

RIBA Journals Limited

Financial Statements

25 July 2008

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COMPANIES HOUSE

RIBA Journals Limited

Registered No: 2775655

| <i>Contents</i> | <i>Page number</i> |
|--|--------------------|
| Directors' report | 2 – 3 |
| Statement of directors' responsibilities | 4 |
| Independent auditors' report | 5 – 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 – 17 |

Directors

C James
J Assael

Secretary

Crosswall Nominees Limited (resigned 25 July 2008)
C James (appointed 25 July 2008)

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

66 Portland Place
London
W1B 1AD

Directors' report

The directors present their report and the audited financial statements of the company for the period ended 25 July 2008. The comparatives included in these financial statements covers the year ended 31 December 2007.

Results and dividends

The profit for the period, after taxation, is £98,000 (year ended 31 December 2007: £58,000). The directors do not recommend a final dividend (year ended 31 December 2007: £nil).

Principal activity and review of the business

The principal activity of the company throughout the period continued to be the publishing of periodicals.

On 26 July 2008, the RIBA purchased The Builder Group Limited's 75% shareholding in RIBA Journals Limited, and a new publishing agreement was signed by the RIBA with a third party publisher, Atom Publishing Limited, for the RIBA Journal and its associated products. The Builder Group Limited is a subsidiary undertaking of the United Business Media group ("UBM group").

The results for the period are set out in the profit and loss account on page 7. The company ceased trading on 26 July 2008 with the agreement of its sole shareholder, the RIBA, as all trade will now be reported by Atom Publishing Limited, the third party publisher. All third party debts and liabilities have been settled with the only outstanding item being a debt payable to the RIBA.

Principal risks and uncertainties

The company has considered the impact of price risk, credit risk, liquidity risk and cash flow risk on the company and they are not deemed to have a material effect.

Directors

The directors who served the company during the period were as follows:

C James

J Assael

N Childs (resigned 25 July 2008)

J Newby (resigned 2 July 2007)

A Barrick (resigned 25 July 2008)

N Wright (appointed 9 March 2007, resigned 25 July 2008)

K Rogers (appointed 9 March 2007, resigned 25 July 2008)

Laying of reports and accounts

The company has passed an elective resolution dispensing with the requirements to lay reports and accounts before the company's members in a general meeting.

Under the provisions of Section 253 (2) of the Companies Act 1985, a member has the right to require the reports and accounts to be laid before the company in a general meeting. The member must deposit notice of intention to exercise such right at the registered office of the company within 28 days of the date of this report.

Directors' report

Political and charitable contributions

During the period donations to charitable causes amounted to £nil (year ended 31 December 2007: £nil). No contributions were made for political purposes (year ended 31 December 2007: £nil).

Disabled employees

The company pursues a policy of providing the same employment opportunities to disabled people as to others.

Employee involvement

The board recognises the value of communication with employees at all levels and this is further encouraged by various incentive and share ownership schemes.

Disclosure of information to the auditors

So far as each director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The company has an elective resolution in force dispensing with the requirement to appoint auditors annually.

By order of the board



Secretary

Date

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Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 UK 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.

Independent Auditors' report

to the members of RIBA Journals Limited

We have audited the company's financial statements for the period ended 25 July 2008 which comprises the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practices) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes the 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.

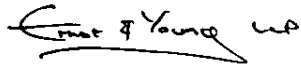
Independent Auditors' report

to the members of RIBA Journals Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 25 July 2008 and of the profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP
Registered auditor
London

Date: 28th November '08

Profit and loss account

for the period ended 25 July 2008

| | Notes | Period ended 25 July 2008 £'000 | Year ended 31 December 2007 £'000 |
|--|-------|--|--|
| Turnover | 2 | 544 | 1,364 |
| Net operating costs | 3 | (446) | (1,306) |
| Profit on ordinary activities before taxation | | 98 | 58 |
| Taxation | 6 | - | - |
| Retained profit for the period | 12 | 98 | 58 |

The results stated above all relate to discontinued activities.

There are no recognised gains and losses other than the profit of £98,000 attributable to the shareholders for the period ended 25 July 2008 (year ended 31 December 2007: £58,000).

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period above and their historical cost equivalents.

The accounting policies and the notes on pages 9 to 17 form part of these financial statements.

