

SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

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FILER

**D ANGELO BRANDS INC**

CIK: **1092762** | IRS No.: **880391116** | State of Incorporation: **NV** | Fiscal Year End: **0430**  
Type: **10KSB** | Act: **34** | File No.: **000-29477** | Film No.: **03853227**  
SIC: **5141** Groceries, general line

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SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-KSB  
ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the year ended April 30, 2003 Commission File No. 000-29477

D'ANGELO BRANDS, INC.  
(exact name of registrant as specified in its charter)

Nevada 87-063686  
(state of organization) (I.R.S. Employer Identification No.)

14 Brewster Road, Brampton, Ontario, Canada, L6T 5B7  
(address of principal executive offices)

(905) 794-0335  
Registrant's telephone number, including area code

Securities registered under Section 12(g) of the Exchange Act:  
Common Stock, \$.001 par value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes [X]

Check if there is no disclosure of delinquent filers in response to Item 405 of regulation S-B not contained in this form and, no disclosure with be contained, to the best of the registrants knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-KSB or any amendments to this Form 10-KSB. [X]

Issuer's revenue during the year ended April 30, 2003: \$2,667,349

Aggregate market value of the Class A voting and non-voting common stock equity held by non- affiliates based on the price of \$.04 per share as of August 6, 2003: \$937,983.

NOTE REGARDING PROJECTIONS AND FORWARD LOOKING STATEMENTS

THIS ANNUAL REPORT ON FORM 10-KSB CONTAINS STATEMENTS THAT ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. THESE INCLUDE STATEMENTS ABOUT OUR EXPECTATIONS, BELIEFS, INTENTIONS OR STRATEGIES FOR THE FUTURE, WHICH WE INDICATE BY WORDS OR PHRASES SUCH AS "ANTICIPATE," "EXPECT," "INTEND," "PLAN," "WILL," "BELIEVE" AND SIMILAR LANGUAGE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, INCLUDING THOSE RESULTING FROM ECONOMIC AND MARKET CONDITIONS, THE REGULATORY ENVIRONMENT IN WHICH WE OPERATE, COMPETITIVE ACTIVITIES, AND OTHER BUSINESS CONDITIONS, AND ARE SUBJECT TO UNCERTAINTIES AND ASSUMPTIONS SET FORTH ELSEWHERE IN THIS REGISTRATION STATEMENT. OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM RESULTS ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS. WE BASE OUR FORWARD LOOKING STATEMENTS ON INFORMATION CURRENTLY AVAILABLE TO US, AND WE ASSUME NO OBLIGATION TO UPDATE THESE STATEMENTS.

PART I

ITEM 1. DESCRIPTION OF THE BUSINESS

Background and Business Development

D'Angelo Brands, Inc. (The "Company") is a Nevada Corporation formed on June 9, 1995. Its principal executive offices are located at 14 Brewster Road, Brampton, Ontario, Canada, L6T 5B7. The Company was originally incorporated under the name Cambridge Funding Group, Inc. The Company changed its name to Agriceuticals Technologies, Inc. on October 2, 1998. On July 13, 1999, the Company changed its name to Playandwin Inc. Then on November 14, 2001, the

company changed its name to its present name D'Angelo Brands, Inc. The Company was incorporated to engage in any lawful corporate business, including but not limited to, participating in mergers with and acquisitions of other companies.

The Company incorporated a wholly owned subsidiary named D'Angelo Acquisitions Inc., ("Acquisitions") an Ontario corporation, which entered into a Share Exchange Agreement ("the Agreement") with D'Angelo Brands Ltd. ("Brands"), an Ontario Corporation. Pursuant to the Agreement dated October 29, 2001, Acquisitions acquired 100% of the outstanding shares of common stock of Brands in exchange for a total of 36,000,000 Exchangeable Shares. The Exchangeable Shares means Class B Special Shares of Acquisitions which are subordinate, non-voting special shares authorized in an unlimited number, each Exchangeable Share entitling its owner to one share of the Company on the following terms:

- a) each exchangeable share may be exchanged for one common share of the Company at any time during the period ending on and including the day of the fifth anniversary of the closing date. (October 29, 2001)
- b) each exchangeable share may be exchanged for one common share at the request of Acquisitions :
  - i) on the occurrence of a take over bid for all of the issued and outstanding shares of the Company or;
  - ii) after the fifth anniversary of the closing date;
- c) in case the Company shall:
  - i) subdivide its outstanding common shares into a greater number of shares; or
  - ii) consolidate its outstanding common shares into a smaller number of shares; or
  - iii) issue common shares of the Company to the holders of its outstanding common shares by way of a stock dividend, then the number of Company shares into which the Exchangeable Shares may be converted on the effective date of such subdivision or consolidation or on the record date for such stock dividend, as the case may be, shall, in the case of the events referred to in i) and ii) above, be decreased in proportion to the total number of common shares of the Company resulting from such subdivision or issue, or shall, in the case of the event referred to in ii) above, be increased in proportion to the total number of outstanding common shares of the Company resulting from such consolidation; and
- d) the adjustments provided for in c) above are cumulative and shall apply to successive dividends, distributions, subdivisions, consolidations, issues or other events resulting in any adjustment under the provisions of c) above;
- e) all of the foregoing rights, privileges and conditions and the exercise or fulfillment thereof shall be subject to the relevant securities laws.

In connection with the Share Exchange Agreement outlined above, the Company assigned to its wholly owned subsidiary, Playandwin Canada Inc (Playandwin Canada), all of its licenses and rights to the racing wager game known as "RACINGO". The Company also distributed, in the form of a stock dividend, all of the common shares of its wholly owned subsidiary Playandwin Canada Inc. to shareholders of record of the Company immediately before the closing of the Share Exchange Agreement. The stock dividends were payable November 20, 2001 to shareholders of record on October 29, 2001. At October 29, 2001 there were 701,257 Class B Special Shares of Playandwin Canada Inc. outstanding. Each of these Class B shares may be exchanged for one common share of the Company. To accommodate the exchange of shares, the Company issued a sufficient number of common shares to a trustee for the benefit of the holders of the Class B Playandwin Canada shares. The trustee will hold the common shares in trust until all the conditions for the exchange of the Class B Playandwin Canada shares have been satisfied.

On September 23, 2002, the Company acquired, through its wholly owned subsidiary 1540633 Ontario Inc. ("Ontario"), property and equipment located in Tiverton, Ontario ("Tiverton Facility") from Mintz and Partners in its capacity as the receiver and manager of the assets and property of QTF Foods Inc. The Tiverton Facility can produce concentrates, juices, purees and blends. The purchase price of \$3,505,763 for the Tiverton Facility has been allocated to the assets acquired based on estimates of their fair market value at the date of acquisition and was financed as outlined under Item 2. Description of Property later in this filing.

The Company and Acquisitions are holding companies. Brands is a beverage manufacturer and distributor located in Ontario, Canada. Ontario is a wholly owned subsidiary of the Company which can produce concentrates, juices, purees and blends, many of which can be used in the various lines of D'Angelo beverages. Anywhere in this filing where the term "Company" is used, it is meant to be inclusive of Acquisitions, Brands and Ontario unless otherwise specified.

Pursuant to the Share Exchange Agreement between the Company and Brands, the historical financial history of the Company is that of Brands, therefore, the Company has adopted the fiscal year end of D'Angelo Brands Ltd. As of this date the Company also ceased to be a "development stage company".

#### Products and Markets

D'Angelo Brands Ltd. produces and markets pure apple juice, apple and apple-cranberry cocktail, and lemonade under the D'Angelo brand name, and iced tea under the Mountain Life brand name. The Company is currently developing the following new products under the D'Angelo house name (a) Pulp Fusion - a 20 oz. single serving, high protein creamy beverage in seven flavours (b) Fruit Wave - a 48oz. fruit-based children's drink in three flavours, with all natural ingredients (c) Bar Espresso - a creamy, coffee-flavoured beverage in single serve format (d) "red", tomato-based juices, including Vegetable Cocktail and Caesar varieties.

With the acquisition of the Tiverton processing plant the Company will now squeeze it's own pure apple juice for packing in the Mississauga plant, with the resulting raw material cost benefits from vertical integration. The Tiverton facility also houses a medium-sized, state-of-the-art beer brewing facility, with associated refrigerated storage. Plans are underway for the opening of the Company's on-site beer store at Tiverton which will provide the initial test market for three distinctive beer formulations, to be sold at both the retail and the wholesale level. A province-wide marketing launch is scheduled for the spring of 2004.

With the exception of Pulp Fusion and Bar Espresso, the Company intends to focus on the 48oz. plastic bottle as its container of choice in initial product launches, to maximize purchasing economies and consumer acceptance. Regional focus will be the densely populated Canadian provinces of Ontario and Quebec, which represent approximately two-thirds of the national population. The market for shelf stable juices and drinks in Ontario and Quebec is estimated to be worth approximately \$400 million at wholesale and is experiencing steady growth in the 5% per year range, as consumers switch away from carbonated beverages to juices and cocktails.

The focus of Brands selling effort is on the major retail grocery chains in Ontario and Quebec. Because of the high degree of concentration in the food distribution industry in Canada, these chains possess strong bargaining power and demand highly competitive wholesale pricing. Brands business plan is to position itself as a low cost operator targeting large "contract" purchases of its brands, to meet the "value" price point objectives of its customers. In particular, Brands anticipates a significant market opportunity for its brands in the limited line discount sector and for private label supply on key beverage commodities such as apple juice and apple-based cocktails.

The Company believes that relationships its executive management has with the major retailers will be of assistance in implementing its business plan. These "direct" sales strategies will be supplemented by the selective use of sales brokers in regions, or with customers, where the broker can add value on a cost-effective basis. Brands will deploy its own contract field merchandisers in key accounts to maximize product placement and "sell through".

In addition, Brands co-packs for one of North America's leading premium flavoured iced tea distributors. Brands is the exclusive Eastern-Seaboard supplier for a number of specialty products for this customer, which is located in the North Eastern United States. These co-packing arrangements are fulfilled on a "tolling" basis whereby the customer supplies most ingredients, packaging and distribution. Brands charges a production fee to cover labour, plant overhead costs and a margin of profit. Additionally Brands charges this customer to use its warehouse at 14 Brewster Road in Brampton, Ontario and to manage the warehousing and handling of the customer's products in Canada.

Two significant new co-packing contracts are currently in a test phase with a major Asian beverage company, and a household name, multi-national beverage marketer.

