

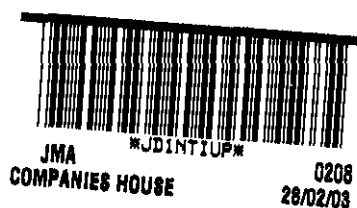
The Avalon Trustee Company Limited

for

ABBREVIATED FINANCIAL STATEMENTS

for the year ended

30 June 2002



The Avalon Trustee Company Limited

FINANCIAL STATEMENTS

CONTENTS	PAGE
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3

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

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 June 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the director and the 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 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) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



BAKER TILLY

Registered Auditor
Chartered Accountants
Brazennose House
Lincoln Square
Manchester
M2 5BL

17.1.02

The Avalon Trustee Company Limited


BALANCE SHEET

30 June 2002

	Notes	2002 £	2001 (restated) £
FIXED ASSETS	2		
Tangible assets		1,647,636	680,348
Investments		667,501	646,102
		<u>2,315,137</u>	<u>1,326,450</u>
CURRENT ASSETS			
Debtors	3	126,210	110,031
Cash at bank and in hand		209,163	301,767
		335,373	411,798
CREDITORS amounts falling due within one year		224,443	127,517
NET CURRENT ASSETS		110,930	284,281
		<u>2,426,067</u>	<u>1,610,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS amounts falling due after more than one year		2,059,360	1,492,425
PROVISIONS FOR LIABILITIES AND CHARGES		4,000	3,000
		<u>362,707</u>	<u>115,306</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	64,334	58,334
Share premium account		6,666	6,666
Revaluation reserve		167,694	-
Profit and loss account		124,013	50,306
SHAREHOLDERS' FUNDS		<u>362,707</u>	<u>115,306</u>

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

These financial statements were approved and signed by the director on 17/1/03.


Mr M Cooper

The Avalon Trustee Company Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30 June 2002

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

During last year the company changed its accounting policy so as to include on a line by line basis the assets held in trust for the company by the The Avalon Funeral Trust.

The Avalon Funeral Trust is a trust and its assets are held separately to those of the company under Custody of the Yorkshire Bank Plc in their capacity of custodian trustees. Note 13 to the accounts summarises assets held on this basis.

TURNOVER

Turnover is the total amount receivable by the company for services provided excluding VAT and trade discounts.

Turnover for plan sales is recognised immediately and offset by the cost of providing the service, as agreed with the relevant funeral director. Each year until the funeral is performed, the investment income and increased cost of the future funeral are accrued and recognised in the profit and loss account.

The accumulated amounts due to each funeral director are shown gross on the balance sheet as "Obligations to Funeral Directors".

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	-	15%
Motor Vehicles	-	33 1/3%

Depreciation has not been charged on freehold properties as the residual value of the buildings is higher than the cost.

INVESTMENT PROPERTIES

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The Avalon Trustee Company Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30 June 2002

1 ACCOUNTING POLICIES *(continued)*

DEFERRED TAXATION

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 receive 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;

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.

2 FIXED ASSETS

	Tangible Assets £	Investments £	Total £
Cost or valuation			
At 1 July 2001	724,679	646,102	1,370,781
Additions	824,838	54,739	879,577
Disposals	—	(33,340)	(33,340)
Revaluation	167,694	—	167,694
At 30 June 2002	<u>1,717,211</u>	<u>667,501</u>	<u>2,384,712</u>
Depreciation			
At 1 July 2001	44,331	—	44,331
Charge for year	25,244	—	25,244
At 30 June 2002	<u>69,575</u>	<u>—</u>	<u>69,575</u>
Net book value			
At 30 June 2002	<u>1,647,636</u>	<u>667,501</u>	<u>2,315,137</u>
At 30 June 2001	<u>680,348</u>	<u>646,102</u>	<u>1,326,450</u>

The market values of the investments are disclosed within note 17.

3 DEBTORS

Debtors include amounts of £59,179 (2001 - £67,454) falling due after more than one year.

The Avalon Trustee Company Limited
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30 June 2002

4 SHARE CAPITAL

	2002	2001 (restated)
	£	£
Authorised:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:		
Ordinary share capital	58,334	58,334
Issue of ordinary shares	<u>6,000</u>	<u>-</u>
	<u>64,334</u>	<u>58,334</u>

5 THE AVALON FUNERAL TRUST

The Avalon Funeral Trust is an independent administered scheme for the pre-arrangement and prefunding of funeral services. A formal independent actuarial review of the Avalon Funeral Trust has been prepared at 30 June 2002. At the valuation date the value of the Trust's assets was sufficient to cover 115% of the actuarial valuation of liabilities. The assets of the Avalon Funeral Trust as at 30 June 2002 comprise:

Listed Investments	Cost	Market Value
	£	£
Unit trust managed fund	326,000	206,867
UK investment companies	149,272	129,474
UK equities	133,586	87,689
Foreign equities	58,643	26,325
	<u>667,501</u>	<u>450,355</u>
Other assets		
Freehold property	1,410,651	1,663,084
Other fixed assets	9,366	9,366
Investments- cash account	8,934	8,934
Bank balances	196,147	196,147
Other debtors	55,289	55,289
Trade creditors	(124,980)	(124,980)
Other creditors	-	-
	<u>2,222,908</u>	<u>2,258,195</u>

