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**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003
FOR
CORNERSTONE CAPITAL LIMITED**



CORNERSTONE CAPITAL LIMITED

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for the Year Ended 31 March 2003**

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CORNERSTONE CAPITAL LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2003

DIRECTOR: S D Hunt

SECRETARY: Mrs A R G Hunt

REGISTERED OFFICE: Manor Farm House
Newton Tony
Salisbury
Wiltshire
SP4 0HA

REGISTERED NUMBER: 1966315 (England and Wales)

ACCOUNTANTS: Bryars & Co
Cloverfield
Houghton Down
Stockbridge
SO20 6JR

CORNERSTONE CAPITAL LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 March 2003

The director presents his report with the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of management consultancy.

DIRECTOR

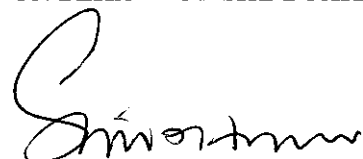
S D Hunt was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.3.03	1.4.02
Ordinary 10p shares	202,500	202,500

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



S D Hunt - Director

23 January 2004

CORNERSTONE CAPITAL LIMITED**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2003**

		31.3.03	31.3.02
	Notes	£	£
TURNOVER		117,688	166,083
Administrative expenses		114,697	158,718
OPERATING PROFIT	2	2,991	7,365
Interest payable and similar charges		3,125	4,254
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(134)	3,111
Tax on (loss)/profit on ordinary activities	3	-	439
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(134)	2,672
Deficit brought forward		(31,618)	(34,290)
DEFICIT CARRIED FORWARD		<u>£(31,752)</u>	<u>£(31,618)</u>

The notes form part of these financial statements

CORNERSTONE CAPITAL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the Year Ended 31 March 2003

	31.3.03	31.3.02
	<u>£</u>	<u>£</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(134)	2,672
Deficit on revaluation	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES	<u>£(134)</u>	<u>£2,672</u>
RELATING TO THE YEAR	<u> </u>	<u> </u>

The notes form part of these financial statements

CORNERSTONE CAPITAL LIMITED

BALANCE SHEET 31 March 2003

		31.3.03		31.3.02	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		465		582
Investments	5		44,519		44,519
			<u>44,984</u>		<u>45,101</u>
CURRENT ASSETS:					
Debtors	6	215		4,080	
CREDITORS: Amounts falling due within one year	7	<u>32,766</u>		<u>31,899</u>	
NET CURRENT LIABILITIES:			<u>(32,551)</u>		<u>(27,819)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			12,433		17,282
CREDITORS: Amounts falling due after more than one year	8		<u>21,685</u>		<u>26,400</u>
			<u>£(9,252)</u>		<u>£(9,118)</u>
CAPITAL AND RESERVES:					
Called up share capital	9		22,500		22,500
Profit and loss account			<u>(31,752)</u>		<u>(31,618)</u>
SHAREHOLDERS' FUNDS:			<u>£(9,252)</u>		<u>£(9,118)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

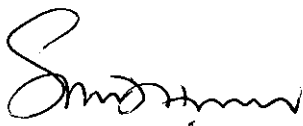
CORNERSTONE CAPITAL LIMITED

BALANCE SHEET

31 March 2003

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 with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S D Hunt', with a stylized, wavy line extending from the end.

S D Hunt - Director

Approved by the Board on 23 January 2004

CORNERSTONE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.03	31.3.02
	£	£
Depreciation - owned assets	116	145
Pension costs	<u>6,000</u>	<u>3,000</u>
Director's emoluments and other benefits etc	<u>78,074</u>	<u>121,455</u>

3. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	31.3.03	31.3.02
	£	£
Current tax:		
UK corporation tax	-	439
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>439</u>

CORNERSTONE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2003

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 April 2002	
and 31 March 2003	4,152
DEPRECIATION:	
At 1 April 2002	3,571
Charge for year	116
At 31 March 2003	3,687
NET BOOK VALUE:	
At 31 March 2003	465
At 31 March 2002	582

5. FIXED ASSET INVESTMENTS

		£
COST:		
At 1 April 2002		
and 31 March 2003		<u>44,519</u>
NET BOOK VALUE:		
At 31 March 2003		<u>44,519</u>
At 31 March 2002		<u>44,519</u>
	31.3.03	31.3.02
	£	£
Investments listed on recognised stock exchange	<u>44,519</u>	<u>44,519</u>

Market value of listed investments at 31 March 2003 - £19,475 (2002 - £35,875).

At the date of approval of these accounts, the market value of the listed investment had increased to £45,100.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.03	31.3.02
	£	£
Other debtors	215	4,080

CORNERSTONE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003**

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.03	31.3.02
	£	£
Bank loans and overdrafts	23,373	11,857
Social security & other taxes	8,563	14,339
Taxation	-	4,687
Accrued expenses	830	1,016
	<u>32,766</u>	<u>31,899</u>

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.3.03	31.3.02
	£	£
Bank loans	<u>21,685</u>	<u>26,400</u>

9. CALLED UP SHARE CAPITAL

Authorised:					
Number:	Class:	Nominal value:	31.3.03	31.3.02	
			£	£	
500,000	Ordinary	10p	<u>50,000</u>	<u>50,000</u>	
Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31.3.03	31.3.02	
			£	£	
225,000	Ordinary	10p	<u>22,500</u>	<u>22,500</u>	