#### Competition

The beverage and juice category of the food industry in which the Company operates is highly competitive. The Company competes directly with well financed large players in all its product categories, many with substantially greater marketing and distribution resources than Brands - Lassonde in apple beverages, Mott's and Heinz in "red" juices, Ocean Spray in the cranberry category.

The Company intends to compete on the basis of a "value" price positioning against the premium priced North American brands, relying on its distribution strengths, continuing brand awareness and customized selling strategies to build market presence. These targeted sales initiatives capitalize on the flexible production competencies it has at its manufacturing plant in Mississauga, Ontario. At this time the Company does not represent a significant competitive presence in the industry.

#### Raw Materials

Brands purchases beverage flavours, concentrates and juices - as well as all bottles, caps, labels and other packaging materials - from independent suppliers located in Canada and the USA. With the exception of pure juices, formulations are unique and proprietary to Brands. Ontario purchases apples and other ingredients and packaging from independent suppliers located in Canada and the USA.

Management does not foresee any issues with availability of raw materials other than seasonal price sensitivity associated with the purchasing of apples, apple juice and fruit concentrates.

#### Seasonality

The business is seasonal to the extent that demand for certain beverage products varies throughout the year.

#### Trademarks

D'Angelo Brands Ltd. has entered into a 25 year Royalty Agreement for the use of intellectual property (i.e. Trademarks etc.) held by a related company under common control. The agreement requires Brands. to pay 3% of gross revenue from sales of all branded products. D'Angelo Brands Ltd. is obligated to pay a minimum of \$207,987 to a maximum of \$554,631 in royalties during each calendar year. The agreement commenced on March 22, 2001.

#### Employees

The Company currently has 121 employees all of which are full time. The Company places particular reliance on key personnel, particularly the President, whose involvement would be considered material to the Company.

#### Research and Development

During the year ended April 30, 2003, the company spent approximately \$150,000 on research and development activities and \$75,000 in the year ended April 30, 2002.

#### Environmental Laws

The Company must comply with certain municipal, provincial and federal environmental laws. Presently the incremental cost to the company of complying with these laws is considered to be minimal.

#### Government Approval or Regulations

Brands operates in the beverage sector of the food industry in Ontario, Canada and must comply with a number of government regulations in this regard.

#### ITEM 2. DESCRIPTION OF PROPERTY.

The Company owns two real estate properties and has no plans at this time to acquire additional real estate, real estate mortgages or securities of or interests in persons primarily involved in real estate activities. The Company does not currently have any policies instituted with respect to the aforementioned investments or interests.

The Company's corporate office and warehousing space is located at 14 Brewster Road, Brampton, Ontario, Canada ("The Property"). This facility which is owned by the Company is well maintained and well suited for its current use. It has approximately 12,000 square feet of office space and 40,000 square feet of warehouse space. The building is being depreciated on a straight line basis over 20 years and annual realty taxes are approximately \$80,000. The facility is financed as follows:

First mortgage on the Property in the amount of \$1,733,222. The interest rate is 10.5% per annum and is payable monthly on the first of every month. The mortgage matured on May 1, 2003 and was renewed for another year on the same terms and conditions.

Second mortgage in the amount of \$450,638 on the Property owed to D. Dunsmuir Investments Canada Limited. The mortgage bears interest at 16% per annum paid monthly. The principal was due February 9, 2002 but was renewed on a month to month basis after this date under the same terms.

Third mortgage of \$128,258 on Property owed to Reagens Canada Ltd. The mortgage bears interest at 20% per annum payable monthly. The principal was due January 28, 2002 but was renewed on a month to month basis after this date under the same terms.

The Company's wholly owned subsidiary Ontario owns a processing facility located in Tiverton, Ontario, Canada. The facility is approximately 25,000 square feet. The building is being depreciated on a straight line basis over twenty years and annual property taxes are approximately \$22,000. The facility is financed as follows:

On September 23, 2002, 1540633 Ontario Inc. issued a debenture with the principal amount of \$3,505,763 ("Principal Amount") to Wasanda Enterprises Inc. The Principal Amount of the debenture is due May 19, 2004, provided that Ontario may repay the Principal Amount in whole or in part at any time without notice or bonus. The Principal Amount shall bear interest, at the interest rate charged by the Bank of Montreal (Toronto Main Branch) for demand loans in Canadian dollars to its most creditworthy commercial borrowers ("Interest Rate"). Interest on the Principal Amount shall accrue, compound and be added to the Principal Amount from September 19, 2002 to December 19, 2002. Thereafter interest shall be paid on the Principal Amount then outstanding from January 19, 2003 on the last day of every month until the debenture is due.

Security for the payment of the principal and interest payable under this debenture is:

- a) a specific charge of real and personal property by way of a fixed and specific mortgage and charge to and in favour of the Holder on all lands, other real and immovable property, all goods, chattels, fixtures, plant, vehicles, machinery, equipment and accessories of every nature of "Ontario".
- b) a floating charge in favour of the Holder on all property and assets of every nature of "Ontario".

The Company leases a state of the art high speed beverage manufacturing facility located at 4500 Eastgate Parkway, Mississauga, Ontario, Canada. The facility (57,290 square feet) is leased from April 1, 2002 to March 31, 2003 at a rate of \$3.81 per square foot plus property taxes and the Company's proportionate share of operating costs. The lease was renewed effective April 1, 2003 for an additional 5 year term on the same terms and conditions. This facility is well suited for its current use.

In June 2003 the Company began leasing approximately 20,000 square feet of warehouse space at 4544 Eastgate Parkway Mississauga, Ontario, Canada on a month to month basis at a gross rate of \$5.00 per square foot. Effective September 1, 2003 the Company has agreed to lease the entire 43,300 square foot warehousing facility until August 31, 2008. The minimum rent rates over the term are :

September 1, 2003 to August 31, 2005	\$3.47 per square foot
September 1, 2005 to August 31, 2006	\$3.64 per square foot
September 1, 2006 to August 31, 2008	\$3.81 per square foot

In addition the Company pays the property taxes and proportionate share of operating costs. This facility is well suited for its current use.

In the opinion of management the properties at 14 Brewster Road Brampton, Ontario, Canada and 4500 Eastgate Parkway, Mississauga, Ontario, Canada and in Tiverton, Ontario, Canada are adequately covered by insurance.

### ITEM 3. LEGAL PROCEEDINGS

A claim was issued in the Ontario Supreme Court of Justice on August 7, 2001 on behalf of D'Angelo Brands Ltd. v. Les Aliments Lexus Foods Inc. ("Les Aliments"). The claim is an action for outstanding commissions in the amount of \$63,000 plus \$319,000 in general damages for breach of contract. Les Aliments Lexus Foods defended the claim and subsequently counterclaimed for damages and breach of contract in the amount of \$191,000 and for fraud and negligent misrepresentation for the same amount. Les Aliments has amended its statement of defense and counterclaim to include the same claims as before and, in addition, a declaration that Les Aliments has the right, title and interest in the D'Angelo trademarks. Les Aliments has taken out an order to add the Company as a defendant to the claim. Discoveries are now partially complete. It is the opinion of management and legal counsel that the counterclaim by Les Aliments is spurious and simply an attempt to discourage pursuit of the commissions owing to D'Angelo Brands Ltd. It is the opinion of management that the claims will be settled without any significant cost to the Company other than legal expenses.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No such matters were submitted during Company's fiscal year ending April 30, 2003.

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is quoted on the over-the-counter market in the United States under the symbol DNGO. The stock was listed previously under the symbol PWIN. The quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions.

Qtr. Ended	Low/Bid	High/Ask
August 31, 2001	.02	.07
October 31, 2001	.02	1.05
January 31, 2002	.16	.87
April 30, 2002	.09	.32
July 31, 2002	.09	.36
October 31, 2002	.09	.31
January 31, 2003	.05	.11
April 30, 2003	.05	.10

Source: Yahoo Finance

#### Holders

As of August 06, 2003, there were 40 shareholders of record of the Company's common stock.

#### Dividends

The registrant has not paid any cash dividends to date, and has no plans to do so in the immediate future.

In connection with the Share Exchange Agreement outlined under Background and Business Development above, the Company assigned to its wholly owned subsidiary, Playandwin Canada Inc (Playandwin Canada), all of its licenses and rights to the racing wager game known as "RACINGO". The Company also distributed, in the form of a stock dividend, all of the common shares of its wholly owned subsidiary Playandwin Canada Inc. to stockholders of record of the Company immediately before the closing of the Share Exchange Agreement. The stock dividends were payable November 20, 2001 to stockholders of record on October 29, 2001. At October 29, 2001 there were 701,257 Class B Special Shares of Playandwin Canada Inc. outstanding. Each of these Class B shares may be exchanged for one common share of the Company. To accommodate the exchange of shares, the Company issued a sufficient number of common shares to a trustee for the benefit of the holders of the Class B Playandwin Canada shares. The trustee will hold the common shares in trust until all the conditions for the exchange of the Class B Playandwin Canada shares have been satisfied.

#### Recent Sales of Unregistered Securities

With respect to the issuances and transfers made, the registrant relied on Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering the shares. The securities were offered for investment only and not for the purposes of resale or distribution, and the transfer thereof was appropriately restricted.

On October 11, 1999, the Company issued 200,000 shares of its common stock for consideration of \$75,000.

On October 20, 1999, the Company issued 200,000 shares of its common stock for consideration of \$75,000.

On November 30, 1999, the Company issued 5,500,000 shares of its common stock to William Thompson for the proprietary rights to process soybeans.

On January 16, 2000 Penguin Petroleum Products Limited exercised 200,000 shares of the 320,000 options granted to Penguin.

On March 30, 2000, the Company sold 700,000 shares of its common stock valued at \$.44 per share, which were issued pursuant to Rule 504 of Regulation D.

On March 31, 2000, the Company sold 11,428 shares of its common stock valued at \$.38, which were issued pursuant to Rule 504 of Regulation D.

On June 13, 2000, the Company issued 1,600,000 shares of its common stock for consideration of \$400,000.

On September 15, 2000, the Company issued 1,360,000 shares of its common stock for consideration of \$149,600.

On October 5, 2000, the Company issued 11,480,000 shares of its common stock for services rendered to the Company valued at \$.22 per share. These shares were registered on Form S-8.

During October, 2000, 38 shareholders of the Class B Common Shares of the Company's wholly owned subsidiary, Playandwin Canada Inc. requested conversion of their 4,301,681 shares of the Company's common stock, therefore giving effective voting rights to the shareholders of Playandwin Canada Inc.

