

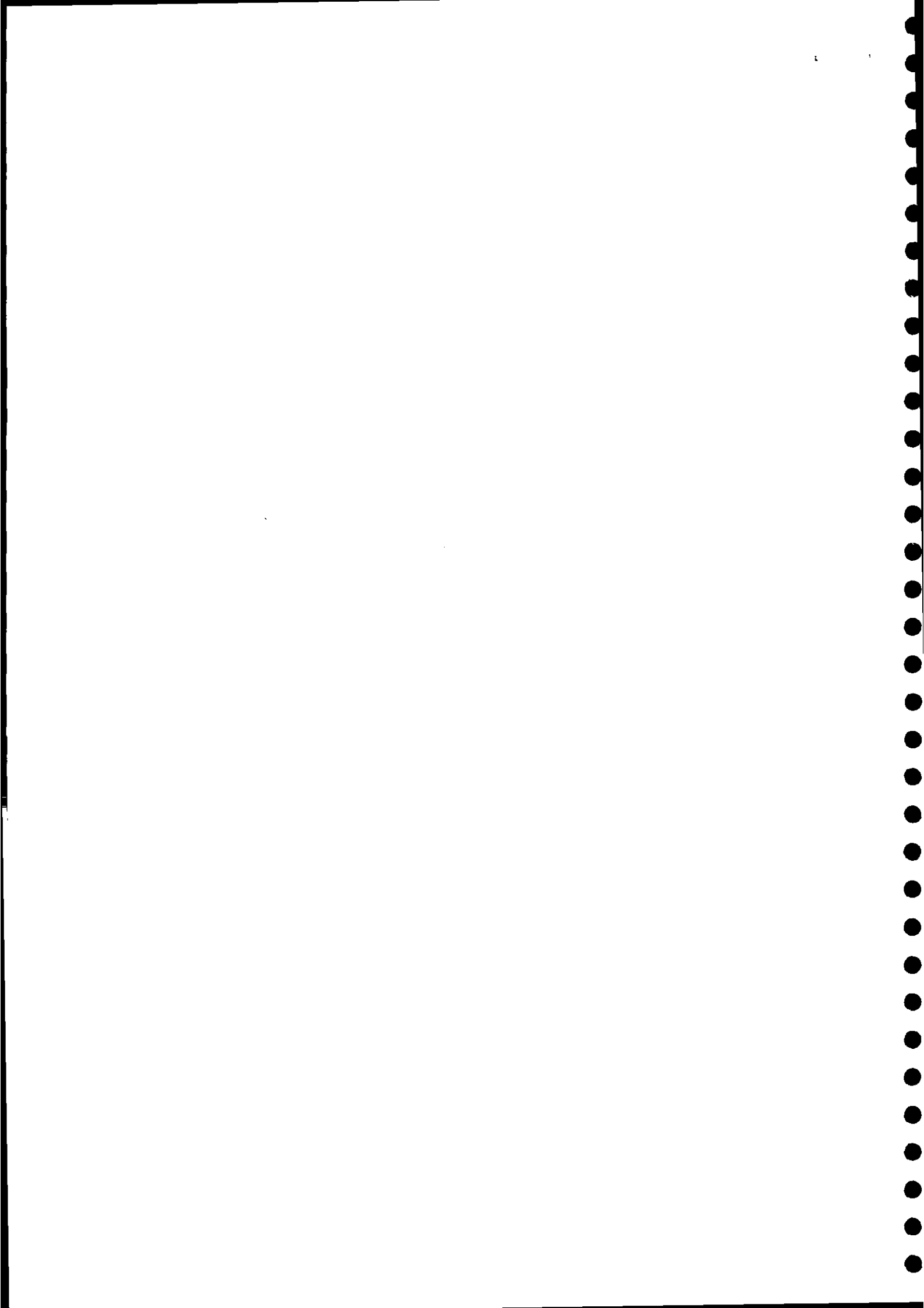
**RICS Business Services Limited**

**Directors' report and consolidated  
financial statements**

Registered number 1526902

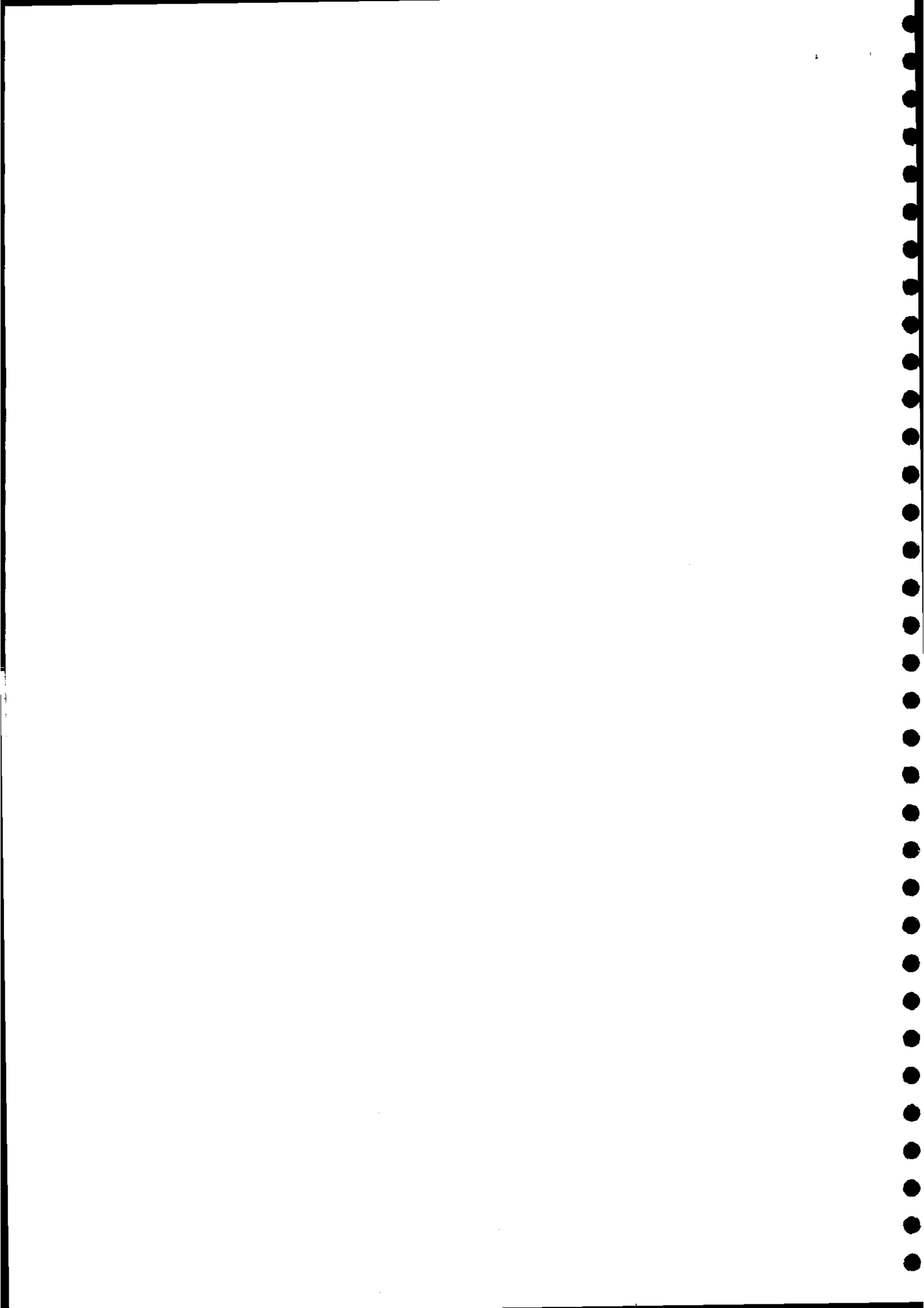
For the year ended 31 July 2002





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## Directors' report

### Principal activities

The principal activities of the group during the year were the production of journals and publications, the supply of information relating to building construction and maintenance, together with the provision of other services for the surveying profession.

### Business review and result for the year

Details of the profit for the year are set out in the consolidated profit and loss account on page 4.

Both the level of business and the year end financial position were satisfactory and the directors expect the present level of activity will be at least sustained for the foreseeable future.

