

COMPANY REGISTRATION NUMBER 4934963

**DONATANTONIO LIMITED
(FORMERLY MC298 LIMITED)
FINANCIAL STATEMENTS
31 JANUARY 2005**



HURST MORRISON THOMSON LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

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DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	S Donatantonio
Company secretary	R Edlin
Registered office	Lupa House York Way Borehamwood Hertfordshire WD6 1PX
Auditors	Hurst Morrison Thomson LLP Chartered Accountants & Registered Auditors 5 Fairmile Henley-on-Thames Oxfordshire RG9 2JR
Bankers	Bank of Scotland Uxbridge Business Centre Ground Floor Swan House Cowley Business Park Uxbridge UB8 2AD
Solicitors	ASB Law 8 Infield Road Crawley West Sussex RH11 7YY

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

THE DIRECTOR'S REPORT

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

The director has pleasure in presenting her report and the financial statements of the group for the period from 16 October 2003 to 31 January 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of holding company.

The company was incorporated on 16 October 2003 and on 13 January 2004 acquired 100% of the issued share capital of Donatantonio (2005) Limited.

On 31 January 2005 the trade, assets and liabilities of Donatantonio (2005) Limited were transferred at book value to the company.

On 2 February 2005 the company changed its name to Donatantonio Limited.

The directors are satisfied with the result for the period.

RESULTS AND DIVIDENDS

The trading results for the period and the group's financial position at the end of the period are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the period together with their beneficial interests, including family holdings, in the shares of the company were as follows:

		At 31 January 2005	At 16 October 2003 or later date of appointment
S Donatantonio	Ordinary	923,999	—
	Preference	517,857	—
D Carpenter	Ordinary	—	—
	Preference	—	—
D Bedford	Ordinary	100,000	100,000
	Preference	<u>207,200</u>	<u>207,200</u>

S Donatantonio was appointed as a director on 15 December 2003.

D Carpenter was appointed as a director on 22 November 2004.

R Garland was appointed as a director on 18 December 2003.

D Bedford was appointed as a director on 18 December 2003.

C Welsh was appointed as a director on 18 December 2003.

Instant Companies Limited was appointed as a director on 16 October 2003.

R Garland resigned as a director on 11 November 2004.

C Welsh resigned as a director on 15 December 2004.

Instant Companies Limited resigned as a director on 15 December 2003.

D Carpenter resigned as a director on 3 August 2005.

D Bedford resigned as a director on 8 July 2005.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

DIRECTOR'S RESPONSIBILITIES

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

select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Hurst Morrison Thomson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the director



R Edlin
Company Secretary

Approved by the director on 18-10-2005



DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR

telephone: 01491 579866

facsimile: 01491 573397

email: hmt@hmtgroup.co.uk

www.hmtgroup.com

We have audited the financial statements of Donatantonio Limited (Formerly MC298 Limited) for the period from 16 October 2003 to 31 January 2005 on pages 6 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the group is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
DONATANTONIO LIMITED (FORMERLY MC298 LIMITED) *(continued)***

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 January 2005 and of the profit of the group for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

27th October, 2005

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

GROUP PROFIT AND LOSS ACCOUNT

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

	Note	Period from 16 Oct 03 to 31 Jan 05 £
GROUP TURNOVER	2	10,563,167
Cost of sales		7,688,516
GROSS PROFIT		2,874,651
Distribution costs		437,236
Administrative expenses		3,116,867
OPERATING LOSS	3	(679,452)
Profit on disposal of fixed assets	6	2,509,234
		1,829,782
Interest receivable		102,011
Interest payable and similar charges	7	(263,567)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,668,226
Tax on profit on ordinary activities	8	335,296
RETAINED PROFIT FOR THE FINANCIAL PERIOD	9	1,332,930

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the period as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

GROUP BALANCE SHEET

31 JANUARY 2005

	Note	31 Jan 05 £
FIXED ASSETS		
Intangible assets	10	3,673,762
Tangible assets	11	303,893
Investments	12	2,787
		<u>3,980,442</u>
CURRENT ASSETS		
Stocks	13	1,174,794
Debtors	14	1,362,096
Cash at bank and in hand		1,242,830
		<u>3,779,720</u>
CREDITORS: Amounts falling due within one year	15	2,618,176
NET CURRENT ASSETS		<u>1,161,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,141,986</u>
CREDITORS: Amounts falling due after more than one year	16	2,000,000
		<u>3,141,986</u>
CAPITAL AND RESERVES		
Called-up equity share capital	21	1,809,056
Profit and loss account	22	1,332,930
SHAREHOLDERS' FUNDS	23	<u>3,141,986</u>

These financial statements were approved and signed by the director on 18-10-2005 .

