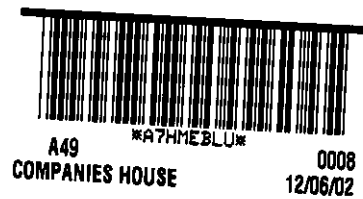


COMPANY NUMBER:
3535425 (ENGLAND & WALES)

SHASHI LTD
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001



S S ASSOCIATES LTD
CHARTERED CERTIFIED ACCOUNTANTS
86B ALBERT ROAD
ILFORD
ESSEX
IG1 1HR

SHASHI LTD
COMPANY INFORMATION

Company Number: 3535425 (England & Wales)

Director: Ms H Sira-Patti

Secretary: Mr H Patel

Registered Office: 213 High Road
Ilford
Essex IG1 1LX

Accountants: S S Associates Ltd
Chartered Certified Accountants
86B Albert Road
Ilford
Essex
IG1 1HR

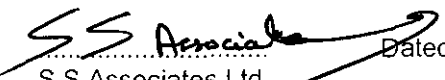
SHASHI LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001

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ACCOUNTANTS' REPORT
TO THE DIRECTOR OF SHASHI LTD

As described in the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st August 2001 set out on pages 3 to 9 and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.


S S Associates Ltd
Chartered Certified Accountants
86B Albert Road
Ilford
Essex
IG1 1HR

Dated: 27th May 2002

SHASHI LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST AUGUST 2001

The director presents her report and the financial statements for the year ended 31st August 2001.

Principal activities

The principal activity of the company continues to be that of hairdressers.

Director's interests

The director of the company during the year and her interests in the share capital of the company as recorded in the register of director's interests was as follows:

	2001	2000
	No.	of shares
Ms H Sira - Patti	100	100

Responsibilities of the director

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

select suitable accounting policies and then apply them consistently;

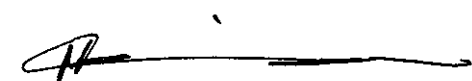
make judgements and estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. She is 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.

This report was approved by the board on 27th May 2002 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

On behalf of the board



Mr H Sira - Patti

SHASHI LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2001

	Note	2001 £	2000 £
Turnover	2	392,809	240,463
Cost of sales	3	(83,039)	(45,504)
Gross Profit		<u>309,770</u>	<u>194,959</u>
Administrative expenses		(215,940)	(161,230)
		<u>93,830</u>	<u>33,729</u>
Other operating income		803	-
Operating profit	4	<u>94,633</u>	<u>33,729</u>
Interest payable		(4,452)	(2,967)
Profit on ordinary activities before taxation		<u>90,181</u>	<u>30,762</u>
Tax on profit on ordinary activities	5	(17,292)	(4,066)
Profit for the financial year		<u>72,889</u>	<u>26,696</u>
Dividends		(42,000)	-
Retained profit for the year		<u>£ 30,889</u>	<u>£ 26,696</u>

The annexed notes form part of these financial statements.

SHASHI LTD

BALANCE SHEET

AS AT 31ST AUGUST 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Intangible assets	6		9,300		12,400
Tangible assets	7		89,427		102,534
			<u>98,727</u>		<u>114,934</u>
Current assets					
Stocks		4,975		7,225	
Cash at bank and in hand		126,235		40,729	
		<u>131,210</u>		<u>47,954</u>	
Creditors					
Amounts due within one year	8	121,685		60,009	
		<u>121,685</u>		<u>60,009</u>	
Net current assets/(liabilities)			9,525		(12,055)
Total assets less current liabilities			<u>108,252</u>		<u>102,879</u>
Creditors					
Amounts falling due after more than one year	9		(50,567)		(76,083)
			<u>(50,567)</u>		<u>(76,083)</u>
Net assets			<u>£ 57,685</u>		<u>£ 26,796</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		57,585		26,696
			<u>57,685</u>		<u>26,696</u>
Shareholders' funds			<u>£ 57,685</u>		<u>£ 26,796</u>

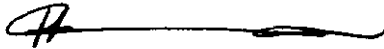
SHASHI LTD

BALANCE SHEET

AS AT 31ST AUGUST 2001

In the opinion of the director the company is entitled to claim exemptions from audit by virtue of subsection (1) of Section 249A of the Companies Act 1985. Members have not required the company, under s.249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31st August 2001. The director is responsible for ensuring that the company maintains accounting records in compliance with Section 221 of that Act and for preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the board of directors on 27th May 2002 and signed on its behalf. These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities (Effective March 2000).



.....
Ms H Sira-Patti

The annexed notes form part of these financial statements.

SHASHI LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2001

1. Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

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

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	15% reducing balance basis
-----------------------	----------------------------

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Leasing

Rentals paid under operating leases are charged to the profit & loss account on straight line basis over the term of the lease.

Goodwill

franchise fees is written off in equal annual instalments over five years.

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of hairdressers.

The turnover and profit before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

3. Exceptional cost of sales

Royalties of £38,742 were paid to the Franchiser Tony & Guy Ltd.

SHASHI LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001

4. Operating profit	2001	2000
	£	£
This is stated after charging:		
Directors' remuneration	10,028	9,259
Depreciation of owned assets	15,781	18,094
Goodwill amortisation	3,100	3,100
Hire of other assets - operating leases	4,071	2,710
	<u> </u>	<u> </u>
5. Taxation on profit on ordinary activities	2001	2000
	£	£
Current Tax:		
UK corporation tax on profits of the period	17,292	4,066
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	17,292	4,066
	<u> </u>	<u> </u>
6. Intangible fixed assets		Goodwill
		£
Cost:		
At 1st September 2000		15,500
		<u> </u>
At 31st August 2001		15,500
		<u> </u>
Amortisation:		
At 1st September 2000		3,100
Charge for the year		3,100
		<u> </u>
At 31st August 2001		6,200
		<u> </u>
Net book value:		
At 31st August 2001		£ 9,300
		<u> </u>
At 31st August 2000		£12,400
		<u> </u>

SHASHI LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001

7. Tangible fixed assets

	Plant and Machinery etc £
Cost:	
At 1st September 2000	120,628
Additions	2,674
	<hr/>
At 31st August 2001	123,302
	<hr/>
Depreciation:	
At 1st September 2000	18,094
Charge for the year	15,781
	<hr/>
At 31st August 2001	33,875
	<hr/>
Net book value:	
At 31st August 2001	£ 89,427
	<hr/> <hr/>
At 31st August 2000	£102,534
	<hr/> <hr/>

8. Creditors - amounts falling due within one year

	2001 £	2000 £
Bank loans	22,762	20,000
Taxation and social security	29,840	14,058
Director's current account	61,129	19,532
Other creditors	7,954	6,419
	<hr/>	<hr/>
	£121,685	£ 60,009
	<hr/> <hr/>	<hr/> <hr/>

9. Creditors - amounts falling due after more than one year

	2001 £	2000 £
Bank loans	50,567	76,083
	<hr/> <hr/>	<hr/> <hr/>

SHASHI LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001**

10. Share capital

	2001 £	2000 £
Authorised		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid	 £	 £
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

11. Profit and loss account

	2001 £
Balance at 1st September 2000	26,696
Profit retained for the year	30,889
	<u>57,585</u>
Balance at 31st August 2001	<u>£ 57,585</u>