The directors do not recommend the payment of a dividend (2001: £Nil).

### Directors

The directors of the company who served during the year were as follows:

JM Allan FRICS	
JHAJ Armstrong MA Barrister F Inst Mgt	
RJ Ashmead LLB MBA	(resigned 28 September 2001)
MJG King FRICS MBA	
K Yeomans	(resigned 11 April 2002)
DG Callé BA ACA	
RC Theobalds	(appointed 02 October 2001, resigned 30 September 2002)
TJ Sullivan CB, CBE, BSc	(appointed 01 May 2002)
S Tompkins MIDM, ACII	(appointed 01 May 2002)

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Charitable donations

The company made charitable donations totalling £747,000 (2001: £795,000) in the year.

### Laying of financial statements

In accordance with Section 252 of the Companies Act 1985, the company has elected, by passing an elective resolution on 24 October 1991, to dispense with the laying of financial statements before the company in general meeting.

### Annual general meeting

In accordance with Section 366 of the Companies Act 1985, the company has elected, by passing an elective resolution on 24 October 1991, to dispense with the holding of annual general meetings.

### Auditors

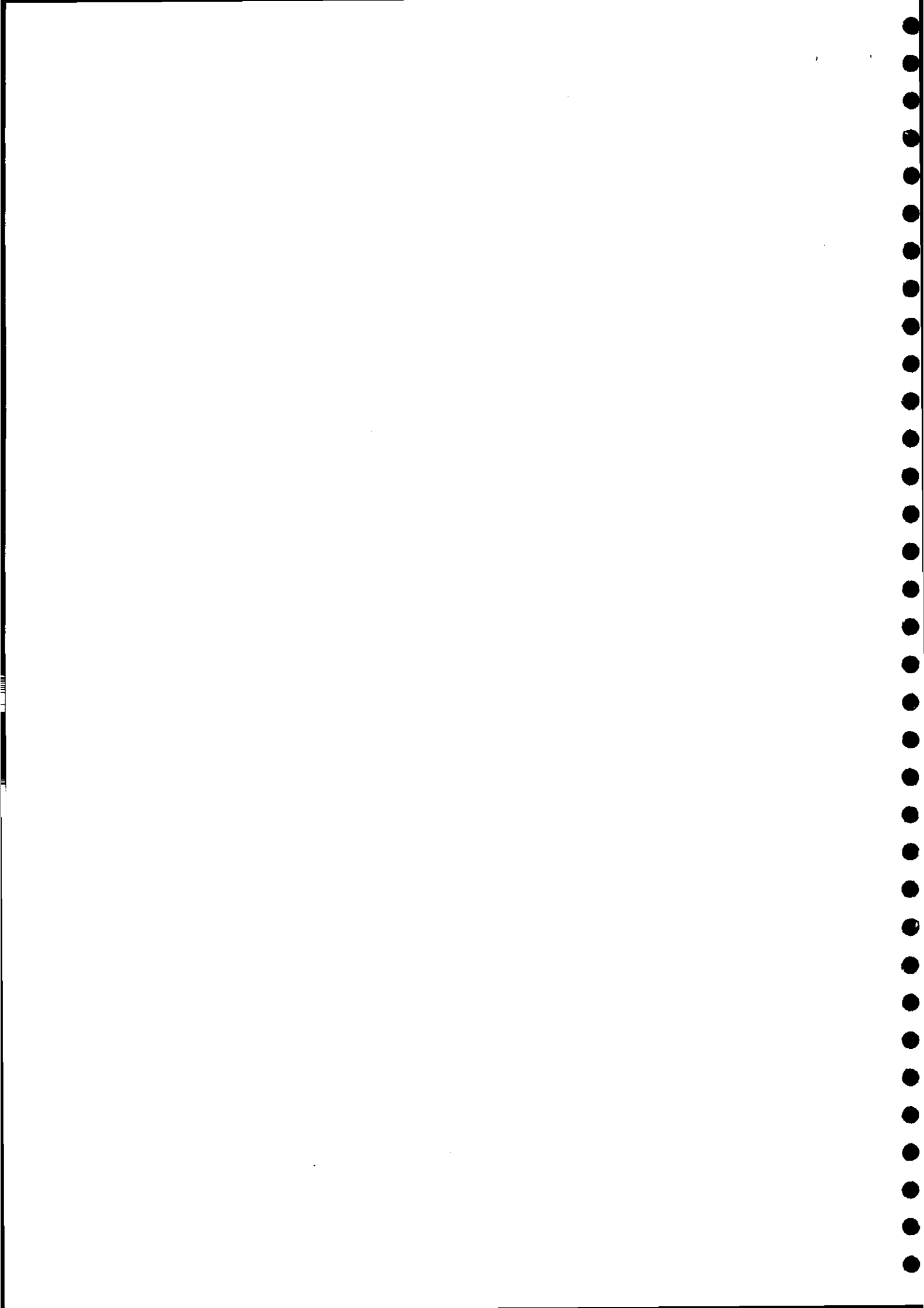
Deloitte & Touche have been appointed as auditors during the year and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed.

Approved by the board and signed on its behalf by:

  
D G Callé  
Secretary

Surveyor Court  
Westwood Way  
Coventry  
CV4 8JE

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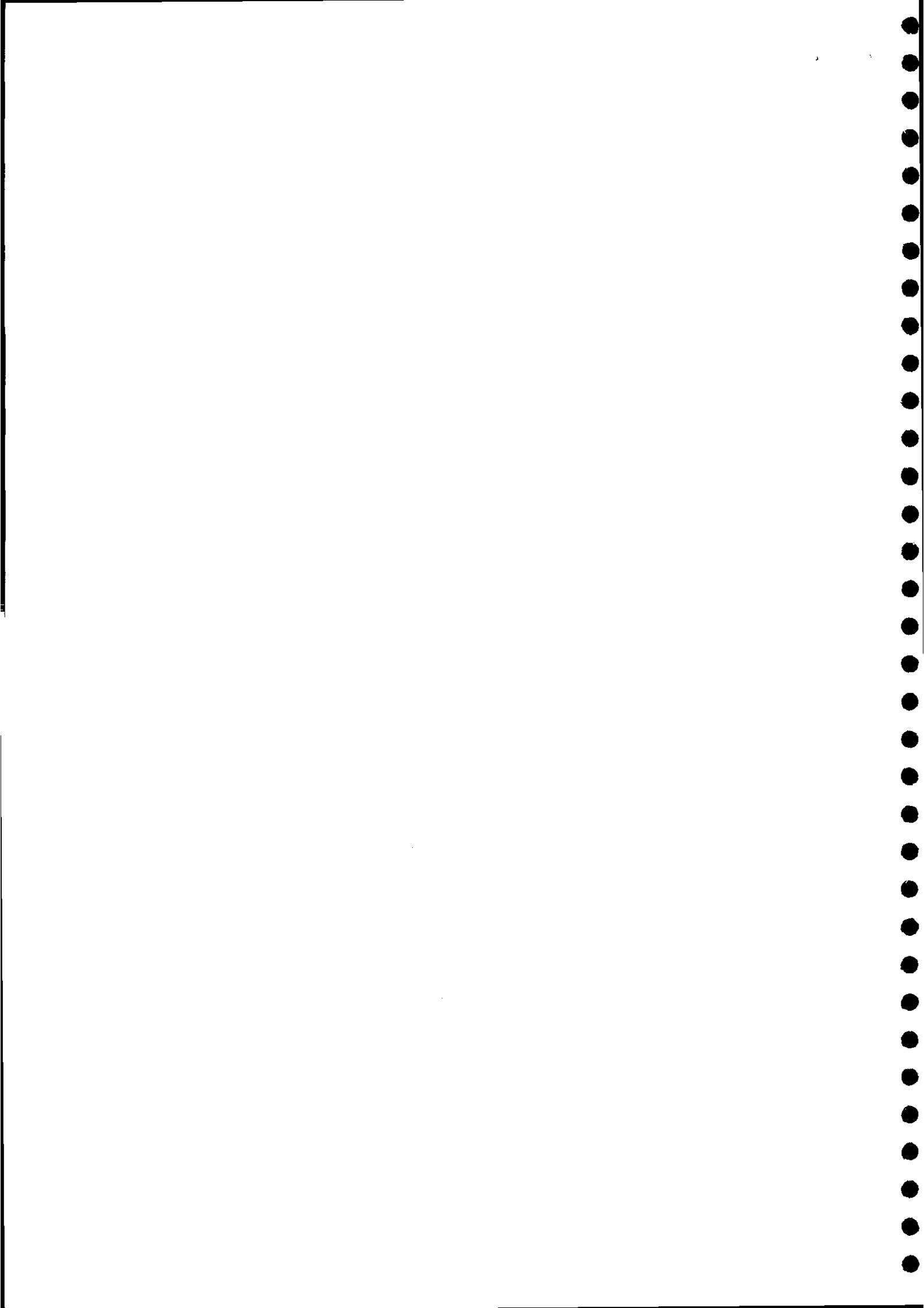


## Statement of directors' responsibilities

UK Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RICS BUSINESS SERVICES LIMITED

We have audited the financial statements of RICS Business Services Limited for the year ended 31 July 2002 which comprise the consolidated profit and loss account, the group and company balance sheets, the reconciliation of movements in shareholder's funds, the note of historical cost profits and losses and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the Group is not disclosed.