On November 1, 2000 the Company issued 2,500,000 shares of its common stock for services rendered to the company valued at \$.18 per share. These shares were registered on Form S-8.

On July 5, 2001 the Company issued 200,000 shares of its common stock for services rendered having a fair value of \$11,400.

On July 12, 2001 the Company issued 1,950,000 shares of its common stock for services rendered having a fair value of \$66,300.

On July 12, 2001 the Company issued 2,500,000 shares of its common stock for conversion of debt having a fair value of \$85,000.

On July 16, 2001 the Company issued 1,000,000 shares of its common stock for services rendered having a fair value of \$30,000.

All common shares issued up until September 25, 2001 do not reflect the 1:20 reverse split which occurred on that date.

On October 9, 2001 the Company issued 670,930 shares of its common stock in consideration for \$201,279 in debt owed by Playandwin Canada Inc. The closing market value of the stock at the date of conversion was \$.62 per common share.

On November 20, 2001 the Company issued 701,257 shares, to a trustee, in the form of a stock dividend pursuant to the Share Exchange agreement dated October 29, 2001. Details of the stock dividend are outlined under Dividends above.

On December 4, 2001 the Company issued 600,000 shares of its common stock for consideration of \$96,774. A Rights Registration Agreement was attached to these shares. The agreement required the Company to register these shares within 180 days of November 30, 2001 or the holder of the shares was entitled to receive an additional 300,000 registrable shares of the Company. The Company did not register the shares within the 180 day period.

On December 4, 2001 the Company issued 1,000,000 shares of its common stock for consideration of a stock subscription receivable of \$96,774.

On February 22, 2002 the Company issued 500,000 shares of its common stock for consideration of \$48,387.

On March 28, 2002 the Company issued 50,000 shares of its common stock in exchange for 50,000 Exchangeable Shares. The terms of the Exchangeable Shares are outlined in more detail in Part I Description of the Business, Background and Business Development above.

On November 22, 2002 the Company issued 500,000 shares of its common stock for consideration of \$32,712.

On November 22, 2002 the Company issued 400,000 shares of its common stock valued at \$0.09 per share pursuant to a registration rights agreement.

On July 30, 2002 the Company issued 5,095,604 of its common shares in exchange for 5,095,604 Exchangeable Shares.

On November 13, 2002 the Company issued 1,549,541 of its common shares in exchange for 1,549,541 Exchangeable Shares.

On November 14, 2002 the Company issued 357,587 of its common shares in exchange for 357,587 Exchangeable Shares.

On December 02, 2002 the Company issued 59,598 of its common shares in exchange for 59,598 Exchangeable Shares.

#### ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

##### Managements Discussion and Analysis of Financial Condition and Results of Operations

###### General

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and related footnotes for the year ended April 30, 2002 included in its Annual Report on Form 10 - KSB.

The year ended April 30, 2003 was the first full year of operations for the Company since it became D'Angelo Brands, Inc. It was another year of transition for the Company. The Mississauga bottling facility operated for the full fiscal year. In September 2002, the Company acquired, through its wholly owned subsidiary 1540633 Ontario Inc., a fruit processing plant and brewery located in Tiverton, Ontario. The facility has had only minimal production to this time but plans are underway for juice squeezing and beer production. Going forward the Company anticipates that sales will increase on an annualized basis with the Tiverton facility and addition of new products and co-packing business.

###### Results of Operations

Comparing the year ended April 30, 2002 to the year ended April 30, 2003

**Sales.** For the year ended April 30, 2003, sales were \$2,667,349, an increase of \$2,232,353 over the \$434,996 sales for the year ended April 30, 2002. The increase in sales resulted from the sales and processing of the beverage products which began production in the Company's manufacturing facility beginning in April 2002.

**Gross Profit.** Gross profit was (\$521,841) for the year ended April 30, 2003, a decrease of \$212,901 compared to the (\$308,940) gross profit for the year ended April 30, 2002. The decrease in gross profit was primarily attributable to higher repairs and maintenance, product development costs and ingredients and packaging usage waste related to the start-up of the new production line in April 2002. In addition rent, property taxes, utilities, insurance and indirect labour and other fixed costs were incurred on the Mississauga manufacturing facility in the start-up period of relatively low production as well as costs of preparing the Tiverton for production.

**Commission Income.** Commission income was \$0 for the year ended April 30, 2003, a decrease of \$30,025 from the \$30,025 commission income for the year ended April 30, 2002. Commission income was generated by the Company sub-licensing the use of its brand names. The decrease in commission income was a result of no activity of this type by the Company during the year ended April 2003.

**Selling, Marketing, Distribution and Warehousing Expenses.** Selling, marketing, distribution and warehousing expenses were \$736,690 for the year ended April 30, 2003, an increase of \$338,090 over selling, marketing, distribution and warehousing expenses of \$398,600 for the year ended April 30, 2002. The increase was due to higher salaries and expenses to operate the warehouse which

was not being used for most of the fiscal year ended April 2002.

**General and Administrative Expenses.** General and administrative expenses were \$1,149,198 for the year ended April 30, 2003, an decrease of \$1,780,485 from general and administrative expenses of \$2,929,683 for the year ended April 30, 2002. The decrease was due to no common stock issued for legal and consulting services rendered compared to \$1,513,050 for the year ended April 30, 2002.

**Financing Expenses.** Financing expenses were \$815,167 for the year ended April 30, 2003, a decrease of \$90,998 from the financing expenses of \$906,165 for the year ended April 30, 2002. The decrease was a result of selling less shares below market value for the year ended April 30, 2003.

**Interest.** Interest was \$721,233 for the year ended April 30, 2003, an increase of \$461,450 over interest of \$259,783 for the year ended April 30, 2002. The increase was a result of financing the losses, warehouse, corporate office and two manufacturing facilities.

**Provision for Income Taxes.** As the company generated losses in the last two years no provision has been made for income taxes.

**Net Loss.** Net Loss was \$3,944,129 for the year ended April 30, 2003, a decrease of \$829,017 from the net loss of \$4,773,146 for the year ended April 30, 2002. The decrease in the net loss was a result of lower general and administrative expenses and financing expenses partially offset by lower gross profit and higher selling, marketing, distribution and warehousing expenses and interest.

**Other Comprehensive Loss.** Other comprehensive loss was higher as a result of the strengthening of the Canadian dollar compared to the previous year.

#### Liquidity and Capital Resources

Comparing the year ending April 30, 2002 to the year ending April 30, 2003

As of April 30, 2003, the Company had a working capital deficiency of \$8,972,747 compared to a working capital deficiency of \$5,187,539 as of April 30, 2002. The decrease in working capital was a result of financing the cash losses through the use of short term financing in the form of accounts payable, accrued liabilities, mortgages and other debt.

Net cash used for operating activities was \$1,662,036 for the year ended April 30, 2003, an increase of \$1,252,480 from the \$409,556 net cash used for operating activities for the year ended April 30, 2002. The increase resulted mainly from a higher cash loss offset slightly by a larger increase in accounts payable and accrued charges.

Net cash used for investing activities for the year ended April 30, 2003 was \$3,721,025, as compared to the \$2,726,955 net cash used for investing activities for the year ended April 30, 2002. The increase in net cash used for investing activities as compared to the prior year was a result of the purchase of the processing facility and equipment located in Tiverton, Ontario.

Net cash provided from financing activities for the year ended April 30, 2003 was \$5,785,178 as compared to the \$3,124,920 net cash provided from financing activities for the year ended April 30, 2002. The increase in net cash provided from financing activities as compared to the prior year was a result of issuance of debentures to finance the Tiverton facility acquisition.

In the year ended April 30, 2003, the Company obtained short-term financing as outlined below:

On May 2, 2002, a new first mortgage was registered against the Property.

On June 21, 2002, \$346,644 was advanced from D. Dunsmuir Investments Canada Limited for a demand promissory note in the same amount. Interest on the promissory note is payable monthly at the rate of 14% per annum up to and including August 21, 2002 and at the rate of 20% per annum from August 22, 2002 to the date of repayment in full. In consideration of the advance, the company agreed to issue 500,000 free trading shares of the Company to D. Dunsmuir Investments Canada Limited. From the proceeds of the advance, the third mortgage (now the 4th mortgage) was repaid in full and \$79,730 was applied to pay down a portion of the balance remaining of the 2nd mortgage (now the 3rd mortgage) as outlined under Description of Property above.

On September 13, 2002, \$831,947 was advanced from D. Dunsmuir Investments Canada Limited for a demand promissory note owed jointly and severally by the Company and an officer of the Company. The note bears interest payable monthly at 20% per annum until the date of repayment, provided no interest shall be payable if the principle is repaid on or before September 30, 2002. In connection with

promissory note the Company agreed to pay a commitment fee of \$415,973, issue 500,000 free trading shares of the Company's common stock and issue warrants to purchase in total 4,000,000 free trading shares of the Company at any time prior to September 13, 2007 at \$.175 per share.

On September 23, 2002, 1540633 Ontario Inc. issued a debenture in the amount of \$3,505,763 ("Principal Amount") to Wasanda Enterprises Inc. ("Wasanda"). The debenture was issued to finance the purchase of the Tiverton Facility. The Principal Amount of the debenture is due May 19, 2004, provided that Ontario may repay the Principal Amount in whole or in part at any time without notice or bonus. The Principal Amount shall bear interest, at the interest rate charged by the Bank of Montreal (Toronto Main Branch) for demand loans in Canadian dollars to its most creditworthy commercial borrowers ("Interest Rate"). Interest on the Principal Amount shall accrue, compound and be added to the Principal Amount from September 19, 2002 to December 19, 2002. Thereafter interest shall be paid on the Principal Amount then outstanding from January 19, 2003 on the last day of every month until the debenture is due.

On December 20, 2002, a demand loan of \$450,638 was advanced from Wasanda Enterprises Inc. The loan bears interest at the rate of 10% per annum which is payable monthly on the last day of each month beginning on January 31, 2003.

Subsequent to April 30, 2003, the Company received additional debt financing as follows:

On May 2, 2003 the first mortgage on the Property was renewed on the same terms and conditions.

On June 3, 2003 an additional \$970,605 was advanced on the demand loan from Wasanda Enterprises Inc. The loan bears interest of 10% per annum payable monthly.

The Company has certain cash requirements to expand its business, execute its sales and marketing goals; fund working capital needs and pay down commitments including interest and principal payments on the debt which all matures in the next year. Management estimates that in excess of \$9,000,000 will need to be repaid or refinanced over the next fiscal year in addition to the current trade liabilities it is incurring.

