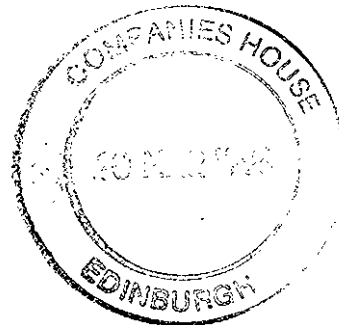


HARBINGER ASSOCIATES LIMITED

REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 30 SEPTEMBER 1997



Company Number 165521

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Page 6 does not form part of the Audited Accounts

HARBINGER ASSOCIATES LIMITED

DIRECTORS' REPORT for the Period to 30 September 1997

The directors present their report and the financial statements for the period 10 May 1996 to 30 September 1997

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 affairs of the company and the surplus or deficit 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 ensure that the financial statements comply with Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activities

The company's principal activity is to work in the fields of social work, health and housing to provide advice expertise in the development and delivery of direct services in the UK and the promotion of the third sector in the East and Central Europe.

Review of the Business

The trading deficit was £5,823 mainly due to initial start-up and development activities.

Directors

The Directors who held office during the period were:

Michael John Crawford-Harland

Susan Pearl Crawford-Harland

Pamela Corstorphine

Brian Brice Quick

Fiona Fraser

Ian Meiklejohn

Auditor

A resolution to appoint D Brown & Co. will be put to the members at the Annual General Meeting.

The Directors Report was approved by the board on 10 March 1998 and signed on their behalf.



Director

10th March 1998

HARBINGER ASSOCIATES LIMITED

Auditors' Report for the period ended 30 September 1997

We have audited the financial statements on pages 3 and 4 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 1 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 mis-statement, 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 30 September 1997 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



D BROWN & CO
Chartered Certified Accountant and Registered Auditor
36/2 Kings Road
Rosyth KY11 2SP

..... 10 Nov 1998

HARBINGER ASSOCIATES LIMITED

Income and Expenditure Account for the period ended 30 September 1997

	Notes	1997 £
Income	1	15,141
Direct Costs	2	<u>6,597</u>
Operating Surplus/(Deficit)		8,544
Administrative Expenses		<u>14,967</u>
Surplus/(Deficit) for the period		(6,423)
Interest Receivable		<u>0</u>
Surplus/(Deficit) for the period		(6,423)
Taxation on profit on ordinary activities		<u>0</u>
Retained Surplus/(Deficit) for the period		(6,423)
Retained Surplus/(Deficit) brought forward		<u>0</u>
Retained Profit/(Loss) carried forward		<u><u>(6,423)</u></u>

There were no recognised gains and losses for the period to 30 September 1997 other than those included in the profit and loss account.

The notes on pages 5 form part of these financial statements.

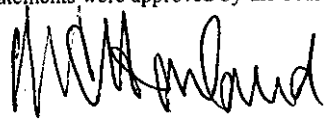
HARBINGER ASSOCIATES LIMITED

Balance Sheet as at 30 September 1997

	Notes	1997 £
Fixed Assets		
Motor Vehicle		6,000
Deprec - Motor Vehicle	4	(1,500)
Furniture and Equipment		695
Deprec - Furniture and Equipment	4	(174)
Computer Equipment		3,141
Deprec - Computer Equipment	4	(750)
		<u>7,412</u>
Current Assets		
Bank		<u>3,137</u>
		3,137
Current Liabilities		
Current Account - Pearl Trust		1,370
Accruals		<u>600</u>
		1,970
Net Current Assets		1,167
Net Assets		<u><u>8,579</u></u>
Capital and Reserves		
Share Capital	5	2
Share Premium Account		15,000
Profit and Loss Account		<u>(6,423)</u>
		<u><u>8,579</u></u>

The directors have taken advantage, in the preparation of these financial statements, of the exemptions available under part 1 of Schedule 8 to the Companies Act 1985, on the grounds that the company qualifies as a small company.

The financial statements were approved by the board on 10 March 1998 and signed on its behalf.


10th March 1998.
Director

The notes on page 5 form part of these financial statements.

HARBINGER ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 1997

ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) **Accounting Convention**

The financial statements are prepared under the historical cost convention.

(b) **Depreciation**

Tangible fixed assets are written off at the rate of 25 % per annum

	1997
	£
1 Income	
Fee Income	12,541
Other Earned income	1,000
LEEL Start-up Grant	1,600
	<u>15,141</u>

	£
2 Direct Costs	
The operating deficit is stated after charging:	
Staff Cost	5,000
Healthcare	1,597
Audit Fee	600

The company had 1 employee. The other Directors receive no remuneration during the period.

3 Taxation

The Company's liability to taxation for the period is zero.

4 Tangible Fixed Assets	Motor Vehicle	Furniture & Equipment	Computer Equipment	Total
Cost during the period	6,000	695	3,141	9,836
Less: Depreciation	1,500	174	750	2,424
Balance at 30 September 1997	<u>4,500</u>	<u>521</u>	<u>2,391</u>	<u>7,412</u>

5 The authorised share capital is 100 ordinary £1 shares of which 2 are issued

HARBINGER ASSOCIATES LIMITED

Analysis of Income and Expenditure Account for the period ended 30 September 1997

INCOME		1997 £
Consultancy	12,541	
Other Income	1,000	
LEEL Start-up Grant	<u>1,600</u>	
		15,141
EXPENDITURE		
<i>Direct Expenses</i>		
Staff Costs	5,000	
Healthcare	<u>1,597</u>	
		<u>6,597</u>
<i>Administration Costs</i>		
Capital funded from Revenue	90	
Telecommunications	1,327	
Stationery	32	
Office Supplies	807	
Postage	259	
I/T Consumables	63	
Legal Expenses	538	
Publications and Subscriptions	285	
Air Fares	306	
Motor Expenses	4,435	
Car Parking	150	
Subsistence	365	
Miscellaneous Transport	259	
Publicity and Promotion Expenses	112	
Business Meetings Expenses	402	
Repairs and Maintenance	147	
Heat and Light	944	
Insurances	758	
Sundries	662	
Audit	600	
Bank Charges	2	
Depreciation	<u>2,424</u>	
		<u>14,967</u>
Total Expenditure		21,564
<i>Surplus/Deficit</i>		<u>(6,423)</u>