We read the directors' report<sup>1</sup> for the above year and consider the implications for our report if we become aware of any apparent misstatements.

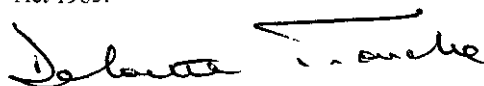
### Basis of audit opinion

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 and the Group'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 and the Group's affairs as at 31 July 2002 and of its loss for the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



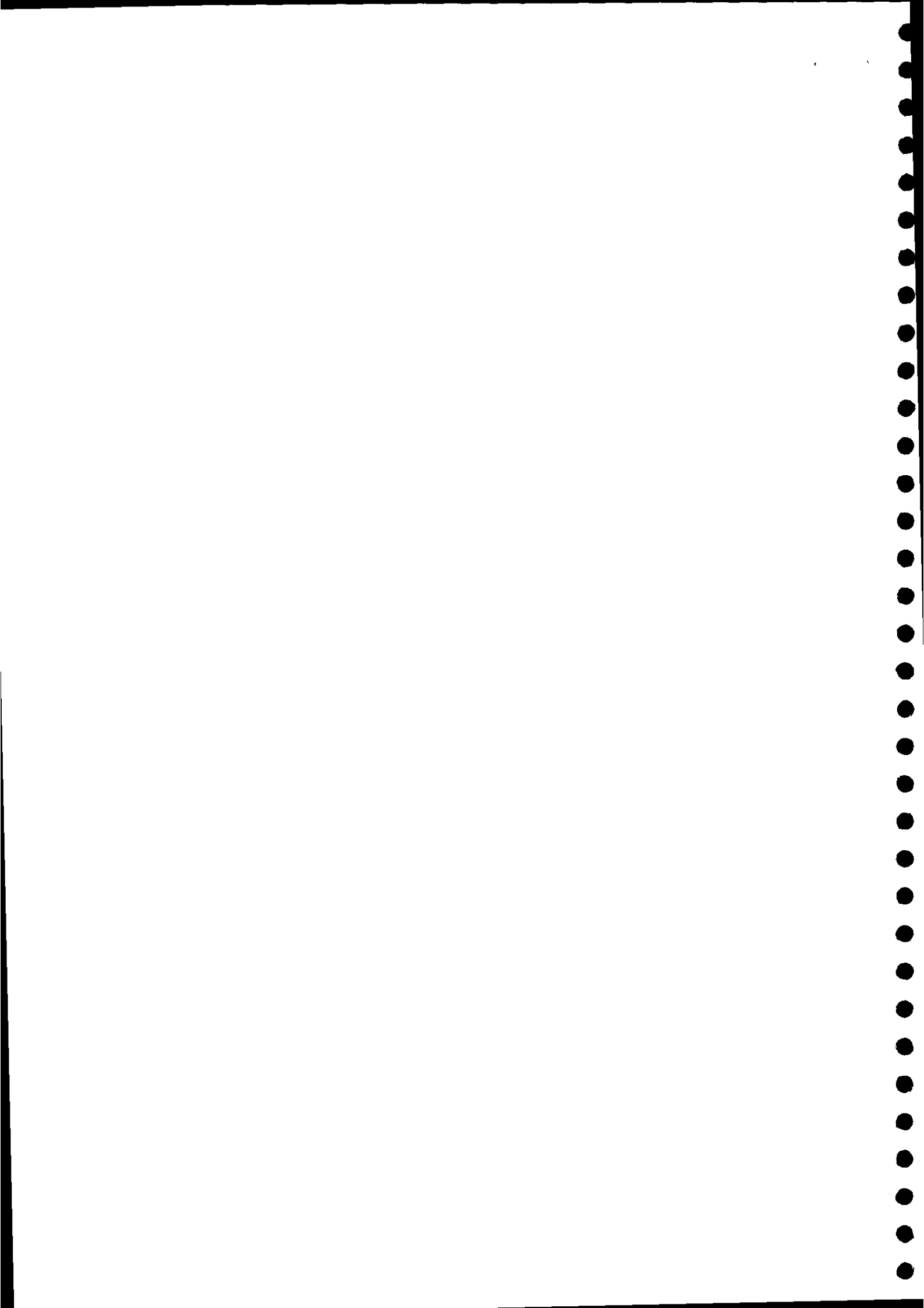
**Deloitte & Touche**  
Chartered Accountants and Registered Auditors  
Birmingham

12 June 2003

**Consolidated profit and loss account**  
*for the year ended 31 July 2002*

	Note	2002 £'000	2002 £'000	2002 £'000	2001 £'000
		Continuing Operations	Discontinuing Operations	TOTAL	
<b>Turnover</b>	1,2	7,339	2,765	10,104	9,642
Cost of sales		(1,758)	(1,539)	(3,297)	(3,424)
<b>Gross profit</b>		5,581	1,226	6,807	6,218
Other operating expenses	3	(2,990)	(5,744)	(8,734)	(9,454)
Other operating income		-	222	222	1,500
<b>Operating loss</b>		2,591	(4,296)	(1,705)	(1,736)
Income from UK listed fixed asset investments				243	228
Other interest receivable and similar income				448	574
Amounts written off investments	10(b)			117	(117)
Profit on sale of tangible fixed assets and fixed asset investments				36	1,236
<b>Profit on ordinary activities before taxation</b>	4			(861)	185
Tax on profit on ordinary activities	1,7			(23)	147
<b>Profit on ordinary activities after taxation, being retained profit for the financial year</b>	8, 18			(884)	332

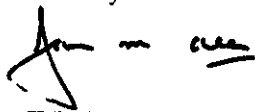
There are no recognised gains and losses other than the loss for the current financial year and the profit for the preceding year. Accordingly, no statement of total recognised gains and losses is given.