The Company is currently in discussions and negotiations to obtain the financing required to meet these obligations as they become due. The financing may be in the form of debt or equity or a combination thereof. As a result of the Company's current financial condition and there is no assurance that the financing will be obtainable on favourable terms or at all.

#### Current Developments

The company has no current developments to report at this time.

#### ITEM 7. FINANCIAL STATEMENTS

The financial statements and supplemental data required by this Item 7 follow the index of financial statements appearing at Item 13 of this form 10 - KSB.

#### ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

The Company's principal accountant, Stonefield Josephson, Inc., was dismissed on February 8, 2002. The principal accountants report on the financial statements for the past two years was modified as to uncertainty that the Company will continue as a going concern. The decision to change accountants was approved by the board of directors. There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the former accountant's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report.

A new accountant has been engaged as the principal accountant to audit the issuer's financial statements. The new accountant is SF Partnership, LLP (formerly known as Solursh Feldman & Partners, LLP) and was engaged as of February 8, 2002. Neither the company nor anyone acting on its behalf consulted the new accountant regarding the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on the small business issuer's financial statements, as part of the process of deciding as to the accounting, auditing or financial reporting issue.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

The members of the Board of Directors of the Company serve until the next annual meeting of the stockholders, or until their successors have been elected. The officers serve at the pleasure of the Board of Directors.

There are no agreements for any officer or director to resign at the request of any other person, and none of the officers or directors named below are acting on behalf of, or at the direction of, any other person.

Information as to the directors and executive officers of the Company is as follows:

Name	Age	Position
Frank D'Angelo	44	President/Secretary/Treasurer/Director
Giuseppe D'Angelo	74	Director
Thomas L. Hurdman	72	Director
Trish Domi	34	Director

Frank D'Angelo

Mr. Frank D'Angelo, 44, was appointed as President, Secretary, Treasurer and a director of the Company on or about October 29, 2001. Frank D'Angelo founded D'Angelo Brands Ltd. in 1998. Prior to that, Mr. D'Angelo had been involved in ownership and senior management roles in several other food and beverage companies, one of which, The New York Food Company, Ltd., went into receivership. He has over 25 years experience in selling and marketing various branded products to the Canadian retail grocery chains. Mr. D'Angelo is the son of Giuseppe D'Angelo, another member of the Board of Directors of the Company.

Giuseppe D'Angelo

Mr. D'Angelo, 74, was appointed a director of the Company on or about October 29, 2001. Mr. D'Angelo is now retired, but as a director of the Company, he applies the knowledge he has gained from more than 50 years in the food industry. Mr. D'Angelo is the father of Frank D'Angelo, another member of the Board of Directors of the Company.

Thomas L. Hurdman

Mr. Thomas L. Hurdman, 72, was appointed a director of the Company on or about October 29, 2001. Mr. Hurdman, who is now retired, is a chartered accountant. He has been employed in senior management positions in a number of organizations including several years as C.F.O. of Standard Brands Ltd.

Trish Domi

Ms. Domi, 34, was appointed a director of the Company on or about October 29, 2001. Ms. Domi has an M.A., Applied Psychology, from the Ontario Institute for Studies in Education and a B.A., Specialized, Honours Psychology, from York University in Toronto. She has been employed by The Hospital for Sick Children in Toronto, Canada as a clinical research coordinator. She has authored or coauthored and published numerous scientific research papers. On July 25, 2003, Ms. Domi resigned from the Board of Directors of the Company for personal reasons.

Committees

The Company has no committees of the board of directors at this time.

ITEM 10. EXECUTIVE COMPENSATION

Effective for the fiscal year beginning May 1, 2002 the President of the Company is paid an annual salary by D'Angelo Brands Ltd. of \$95,675. The Company does not at present have a compensation plan for officers and directors. There are currently no long term compensation arrangements so this section of the table below has been left blank.

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Summary Compensation Table

Name and Position	Year	Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Comp. (\$)	(1) (\$)	(2) (#)	(3) (\$)	(4) (\$)
	2003	\$103,993						
Frank D'Angelo	2002	-	-	-	-	-	-	-
President and	2001	-	-	-	-	-	-	-
Director	2000	\$38,000	-	-	-	-	-	-

</table>

- (1) Restricted Stock Award(s)
- (2) Securities Underlying Options/SARs
- (3) LTIP Payouts
- (4) All Other Compensation

Mr. D'Angelo has no stock options for common stock of the Company and does not receive any other long term compensation.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth each person known to the Company, as of August 06, 2003, to be a beneficial owner of five percent or more of the Company's common stock, by the Company's directors individually, and by all of the Company's directors and executive officers as a group, prior to and upon conversion of the Exchangeable Shares. Each person named in the table below has sole voting and investment power with respect to all shares shown as beneficially owned by such person.

Beneficial holdings of owners of 5% or more of the Company's Class A common stock (not including any common shares that would be received on conversion of any Exchangeable Shares):

Title of Class	Name/Address of Owner	Shares Beneficially Owned	Percentage Ownership
Class A	D. Dunsmuir Investments Canada Limited 1 Royal Gate Boulevard Woodbridge, Ontario Canada, L4L 8Z7 (1)	-	-
Class A	Wasanda Enterprises Inc. 150 Signet Drive Weston, Ontario M9L 1T9 (2)	-	-
Class A	Penguin Petroleum Products Inc. 4 Barristers Court Thornhill, Ontario, Canada, L3T 5X3	2,500,000	10.66%
Class A	Almond Resources Ltd. Cable Beach Courte #1 West Bay Street P.O.Box CB-11728 Nassau, Bahamas	1,579,339	6.74%
Class A	Fidra Holdings Ltd. Cable Beach Courte #1 West Bay Street P.O.Box CB-11728 Nassau, Bahamas	1,787,931	7.62%
Class A	Fidra Holdings Ltd. Cable Beach Courte #1 West Bay Street P.O.Box CB-11728 Nassau, Bahamas	1,728,334	7.37%
Class A	Comerica Bank	1,489,943	6.35%

Cable Beach Courte #1  
 West Bay Street  
 P.O.Box CB-11728  
 Nassau, Bahamas

Class A	Total ownership of owners of 5% or more	9,085,547	38.75%
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(1) In connection with a promissory demand note to D. Dunsmuir Investments Canada Limited ("Dunsmuir"), a commitment was made to issue 1,000,000 shares of the Company, which shares were to be restricted from trading until April 7, 2003 and 600,000 shares of the Company which are to be free trading shares. In consideration of an advance to the Company by Dunsmuir, the Company agreed to issue 4,000,000 warrants and 1,000,000 free trading shares of the Company. None of these shares or warrants have yet been issued. After the 2,600,000 shares have been issued and if the 4,000,000 warrants are exercised, Dunsmuir would beneficially own 13.19% of the outstanding shares.

(2) In September, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until September 23, 2007, fifteen million (15,000,000) common shares from the Company with an exercise price of thirty cents (\$0.30) per common share. In December, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until December 19, 2007, five million (5,000,000) common shares from the Company with an exercise price of six cents (\$0.06) per common share. If the 20,000,000 warrants are exercised, Wasanda would beneficially own 39.96% of the outstanding shares.

Beneficial Holdings of Officer and Directors of the Company's Class A common stock (not including any common shares that would be received on conversion of any Exchangeable Shares):

Title of Class	Name/Address of Owner	Shares Beneficially Owned	Percentage Ownership
Class A	Frank D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	0	0
Class A	Giuseppe D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	0	0
Class A	Thomas L. Hurdman 16 Humberview Crescent Toronto, Ontario, Canada, M9N 1R5 (1)	357,587	1.52%
Class A	Patricia Domi 280 South Kingsway Toronto, Ontario Canada, M6S 3V3	0	0
Class A	Total ownership of officers and directors	357,587	1.52%

(1) Hurdman Enterprises Ltd. is the owner of approximately 297,989 shares. Muriel J. Hurdman is the owner of approximately 59,598 shares. Mr. Thomas L. Hurdman is the principle shareholder of Hurdman Enterprises Ltd. and the husband of Muriel J. Hurdman. Therefore Mr. Hurdman is deemed the beneficial owner of an aggregate of approximately 357,587 shares, or 1.52%, of the issued and outstanding shares of common stock. Mr. Hurdman is a director of the Company.

Beneficial holdings of owners of 5% or more of the Company's Class A common stock (upon conversion of Exchangeable Shares)

Title of Class	Name/Address of Owner	Shares Beneficially Owned	Percentage Ownership
Class A	D. Dunsmuir Investments Canada Limited 1 Royal Gate Boulevard Woodbridge, Ontario Canada, L4L 8Z7 (1)	-	-

Class A	Wasanda Enterprises Inc. 150 Signet Drive Weston, Ontario M9L 1T9 (2)	-	-
Class A	Frank D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	5,959,772	11.39%
Class A	Giuseppe D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	20,115,421	38.43%
Class A	Almond Resources Cable Beach Court #1 West Bay Street P.O. Box CB-11278 Nassau, Bahamas (3)	1,579,339	3.02%
Class A	Fidra Holdings Ltd. Cable Beach Court #1 West Bay Street P.O. Box CB-11278 Nassau, Bahamas (3)	1,787,931	3.42%
Class A	Select Investments Ltd. Cable Beach Court #1 West Bay Street P.O. Box CB-11278 Nassau, Bahamas (3)	1,728,334	3.30%
Class A	Total ownership of owners of 5% or more	31,170,797	59.56%

(1) In connection with a promissory demand note to D. Dunsmuir Investments Canada Limited ("Dunsmuir"), a commitment was made to issue 1,000,000 shares of the Company, which shares were to be restricted from trading until April 7, 2003 and 600,000 shares of the Company which are to be free trading shares. In consideration of an advance to the Company by Dunsmuir, the Company agreed to issue 4,000,000 warrants and 1,000,000 free trading shares of the Company. None of these shares or warrants have yet been issued. After the 2,600,000 shares have been issued and if the 4,000,000 warrants are exercised, Dunsmuir would beneficially own 8.36% of the outstanding shares.

(2) In On September 23, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until September 23, 2007, fifteen million (15,000,000) common shares from the Company with an exercise price of thirty cents (\$0.30) per common share. On December 20, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until December 19, 2007, five million (5,000,000) common shares from the Company with an exercise price of six cents (\$0.06) per common share. After the 20,000,000 shares have been issued, Dunsmuir would beneficially own 25.34% of the outstanding shares.

