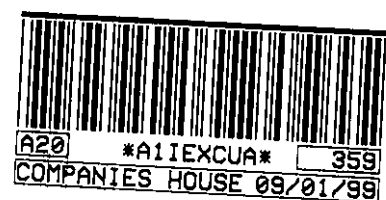

EVENGAIN LIMITED

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 1998



AUDITORS' REPORT TO EVENGAIN LIMITED
pursuant to section 247 B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 3 together with the financial statements of Evengain Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

Respective responsibilities of directors and auditors

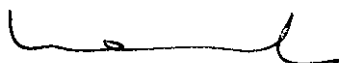
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6), 247 and 249 of the Companies Act 1985 and the abbreviated accounts on pages 2 to 3 are properly prepared in accordance with those provisions.



Waight & Co

Broadwater House
6 London Road
Tunbridge Wells
Kent
TN1 1DQ
3 July 1998

EVENGAIN LIMITED

ABBREVIATED BALANCE SHEET
As at 31 March 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Investments	2		884,719		884,719
CURRENT ASSETS					
Debtors		52,920		-	
		<u>52,920</u>		<u>-</u>	
CREDITORS: amounts falling due within one year		<u>(442,661)</u>		<u>(660,209)</u>	
NET CURRENT LIABILITIES			<u>(389,741)</u>		<u>(660,209)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>494,978</u>		<u>224,510</u>
CREDITORS: amounts falling due after more than one year			<u>(367,000)</u>		<u>-</u>
NET ASSETS			<u>£ 127,978</u>		<u>£ 224,510</u>
CAPITAL AND RESERVES					
Called up share capital	3		3,237		3,237
Revaluation reserve			223,335		223,335
Profit and loss account			<u>(98,594)</u>		<u>(2,062)</u>
SHAREHOLDERS' FUNDS			<u>£ 127,978</u>		<u>£ 224,510</u>

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

The abbreviated accounts were approved by the board on 16 June 1998 and signed on its behalf.

N C Goss  Director

The notes on pages 3 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Director's Report.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. FIXED ASSET INVESTMENTS

	£
Cost	
At 1 April 1997	884,719
At 31 March 1998	<u>884,719</u>
Net Book Value	
At 31 March 1998	<u>£ 884,719</u>
At 31 March 1997	<u>£ 884,719</u>

3. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
50,000 ordinary shares of 10p each	<u>£ 5,000</u>	<u>£ 5,000</u>
Allotted, called up and fully paid		
32,369 ordinary shares of 10p each	<u>£ 3,237</u>	<u>£ 3,237</u>