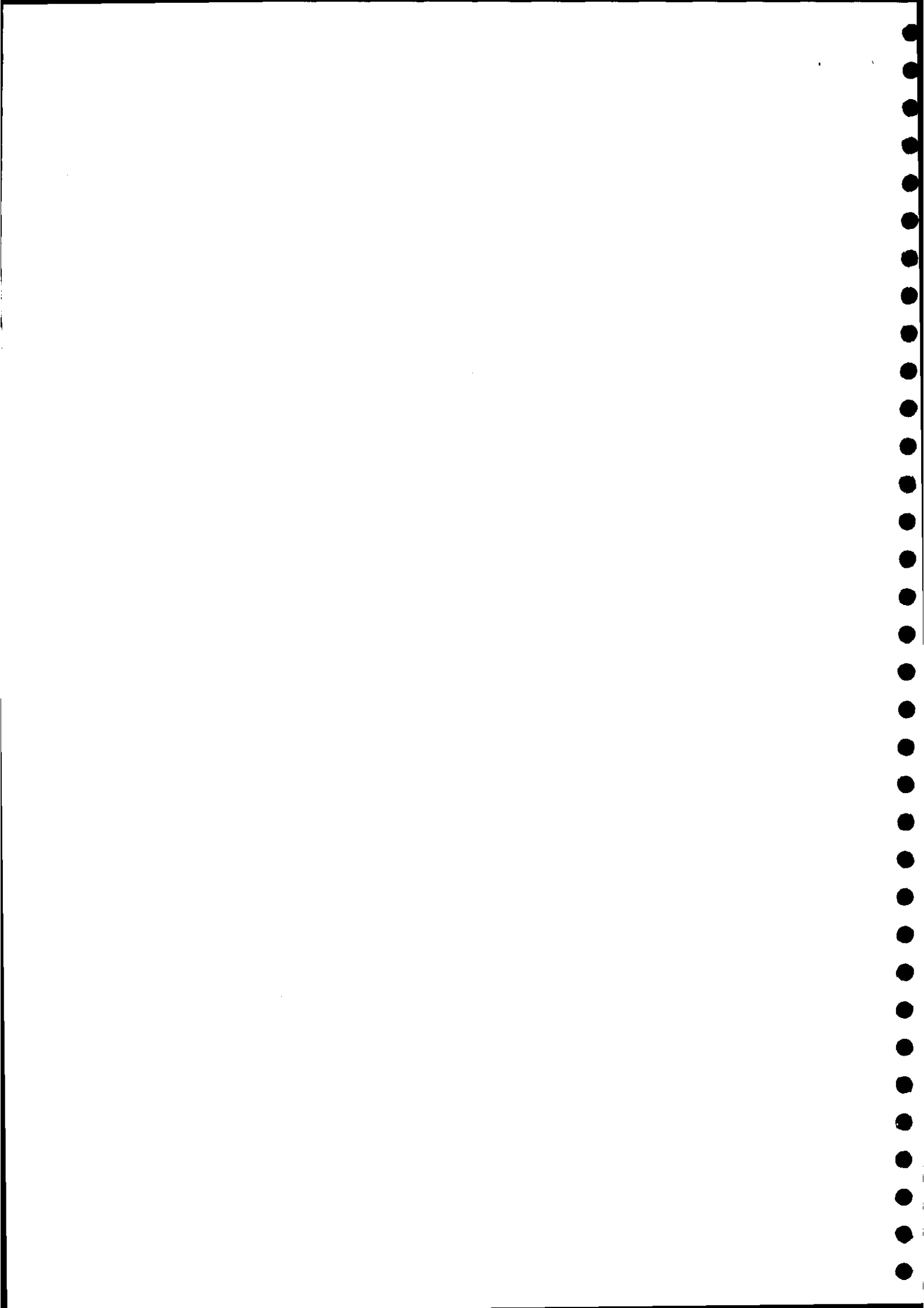


**Consolidated balance sheet**  
*as at 31 July 2002*

	<i>Note</i>	<b>2002</b>		<b>2001</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>					
Tangible assets	9,25		132		4,368
Other investments	10,25		1,724		13,825
			<hr/>		<hr/>
			1,856		18,193
<b>Current assets</b>					
Stocks	11,25	215		270	
Debtors	12,25	5,842		2,384	
Investments	13,25	-		6,402	
Cash at bank and in hand		1,620		1,221	
		<hr/>		<hr/>	
		7,677		10,277	
<b>Creditors: Amounts falling due within one year</b>	14,25	(2,945)		(4,552)	
		<hr/>		<hr/>	
<b>Net current assets</b>			4,732		5,725
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>	25	6,588			23,918
<b>Creditors: Amounts falling due after more than one year</b>	15,25	-		(16,446)	
		<hr/>		<hr/>	
<b>Net assets</b>	25	6,588			7,472
		<hr/>			<hr/>
<b>Capital and reserves</b>					
Called up share capital	17	-		-	
Revaluation reserve	18	-		829	
Profit and loss account	18	6,588		6,643	
		<hr/>		<hr/>	
<b>Equity shareholder's funds</b>		6,588			7,472
		<hr/>			<hr/>

These financial statements were approved by the board of directors on 12<sup>th</sup> February 2003 and were signed on its behalf by:


  
JM Allan  
Chairman

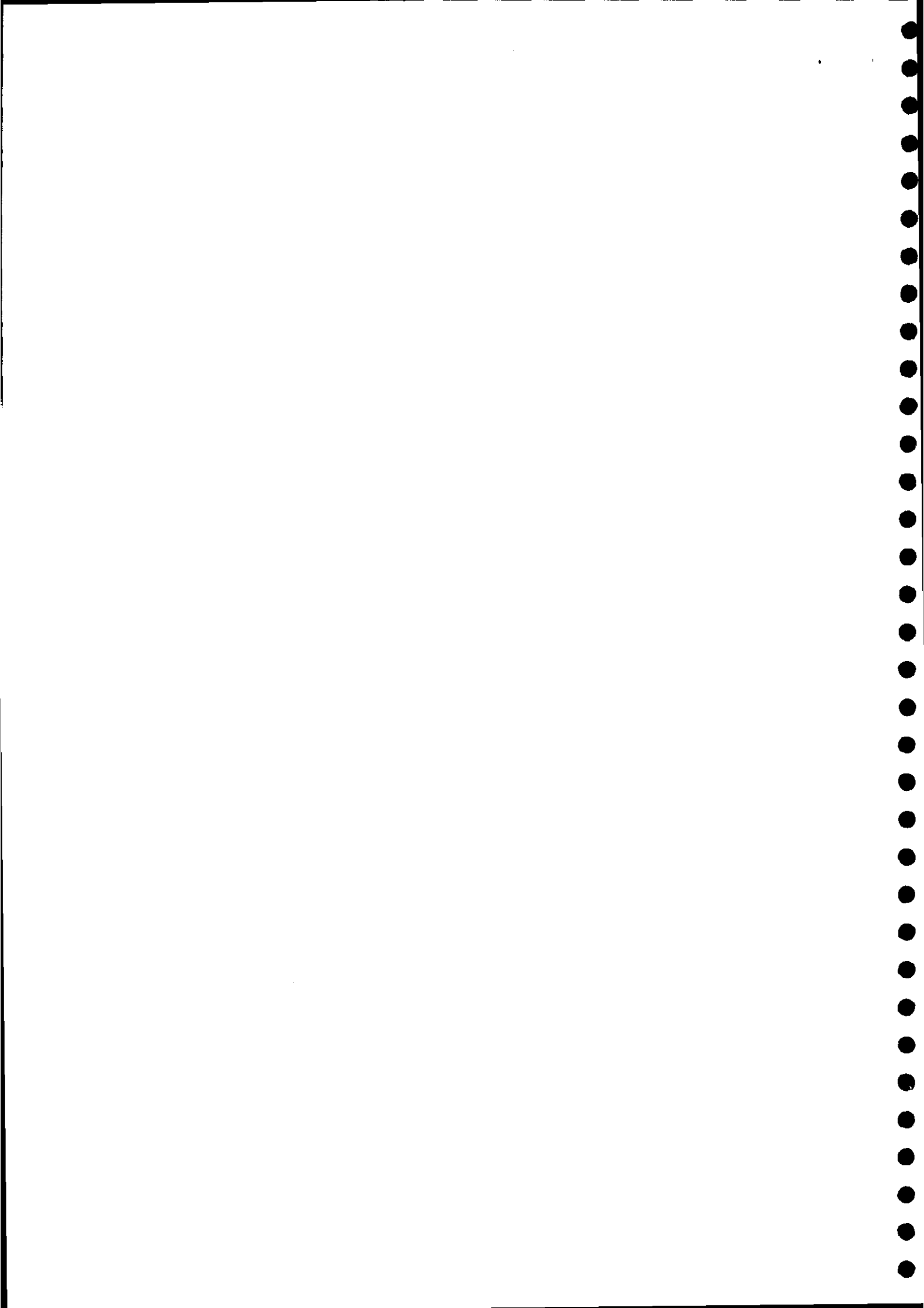


**Company balance sheet**  
*as at 31 July 2002*

	Note	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	1, 9, 25	-	4,267
Investment in subsidiary and associated undertakings	1, 10, 25	1,500	1,500
Other investments	1, 10, 25	-	12,390
		<u>1,500</u>	<u>18,157</u>
<b>Current assets</b>			
Stocks	1, 11, 25	199	256
Debtors	12, 25	4,801	2,278
Investments	13, 25	-	6,402
Cash at bank and in hand	25	-	370
		<u>5,000</u>	<u>9,306</u>
<b>Creditors: Amounts falling due within one year</b>	14, 25	<u>(1,119)</u>	<u>(2,819)</u>
<b>Net current assets</b>		<u>3,881</u>	<u>6,487</u>
<b>Total assets less current liabilities</b>	25	<u>5,381</u>	<u>24,644</u>
<b>Creditors: Amounts falling due after more than one year</b>	15, 25	-	(17,932)
<b>Net assets</b>	25	<u>5,381</u>	<u>6,712</u>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Revaluation reserve	18	-	829
Profit and loss account	18	5,381	5,883
<b>Equity shareholder's funds</b>		<u>5,381</u>	<u>6,712</u>