(3) Mr. Ian Brown is the principle shareholder of Almond Resources Ltd., Fidra Holdings Ltd., and Select Investments Ltd. Therefore Mr. Brown will be deemed the beneficial owner of an aggregated total of approximately 5,095,064 shares, or 9.74% of the issued and outstanding shares of the common stock.

Beneficial holdings of Officers and Directors of the Company' Class A common stock (upon conversion of Exchangeable Shares):

Title of Class	Name/Address of Owner	Shares Beneficially Owned	Percentage Ownership
Class A	Frank D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	5,959,772	11.39%
Class A	Giuseppe D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	20,115,421	38.43%
Class A	Thomas L. Hurdman 16 Humberview Crescent	297,989	.57%

Toronto, Ontario,  
Canada, M9N 1R5 (1)

Class A	Trish Domi 280 South Kingsway Toronto, Ontario Canada, M6S 3V3	0	0
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Class A	Total ownership of officers and directors	26,373,182	50.39%
---------	--	------------	--------

(1) Hurdman Enterprises Ltd. is the beneficial owner of approximately 297,989 shares. Muriel J. Hurdman is the beneficial owner of approximately 59,598 shares. Mr. T. Lynton Hurdman is the principle shareholder of Hurdman Enterprises Ltd. and the husband of Muriel J. Hurdman. Therefore, Mr. Hurdman is deemed the beneficial owner of an aggregate of approximately 357,587 shares or 0.57% of the issued and outstanding shares of common stock upon conversion of the Exchangeable Shares. Mr. Hurdman is a director of the Company.

Beneficial Holdings of Owners of 5% or more of the Company's Class B Exchangeable Shares:

Class B	Frank D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	5,959,772	20.63%
---------	---	-----------	--------

Class B	Giuseppe D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	20,115,421	69.63%
---------	--	------------	--------

Class B	Total ownership of owners of 5% or more	26,075,193	90.26%
---------	--	------------	--------

Beneficial holdings of Officer and Directors of Class B Exchangeable Shares:

Class B	Frank D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	5,959,772	20.63%
---------	---	-----------	--------

Class B	Giuseppe D'Angelo 14 Brewster Road Brampton, Ontario, Canada, L6T 5B7	20,115,421	69.63%
---------	--	------------	--------

Class B	Thomas L. Hurdman 16 Humberview Crescent Toronto, Ontario, Canada, M9N 1R5	0	0
---------	---	---	---

Class B	Trish Domi 280 South Kingsway Toronto, Ontario Canada, M6S 3V3	0	0
---------	---	---	---

Class B	Total ownership of officers and directors	26,075,193	90.26%
---------	--	------------	--------

#### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

A company, owned by two directors of the Company, owed the Company of \$205,562 at April 30, 2003. The debt does not accrue interest.

D'Angelo Brands Ltd. is a wholly owned subsidiary of D'Angelo Acquisitions Inc., which in turn is a wholly owned subsidiary of the Company. 1540633 Ontario Inc. is a wholly owned subsidiary of the Company.

D'Angelo Brands Ltd. has entered into a 25 year Royalty Agreement for the use of

intellectual property (i.e. Trademarks etc.) held by a related company under common control. The agreement requires Brands to pay 3% of gross revenue from sales of all branded products. D'Angelo Brands Ltd. is obligated to pay a minimum of \$207,987 to a maximum of \$554,631 in royalties during each calendar year. The agreement commenced on March 22, 2001.

#### ITEM 13. FINANCIAL STATEMENTS AND EXHIBITS

Report of the Independent Auditor, SF Partnership, LLP  
(formerly known as Solursh Feldman & Partners, LLP) dated  
August 06, 2003.

Consolidated Balance Sheets as at April 30, 2003 and April 30, 2002.

Consolidated Statements of Operations and Comprehensive Loss  
for the years then ended

Consolidated Statements of Stockholder's Equity (Deficiency)  
for the years then ended

Consolidated Statements of Cash Flows for the years then ended

Notes to the Consolidated Financial Statements

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Balance Sheets	F-2
Statements of Operations and Comprehensive Loss	F-3
Statements of Stockholders' Equity (Deficiency)	F-4
Statements of Cash Flows	F-5
Notes to Financial Statements	F-6

#### REPORT OF INDEPENDENT AUDITORS

To the Stockholders of D'Angelo Brands, Inc. We have audited the accompanying consolidated balance sheets of D'Angelo Brands, Inc. (formerly Playandwin, Inc.) as at April 30, 2003 and 2002 and the related consolidated statements of stockholders' equity (deficiency), operations and comprehensive loss and cash flows for the years ended April 30, 2003 and 2002. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. In our opinion, these consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of D'Angelo Brands, Inc. (formerly Playandwin, Inc.) as of April 30, 2003 and 2002 and the consolidated results of their operations and comprehensive loss and their cash flows for the years ended April 30, 2003 and 2002 in conformity with generally accepted accounting principles in the United States of America.

SF Partnership, LLP (formerly  
known as Solursh Feldman & Partners, LLP)  
CHARTERED ACCOUNTANTS

Toronto, Canada

August 06, 2003

D'Angelo Brands, Inc. And Subsidiaries  
Consolidated Balance Sheets  
As at April 30

	<c>	<c>
	2003	2002
	-----	-----
ASSETS		
Current		
Accounts receivable	\$ 5,825	\$ 17,905
Inventories	65,673	98,205
Prepaid expenses and deposits	274,774	19,146
	-----	-----
	346,272	135,256
	-----	-----
Capital Assets, Net	\$ 6,114,446	\$ 2,700,866
	-----	-----
	\$ 6,460,718	\$ 2,836,122
	=====	=====
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 4,441,731	\$ 2,268,356
Mortgages and other debt	4,877,288	3,054,439
	-----	-----
	9,319,019	5,322,795
Long Term Debt	3,505,763	-
Commitment & Contingencies (Note9)	-	-
	-----	-----
	\$ 12,824,782	\$ 5,322,795
	-----	-----
STOCKHOLDERS' EQUITY (DEFICIENCY)		
Common stock, par value \$0.001;		
Class A - 200,000,000 shares authorized;		
23,449,589 and 15,487,259 shares issued and outstanding	\$ 23,450	\$ 15,487
Class B - 50,000,000 shares authorized;		
28,887,670 and 35,950,000 shares issued and outstanding	28,888	35,950
Additional paid-in capital	3,653,677	3,573,577
Stock Subscription Receivable	-	(96,774)
Advances to Director	-	(291,080)
Accumulated Other Comprehensive Gain (Loss)	( 367,945)	34,172
Accumulated Deficit	(9,702,134)	(5,758,005)
	-----	-----
	(6,364,064)	(2,486,673)
	-----	-----
	\$ 6,460,718	\$ 2,836,122
	=====	=====

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D'Angelo Brands, Inc. And Subsidiaries  
Consolidated Statements of Operations and Comprehensive Loss  
for the years ended April 30

	<c>	<c>
	2003	2002
	-----	-----
Sales	2,667,349	434,996
Cost of Sales	3,189,190	743,936
	-----	-----
Gross Profit	(521,841)	(308,940)
Commission Income	-	30,025
	-----	-----
	(521,841)	(278,915)

Selling, Marketing, Distribution and Warehousing Expenses	736,690	398,600
General and Administrative Expenses	1,149,198	2,929,683
	1,885,888	3,328,283
Loss before other expenses	(2,407,729)	(3,607,198)
Other Expenses		
Financing Expenses	815,167	906,165
Interest	721,233	259,783
	1,536,400	1,165,948
Loss before income taxes	(3,944,129)	(4,773,146)
Provision for income taxes	-	-
Net Loss	(3,944,129)	(4,773,146)
Other comprehensive gain (loss), net of taxes - foreign currency translation	(402,117)	(290)
Comprehensive Loss	(4,346,246)	(4,773,436)
Loss per common share, basic and diluted	(0.19)	(0.21)
Weighted average number of common shares outstanding, basic and diluted	20,627,472	22,452,662

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D'ANGELO BRANDS, INC.  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIENCY)

	Common Stock				Additional Paid-In Capital
	Class A	Amount	Class B	Amount	
Balance at April 30, 2001	35,594,736	\$35,595	0	\$0	\$916,189
Shares issued for cash before the acquisition of D'Angelo Acquisition Inc.	405,264	\$405			\$219,775
Issuance of class B common stock	(36,000,000)	(\$36,000)	36,000,000	\$36,000	
Issuance of common stock on acquisition of D'Angelo Acquisition Inc.	7,532,259	\$7,532			(\$7,532)
Conversion of Class-B to Class-A shares	50,000	\$50	(50,000)	(\$50)	
Shares issued for cash	2,100,000	\$2,100			\$239,835
Stock subscription receivable					\$698,065
Expense for shares sold below market value					\$1,507,245
Shares issued for services rendered	5,805,000	\$5,805			
Advances to Director					
Foreign Currency Translation Adj					
Net Loss					
Balance at April 30, 2002	15,487,259	\$15,487	35,950,000	\$35,950	\$3,573,577
Conversion of Class-B to Class-A shares	7,062,230	7,062	(7,062,330)	(7,062)	
Shares issued for cash	500,000	500			32,212
Expense for shares sold below market value					12,288
Shares issued as per agreement	400,000	400			35,600
Stock subscription receivable					
Advances to Director					
Foreign Currency Translation Adj					
Net Loss					
Balance at April 30, 2003	23,449,589	\$23,450	28,887,670	\$28,888	\$3,653,677

	Stock Subscription Receivable	Advances to Director	Accumulated Other Comprehensive Gain	Accumulated Deficit	Stockholders Equity / (Deficiency)
Balance at April 30, 2001	\$0	\$0	\$34,462	(\$984,859)	\$1,387
Shares issued for cash before the acquisition of D'Angelo Acquisition Inc.					\$220,180
Issuance of class B common stock					\$0
Issuance of common stock on acquisition of D'Angelo Acquisition Inc.					\$0
Conversion of Class-B to Class-A shares					\$0
Shares issued for cash					\$241,935
Stock subscription receivable	(\$96,774)				(\$96,774)
Expense for shares sold below market value					\$698,065
Shares issued for services rendered					\$1,513,050
Advances to Director		(\$291,080)			(\$291,080)
Foreign Currency Translation Adj			(\$290)		(\$290)
Net Loss				(\$4,773,146)	(\$4,773,146)
Balance at April 30, 2002	(\$96,774)	(\$291,080)	\$34,172	(\$5,758,005)	(\$2,486,673)
Conversion of Class-B to Class-A shares					\$0
Shares issued for cash					\$32,712
Expense for shares sold below market value					\$12,288
Shares issued as per agreement					\$36,000
Stock subscription receivable	96,774				\$96,774
Advances to Director		291,080			\$85,518
Foreign Currency Translation Adj			(\$402,117)		(\$402,117)
Net Loss				(\$3,944,129)	(\$3,944,129)
Balance at April 30, 2003	\$0	\$0	(\$367,945)	(\$9,702,134)	(\$6,364,065)