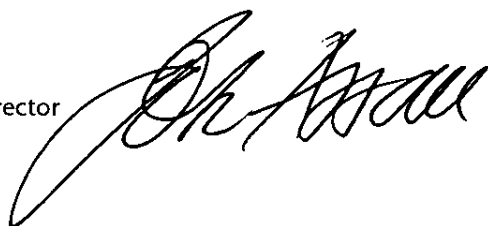
Balance sheet

at 25 July 2008

| | Notes | 25 July 2008 £'000 | 31 December 2007 £'000 |
|--|-------|--------------------------|------------------------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | - | 456 |
| Creditors: amounts falling due within one year | 8 | (853) | (290) |
| Net current (liabilities)/assets | | (853) | 166 |
| Creditors: amounts falling due after more than one year | 8 | - | (1,117) |
| Net liabilities | | (853) | (951) |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | 11 | (854) | (952) |
| | 12 | (853) | (951) |

The financial statements on pages 7 to 17 were approved by the Board of Directors and were signed on its behalf by:

Director



Date

28 : 11 : 08

Notes to the financial statements

at 25 July 2008

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a consistent basis with prior accounting periods.

The directors have prepared these financial statements on the going concern basis, in accordance with applicable accounting standards in the United Kingdom. This is because the new parent undertaking, the RIBA, has indicated that it will continue to provide adequate funds to the company to enable it to meet its liabilities as and when they fall due.

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

Revenue Recognition

Revenue, which is stated net of discounts, VAT, and other sales related taxes, is recognised as follows:

Publishing – advertising revenue is recognised on issue of the publication. Revenue from subscriptions is recognised over the life of the subscription.

Deferred tax

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 received more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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.

Notes to the financial statements

at 25 July 2008

1. Accounting policies (continued)

Pensions

Until 25 July 2008 the company participated in two defined contribution pension schemes, the Builder Group Money Purchase Scheme ("BGMPs") and the United Group Pension Scheme ("UGPS"). Contributions payable are charged to the profit and loss account as they fall due under the scheme rules. The assets of the schemes are held in separate trustee administered funds. The company has no liability for either pension scheme.

Financial instruments

Financial assets in the scope of FRS 25 and FRS 26 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial liabilities within the scope of FRS 25 and FRS 26 are classified as either financial liabilities at fair value through profit and loss or other financial liabilities (primarily borrowings).

When financial instruments are recognised initially, they are measured at fair value, and in the case of investments not at fair value through profit or loss, after taking account of directly attributable transaction costs.

2. Turnover and segmental analysis

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

Business segments

In the opinion of the directors, the business operates in the single segment of preparing and maintaining an engineering publication for the building services industry, which is available on a subscription basis.

Geographical segments

In the opinion of the directors, the business operates wholly in the United Kingdom. All turnover is generated in the United Kingdom, profit on ordinary activities before taxation is derived entirely in the United Kingdom and all assets are employed in the United Kingdom.

3. Net operating costs

| | <i>Period ended 25 July 2008 £'000</i> | <i>Year ended 31 December 2007 £'000</i> |
|-------------------------|--|--|
| Cost of sales | 193 | 579 |
| Administrative expenses | 253 | 727 |
| | <u>446</u> | <u>1,306</u> |

Notes to the financial statements

at 25 July 2008

3. Net operating costs (continued)

Auditors' remuneration for the period ended 25 July 2008 of £2,000 (year ended 31 December 2007: £2,000) was borne by group undertakings of the former parent UBM. No amounts were paid to the auditors in respect of non-audit services.

4. Staff costs

(a) Staff costs

| | Period ended 25 July 2008 £'000 | Year ended 31 December 2007 £'000 |
|-----------------------|--|--|
| Wages and salaries | 127 | 218 |
| Social security costs | 13 | 23 |
| Other pension costs | 2 | 4 |
| | <u>142</u> | <u>245</u> |

Included in other pension costs are £2,000 (year ended 31 December 2007: £4,000) in respect of the defined contribution scheme.

The average monthly number of employees during the period was made up as follows:

| | Period ended 25 July 2008 Number | Year ended 31 December 2007 Number |
|-----------|---|---|
| Editorial | <u>3</u> | <u>3</u> |

On 26 July 2008, the RIBA purchased The Builder Group Limited's 75% shareholding in RIBA Journals Limited, and a new publishing agreement was signed by the RIBA with a third party publisher, Atom Publishing Limited, for the RIBA Journal and its associated products. As a result of this transaction the company's employees were transferred to Atom Publishing Limited. The company now has no employees.