These financial statements were approved by the board of directors on 12<sup>th</sup> February 2003 and were signed on its behalf by:

  
**JM Allan**  
Chairman



**Reconciliation of movements in shareholder's funds**  
*for the year ended 31 July 2002*

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
(Loss) / Profit for the financial year	(884)	332	(1,331)	252
Opening shareholder's funds	7,472	7,140	6,712	6,460
Closing shareholder's funds	6,588	7,472	5,381	6,712

**Note of historical cost profits and losses**  
*for the year ended 31 July 2002*

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Reported (loss)/profit on ordinary activities before taxation	(861)	185	(1,554)	80
Realisation of property revaluation gains of previous years	829	-	829	-
Historical cost (loss)/profit on ordinary activities before taxation	(32)	185	(725)	80
Historical cost (loss)/profit for the year retained after taxation	(55)	332	(502)	252



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement as it is a wholly-owned subsidiary of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of RICS Business Services Limited and its subsidiary undertakings made up to 31 July 2002. In the company's balance sheet, investment in subsidiary undertakings is stated at cost less provision for impairment. No profit and loss account is presented for the company as part of the audited accounts as provided by Section 230 of the Companies Act 1985.

#### *Depreciation*

Depreciation is calculated so as to write off the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their anticipated useful lives as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- 50 years
Motor vehicles	- 3-4 years
Fixtures and fittings	- 5 years
Computer equipment	- 2-3 years
Office equipment	- 4 years

No depreciation is provided on freehold land.

#### *Fixed asset investments*

Fixed asset investments and income from fixed asset investments are treated in the financial statements as follows:

##### *(i) Listed investments and subsidiary undertakings*

Listed investments and the company's investments in its subsidiary undertakings are shown at cost less provision for impairment.

##### *(ii) Associated undertakings*

Investments in associated undertakings is stated at cost, plus long term loans, less provision for impairment equivalent to the group's share of losses incurred since incorporation.

##### *(iii) Income from listed investments*

Income is included, with any related tax credit, in the accounts of the period in which it is receivable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

#### *Pension costs*

Contributions to the pension scheme are charged to the profit and loss account in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

Corporation tax is provided on the taxable profit at the current rate.

Deferred taxation (which arises from differences in timing, principally of depreciation, between the accounts and the tax computations) is calculated using the liability method. Under this method, deferred taxation is only provided in cases where it is expected that an actual corporation tax liability will arise at some future date and is calculated at the rate of tax at which the liability is expected to crystallise.

#### *Turnover*

Turnover represents the value of goods and services provided and is stated net of discounts and VAT.

#### *Operating lease rentals*

Operating lease rentals are charged to the profit and loss account in the period in which they are payable.

#### *Foreign currencies*

Monetary assets and liabilities in foreign currencies are translated into sterling using the rate of exchange ruling at the balance sheet date. Gains and losses arising on translation included in the profit and loss account.

### 2 Turnover

Excluding the group's share of the turnover of associated undertakings and joint ventures, the analysis of turnover by activity is as follows:

	2002 £'000	2001 £'000
RICS Books	2,866	2,996
Westminster Centre	252	440
Conferences	961	1,078
Asset leasing	-	20
PI/RICS Insurance Services	2,200	2,054
Building Cost Information Service Limited	1,909	1,415
Administration and consultancy	882	701
Branches	926	886
CMP Limited	108	52
	<hr/> 10,104 <hr/>	<hr/> 9,642 <hr/>

### 3 Other operating expenses

	2002 £'000	2001 £'000
Other operating expenses comprise:		
Distribution costs	10	53
Administrative expenses	8,724	9,401
	<hr/> 8,734 <hr/>	<hr/> 9,454 <hr/>

**Notes (continued)**

**4 (Loss)/profit on ordinary activities before taxation**

	2002 £'000	2001 £'000
<i>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation and other amounts written off tangible fixed assets	1,201	1,203
Profit on sale of tangible fixed assets and fixed asset investments	36	1,236
Reversal of impairment/(impairment) of fixed asset investments	(117)	117
Auditors' remuneration:		
Audit – Group	15	29
Audit - Company	9	-
Non-audit services	-	57
Rents received	(21)	(21)
Operating lease rentals – land and buildings	30	30
	<u>          </u>	<u>          </u>

**5 Staff**

The average number of persons employed by the company and its subsidiary undertakings (including executive directors) during the year, analysed by category, was as follows:

	Number of employees 2002	2001
Sales	1	1
Administration	17	17
	<u>          </u>	<u>          </u>
	18	18
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

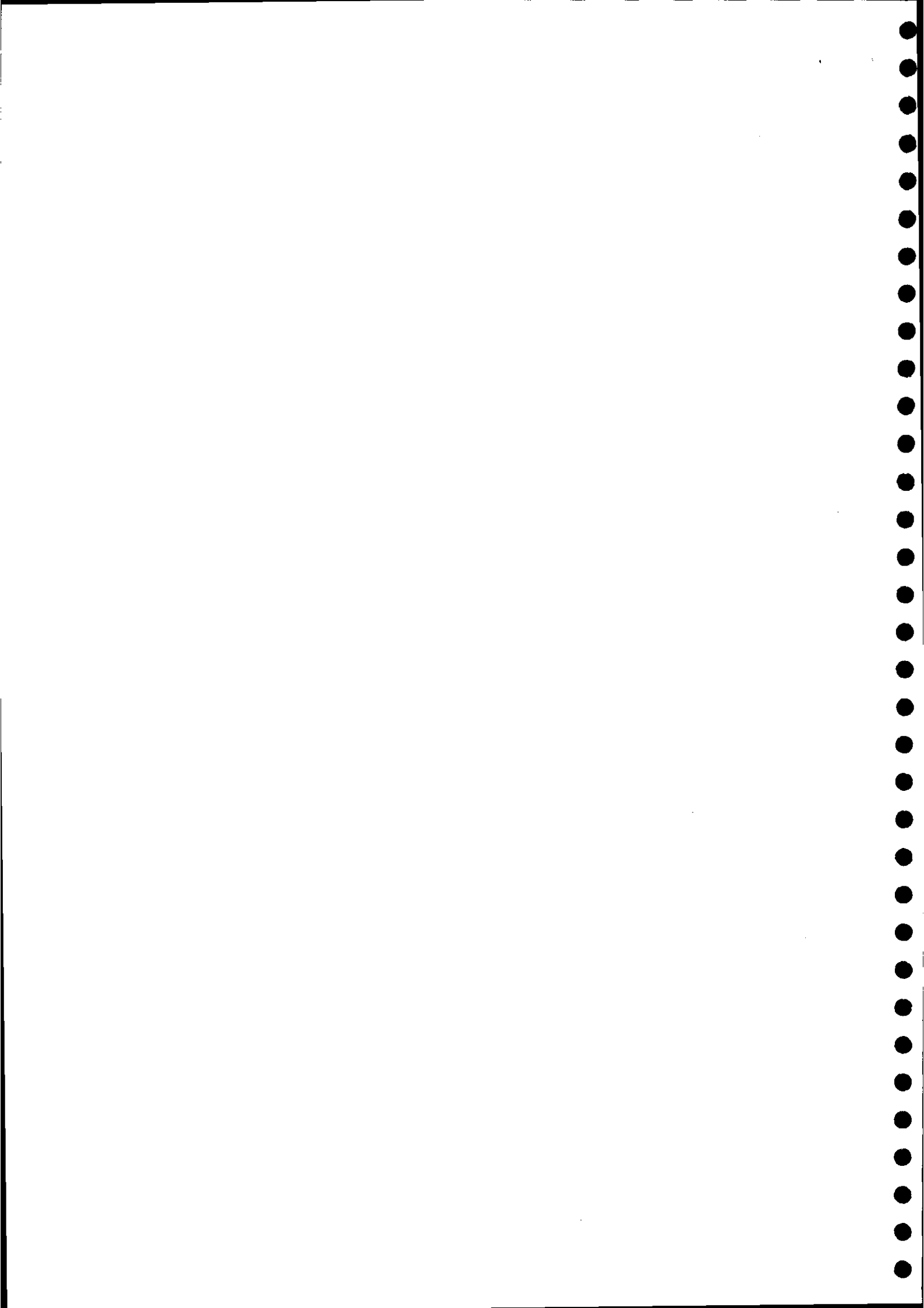
	£'000	£'000
Wages and salaries	573	539
Social security costs	62	58
Other pension costs	47	38
	<u>          </u>	<u>          </u>
	682	635
	<u>          </u>	<u>          </u>