</table>

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D'Angelo Brands, Inc. And Subsidiaries  
Consolidated Statements of Cash Flows  
for the years ended April 30

	2003	2002
Cash Flows from Operating Activities		
Net loss	(3,944,129)	(4,773,146)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation	307,445	66,991
Write-off of deferred financing charges		55,545
Common stock issued for services rendered		1,513,050
Expense for shares sold below market value	12,288	698,065
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	12,080	58,629
Inventories	32,532	(98,205)
Prepays, deposits and other receivables	(255,628)	(19,146)
Deposit on building		64,160
Increase (decrease) in liabilities:		
Accounts payable and accrued charges	2,173,376	2,024,501
Net cash used for operating activities:	(1,662,036)	(409,556)
Cash Flows from Investing Activities		
Additions to capital assets	(3,721,025)	(2,726,955)
Net cash used for investing activities:	(3,721,025)	(2,726,955)
Cash Flows from Financing Activities		
Mortgages and other debt	1,822,849	3,054,439
Issuance of debentures	3,505,763	
Issuance of capital stock	68,712	365,341

Decrease in stock subscription receivable	96,774	
Advances from (to) Director	291,080	(294,860)
	-----	-----
Net cash provided from financing activities:	5,785,178	3,124,920
Change in foreign currency translation adjustment	(402,117)	(290)
Increase (decrease) in cash and cash equivalents	-	(11,881)
Cash and cash equivalents, beginning of period	-	11,881
	-----	-----
Cash and cash equivalents, end of period	-	-
	=====	=====
Supplemental disclosure of cash flow information:		
Interest paid	382,260	163,763
	=====	=====
Income taxes paid	-	-
	=====	=====

Supplemental disclosure of non-cash investing and financing transactions:

For the two years ended April 30, 2003, the Company:

Sold 1,100,000 of its common stock, unregistered, for gross proceeds of \$145,161. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the company recorded a financing charge of \$354,839, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds.

Sold 1,000,000 of its common stock for gross proceeds of \$96,774 in the form of a share subscription receivable. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the company recorded a financing charge of \$343,226, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds.

Issued 5,605,000 shares of its common stock valued at \$1,461,250, the current market value of the shares on the dates of issuance based on the closing price of the Company's common stock for services rendered.

Issued 200,000 shares of its common stock for services rendered in the amount of \$35,875. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the Company recorded a financing charge of \$16,125, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds.

In connection with the issuance of the Exchangeable Shares, a Registration Rights Agreement dated November 12, 2001, was attached to 250,000 of these shares issued to Comerica Bank. As the registration was not effective within 120 days of the date of the agreement, Comerica Bank will receive another 100,000 registrable shares of the Company. Although the shares have not yet been issued, the expense related to the issuance of these shares of \$27,000 has been accrued.

In connection with the promissory demand note to D. Dunsmuir Investments Canada Limited, outlined in note 8 above a commitment was made to issue 1,000,000 shares of the Company, which shares were to be restricted from trading until April 7, 2003 and 600,000 shares of the Company which are to be free trading shares. Although the shares have not yet been issued, the expense related to the issuance of these shares of \$374,000 has been accrued as a financing charge.

Sold 500,000 shares of its common stock, restricted, for gross proceeds of \$32,712. The share price was below the current market value of the shares on the date of issuance based on the closing price for the Company's common stock. Therefore the Company recorded a financing charge of \$12,288 with a corresponding offset to additional paid in capital for the difference between the current market value and the gross proceeds.

Issued 400,000 shares of its common stock valued at \$36,000 the current market value of the shares on the dates of issuance based on the closing price of the Company's common stock pursuant to a Registration Rights Agreement.

## D'Angelo Brands, Inc.

## Notes to Financial Statements

April 30, 2003

## 1. Summary of Significant Accounting Policies

## Company Background and Nature of Business:

D'Angelo Brands, Inc. ("the Company") (formerly Playandwin, Inc.) was incorporated under the laws of the State of Nevada on June 9, 1995. The Company was incorporated under the name Cambridge Funding Group Inc. The Company changed its name to Agriceuticals Technologies, Inc., then to Playandwin, Inc. and then to D'Angelo Brands, Inc.

D'Angelo Acquisitions Inc. is a wholly owned subsidiary of the Company and D'Angelo Brands Ltd. is wholly owned by D'Angelo Acquisitions Inc. D'Angelo Brands Ltd. produces and markets branded apple juice, apple cocktail and iced tea. These products are distributed to major retail grocery chains in the Ontario, Canada market.

1540633 Ontario Inc. ("Ontario") is a wholly owned subsidiary of the Company which can produce concentrates, juices, purees and blends, many of which can be used in the various lines of D'Angelo beverages.

## Acquisition and Change in Control:

The Company incorporated a wholly owned subsidiary named D'Angelo Acquisitions Inc., ("Acquisitions") an Ontario corporation, which entered into a Share Exchange Agreement ("the Agreement") with D'Angelo Brands Ltd. ("Brands"), an Ontario Corporation. Pursuant to the Agreement dated October 29, 2001, Acquisitions acquired 100% of the outstanding shares of common stock of Brands in exchange for a total of 36,000,000 Exchangeable shares. The Exchangeable shares means Class B Special Shares of Acquisitions, being subordinate, non-voting special shares authorized in an unlimited number. The terms of the Exchangeable shares are outlined in more detail in note 5 below. Pursuant to the Agreement, the historical financial history of the Company is that of Brands, therefore April 30, the fiscal year end of Brands was adopted.

F-6

In connection with the Share Exchange Agreement, the Company assigned to its wholly owned subsidiary, Playandwin Canada Inc (Playandwin Canada), all of its licenses and rights to the racing wager game known as "RACINGO". The Company also distributed, in the form of a stock dividend, all of the common shares of its wholly owned subsidiary Playandwin Canada Inc. to stockholders of record of the Company immediately before the closing of the Share Exchange Agreement. The stock dividends were payable November 20, 2001 to stockholders of record on October 29, 2001. On October 29, 2001 there were 701,257 Class B Special Shares of Playandwin Canada Inc. outstanding. Each of these Class B shares may be exchanged for one common share of the Company. To accommodate the exchange of shares, the Company issued a sufficient number of common shares to a trustee for the benefit of the holders of the Class B Playandwin Canada shares. The trustee will hold the common shares in trust until all the conditions for the exchange of the Class B Playandwin Canada shares have been satisfied.

## Basis of Presentation:

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course. As reflected in the accompanying financial statements, the Company has had recurring losses from operations, a negative cash flow from operations, and its current liabilities exceed its current assets. These matters raise substantial doubt about the Company's ability to continue as a going concern. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying consolidated balance sheet is dependent upon continued operations of the Company, which, in turn, is dependent upon the Company's ability to continue to raise capital and generate positive cash flows from operations. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and

classifications of liabilities that might be necessary should the Company be unable to continue its existence. Management plans to take the following steps that it believes will be sufficient to provide the Company with the ability to continue in existence:

On consolidation, all material inter-company transactions have been eliminated.

- The Company is continuing to develop its business plan and Management does expect the Company to become profitable by the fourth quarter of its fiscal year ended April 30, 2004.
- Management expects to fund any negative cash flows or capital expenditures from debt or equity financing or a combination thereof as deemed appropriate by the Company's Board of Directors.

#### Basis of Consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned and controlled subsidiaries. On consolidation all material inter-company transactions have been eliminated.

#### Use of Estimates:

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts for revenue and expenses during the period. Actual amounts could differ from those estimates.

#### Fair Value:

For certain of the Company's financial instruments, none of which are held for trading, including cash, accounts receivable, accounts payable and liabilities, the carrying amounts approximate fair value due to their short maturities. The amounts shown for mortgages and other debt also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

#### Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

#### Concentration of Credit Risk:

Financial instruments, which potentially subject the company to concentrations of credit risk, consist of cash and accounts receivable. The Company places its cash with a financial institution in Canada which is not covered by the Canada Deposit Insurance Corporation. The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, if required.

#### Inventories:

Inventories are valued at the lower of cost (first-in, first-out basis) or market.

#### Capital Assets:

Capital assets are stated at cost or net replacement amount. Depreciation, based on the estimated useful lives of the assets, is provided on a straight line basis over the following periods:

Building	20 years
Manufacturing Equipment	10 years
Trucks	3 years

Depreciation expense was \$307,445 and \$66,991 for the years ended April 30, 2003 and 2002, respectively.

#### Revenue Recognition:

The Company recognizes sales upon shipment of goods to customers.

#### Impairment of Long-Lived Assets:

In accordance with SFAS No. 144, "Accounting for the Impairment or disposal of Long-Lived Assets", long-lived assets to be held and used are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value of asset less cost to sell.

Translation of Foreign Currency: The Company translates the foreign currency financial statements of its subsidiaries in accordance with the requirements of SFAS No. 52, "Foreign Currency Translation". Assets and liabilities are translated at current exchange rates and related revenues and expenses are translated at average exchange rates in effect during the period. Resulting translation adjustments are recorded as a separate component in stockholders' equity (deficiency). Foreign currency transaction gains and losses are included in determining net income.

#### Income Taxes:

The Company accounts for income taxes pursuant to Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

#### Net Loss per Common Share:

The Company calculates net loss per share based on SFAS No. 128, "Earnings Per Share". Basic loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At April 30, 2003, the weighted average common shares outstanding would have been increased by 28,887,670 shares of the Company's common stock if the Exchangeable Shares would have been dilutive.

#### Comprehensive Income:

SFAS No. 130 "Reporting Comprehensive Income", establishes standards for the reporting and displaying of comprehensive income and its components in the financial statements. In accordance with SFAS No. 52, the Company has a Foreign Currency Translation Adjustment. This is a component of the Company's Comprehensive Loss, which is displayed as a component of the Statement of Operation and Comprehensive Loss. Recently Issued Accounting Pronouncements:

In June 2001, the FASB issued SFAS No. 141, "Business Combinations." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Goodwill and certain intangible assets will remain on the balance sheet and not be amortized. On an annual basis, and when there is reason to suspect that their values have been diminished or impaired, these assets must be tested for impairment, and write downs may be necessary. The Company adopted SFAS No. 141 on July 1, 2001 and the adoption did not have an effect on the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 changes the accounting for goodwill from an amortization

method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. The Company was required to implement SFAS No. 142 on January 1, 2002 and the adoption did not have an effect on the Company's financial position or results of operation.