S Donatantonio
Director



The notes on pages 11 to 22 form part of these financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

BALANCE SHEET

31 JANUARY 2005

	Note	31 Jan 05 £
FIXED ASSETS		
Tangible assets	11	303,894
Investments	12	12,611,483
		<u>12,915,377</u>
CURRENT ASSETS		
Stocks	13	1,174,794
Debtors	14	1,362,096
Cash at bank and in hand		1,242,830
		<u>3,779,720</u>
CREDITORS: Amounts falling due within one year	15	13,238,418
NET CURRENT LIABILITIES		<u>(9,458,698)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,456,679</u>
CREDITORS: Amounts falling due after more than one year	16	2,000,000
		<u>1,456,679</u>
CAPITAL AND RESERVES		
Called-up equity share capital	21	1,809,056
Profit and loss account	22	(352,377)
SHAREHOLDERS' FUNDS		<u>1,456,679</u>

These financial statements were approved and signed by the director on 18.10.05

S Donatantonio
Director



The notes on pages 11 to 22 form part of these financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)**GROUP CASH FLOW****PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005**

	Period from 16 Oct 03 to 31 Jan 05 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	153,902
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	102,011
Interest paid	(263,567)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(161,556)
TAXATION	(115,589)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Payments to acquire tangible fixed assets	(40,473)
Receipts from sale of fixed assets	5,900,000
Acquisition of investments	(193)
NET CASH INFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	5,859,334
ACQUISITIONS AND DISPOSALS	
Cash paid to acquire subsidiaries	(10,899,640)
Net cash acquired with subsidiary	3,906,379
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	(6,993,261)
CASH OUTFLOW BEFORE FINANCING	(1,257,170)
FINANCING	
Issue of equity share capital	100,000
New bank loans	10,950,000
(Repayment) of bank loans	(8,550,000)
NET CASH INFLOW FROM FINANCING	2,500,000
INCREASE IN CASH	1,242,830

The notes on pages 11 to 22 form part of these financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

GROUP CASH FLOW *(continued)*

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 16 Oct 03 to 31 Jan 05 £
Operating loss	(679,452)
Amortisation	201,855
Depreciation	104,099
Decrease in stocks	330,070
Increase in debtors	(63,835)
Increase in creditors	261,165
Net cash inflow from operating activities	153,902

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 Jan 05 £
Increase in cash in the period	1,242,830
Net cash (inflow) from bank loans	(2,400,000)
Finance leases acquired	(1,248)
	<u>(1,158,418)</u>
Change in net debt	(1,158,418)
Net funds at 16 October 2003	—
Net debt at 31 January 2005	<u>(1,158,418)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 16 Oct 2003 £	Cash flows £	Other changes £	At 31 Jan 2005 £
Net cash:				
Cash in hand and at bank	—	1,242,830	—	1,242,830
Debt:				
Debt due within 1 year	—	(400,000)	—	(400,000)
Debt due after 1 year	—	(2,000,000)	—	(2,000,000)
Hire purchase agreements	—	—	(1,248)	(1,248)
	—	<u>(2,400,000)</u>	<u>(1,248)</u>	<u>(2,401,248)</u>
Net debt	—	<u>(1,157,170)</u>	<u>(1,248)</u>	<u>(1,158,418)</u>

The notes on pages 11 to 22 form part of these financial statements.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985

Turnover

The turnover shown in the group profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Amortisation

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

Goodwill - 20 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Freehold Property	- 2.5% straight line
Plant & Machinery	- 20% reducing balance
Motor Vehicles	- 25% reducing balance
Equipment	- 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

1. ACCOUNTING POLICIES *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account on a straight line basis.

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	Period from 16 Oct 03 to 31 Jan 05 £
United Kingdom	10,472,820
Overseas	90,347
	<u>10,563,167</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	Period from 16 Oct 03 to 31 Jan 05 £
Amortisation	201,855
Depreciation of owned fixed assets	103,891
Depreciation of assets held under hire purchase agreements	208
Auditors' remuneration	
- as auditors	18,000
Operating lease costs:	
Land and buildings	<u>410,724</u>

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to:

	Period from 16 Oct 03 to 31 Jan 05 No
Number of production staff	7
Number of administrative staff	32
	<u>39</u>

The aggregate payroll costs of the above were:

	Period from 16 Oct 03 to 31 Jan 05 £
Wages and salaries	1,378,740
Social security costs	147,819
Staff pension contributions	26,663
Directors pension costs	30,240
	<u>1,583,462</u>

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	Period from 16 Oct 03 to 31 Jan 05 £
Emoluments receivable	313,553
Value of company pension contributions to money purchase schemes	30,240
	<u>343,793</u>

Emoluments of highest paid director:

	Period from 16 Oct 03 to 31 Jan 05 £
Total emoluments (excluding pension contributions)	<u>146,185</u>