(b) Directors' emoluments

None of the directors received any emoluments for their services to the company during the period (year ended 31 December 2007: £nil).

Notes to the financial statements

at 25 July 2008

5. Pensions

Until 25 July 2008 the company participated in two defined contribution pension schemes, the Builder Group Money Purchase Scheme ("BGMPS") and the United Group Pension Scheme ("UGPS"). Contributions payable are charged to the profit and loss account as they fall due under the scheme rules.

Defined contribution scheme pension costs amounted to £2,000 (year ended 31 December 2007: £4,000).

Until 25 July 2008 employees were members of these schemes as are the employees of other UBM group companies.

6. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

| | <i>Period ended 25 July 2008 £'000</i> | <i>Year ended 31 December 2007 £'000</i> |
|--|--|--|
| Current tax: | | |
| UK corporation tax at 28.9% (year ended 31 December 2007: 30%) | - | - |

(b) Factors affecting the current tax charge

| | <i>Period ended 25 July 2008 £'000</i> | <i>Year ended 31 December 2007 £'000</i> |
|---|--|--|
| Profit on ordinary activities before tax | 98 | 58 |
| Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 28.9% (year ended 31 December 2007: 30%) | 28 | 17 |
| Expenses not deductible for tax purposes | 1 | 3 |
| Losses utilised during the period/year | (29) | (20) |
| Total current tax (note 6(a)) | - | - |

Notes to the financial statements

at 25 July 2008

7. Debtors

| | 25 July 2008 | 31 December 2007 |
|---|-----------------|---------------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade debtors | - | 382 |
| Amounts owed by fellow group undertakings | - | 8 |
| Prepayments and accrued income | - | 11 |
| Group relief receivable | - | 55 |
| | <u>-</u> | <u>456</u> |

In 2007 amounts owed by fellow group undertakings related to amounts owed by companies within the UBM group. These amounts were unsecured, interest free and repayable on demand.

As of 25 July 2008, trade debtors of £nil (31 December 2007: £24,000) were provided for. The amount of the provision was £nil at the balance sheet date (31 December 2007: £16,000). The individually provided for debtors mainly relate to advertising revenue debtors over 3 months old and those in legal proceedings. The ageing of these debtors is as follows:

| | 25 July 2008 | 31 December 2007 |
|----------------|-----------------|---------------------|
| | £'000 | £'000 |
| Under 3 months | - | - |
| Over 3 months | - | 24 |
| | <u>-</u> | <u>24</u> |

As of 25 July 2008, trade debtors of £nil (31 December 2007: £209,000) were past due but not provided for. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade debtors is as follows:

| | 25 July 2008 | 31 December 2007 |
|----------------|-----------------|---------------------|
| | £'000 | £'000 |
| Under 3 months | - | 201 |
| Over 3 months | - | 8 |
| | <u>-</u> | <u>209</u> |

Notes to the financial statements

at 25 July 2008

7. Debtors (continued)

Movements on the provision for doubtful debts are as follows:

| | 25 July 2008 £'000 | 31 December 2007 £'000 |
|---|--------------------------|------------------------------|
| At 1 January | 16 | 1 |
| Net (release)/provision for debtors | (9) | 27 |
| Debtors written off during the period/year as uncollectible | - | (12) |
| Transfer of provision to the UBM group | (7) | - |
| At 25 July 2008 | - | 16 |

The creation and release of provision for impaired trade debtors have been included in "net operating costs" in the profit and loss account (note 3). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

8. Creditors

| | 25 July 2008 £'000 | 31 December 2007 £'000 |
|---|--------------------------|------------------------------|
| Amounts falling due within one year: | | |
| Amounts owed to the RIBA | 853 | - |
| Amounts owed to fellow group undertakings | - | 3 |
| Other creditors | - | 57 |
| Accruals and deferred income | - | 230 |
| | 853 | 290 |

Amounts falling due after more than one year:

| | | |
|---|---|-------|
| Amounts owed to fellow group undertakings | - | 1,117 |
|---|---|-------|

In 2007 amounts owed to fellow group undertakings related to amounts owed to companies within the UBM group. These amounts were unsecured, interest free and repayable in accordance with the provisions of the Joint Venture Agreement between The Builder Group Limited and The Royal Institute of British Architects (dated 3 March 1993).

