

RIAS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1997

**COMPANY REGISTRATION NUMBER
SC 90513**



RIAS SERVICES LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997**

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RIAS SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31st December 1997.

STATUS OF COMPANY AND PRINCIPAL ACTIVITIES

The Company is wholly owned by the Royal Incorporation of Architects in Scotland. The distributable profits of the Company as defined by Schedule 19 of the Income and Corporation Taxes Act 1988 are payable to The Royal Incorporation of Architects in Scotland under the terms of a deed of covenant dated 23rd December 1994.

The principal activities of the company continuing without significant change during the year were the provision of services to architects and architectural practices and the sale of books and publications.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year were as follows:

J B DEANS (CHAIRMAN)
T M GRAY
D CAMERON
A MCLENNAN
T B CURRY
K R S MACDONALD
S RIDDELL

There are no Directors' interests in the Company.

RIAS SERVICES LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements of each financial year which give a true and fair view of the state of the affairs of the company and of the profit and 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 estimates that are reasonable and prudent;
- state whether applicable 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 Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

FORM AND CONTENT OF REPORT

In preparing this report, advantage has been taken of the special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

M Goodfellow

M GOODFELLOW

Secretary

Edinburgh

25/3/98

**REPORT OF THE AUDITORS
TO THE MEMBERS OF RIAS SERVICES LIMITED**

We have audited the financial statements on pages 5 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

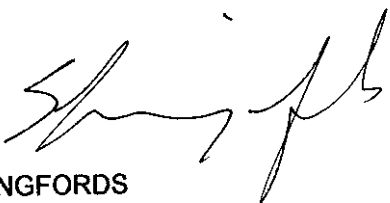
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



SPRINGFORDS

26 March 1998

Registered Auditors
Eskbank, Midlothian

RIAS SERVICES LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention.

CASH FLOW STATEMENT

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard 1 on the grounds that it is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 for small companies.

TURNOVER

Turnover represents income from the provision of services to architects and architectural practices, sales of books and publications and advertising revenue. Turnover is stated net of value added tax and trade discounts.

STOCKS

Stocks are stated at the lower of cost and net realisable value and comprise stocks of books, products and publications held for resale and work in progress.

PENSIONS

The company contributes to a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents the contributions payable by the company to the fund.

RIAS SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER 1997

	NOTES	1997	1996
		£	£
TURNOVER	1	1,137,798	1,332,006
COST OF SALES		979,641	1,233,988
GROSS PROFIT		158,157	90,018
ADMINISTRATIVE EXPENSES		149,640	114,358
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,517	(16,340)
LESS COVENANTED DONATION		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		8,517	(16,340)

The above results are attributable to continuing operations in both financial years.

The company has no recognised gains or losses other than the profit or loss for each financial year above and therefore no separate statement of total recognised gains and losses has been presented.

RIAS SERVICES LIMITED

BALANCE SHEET AT 31ST DECEMBER 1997

	NOTES	1997	1996
		£	£
CURRENT ASSETS			
STOCK		125,077	143,180
DEBTORS	4	143,955	156,955
CASH AT BANK		1,714	
		270,746	300,135
CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	5	280,958	318,864
NET CURRENT LIABILITIES		(10,212)	(18,729)
CAPITAL AND RESERVES			
CALLLED UPSHARE CAPITAL		100	100
PROFIT AND LOSS ACCOUNT		(10,312)	(18,829)
SHAREHOLDERS' FUNDS		(10,212)	(18,729)

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 9 were approved by the Directors on 25th March 1998 and signed on their behalf by:

Tim Gray
Byron A. Deans
[Signature]

DIRECTORS

RIAS SERVICES LIMITED

NOTED TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997

1 TURNOVER

In the opinion of the Directors, none of the Turnover of the Company is attributable to geographical locations outside the UK. (1996 – nil)

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	1997 £	1996 £
Auditors' Remuneration	<u>2,375</u>	<u>2,375</u>

No remuneration was paid to the Directors during either financial year.

3 COVENANTED DONATION AND TAXATION

	1997 £	1996 £
Net covenant paid in year	-	-
Add: income tax deducted	-	-
	-----	-----
Gross Covenant Due	-	-
	=====	=====

Under the terms of a Deed of Covenant dated 23rd December 1994, the annual distributable profits of the Company, as defined by Schedule 19 of the Income and Corporation Taxes Act 1988, are payable to the Royal Incorporation of Architects in Scotland.

No payment was due for 1997 as profits were covered by trading losses brought forward from 1996. Tax losses available to carry forward in 1997 are calculated at £7,823,

4 DEBTORS

	1997 £	1996 £
Amounts falling due within one year:		
Trade Debtors	77,685	117,819
Other Debtors	66,268	39,136
	-----	-----
	143,953	156,955
	=====	=====

RIAS SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5 CREDITORS**

AMOUNTS FALLING DUE WITHIN ONE YEAR	1997	1996
	£	£
Bank Overdraft	-	3,980
Loans	3,000	4,000
Trade Creditors	97,868	136,762
Amount due to Royal Incorporation of Architects in Scotland (parent undertaking)	56,413	50,645
Other Creditors	123,677	123,477
	<u>280,958</u>	<u>318,864</u>
	=====	=====

During the year management charges of £149,640 (1996: £114,358) were paid to the Company's parent undertaking

6 CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised, allotted, called up and fully paid 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

7 PROFIT AND LOSS ACCOUNT

	1997	1996
	£	£
At 1 st January 1997	(18,829)	(2,489)
Profit/(Loss) for year	8,517	(16,340)
	<u>(10,312)</u>	<u>(18,829)</u>
	=====	=====

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit/(Loss) for the financial year	8,517	(16,340)
Opening shareholders funds	<u>(18,729)</u>	<u>(2,389)</u>
Closing shareholders' funds (net deficiency)	<u>(10,212)</u>	<u>(18,729)</u>
	=====	=====

9 NET LIABILITY POSITION

The balance sheet of the company shows net liabilities of £10,212. As a result under the Insolvency Act 1985, the company is technically insolvent. The company is dependent upon the ongoing financial support of the holding company. As a result, the Directors have drawn up the financial statements on a going concern basis.