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

5. DIRECTOR'S EMOLUMENTS *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 16 Oct 03 to 31 Jan 05 No
Money purchase schemes	<u>4</u>

6. PROFIT ON DISPOSAL OF FIXED ASSETS

	Period from 16 Oct 03 to 31 Jan 05 £
Profit on disposal of fixed assets	<u>2,509,234</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 16 Oct 03 to 31 Jan 05 £
Interest payable on bank borrowing	<u>263,567</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 16 Oct 03 to 31 Jan 05 £
Current tax:	
In respect of the period:	
UK Corporation tax based on the results for the period at 30%	<u>400,000</u>
Total current tax	<u>400,000</u>
Deferred tax:	
Origination and reversal of timing differences	<u>(64,704)</u>
Tax on profit on ordinary activities	<u>335,296</u>

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30%.

	Period from 16 Oct 03 to 31 Jan 05 £
Profit on ordinary activities before taxation	<u>1,668,226</u>
Profit/(loss) on ordinary activities by rate of tax	500,468
Expenses not deductible for tax purposes	66,772
Capital allowances in excess of depreciation	55,695
Movement in provisions	(1,535)
Chargeable gain on disposal of property	(260,355)
Other reconciling items	38,955
Total current tax (note 8(a))	<u>400,000</u>

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £(352,377).

10. INTANGIBLE FIXED ASSETS

Group

	£
COST	
Additions	<u>3,875,617</u>
At 31 January 2005	<u>3,875,617</u>
AMORTISATION	
Charge for the period	<u>201,855</u>
At 31 January 2005	<u>201,855</u>
NET BOOK VALUE	
At 31 January 2005	<u>3,673,762</u>

On 13 January 2004 the company acquired Donatantonio (2005) Limited. Goodwill arising on the acquisition of Donatantonio (2005) Limited has been capitalised and will be amortised over 20 years. The investment in Donatantonio (2005) Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005****11. TANGIBLE FIXED ASSETS**

Group	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
COST					
At 16 October 2003	3,701,714	974,060	11,141	253,890	4,940,805
Additions	—	10,218	23,330	6,925	40,473
Disposals	(3,701,714)	—	—	—	(3,701,714)
At 31 January 2005	<u>—</u>	<u>984,278</u>	<u>34,471</u>	<u>260,815</u>	<u>1,279,564</u>
DEPRECIATION					
At 16 October 2003	310,948	664,571	9,654	197,347	1,182,520
Charge for the period	—	69,018	3,774	31,307	104,099
On disposals	(310,948)	—	—	—	(310,948)
At 31 January 2005	<u>—</u>	<u>733,589</u>	<u>13,428</u>	<u>228,654</u>	<u>975,671</u>
NET BOOK VALUE					
At 31 January 2005	<u>—</u>	<u>250,689</u>	<u>21,043</u>	<u>32,161</u>	<u>303,893</u>

Hire purchase agreements

Included within the net book value of £303,893 is £2,287 relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £208.

Company	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
COST				
Transfers	984,278	34,472	260,815	1,279,565
At 31 January 2005	<u>984,278</u>	<u>34,472</u>	<u>260,815</u>	<u>1,279,565</u>
DEPRECIATION				
Transfers	733,589	13,428	228,654	975,671
At 31 January 2005	<u>733,589</u>	<u>13,428</u>	<u>228,654</u>	<u>975,671</u>
NET BOOK VALUE				
At 31 January 2005	<u>250,689</u>	<u>21,044</u>	<u>32,161</u>	<u>303,894</u>

Hire purchase agreements

Included within the net book value of £303,894 is £Nil relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £Nil.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005****12. INVESTMENTS****Group**

	Subsidiary Undertakings	Trade Marks	Total
	£	£	£
COST			
On acquisition	1,268	1,326	1,326
Additions	—	193	1,461
At 31 January 2005	<u>1,268</u>	<u>1,519</u>	<u>2,787</u>
NET BOOK VALUE			
At 31 January 2005	<u>1,268</u>	<u>1,519</u>	<u>2,787</u>

Investments comprise:

	£
Trade Marks	1,519
100 ordinary shares in A. Wright & Sons (Condiments) Ltd	151
2 ordinary shares in each of the following companies at a total cost of	1,117

Italian Cannery Agencies Limited	Lupa Limited
Lupa Foods Limited	Lupa Products Limited
Lupa Oils Limited	Lupa (London) Limited
Lupa (Import/Export) Limited	A. Donatantonio & Sons Ltd

All the above companies were dormant.

