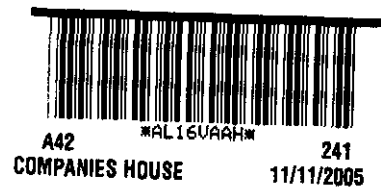


Company Registration No. 2836336 (England and Wales)

THE AVALON TRUSTEE COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2005



THE AVALON TRUSTEE COMPANY LIMITED

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THE AVALON TRUSTEE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE AVALON TRUSTEE COMPANY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of the company for the year ended 30 June 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247 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 are 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.

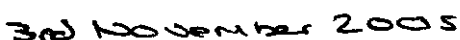
Basis of audit opinion

We have carried out the procedures we considered 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) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.


UHY Hacker Young


3rd November 2005

Chartered Accountants
Registered Auditors

THE AVALON TRUSTEE COMPANY LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2005

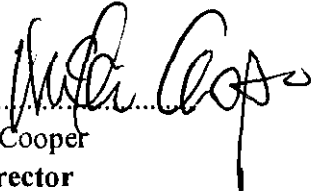
		2005		2004 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2	3,331,073		2,449,505	
Investments	2	448,480		609,260	
		3,779,553		3,058,765	
Current assets					
Debtors		218,437		223,997	
Cash at bank and in hand		2,198,375		1,755,827	
		2,416,812		1,979,824	
Creditors: amounts falling due within one year					
		(153,994)		(131,155)	
Net current assets					
		2,262,818		1,848,669	
Total assets less current liabilities					
		6,042,371		4,907,434	
Creditors: amounts falling due after more than one year					
		(5,250,523)		(4,142,775)	
Provisions for liabilities and charges					
		(5,460)		(4,173)	
		786,388		760,486	
Capital and reserves					
Called up share capital	3	64,334		64,334	
Share premium account		6,666		6,666	
Revaluation reserve		731,753		735,661	
Profit and loss account		(16,365)		(46,175)	
Shareholders' funds					
		786,388		760,486	

THE AVALON TRUSTEE COMPANY LIMITED

ABBREVIATED BALANCE SHEET (CONTINUED) AS AT 30 JUNE 2005

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 31st November 2005


.....
M Cooper
Director

THE AVALON TRUSTEE COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements consolidate the assets, liabilities and income and expenditure of The Avalon Funeral Trust, a trust whose assets are held separately from those of the company under the custody of Capita IRG Trustees Limited in their capacity of custodian trustees. Note 17 of the accounts summarises assets held on this basis. The directors consider this treatment appropriate in view of the provisions of FRS 5.

1.2 Turnover

Turnover for funeral plan sales is recognised on a cash basis and is stated net of VAT. All turnover is generated from outside the UK.

The cost of providing the funeral service is matched against turnover. The accumulated amounts due to each funeral director are shown gross and are described as "Obligations to Funeral Directors".

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	
Plant and machinery	33% - Straight line method
Fixtures, fittings & equipment	15% - Straight line method
Motor vehicles	33% - Straight line method

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

THE AVALON TRUSTEE COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies (continued)

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Pensions

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision is made for deferred tax on gains recognised on revaluing property to its market value unless the company has a binding contract, at the balance sheet date, to sell the revalued assets.

1.8 Prior period adjustment

A prior period adjustment arose due to the omission of an accrual for funeral directors' costs and the overstatement of commission paid in advance. The effect of these errors was to understate creditors by £14,877, to overstate debtors by £43,129, and to overstate profit by £58,006.

2 Fixed assets

	Tangible assets £	Investments £	Total £
Cost or valuation			
At 1 July 2004	2,516,904	609,260	3,126,164
Transfers	(99,500)	-	(99,500)
Additions	1,003,689	90,137	1,093,826
Disposals	(25,300)	(286,639)	(311,939)
	<hr/>	<hr/>	<hr/>
At 30 June 2005	3,395,793	412,758	3,808,551
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2004	67,399	-	67,399
On disposals	(25,300)	-	(25,300)
Charge for the year	22,621	(35,722)	(13,101)
	<hr/>	<hr/>	<hr/>
At 30 June 2005	64,720	(35,722)	28,998
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2005	3,331,073	448,480	3,779,553
	<hr/>	<hr/>	<hr/>
At 30 June 2004	2,449,505	609,260	3,058,765
	<hr/>	<hr/>	<hr/>

THE AVALON TRUSTEE COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

3	Share capital	2005	2004
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	64,334 Ordinary shares of £1 each	<u>64,334</u>	<u>64,334</u>

4 Ultimate parent company

The immediate and ultimate parent company is Nirvana Holdings Limited, a company registered in England and Wales.

M Cooper is the ultimate controlling party by virtue of his controlling shareholding in Nirvana Holdings Limited.