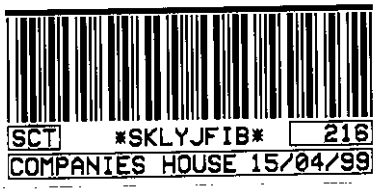
RIAS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1998

COMPANY REGISTRATION NUMBER
SC 90513



RIAS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

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RIAS SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31st December 1998.

STATUS OF COMPANY AND PRINCIPAL ACTIVITIES

The Company is wholly owned and controlled 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 1988 are payable to the Royal Incorporation of Architects in Scotland under the terms of a deed of covenant dated 23rd December 1998.

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 during the year were as follows:

J B DEANS (CHAIRMAN)
T M GRAY
J A MCLENNAN
T B CURRY
K R S MACDONALD
S RIDDELL
D READ Elected 25th March 1998
D CAMERON Resigned 6th April 1998

There are no Directors' interests in the Company.

YEAR 2000 AND THE EURO

The Directors have considered the potential impacts and extent of Year 2000 compatibility and the introduction of the Euro on the company and its operations. They are satisfied that the company can adequately address the issues and do not foresee any material problems with respect to customers, suppliers and other relevant parties.

RIAS SERVICES LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for 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; and
- 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.

SMALL COMPANY EXEMPTIONS

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

Maureen Goodfellow

M GOODFELLOW
Secretary

REPORT OF THE AUDITORS
TO THE MEMBERS OF RIAS SERVICES LIMITED

We have audited the financial statements on pages 5 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 1998, and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Springfords

SPRINGFORDS

Registered Auditors
Dundas House, Westfield Park, Eskbank, Midlothian

31st March 1999.

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.

RIAS SERVICES LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	NOTES	1998	1997
		£	£
TURNOVER	1	820,380	1,137,798
COST OF SALES		(712,228)	(979,641)
GROSS PROFIT		108,152	158,157
ADMINISTRATIVE EXPENSES	2	(129,642)	(149,640)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(21,490)	8,517
LESS: COVENANTED DONATION		-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	7	(21,490)	8,517

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains or losses in 1998 or 1997 other than those included in the (loss)/profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is not difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the years stated above and their historical cost equivalents.

RIAS SERVICES LIMITED

BALANCE SHEET AT 31ST DECEMBER 1998

	NOTES	1998 £	1997 £
CURRENT ASSETS			
STOCK		135,682	125,077
DEBTORS	4	116,458	143,955
CASH AT BANK AND IN HAND		1,065	1,714
		253,205	270,746
CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(284,907)	(280,958)
NET CURRENT LIABLILITIES		(31,702)	(10,212)
CAPITAL & RESERVES			
CALLED UP SHARE CAPITAL	6	100	100
PROFIT & LOSS ACCOUNT	7	(31,802)	(10,312)
SHAREHOLDERS FUNDS		(31,702)	(10,212)

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

The financial statements on pages 5-9 were approved by the board of directors on 31st March 1999 and signed on its behalf by:

Douglas Read

DIRECTORS

Murray

RIAS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

1 TURNOVER

In the opinion of the directors, none of the turnover of the Company is attributable to geographical markets outside the UK. (1997 – nil)

2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	1998	1997
Auditors' Remuneration	£2,375	£2,375

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

3 COVENANTED DONATION AND TAXATION

	1998	1997
Net covenant paid in year	£ -	£ -
Add: income tax deducted	-	-
Gross Covenant Due	nil	nil

Under the terms of a Deed of Covenant dated 23rd December 1998, 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 1998 as there was a trading loss. No payment was due for 1997 as there were trading losses brought forward from the previous year. Tax losses available to carry forward in 1998 are calculated at £29,313.

4 DEBTORS

	1998	1997
Amounts falling due within one year:		
Trade Debtors	£69,679	£77,685
Other Debtors	46,779	66,270
	116,458	143,955

NOTES TO THE FINANCIAL STATEMENTS

5 CREDITORS: amounts falling due within one year

	1998	1997
Loans	£ 3,000	£ 3,000
Trade Creditors	101,104	97,868
Amount due to parent undertaking	96,117	56,413
Other Creditors	84,686	123,677
	284,907	280,958

Management charges of £129,642 (1997:£149,640) were payable to the company's parent undertaking for the year.

6 CALLED UP SHARE CAPITAL

	1998	1997
Authorised, allotted, called up and fully paid		
100 Ordinary Shares of £1 each	£100	£100

7 PROFIT AND LOSS ACCOUNT

	1998	1997
At 1st January 1998	£(10,312)	£(18,829)
(Loss)/Profit for year	(21,490)	8,517
	£(31,802)	£(10,312)

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	1998	1997
(Loss)/Profit for the financial year	£(21,490)	£ 8,517
Opening Shareholders Funds	(10,212)	(18,729)
Closing shareholders' funds (net deficiency)	£(31,702)	£(10,212)

9 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is the Royal Incorporation of Architects in Scotland by virtue of a 100 per cent holding of its ordinary share capital.