Other than those employees referred to in the above note, all staff working for RICS Business Services Limited are employed by the Royal Institution of Chartered Surveyors. Staff costs totalling £2,830,101 (2001: £3,156,000) have been recharged to RICS Business Services Limited for services performed during the year.

**6 Directors' emoluments**

	2002 £'000	2001 £'000
<b>Aggregate directors' remuneration is shown below:</b>		
Emoluments for services as directors	101	194
Contributions to money purchase pension schemes	2	7
	<u>          </u>	<u>          </u>
	103	201
	<u>          </u>	<u>          </u>
<b>The number of directors who are members of pension schemes are as follows:</b>	Number	Number
Members of defined benefit pension schemes	-	-
Members of money purchase pension schemes	1	1
	<u>          </u>	<u>          </u>

No emoluments have been paid to non-executive directors.



**7 Tax on (loss)/profit on ordinary activities**

(a) The tax (credit)/charge is based on the (loss)/profit of the group for the year and comprises:

	2002 £'000	2001 £'000
Corporation tax	(2)	141
Under/(over) provision in respect of previous years	25	(288)
	<u>23</u>	<u>(147)</u>

(b) The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year exceeds the standard rate for the reasons set out in the following reconciliation.

	2002 £'000	2001 £'000
(Loss)/profit on ordinary activities before tax	<u>(861)</u>	<u>185</u>
Tax (credit)/charge on (loss)/profit on ordinary activities at standard rate	(258)	55
Factors affecting charge for the year:		
Permanently disallowed items	139	125
Excess of qualifying depreciation over capital allowances	90	18
Losses arising in period not relieved	98	-
Non taxable income (dividends)	(73)	(48)
Other differences	2	(9)
Adjustments in respect of prior periods	25	(288)
Total actual amount of current tax	<u>23</u>	<u>(147)</u>

(c) £325,000 of losses are held in the Group which will reduce the future tax liability arising on future profits. No deferred tax asset has been recognised in respect of accelerated capital allowances or tax losses as based on current forecasts there is insufficient evidence to show that they would be realised in the foreseeable future.

**8 Profit for the financial year**

	2002 £'000	2001 £'000
Retained by the parent company	(1,331)	252
Retained by group undertakings	447	80
	<u>(884)</u>	<u>332</u>

## Notes (continued)

### 9 Tangible fixed assets

#### Group

	Freehold land and buildings	Short leasehold land and buildings	Motor vehicles	Fixtures and fittings	Computer equipment	Office equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Cost or valuation</i>							
At beginning of year	877	3,413	197	190	5,789	805	11,271
Additions	-	-	-	40	1,013	10	1,063
Transfers to group company	(877)	(3,413)	(163)	(230)	(6,270)	(800)	(11,753)
Disposals	-	-	(34)	-	-	-	(34)
At end of year	-	-	-	-	532	15	547
<i>Depreciation</i>							
At beginning of year	5	770	128	183	5,099	718	6,903
Charge for the year	-	70	24	15	1,034	58	1,201
Transfers to group company	(5)	(840)	(129)	(198)	(5,733)	(761)	(7,666)
Disposals	-	-	(23)	-	-	-	(23)
At end of year	-	-	-	-	400	15	415
<i>Net book value</i>							
At 31 July 2002	-	-	-	-	132	-	132
At 31 July 2001	872	2,643	69	7	690	87	4,368
<i>Company</i>							
<i>Cost or valuation</i>							
At beginning of year	877	3,413	197	187	5,450	793	10,917
Additions	-	-	-	40	820	10	870
Transfers to group company	(877)	(3,413)	(163)	(227)	(6,270)	(803)	(11,753)
Disposals	-	-	(34)	-	-	-	(34)
At end of year	-	-	-	-	-	-	-
<i>Depreciation</i>							
At beginning of year	5	770	128	180	4,861	706	6,650
Charge for the year	-	70	24	15	872	58	1,039
Transfers to group company	(5)	(840)	(129)	(195)	(5,733)	(764)	(7,666)
Disposals	-	-	(23)	-	-	-	(23)
At end of year	-	-	-	-	-	-	-
<i>Net book value</i>							
At 31 July 2002	-	-	-	-	-	-	-
At 31 July 2001	872	2,643	69	7	589	87	4,267

## Notes (continued)

### 10 Fixed asset investments

#### (a) Participating interests- group and company

The company owns 50% of the issued ordinary share capital of RICS Journals Limited. RICS Journals Limited is incorporated in Great Britain and the holding is stated at cost plus long term loans, less provision for impairment to reflect the company's share of losses incurred since incorporation. RICS Journals Limited did not trade during this year or the preceding year.

The investment of the company and group in RICS Journals Limited comprises:

	<b>Group and Company</b>	
	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Share capital	1	1
Long term loans	894	894
Less: Provision for impairment	(895)	(895)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
 (b) Other investments		
	<b>Group</b>	<b>Company</b>
	<b>2002</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<i>Cost</i>		
At beginning of year	13,942	12,507
Additions	4,395	2,671
Disposals	(16,613)	(15,178)
	<hr/>	<hr/>
At end of year	1,724	-
	<hr/>	<hr/>
<i>Provisions</i>		
At beginning of year	(117)	(117)
Released during the year	117	117
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 July 2002	1,724	-
	<hr/>	<hr/>
At 31 July 2001	13,825	12,390
	<hr/>	<hr/>

## Notes (continued)

### 10 Fixed asset investments (continued)

The listed investments are all listed on The London Stock Exchange. The aggregate cost of listed investments was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK government securities	-	1,233	-	1,233
UK listed securities	-	8,160	-	7,166
Overseas listed securities	-	2,437	-	2,437
Overseas government securities	-	646	-	646
Cash for reinvestment	1,724	1,349	-	1,025
	<hr/>	<hr/>	<hr/>	<hr/>
	1,724	13,825	-	12,507
	<hr/>	<hr/>	<hr/>	<hr/>

Cash for reinvestment represents funds held by external fund managers available for investment in securities with predetermined investment parameters.

The aggregate market value of the investments was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK government securities	-	1,228	-	1,228
UK listed securities	-	10,004	-	8,883
Overseas listed securities	-	2,697	-	2,647
Overseas government securities	-	641	-	641
Cash for reinvestment	1,724	1,349	-	1,025
	<hr/>	<hr/>	<hr/>	<hr/>
	1,724	15,919	-	14,424
	<hr/>	<hr/>	<hr/>	<hr/>

#### (c) Investment in subsidiary and associated undertakings - company

The movement in the year for the company was as follows:

	<b>Subsidiary</b>	<b>Associated</b>	<b>Total</b>
	<b>undertakings</b>	<b>Undertaking</b>	<b></b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
At beginning of year	1,634	895	2,529
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	1,634	895	2,529
	<hr/>	<hr/>	<hr/>
<b>Provision</b>			
At beginning and end of year	(134)	(895)	(1,029)
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
31 July 2002	1,500	-	1,500
	<hr/>	<hr/>	<hr/>
At 31 July 2001	1,500	-	1,500
	<hr/>	<hr/>	<hr/>



## Notes (continued)

### 10 Fixed assets investments (continued)

All subsidiary undertakings are included in the consolidation.