In October 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires companies to record the fair value of a liability for asset retirement obligations in the period in which they are incurred. The statement applies to a company's legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, and development or through the normal operation of a long-lived asset. When a liability is initially recorded, the company would capitalize the cost, thereby increasing the carrying amount of the related asset. The capitalized asset retirement cost is depreciated over the life of the respective asset while the liability is accreted to its present value. Upon settlement of the liability, the obligation is settled at its recorded amount or the company incurs a gain or loss. The statement is effective for fiscal years beginning after June 30, 2002. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Statement 144 addresses the accounting and reporting for the impairment or disposal of long-lived assets. The statement provides a single accounting model for long-lived assets to be disposed of. New criteria must be met to classify the asset as an asset held-for-sale. This statement also focuses on reporting the effects of a disposal of a segment of a business. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Correction (issued 4/02)," which the Company does not believe will materially affect its financial statements.

## 2. Capital Assets

<table>

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	2003			2002
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
<s>	<c>	<c>	<c>	<c>
Land	1,163,294	-	1,163,294	956,221
Building	1,829,145	117,535	1,711,610	1,074,491
Manufacturing Equipment	3,479,180	239,639	3,239,541	654,114
Trucks	51,997	51,997	-	16,040
	6,523,613	409,170	6,114,446	2,700,866

</table>

## 3. Mortgages and Other Debt

<table>

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2003

2002

First mortgage on the property located at 14 Brewster Road, Brampton Ontario, Canada ("the Property"). The mortgage matures on May 1, 2003. The interest rate is 10.5% per annum and is payable monthly on the first of every month. Effective May 2, 2003 the mortgage has been renewed for the further term of one year under the same terms.

1,733,222

0

Second mortgage on the Property owed to D. Dunsmuir Investments Canada Limited. The mortgage bears interest at 16% per annum and is payable monthly. The principal was due February 9, 2002 but was renewed on a month to month basis after this date under the same terms.

450,638

414,832

Third mortgage on the Property owed to Reagens Canada Ltd. The mortgage bears

interest at 20% per annum payable monthly. The principal was due January 28, 2002 but was renewed on a month to month basis after this date under the same terms.	128,258	1,608,271
Mortgage (now repaid but previously was third mortgage) on the Property owed to D. Dunsmuir Investments Canada Limited. The mortgage bears interest at 16% per annum payable monthly. The principal is due on demand. The mortgage has been guaranteed by an officer of the Company.	0	74,032
Promissory demand note owed to D. Dunsmuir Investments Canada Limited jointly and severally with an officer of the Company ("The Note"). The Note bears interest at 16% per annum up to May 1, 2002 and 20% per annum thereafter until the date of repayment. The principal may be repaid, in whole or in part, at any time with or without notice. The Note is secured by:	762,618	702,023
i) a general security agreement covering all assets of D'Angelo Brands Ltd. including a first charge on all equipment and a second charge on inventory and accounts receivable.		
ii) fourth registered charge on the Property		
iii) first registered charge on all production equipment		
Promissory demand note owed to David Stewart jointly and severally with an officer of the company. The note bears interest at 5% per annum to the date of payment. The principal may be repaid, in whole or in part, at any time with or without notice.	173,322	255,281
Demand promissory note advanced from D. Dunsmuir Investments Canada Limited. Interest on the promissory note is payable monthly at the rate of 14% per annum up to and including August 21, 2002 and at the rate of 20% per annum from August 22, 2002 to the date of repayment in full.	346,644	0
Demand promissory note advanced from D. Dunsmuir Investments Canada Limited. Interest on the promissory note is payable monthly at the rate of 20% per annum from October 1, 2002 to the date of repayment in full.	831,947	0
Demand loan (the "Loan") advanced from Wasanda Enterprises Inc. (the "Holder"). Interest on the demand loan is payable monthly on the last day of each month, at the rate of 10% per annum from January 31, 2003 to the date of repayment in full. The Loan is evidenced by a debenture in the principal amount of \$6,932,890. After existing encumbrances already in place outlined above, security for the payment of principal and interest payable under this debenture from the Loan and all other obligations owed to the Holder is: a) a specific charge of real and personal property by way of a fixed and specific mortgage and charge to and in favour of the Holder on all lands, other real and immovable property, all goods, chattels, fixtures, plants, vehicles, machinery, equipment and accessories of every nature of the Company and D'Angelo Brands Ltd. b) a floating charge in favour of the Holder on all property and assets of every nature of the Company and D'Angelo Brands Ltd.	450,638	0
<b>Total Mortgages and Other Debt</b>	<b>4,877,288</b>	<b>3,054,439</b>

Interest incurred during the year on mortgages and other debts amounted to \$584,160 for the year ended April 30, 2003 and \$259,783 for the year ended April 30, 2002.

</table>

#### 4. Long Term Debt

On September 23, 2002, 1540633 Ontario Inc. issued a debenture with the principal amount of \$3,505,763 ("Principal Amount") at January 31, 2003 to Wasanda Enterprises Inc. The Principal Amount of the debenture is due May 19, 2004, provided that Ontario may repay the Principal Amount in whole or in part at any time without notice or bonus. The Principal Amount shall bear interest, at the interest rate charged by the Bank of Montreal (Toronto Main Branch) for demand loans in Canadian dollars to its most creditworthy commercial borrowers ("Interest Rate"). Interest on the Principal Amount shall accrue, compound and be added to the Principal Amount from September 19, 2002 to December 19, 2002. Thereafter interest shall be paid on the Principal Amount then outstanding from January 19, 2003 on the last day of every month until the debenture is due.

Security for the payment of the principal and interest payable under this debenture is:

a) a specific charge of real and personal property by way of a fixed and specific mortgage and charge to and in favour of Wasanda on all lands, other

real and immovable property, all goods, chattels, fixtures, plant, vehicles, machinery, equipment and accessories of every nature of "Ontario".

b) a floating charge in favour of Wasanda on all property and assets of every nature of "Ontario".

Interest incurred during the year on long-term debt amounted to \$137,073 for the year ended April 30, 2003 and \$0 for the year ended April 30, 2002.

## 5. Common Stock

### Class A Common Stock

For the year ended April 30, 2003 the Company had the following Class A Common Stock transactions:

Sold 500,000 shares of its common stock, restricted, for gross proceeds of \$32,712. The share price was below the current market value of the shares on the date of issuance based on the closing price for the Company's common stock. Therefore the Company recorded a financing charge of \$12,288 with a corresponding offset to additional paid in capital for the difference between the current market value and the gross proceeds.

Issued 400,000 shares of its common stock, restricted, valued at \$36,000, the market value of the stock on the date the shares were issued. The shares were issued pursuant to a registration rights agreement and a financing charge had been recorded by the Company at the time the commitment to issue the shares arose.

Converted, 7,062,330 Exchangeable shares to Class A common shares of the Company.

For the year ended April 30, 2002 the Company had the following Class A Common Stock transactions:

Sold 405,264 shares of its common stock for proceeds of \$220,180.

Sold 1,100,000 of its common stock, unregistered, for gross proceeds of \$145,161. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the company recorded a financing charge of \$354,839, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds. A Registration Rights Agreement was attached to 600,000 of these shares.

Sold 1,000,000 of its common stock for gross proceeds of \$96,774 in the form of a share subscription receivable. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the company recorded a financing charge of \$343,226, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds.

Issued 5,605,000 shares of its common stock valued at \$1,461,250, the current market value of the shares on the dates of issuance based on the closing price of the Company's common stock for services rendered.

Issued 200,000 shares of its common stock for services rendered in the amount of \$35,675. The share price was below the current market value for the shares on the dates of issuance based on the closing price for the Company's common stock. Therefore the Company recorded a financing charge of \$16,125, with a corresponding offset to additional paid-in capital for the difference between the current market value and the gross sales proceeds.

Converted 50,000 Class B Exchangeable shares for 50,000 Class A Common shares of the Company.

### Class B Common Stock

In connection with the Company's acquisition of D'Angelo Acquisitions Inc., as outlined in note 1 above, 36,000,000 Exchangeable Shares of Acquisitions were issued. The Exchangeable Shares issued were further described as Class B Special, subordinated, non-voting special shares. Each share is exchangeable into one share of the Company's common stock subject to the terms as follows:

a) each exchangeable share may be exchanged for one common share of the Company at any time during the period ending on and including the day of the fifth anniversary of the closing date. (October 29, 2001)

- b) each exchangeable share may be exchanged for one common share at the request of Acquisitions : i) on the occurrence of a take over bid for all of the issued and outstanding shares of the Company; or ii) after the fifth anniversary of the closing date;
- c) in case the Company shall :
- i) subdivide its outstanding common shares into a greater number of shares; or
  - ii) consolidate its outstanding common shares into a smaller number of shares; or
  - iii) issue common shares of the Company to the holders of its outstanding common shares by way of a stock dividend, then the number of Company shares into which the Exchangeable Shares may be converted on the effective date of such subdivision or consolidation or on the record date for such stock dividend, as the case may be, shall, in the case of the events referred to in i) and ii) above, be decreased in proportion to the total number of common shares of the Company resulting from such subdivision or issue, or shall, in the case of the event referred to in ii) above, be increased in proportion to the total number of outstanding common shares of the Company resulting from such consolidation; and
- d) the adjustments provided for in c) above are cumulative and shall apply to successive dividends, distributions, subdivisions, consolidations, issues or other events resulting in any adjustment under the provisions of c) above;
- e) all of the foregoing rights, privileges and conditions and the exercise or fulfillment thereof shall be subject to the relevant securities laws.

For the year ended April 30, 2003, 7,062,330 Exchangeable Shares were converted to Class A common shares of the Company.

For the year ended April 30, 2002, 50,000 Exchangeable Shares were converted to Class A common shares of the Company.

#### 6. Significant Customer

For the year ended April 30, 2003, one customer accounted for approximately 52% and another customer approximately 40% of the Company's sales.

#### 7. Warrants

On September 23, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until September 23, 2007, fifteen million (15,000,000) common shares from the Company with an exercise price of thirty cents (\$0.30) per common share.