Company

	Group Companies	Trade Marks	Total
	£	£	£
COST			
Additions	12,609,964	1,519	12,611,483
At 31 January 2005	<u>12,609,964</u>	<u>1,519</u>	<u>12,611,483</u>
NET BOOK VALUE			
At 31 January 2005	<u>12,609,964</u>	<u>1,519</u>	<u>12,611,483</u>

On the 13 January 2004 the Company acquired 100% of the issued share capital of Donatantonio (2005) Limited.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

12. INVESTMENTS *(continued)*

Analysis of the acquisition of Donatantonio (2005) Limited:

	Fair value and Book value £
Cash	3,906,379
Tangible fixed assets	3,760,682
Stock	1,504,864
Debtors	1,298,261
Creditors	(1,672,403)
Provision for deferred tax	(64,704)
	<u>8,733,079</u>
 Goodwill	 <u>3,875,617</u>
 Satisfied by:	
Cash paid	(12,120,000)
Acquisition fees	(488,696)
	<u>(12,608,696)</u>

On the 31 January 2005 the subsidiaries were acquired by the Company as part of the assets transferred from Donatantonio (2005) Limited.

	£
100 ordinary shares in A . Wright & Sons (Condiments) Ltd	151
2 ordinary shares in each of the following companies at a total cost of	1,117
Italian Cannery Agencies Limited	Lupa Limited
Lupa Foods Limited	Lupa Products Limited
Lupa Oils Limited	Lupa (London) Limited
Lupa (Import/Export) Limited	A. Donatantonio & Sons Ltd

All the above companies were dormant during the period.

On the 31 January 2005 the trade marks were acquired by the company as part of the assets transferred from Donatantonio (2005) Limited.

	£
Trade Marks	1,519

13. STOCKS

	Group £	Company £
Finished goods	<u>1,174,794</u>	<u>1,174,794</u>

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

14. DEBTORS

	Group £	Company £
Trade debtors	1,100,785	1,100,785
Other debtors	74,111	74,111
Prepayments and accrued income	187,200	187,200
	<u>1,362,096</u>	<u>1,362,096</u>

15. CREDITORS: Amounts falling due within one year

	Group £	Company £
Bank loans and overdrafts	400,000	400,000
Trade creditors	1,572,022	1,572,022
Amounts owed to group undertakings	—	10,620,243
Hire purchase agreements	1,248	1,248
Other creditors	457,295	457,294
Accruals and deferred income	187,611	187,611
	<u>2,618,176</u>	<u>13,238,418</u>

16. CREDITORS: Amounts falling due after more than one year

	Group £	Company £
Bank loans and overdrafts	<u>2,000,000</u>	<u>2,000,000</u>

17. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	Group £	Company £
Amounts repayable:		
In more than two years but not more than five years	<u>2,000,000</u>	<u>2,000,000</u>

The above loan to the company is secured by a fixed and floating charge over the assets of the company.

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group £	Company £
Amounts payable within 1 year	<u>1,248</u>	<u>1,248</u>
	<u>1,248</u>	<u>1,248</u>

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

19. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2005 the group had annual commitments under non-cancellable operating leases as set out below.

Group	31 Jan 05	
	Land and buildings £	Other items £
Operating leases which expire:		
Within 1 year	-	19,920
Within 2 to 5 years	-	78,734
After more than 5 years	448,000	-
	<u>448,000</u>	<u>98,654</u>

20. RELATED PARTY TRANSACTIONS

The company was under the control of S Donatantonio throughout the current period. S Donatantonio is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

21. SHARE CAPITAL

Authorised share capital:

	31 Jan 05 £
1,200,000 Ordinary shares of £1 each	1,200,000
725,057 Preference shares of £1 each	725,057
	<u>1,925,057</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	1,083,999	1,083,999
Preference shares of £1 each	725,057	725,057
	<u>1,809,056</u>	<u>1,809,056</u>

On 18 December 2003 the nominal capital of the company was increased by £1,924,957 beyond the registered capital of £100 to £1,925,057 divided into 1,200,000 Ordinary shares of £1 each and 725,057 Preference shares of £1 each.

On the 18 December 2003 the company allotted 1,083,999 Ordinary shares of £1 each at par and 725,057 Preference shares of £1 each at par.

DONATANTONIO LIMITED (FORMERLY MC298 LIMITED)

MANAGEMENT INFORMATION

PERIOD FROM 16 OCTOBER 2003 TO 31 JANUARY 2005

22. RESERVES

Group	Profit and loss account £
Retained profit for the period	<u>1,332,930</u>
Balance carried forward	<u>1,332,930</u>

Company	Profit and loss account £
Loss for the period	<u>(352,377)</u>
Balance carried forward	<u>(352,377)</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Jan 05 £
Profit for the financial period	1,332,930
New equity share capital subscribed	1,809,056
Net addition to shareholders' equity funds	<u>3,141,986</u>
Closing shareholders' equity funds	<u>3,141,986</u>