The company owns the entire issued ordinary share capital of Building Cost Information Service Limited ("BCIS"), a company incorporated in Great Britain. The principal activity of BCIS is to collate information connected with current building projects, building costs and tender prices and to distribute this to its subscribers. The company's interest in BCIS comprises £100 in respect of the issued share capital of BCIS.

The company owns all but one of the 1.5 million issued £1 ordinary shares in CMP Insurance Limited ("CMP"), incorporated in Guernsey. The principal activity of CMP is the underwriting of general insurance business.

The company owns the entire issued share capital (unless otherwise stated) of the following dormant undertakings:

- The Assembly of Chartered Surveyors Ltd
- The Assembly of Quantity Surveyors Ltd
- The Association of Chartered Surveyors Ltd
- The Association of Quantity Surveyors Ltd
- Building Data Banks Ltd
- Building Maintenance Information
- Building Maintenance Information Limited (BMI)
- The Consortium of Chartered Surveyors Ltd
- The Consortium of Quantity Surveyors Ltd
- The Faculty of Chartered Surveyors Ltd
- The Faculty of Quantity Surveyors
- Geomatics Ltd
- IQS Limited (IQS)
- JO RICS Ltd
- The London Auction Mart Ltd
- RICS Books
- RICS Geomatics Ltd
- RICS Insurance Services Limited
- RICS JO Ltd
- RICS Journals Ltd (50%)
- RICS Services Ltd
- RICS Westminster Centre
- The Society of Chartered Surveyors Ltd
- Software for Surveyors Limited
- Surveyors and Valuers Insurance Services Limited
- Westminster Centre Limited (WCL)
- Mountain Peak Limited
- EMIS Ltd (10%) – held by Mountain Peak Ltd

Full provision for impairment has been made against these investments.

These companies are all incorporated in Great Britain.

### 11 Stocks

The stocks held by the group and the company comprise books held for resale.

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Finished goods for resale	215	270	199	256

## Notes (continued)

### 12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Trade debtors	377	582	-	518
Amounts owed by parent and fellow subsidiary undertakings	5,191	1,206	4,591	1,277
Prepayments and accrued income	274	510	210	409
Other debtors	-	86	-	74
	<u>5,842</u>	<u>2,384</u>	<u>4,801</u>	<u>2,278</u>

### 13 Current asset investments

Current asset investments of the group and the company comprise short-term cash deposits and government securities.

### 14 Creditors: Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Trade creditors	32	443	-	281
Amounts owed to parent and fellow subsidiary undertakings	1,389	2,240	1	763
Amounts owed to group undertakings	-	-	500	500
Other creditors	237	404	209	361
Accruals and deferred income	1,287	1,465	409	914
	<u>2,945</u>	<u>4,552</u>	<u>1,119</u>	<u>2,819</u>
Other creditors comprise:				
UK corporation tax payable	214	291	199	248
VAT	19	-	-	-
Other	4	113	10	113
	<u>237</u>	<u>404</u>	<u>209</u>	<u>361</u>

### 15 Creditors: Amounts falling due after more than one year

Creditors falling due after more than one year comprise amounts due to The Royal Institution of Chartered Surveyors ("RICS"), which owns the entire share capital of the company.

## Notes (continued)

### 16 Deferred tax

The full potential (asset)/liability for deferred taxation and the amount provided for the group and the company at 30% (2001: 30%) are as follows:

	2002		2001	
	Full potential (asset)/liability £'000	Amount provided £'000	Full potential (asset)/liability £'000	Amount provided £'000
<b>Group</b>				
Short term differences	(107)	-	(1)	-
Accelerated capital allowances	(115)	-	(33)	-
	<u>(222)</u>	<u>-</u>	<u>(34)</u>	<u>-</u>
<b>Company</b>				
Short term differences	(65)	-	-	-
Accelerated capital allowances	(98)	-	-	-
	<u>(163)</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 17 Share capital

The authorised, allotted, called and fully paid up share capital of the company consists of 100 ordinary shares of £1 each (2001: £100).

### 18 Reserves

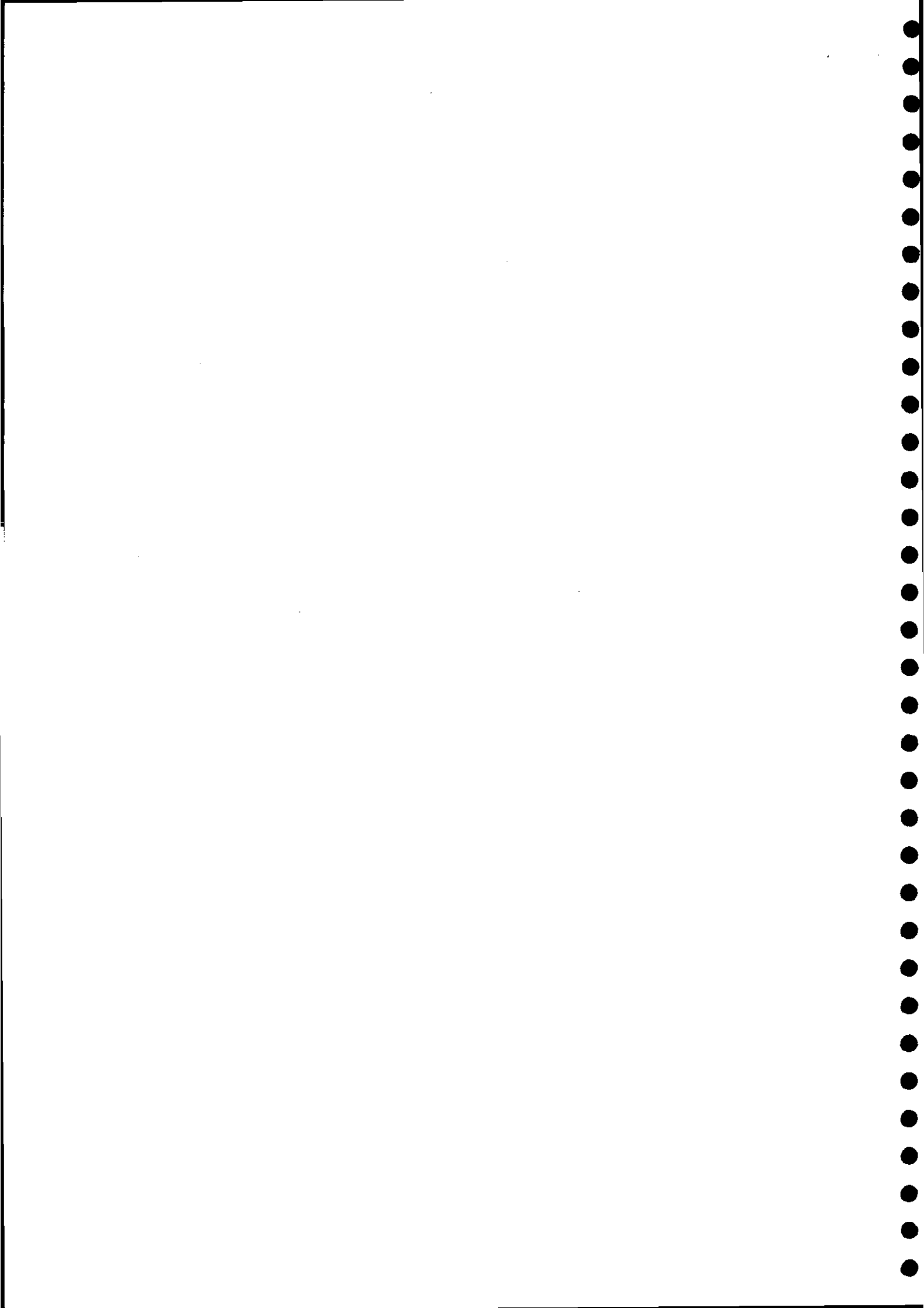
	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
<b>Group</b>			
At beginning of year	829	6,643	7,472
Disposal of assets	(829)	829	-
Profit / (loss) for the financial year	-	(884)	(884)
	<u>-</u>	<u>6,588</u>	<u>6,588</u>
<b>At end of year</b>	<u>-</u>	<u>6,588</u>	<u>6,588</u>
<b>Company</b>			
At beginning of year	829	5,883	6,712
Disposal of assets	(829)	829	-
Profit for the financial year	-	(1,331)	(1,331)
	<u>-</u>	<u>5,381</u>	<u>5,381</u>
<b>At end of year</b>	<u>-</u>	<u>5,381</u>	<u>5,381</u>

### 19 Capital commitments

The group and the company had outstanding capital commitments at 31 July 2002 of £Nil (2001: Nil).