On December 20, 2002, the Company issued a warrant to Wasanda Enterprises Inc. to acquire, at any time in whole or in part, until December 19, 2007, five million (5,000,000) common shares from the Company with an exercise price of six cents (\$0.06) per common share.

#### 8. Related Party Transactions

D'Angelo Brands Ltd. has entered into a 25 year Royalty Agreement for the use of intellectual property (i.e. Trademarks etc.) held by a related Company under common control. The agreement requires Brands to pay 3% of gross revenue from sales of all branded products. D'Angelo Brands Ltd. is obligated to pay a minimum of \$207,987 to a maximum of \$554,631 in royalties during each calendar year.

A company, owned by two directors of the Company, owed the Company \$205,562 at April 30, 2003. The debt does not accrue interest.

In connection with the Share Exchange Agreement outlined in note 1 above, the Company entered into a Settlement Agreement with Stewart Garner, its former President. Under the terms of the agreement, the Company is to pay Mr. Garner the sum of \$70,000 in ten equal monthly payments of \$7,000 each. The payments are payable on the 15th of each month commencing on November 15th 2001. As of April 30, 2003, the \$70,000 has been accrued but no payments had been made.

#### 9. Commitments and Contingencies

A claim was issued in the Ontario Supreme Court of Justice on August 7, 2001 on behalf of D'Angelo Brands Ltd. v. Les Aliments Lexus Foods Inc. ("Les Aliments"). The claim is an action for outstanding commissions in the amount of

\$63,000 plus \$319,000 in general damages for breach of contract. Les Aliments Lexus Foods defended the claim and subsequently counterclaimed for damages and breach of contract in the amount of \$191,000 and for fraud and negligent misrepresentation for the same amount. Les Aliments has amended its statement of defense and counterclaim to include the same claims as before and, in addition, a declaration that Les Aliments has the right, title and interest in the D'Angelo trademarks. Les Aliments has taken out an order to add the Company as a defendant to the claim. Discoveries are now partially complete. It is the opinion of management and legal counsel that the counterclaim by Les Aliments is spurious and simply an attempt to discourage pursuit of the commissions owing to D'Angelo Brands Ltd. It is the opinion of management that the claims will be settled without any significant cost to the Company other than legal expenses.

In connection with the promissory demand note for \$762,618 to D. Dunsmuir Investments Canada Limited, outlined in note 3 above, a commitment was made to issue 1,000,000 shares of the Company, which shares were to be restricted from trading until April 7, 2003 and 600,000 shares of the Company which are to be free trading shares. The shares have not been issued, but a finance charge has been accrued.

On June 21, 2002, \$346,644 was advanced from D. Dunsmuir Investments Canada Limited for a demand promissory note in the same amount. In consideration of the advance, the Company agreed to issue 500,000 free trading shares of the Company's common stock, with a fair market value of \$120,000, to D. Dunsmuir Investments Canada Limited. Although the shares have not yet been issued, the expense related to the issuance of these shares of \$120,000 has been accrued as a financing expense.

On September 13, 2002, \$831,947 was advanced from D. Dunsmuir Investments Canada Limited for a demand promissory note owed jointly and severally by the Company and an officer of the Company. In connection with promissory note the Company agreed to issue 500,000 free trading shares of the Company's common stock and issue warrants to purchase in total 4,000,000 free trading shares of the Company at any time prior to September 13, 2007 at \$.175 per share. Although the shares have not yet been issued, the expense related to the issuance of these shares of \$100,000 has been accrued as a financing expense.

On September 23, 2002, in conjunction with Wasanda Enterprises Inc. providing financial support to "Ontario" in the form of vendor take-back security to finance the acquisition of the Tiverton Facility, the Company and "Brands", jointly and severally, guaranteed the payment of all interest and principal owing under the debenture and any other indebtedness or liability owed to Wasanda.

The Company's future minimum annual lease payments required under operating leases that have initial or non cancelable lease terms in excess of one year owing over the next 5 years are as follows:

Year ended	
April 30, 2004	\$ 349,650
April 30, 2005	389,020
April 30, 2006	385,421
April 30, 2007	382,792
April 30, 2008	383,248

#### 10. Income Taxes

The components of the provision for income taxes is as follows:

	2003	2002
Current tax expense:		
Canada	-	-
United States	-	-
	-----	-----
Total Current	-	-
	-----	-----
Deferred tax expense:		
Canada	-	-
United States	-	-
	-----	-----
Total Deferred	-	-
	-----	-----
Total tax provision from continuing operations	-	-
	-----	-----

Deferred tax assets and liabilities reflect the net effect of temporary differences between the carrying amount of assets and liabilities for book purposes and amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2003	2002
Deferred Tax Assets:		
Loss carry forwards	2,945,504	1,355,481
Other temporary differences	385,144	51,351
Less valuation allowance	(3,330,648)	(1,406,832)
Net Deferred tax assets	-	-
	-----	-----

At April 30, 2003, the company has provided a valuation allowance for the deferred tax asset since in the opinion of management, it is more likely than not that some portion or all of the deferred tax asset is not realizable. Net operating loss carry forwards expire starting in 2007.

#### 11. Subsequent Events

On May 2, 2003, a new first mortgage was registered against the property located at 14 Brewster Road. The principal amount of the mortgage is \$1,733,222 and matures on May 1, 2004. The interest rate is 10.5% per annum and is payable monthly on the first of every month. The mortgage has been guaranteed by an officer of the Company.

On June 2, 2003, a demand loan of \$970,605 was advanced from Wasanda Enterprises Inc. The loan bears interest at the rate of 10% per annum which is payable monthly on the last day of each month beginning on July 01, 2003.

In May 2003, a claim in the amount of \$230,018 was made by a customer for damaged product produced in the Company in the period from January 2003 to early May 2003. The Company has subsequently settled the claim with the customer and the liability has been fully accrued in the financial statements for the period ended April 30, 2003.

#### EXHIBITS

Exhibit No.	Description
2.1	Share Exchange Agreement (incorporated by reference to exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on January 15, 2002).
3.1(a)	Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Amended Form 10-SB filed with the Commission on May 31, 2000).
3.1(b)	Certificate of Change in Authorized Shares Pursuant to NRS 78.209 (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 filed with the Commission October 9, 2001).
3.1(c)	Certificate of Amendment re Name Change (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on January 15, 2002).
3.2	Restated By-laws (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 filed with the Commission on October 9, 2001).
10.1	Assignment of Licenses to Playandwin Canada Inc. from the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on January 15, 2002).
10.2	Settlement Agreement between Stewart Garner and the Company (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on January 15, 2002).
10.3	Declaration of Trust and Escrow Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on January 15, 2002).
10.4	Demand promissory note to D. Dunsmuir Investment Canada Limited dated

- 10.5 Demand promissory note to D. Dunsmuir Investment Canada Limited dated September 13, 2002 (attached to 10QSB filing for quarter ended October 31, 2002)
  - 10.6 Agreement to pay loan commitment fee, issue warrants and free trading shares to D. Dunsmuir Investments Canada Limited, dated September 13, 2002 (attached to 10QSB filing for quarter ended October 31, 2002)
  - 10.7 Warrant, dated September 23, 2002, from the Company to Wasanda Enterprises Inc. (Incorporated by reference to exhibit 99.2 to the Schedule 13D/A filed with the Commission on October 9, 2002)
  - 10.8 Form of Offer, dated September 23, 2002, from 1540633 Ontario Inc. to Mintz & Partners Limited to purchase property and fixed assets of QTF Foods Inc. (Incorporated by reference to exhibit 99.3 to the Schedule 13D/A filed with the Commission on October 9, 2002)
  - 10.9 Debenture, dated September 23, 2002, issued by 1540633 Ontario Inc. to Wasanda Enterprises Inc. (incorporated by reference to exhibit 99.4 to the Schedule 13D/A filed with the Commission on October 9, 2002)
  - 10.10 Guarantee and Postponement of Claim dated, September 23, 2002, issued by the Company and D'Angelo Brands Ltd. jointly and severally to Wasanda Enterprises Inc. (incorporated by reference to exhibit 99.5 to the Schedule 13D/A filed with the Commission on October 9, 2002)
  - 10.11 Warrant, dated December 19, 2002, from the Company to Wasanda Enterprises Inc. (Incorporated by reference to exhibit 99.6 to the Schedule 13D/A filed with the Commission on December 27, 2002)
  - 10.12 Debenture, dated December 19, 2002, issued by the Company and D'Angelo Brands Ltd. to Wasanda Enterprises Inc. (incorporated by reference to exhibit 99.7 to the Schedule 13D/A filed with the Commission on December 27, 2002)
  - 10.13 Priority Agreement, dated December 19, 2002 among Wasanda Enterprises Inc., D. Dunsmuir Investments Canada Limited, D'Angelo Brands Ltd., D'Angelo Brands Inc., and Frank D'Angelo, (attached to 10QSB filing for quarter ended January 31, 2003)
- 99.1 Certifications pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached.

Item 14. Controls and Procedures.

(a) Within 90 days prior to the filing date of this report, with the participation of the Company's management, the Company's President and Chief Executive Officer and Vice President - Finance and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures in accordance with Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the President and Chief Executive Officer and Vice President - Finance and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by the Company in reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the Commission's rules and procedures.

(b) Changes in Internal Controls. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

D'Angelo Brands, Inc.

By: /s/ Frank D'Angelo

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Frank D'Angelo,  
President and Principal Accounting Officer

Date: August 06, 2003

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant on August 12, 2002 and in the capacities indicated.

/s/ Frank D'Angelo                      President, Treasurer and Director  
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    Frank D'Angelo

/s/Giuseppe D'Angelo                  Director  
-----  
    Giuseppe D'Angelo

Date: August 06, 2003

CERTIFICATIONS PURSUANT TO RULE 13a-14  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I Frank D'Angelo, certify that:

1. I have reviewed this annual report on Form 10-KSB of D'Angelo Brands, Inc;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and I have:
  - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this annual report is being prepared;
  - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date"); and
  - c. presented in this annual report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;
5. I have disclosed, based on my most recent evaluation, to the registrant's auditor's and the audit committee of registrant's board of director's (or persons performing the equivalent function):
  - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent

evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 06, 2003

/s/ Frank D'Angelo  
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Frank D'Angelo,  
President and Principal Accounting Officer

Exhibit 99.1

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of D'Angelo Brands, Inc. (the "Company") on Form 10-KSB for the year ended April 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank D'Angelo, President/Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank D'Angelo

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Frank D'Angelo,  
President and Principal Accounting Officer

August 06, 2003