Notes to the financial statements

at 25 July 2008

9. Financial instruments

Fair values

Set out below is a comparison by category of carrying amounts and fair value of all of the company's financial instruments that are carried in the financial statements at other than fair values.

The fair value of cash at bank and deposits approximates to their book value due to their short maturity. For all other financial assets and liabilities the carrying amount has been used.

| | <i>Loans and receivables</i> | <i>Financial liabilities at amortised cost</i> | <i>Total carrying value</i> | <i>Fair value</i> |
|------------------------------|----------------------------------|--|-------------------------------------|-------------------|
| | <i>2008</i> | <i>2008</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Financial liabilities | | | | |
| Amounts owed to the RIBA | - | (853) | (853) | - |

| | <i>Loans and receivables</i> | <i>Financial liabilities at amortised cost</i> | <i>Total carrying value</i> | <i>Fair value</i> |
|---|----------------------------------|--|-------------------------------------|-------------------|
| | <i>2007</i> | <i>2007</i> | <i>2007</i> | <i>2007</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Financial assets | | | | |
| Trade debtors | 382 | - | 382 | 382 |
| Amounts owed by fellow group undertakings due within one year | 8 | - | 8 | 8 |
| Prepayments and accrued income | 11 | - | 11 | 11 |
| Group relief receivable | 55 | - | 55 | 55 |
| | <u>456</u> | <u>-</u> | <u>456</u> | <u>456</u> |

Financial liabilities

| | | | | |
|---|----------|----------------|----------------|----------------|
| Amounts owed to fellow group undertakings due within one year | - | (1,120) | (1,120) | (1,120) |
| Other creditors | - | (57) | (57) | (57) |
| Accruals and deferred income | - | (230) | (230) | (230) |
| | <u>-</u> | <u>(1,407)</u> | <u>(1,407)</u> | <u>(1,407)</u> |

The carrying amounts of the company's financial assets and liabilities are all denominated in sterling.

Notes to the financial statements

at 25 July 2008

10. Authorised and issued share capital

| | 25 July 2008 £'000 | 31 December 2007 £'000 |
|--|--------------------------|------------------------------|
| Authorised | | |
| 1,000 ordinary shares of £1 each (31 December 2007: 1,000) | <u>1</u> | <u>1</u> |
| Allotted, called up and fully paid | | |
| 1,000 ordinary shares of £1 each (31 December 2007: 1,000) | <u>1</u> | <u>1</u> |

11. Reserves

| | Profit and loss account £'000 |
|-----------------------|-------------------------------------|
| At 1 January 2008 | (952) |
| Profit for the period | 98 |
| At 25 July 2008 | <u>(854)</u> |

12. Reconciliation of movements in shareholders funds

| | 25 July 2008 £'000 | 31 December 2007 £'000 |
|--|--------------------------|------------------------------|
| Profit for the period | 98 | 58 |
| Shareholders deficits at the beginning of the period | <u>(951)</u> | <u>(1,009)</u> |
| Shareholders deficits at the end of the period | <u>(853)</u> | <u>(951)</u> |

13. Events after the balance sheet date

On 26 July 2008, the RIBA purchased The Builder Group Limited's 75% shareholding in RIBA Journals Limited, and a new publishing agreement was signed by the RIBA with a third party publisher, Atom Publishing Limited, for the RIBA Journal and its associated products. The Builder Group Limited is a subsidiary undertaking of the United Business Media group ("UBM group").

Notes to the financial statements

at 25 July 2008

14. Ultimate parent undertaking and controlling party

From 26 July 2008 the ultimate parent undertaking and controlling party is The Royal Institute of British Architects, an institution incorporated by Royal Charter and a registered charity in England and Wales under number 210566 whose registered office is at 66 Portland Place, London, W1B 1AD.

Prior to this date the immediate parent undertakings were The Builder Group Limited (75%) and Royal Institute of British Architects (25%), which are registered in England and Wales. The ultimate parent undertaking and controlling party was United Business Media Limited ("UBML"), registered in Jersey and resident in Ireland. UBML was the parent undertaking of the largest group to consolidate these financial statements, whilst Hirecorp Limited was the parent undertaking of the smallest group to consolidate these financial statements. Copies of the financial statements for UBML and Hirecorp Limited can be obtained from the secretary at 68 Merrion Square, Dublin 2, Ireland.