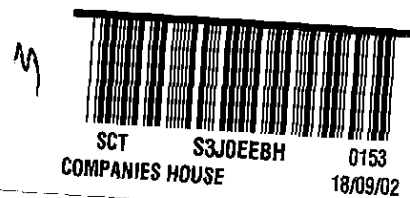


RIAS SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2001

Company Registration Number
SC 90513



RIAS SERVICES LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2001**

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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 2001.

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 Act 1988 are payable to the Royal Incorporation of Architects in Scotland under the terms of a deed of covenant dated 23rd December 1998. These payments now qualify as gift aid.

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.

Financial Results

There was a profit for the year of £17,279 before payment of gift aid (2000 – loss of £3,128). However, this profit is offset by losses brought forward and therefore no gift aid is payable.

Directors and Their Interests

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

J B Deans	(Chairman)
J A McLennan	
T B Curry	
G McL Wren	Appointed 26.9.01
K R S MacDonald	Resigned 26.9.01
S Riddell	
D Read	
J Paul	

There are no Directors' interests in the Company.

RIAS SERVICES LIMITED

DIRECTORS' REPORT (continued)

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 or 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


M GOODFELLOW
Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RIAS SERVICES LIMITED**

We have audited the financial statements of RIAS Services Limited for the year ended 31 December 2001 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 2001, and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

SpringEds

SPRINGFORDS

Chartered Accountants and
Registered Auditors

Dundas House, Westfield Park, Eskbank, Edinburgh
28 March 2002

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 (revised 1996) on the grounds that it is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 for small companies.

Related Party Transactions

The company has taken advantage of the exemption from disclosing details of transactions with fellow group entities conferred by Financial Reporting Standard No.8.

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 AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	1	877,884	774,834
Cost of Sales		<u>739,098</u>	<u>647,122</u>
Gross Profit		138,786	127,712
Administrative Expenses	2	121,507	130,840
Profit / (Loss) on Ordinary Activities before Taxation		<u>17,279</u>	<u>(3,128)</u>
Less: Gift Aid / Covenanted Donation		<u>-</u>	<u>-</u>
Profit / (Loss) for the Financial Year	7	<u><u>17,279</u></u>	<u><u>(3,128)</u></u>

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

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

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the years stated above and their historical cost equivalents.

RIAS SERVICES LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Current Assets:			
Stock & work in progress		151,857	183,827
Debtors	4	<u>93,563</u>	<u>91,832</u>
		245,420	275,659
Creditors:			
Amounts falling due within one year	5	<u>(252,070)</u>	<u>(299,588)</u>
Net Current (Liabilities)		<u>(6,650)</u>	<u>(23,929)</u>
Capital & Reserves			
Called up share capital	6	100	100
Profit & loss account	7	<u>(6,750)</u>	<u>(24,029)</u>
(Deficiency) in Shareholders' Funds	8	<u>(6,650)</u>	<u>(23,929)</u>

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 27 March 2002 and are signed on its behalf by:

J B Deans
Chairman

G McL Wren
Director

RIAS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1 Turnover

In the opinion of the directors, none of the turnover for the Company is attributable to geographical markets outside the UK. (2000 - nil)

2 Profit / (Loss) on Ordinary Activities before Taxation

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

	2001	2000
	£	£
Auditors' remuneration	<u>2,550</u>	<u>2,375</u>

3 COVENANTED DONATION / GIFT AID AND TAXATION

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, the parent body. Under the new regulations (April 2000) this qualifies as a gift aid payment to be paid over without deduction of tax.

No gift aid payment is due for 2001 as the profit is offset by trading losses brought forward. The balance of tax losses available to carry forward to 2002 is calculated at £4,261.

4 DEBTORS

	£	£
Amounts falling due within one year:		
Trade debtors	43,143	47,832
Prepayments & accrued income	<u>50,420</u>	<u>44,000</u>
	<u>93,563</u>	<u>91,832</u>

RIAS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 CREDITORS	2001	2000
	£	£
Bank overdraft	27,575	700
Trade creditors	90,996	95,624
Amount due to parent undertaking	42,024	69,691
Other creditors	<u>91,475</u>	<u>133,573</u>
	<u>252,070</u>	<u>299,588</u>

Management charges of £121,507 (2000: £130,840) were payable to the company's parent undertaking for the financial year.

6 CALLED UP SHARE CAPITAL	£	£
Authorised, allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7 PROFIT AND LOSS ACCOUNT	£	£
At 1st January 2001	(24,029)	(20,901)
Profit / (Loss) for year	<u>17,279</u>	<u>(3,128)</u>
At 31st December 2001	<u>(6,750)</u>	<u>(24,029)</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS		
Profit / (Loss) for the financial year	17,279	(3,128)
Opening shareholder's funds	<u>(23,929)</u>	<u>(20,801)</u>
Closing shareholder's funds	<u>(6,650)</u>	<u>(23,929)</u>

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.