### 20 Contingent liabilities

There were no contingent liabilities for either the group or the company at 31 July 2002 (2001: Nil).



## Notes (continued)

### 21 Operating lease commitments

Annual commitments on operating leases are as follows:

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Land and buildings: On leases which expire: After five years	30	30	30	30

### 22 Pension obligations

The Institution operates a funded pension scheme providing benefits based on final pensionable pay. The scheme was closed to new entrants at 1 January 1999. The pension contributions are determined by a qualified actuary on the basis of triennial valuations, using the projected unit method. As the scheme is closed, under this method, the current service cost will increase as the members approach retirement.

The most recent triennial valuation at January 2000 showed the market value of the scheme's assets were £14.54 million, representing 94% of the benefits accrued by members after allowing for expected future increases in earnings. The Institution's contribution rate is 16% of pensionable pay and the contribution in the year was £477,336 (2001: £603,811). Employees' contribution rate is 5%. There were prepaid contributions of £6,494 (2001: £Nil) at the end of the financial year.

The group also operates two defined contribution (money purchase) pension schemes. Contributions to these schemes were £239,339.88 (2001: £270,518). There were no outstanding contributions at the end of the financial year (2001: £Nil).

These contribution levels include employees working for RICS Business Services Limited who are employees by the Royal Institution of Chartered Surveyors.

#### FRS 17

The company is a member of a pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 *Retirement benefits* the scheme will be accounted for by the company when the accounting standard is fully adopted by the company, as if the scheme was a defined contribution scheme.

The latest full actuarial valuation of the group scheme was updated for FRS 17 purposes to 31 July 2002 by a qualified independent actuary. At this time, the scheme showed a deficit of £5.5 million.

### 23 Related parties

By virtue of being a wholly owned subsidiary included in the consolidated financial statements of a larger EU body corporate, the company is exempt from disclosing transactions or balances with entities of the group qualifying as related party.

### 24 Ultimate holding body corporate

The company's ultimate holding body corporate is The Royal Institution of Chartered Surveyors.

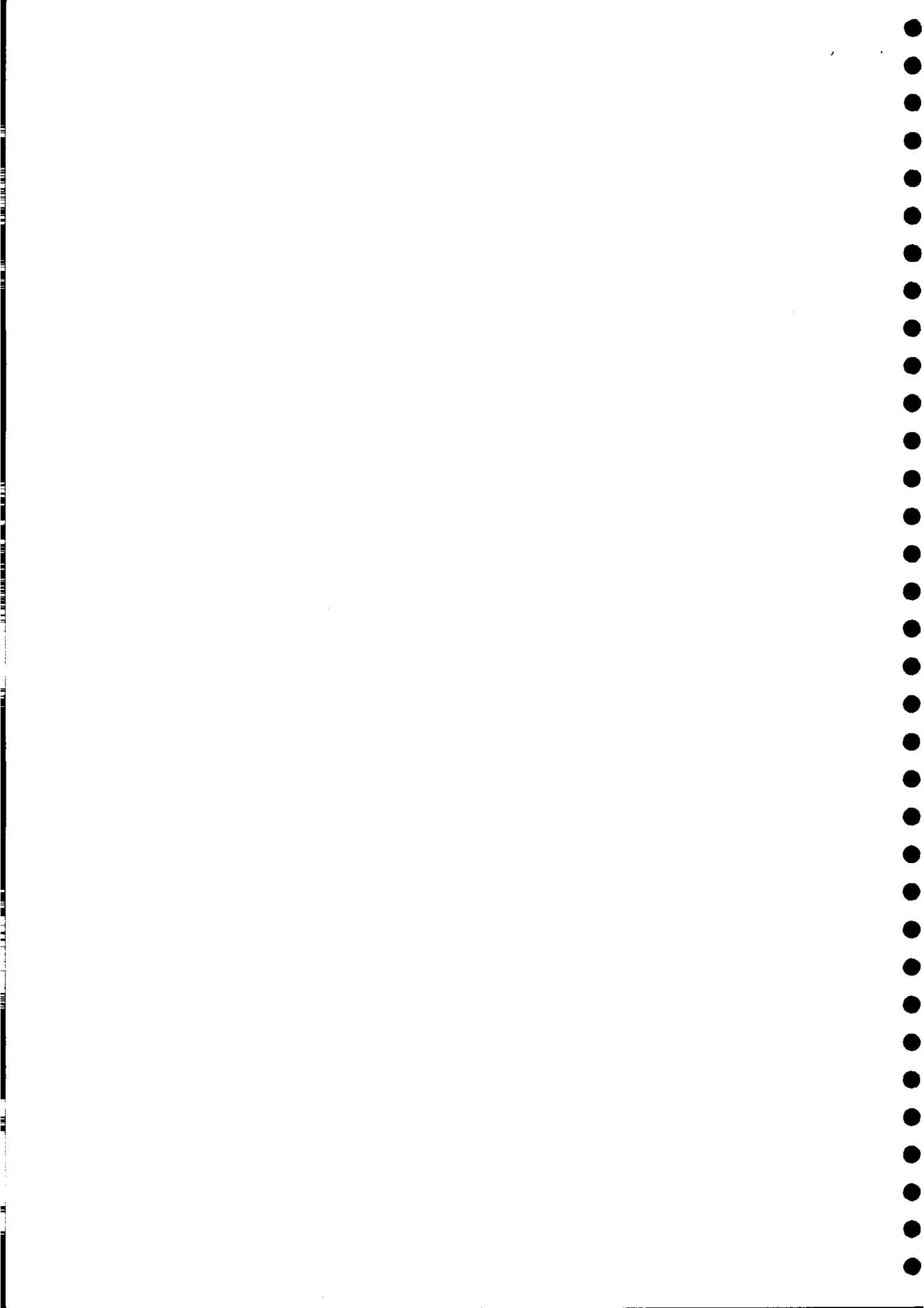
Copies of the financial statements of The Royal Institution of Chartered Surveyors can be obtained from its principal place of business at 12 Great George Street, Parliament Square, London, SW1P 3AD.

## Notes (continued)

### 25 Disposal of business assets

The company transferred the following assets to RICS Support Services Limited on 31<sup>st</sup> July 2002 as part of a reorganisation of The Royal Institution of Chartered Surveyors, the company's ultimate holding body. The assets were transferred at their book value which was deemed to be equivalent to their fair value. Consideration was in the form of a loan to the parent company.

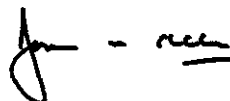
	2002 £'000
Tangible Assets	4,087
Other Investments	12,614
Stock	26
Debtors	286
Investments	5,262
Cash at bank and at hand	404
Creditors (amounts falling due within one year)	(880)
Creditors (amounts falling due after one year)	(17,208)
	<hr/> 4,591 <hr/>



**Company profit and loss account**  
*for the year ended 31 July 2002*

	2002 £'000	2001 £'000
<b>Turnover - continuing activities</b>	<b>8,087</b>	<b>8,175</b>
Cost of sales	(3,086)	(3,193)
<b>Gross profit</b>	<b>5,001</b>	<b>4,982</b>
Other operating expenses	(7,645)	(8,362)
Other operating income	350	1,571
<b>Operating loss - continuing activities</b>	<b>(2,294)</b>	<b>(1,809)</b>
Profit on sale of tangible fixed assets and fixed asset investments	9	1,246
Reversal of impairment/(impairment) of fixed asset investments	117	(117)
Income from UK listed fixed asset investments	243	228
Other interest receivable and similar income	371	532
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(1,554)</b>	<b>80</b>
Tax on profit on ordinary activities	223	172
<b>(Loss)/profit on ordinary activities after taxation, being profit for the financial year</b>	<b>(1,331)</b>	<b>252</b>

The profit and loss account of the company was approved by the board of directors on 12<sup>th</sup> February 2003 and signed on its behalf by:

  
 JM Allan  
 Chairman