPID LIMITED

**DIRECTOR'S REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Robert F M Adair

R F M Adair

Director

12 November 2013

EARTH RAPID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EARTH RAPID LIMITED

We have audited the financial statements of Earthrapid Limited for the period ended 31 December 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). These financial statements have not been prepared on a going concern basis for the reason set out in note 1 to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on The Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

EARTH RAPID LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF EARTH RAPID LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



**Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
Statutory Auditors**

12.11.13
.....

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

EARTH RAPID LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2012**

		Period ended 31 December 2012 £	Year ended 31 October 2011 £
	Notes		
Administrative expenses		929,742	(4,080)
Operating profit/(loss)	2		
Continuing operations		-	(4,080)
Discontinued activities		929,742	-
		929,742	(4,080)
Impairment of investments	3	(16,828,600)	-
Loss on ordinary activities before taxation		(15,898,858)	(4,080)
Tax on loss on ordinary activities	4	-	-
Loss for the period	10	(15,898,858)	(4,080)

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

EARTH RAPID LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

		As at 31 December 2012		As at 31 October 2011	
	Notes	£	£	£	£
Fixed assets					
Investments	5		-		-
Current assets					
Creditors: amounts falling due within one year	6	-		(6,900)	
Total assets less current liabilities			-		(6,900)
Creditors: amounts falling due after more than one year	7		-		(15,907,579)
Provisions for liabilities	8		-		(929,742)
			-		(16,844,221)
Capital and reserves					
Called up share capital	9		4		4
Revaluation reserve	10		-		(16,828,600)
Profit and loss account	10		(4)		(15,625)
Shareholders' funds	11		-		(16,844,221)

The notes on pages 7 to 13 form part of these financial statements.

Approved by the Board and authorised for issue on 12 November 2013

Robert F M Adair

R F M Adair
Director

Company Registration No. SC300567

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

1.2 Going concern

The intention of the Director is to wind up the Company in the near future. For this reason the Director's assessment is that the Company is no longer a going concern and therefore the financial statements have not been prepared on a going concern basis.

The director considers there to be no material difference between the values of the assets and liabilities as disclosed at the year end, and the values should the accounts have been prepared on a going concern basis.

1.3 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) from including a cash flow statement in the financial statement on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.4 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.5 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.7 Cost of raising finance

In accordance with Financial Reporting Standard No 4 costs incurred in raising finance are netted off against the loan proceeds and amortised over the life of the loan.

1.8 Investments in associated undertakings

Investments in associated undertakings are accounted using the equity method whereby the original cost of the investment is adjusted for changes in the value of the underlying net assets. Changes in the net asset value of associates are taken to a revaluation reserve except permanent diminutions in value which are charged to the profit and loss account.

1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Operating profit/(loss)

2012

2011

£

£

Operating profit/(loss) is stated after charging:

Fees payable to the company's auditor for the audit of the company's annual accounts

-

2,400

and after crediting:

Release of provision (note 8)

929,742

-

EARTHRAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

3	Impairment of investments	2012	2011
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	<u>16,828,600</u>	<u>-</u>

Due to the uncertainty as to the recoverability of the loan and investment of Terrace Hill Residential plc, the impairment of investments and loans to Terrace Hill Residential plc is considered to be permanent. Accordingly, losses previously taken to the revaluation reserve totalling £16,828,600 have been realised.

4	Taxation	2012	2011
	Total current tax	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	<u>(15,898,858)</u>	<u>(4,080)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.70% (2011 - 26.00%)	<u>(3,927,018)</u>	<u>(1,061)</u>
	Effects of:		
	Non deductible expenses	4,156,664	-
	Non-taxable income	<u>(229,646)</u>	<u>1,061</u>
		<u>3,927,018</u>	<u>1,061</u>
	Current tax charge for the period	<u>-</u>	<u>-</u>

The company has estimated losses of £14,925 (2011 - £14,925) available for carry forward against future trading profits.

The company has not made any adjustment for the potential deferred tax assets arising on the company losses carried forward as the director does not consider that there is sufficient certainty concerning the future profits of the company.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 November 2011 & at 31 December 2012	-
Net book value	
At 31 December 2012	-
At 31 October 2011	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
Terrace Hill Residential plc	Scotland	Ordinary A	49.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2012 £	Profit/(loss) for the period 2012 £
	Principal activity		
Terrace Hill Residential plc	Property investment company	(42,762,196)	(8,718,113)

On a historical cost basis the net book value of the company's investment is £147,000 (2011 - £147,000).

On 27 February 2013, Terrace Hill Residential plc disposed of the majority of the investment portfolio held by the company. The directors plan to dispose of the remaining assets in due course and to cease trading when that has occurred. As a consequence the directors of Terrace Hill Residential plc have not prepared the financial statements on a going concern basis. There is no effect on the profit and loss account or the balance sheet by adopting this approach.

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

6 Creditors: amounts falling due within one year	2012	2011
	£	£
Amounts owed to immediate parent	-	2,820
Accruals and deferred income	-	4,080
	<u>-</u>	<u>6,900</u>

Amounts owed to undertakings in which the company has a participating interest is the net of a loan balance owed by Terrace Hill Residential plc of £nil (2011 - £15,751,858) and a provision against such balances of £nil (2011 - £16,681,600) due to the net liability position of Terrace Hill Residential plc.

7 Creditors: amounts falling due after more than one year	2012	2011
	£	£
Amounts owed to group undertakings	-	15,907,579
	<u>-</u>	<u>15,907,579</u>

During the year the balance due to ultimate parent company was waived. This has been treated as a capital contribution in the financial statements.

8 Provisions for liabilities	Other
	£
Balance at 1 November 2011	929,742
Movement in year	<u>(929,742)</u>
Balance at 31 December 2012	<u>-</u>

Other provisions is the provision for guarantees provided to Terrace Hill Residential plc in excess of the loan balance due from Terrace Hill Residential plc. The provision has been reversed as the liabilities of Terrace Hill Residential plc have been settled post year end by the calling of the guarantee provided by Skye Investments Limited and Terrace Hill Group plc.

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

9 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

10 Statement of movements on profit and loss account

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 November 2011	(16,828,600)	(15,625)
Loss for the period	-	(15,898,858)
Capital contribution	-	15,914,479
Effect of permanent impairment loss (note 3)	<u>16,828,600</u>	<u>-</u>
Balance at 31 December 2012	<u>-</u>	<u>(4)</u>

11 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Loss for the financial period	(15,898,858)	(4,080)
Other recognised gains and losses	16,828,600	(3,002,979)
Capital contributions	<u>15,914,479</u>	<u>-</u>
Net addition to/(depletion in) shareholders' funds	16,844,221	(3,007,059)
Opening deficit in shareholders' funds	<u>(16,844,221)</u>	<u>(13,837,162)</u>
Closing shareholders' funds/(deficit)	<u>-</u>	<u>(16,844,221)</u>

12 Employees

Number of employees

There were no employees during the period apart from the director.

EARTH RAPID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

13 Control

The immediate parent company is Skye Holdings Limited, a company registered in Scotland. The ultimate parent company is Skye Investments Limited, which is registered in England and Wales.

The ultimate controlling party is Mr R F M Adair and the Trustees of the Adair family trusts.

14 Related party relationships and transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Skye Investments Limited. In previous years the company has provided loans to Terrace Hill Residential plc, at the year end the balance outstanding was £nil (2011 - £15,751,858) with a provision against such balances of £nil (2011 - £16,681,600) due to the net liability position of Terrace Hill Residential plc.