



Accountants &
business advisers

Company No. 2027951

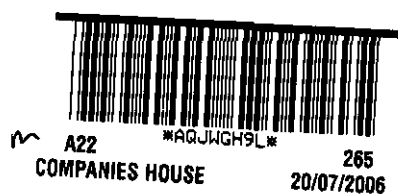
GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2005

1067747

Registrar's Copy



PKF (UK) LLP
Accountants and business advisers
Pannell House
159 Charles Street
Leicester
LE1 1LD

GOLDEN LADY (UK) LIMITED

COMPANY INFORMATION

Directors	Nadia Grassi Monica Grassi
Secretary	Nadia Grassi
Company Number	02027951
Registered Office	County Estate Nunn Brook Road Huthwaite, Sutton In Ashfield Nottinghamshire NG17 2HU
Auditors	PKF (UK) LLP Pannell House 159 Charles Street Leicester LE1 1LD
Solicitors	Bray & Bray Spa Place 36-42 Humberstone Gate Leicester LE5 0AE
Bankers	Lloyds TSB Bank 7 High Street Leicester LE1 9FS

GOLDEN LADY (UK) LIMITED

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GOLDEN LADY (UK) LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2005

The directors submit their report and the financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the Company throughout the year continued to be the sale, marketing and distribution of ladies tights, stockings and lingerie.

The Company continued to consolidate its principal brand name "Golden Lady" within the UK and, when combined with its associate companies, makes "Golden Lady" Europe's leading hosiery brand.

All manufacturing is carried out at the Group's own hi-tech factories in Italy and all the UK Sales, Marketing and Distribution is undertaken from the company's freehold premises in Huthwaite, Nottinghamshire. The directors are disappointed with the decline in turnover which is attributed to difficult market conditions which has also affected profitability. The directors however consider that the company has a very good product range and are confident of the future prospects of the company.

Directors

The directors who served during the year were:

Nadia Grassi
Monica Grassi

The Company is a wholly owned subsidiary of a company incorporated outside Great Britain and it is exempt from the requirement to disclose the interests of the directors in other group companies, all of which are incorporated outside Great Britain.

Charitable contributions

During the year the company made charitable contributions of £250.

Fixed assets

Details of fixed assets are shown in note 6 to the financial statements.

Basis of preparation

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

By order of the board


Nadia Grassi
Secretary

13 June 2006

GOLDEN LADY (UK) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GOLDEN LADY (UK) LIMITED**

We have audited the financial statements of Golden Lady (UK) Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members 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 members those matters we are required to state to them in an auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF (UK) LLP

PKF (UK) LLP
Registered Auditors

Leicester, UK

13 June 2006

GOLDEN LADY (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
TURNOVER	2	4,106,477	4,507,257
Cost of sales		<u>(2,530,411)</u>	<u>(2,824,244)</u>
GROSS PROFIT		1,576,066	1,683,013
Distribution costs		<u>(734,087)</u>	<u>(743,618)</u>
Administrative expenses		<u>(667,786)</u>	<u>(580,358)</u>
OPERATING PROFIT	3	174,193	359,037
Interest receivable and similar income		23,710	16,461
Interest payable and similar charges		<u>(1,183)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		196,720	375,498
TAXATION	5	<u>(74,531)</u>	<u>(131,829)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>122,189</u>	<u>243,669</u>

GOLDEN LADY (UK) LIMITED

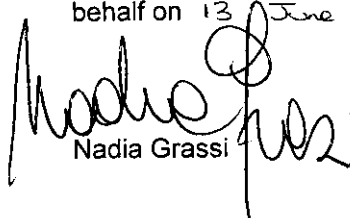
BALANCE SHEET

31 DECEMBER 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible	6	1,192,364	1,250,593
CURRENT ASSETS			
Stocks		794,253	595,752
Debtors	7	1,255,199	1,075,826
Cash at bank and in hand		588,719	818,480
		<u>2,638,171</u>	<u>2,490,058</u>
CREDITORS: amounts falling due within one year	8	(464,511)	(496,816)
NET CURRENT ASSETS		<u>2,173,660</u>	<u>1,993,242</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,366,024</u>	<u>3,243,835</u>
CAPITAL AND RESERVES			
Called up share capital	9	3,000,000	3,000,000
Profit and loss account	10	366,024	243,835
		<u>3,366,024</u>	<u>3,243,835</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2006


Nadia Grassi Director


Monica Grassi Director

GOLDEN LADY (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

(b) Turnover

Turnover represents the amounts derived from the sale of goods falling within the Company's ordinary activities after the deduction of trade discounts and value added tax. Turnover is recognised at the point of dispatch.

(c) Tangible fixed assets

Tangible fixed assets, except freehold land, are depreciated by equal annual instalments over their anticipated useful lives on the following bases:

Buildings	4 %
Plant and equipment	20-33.3 %
Merchandising equipment	50 %
Motor vehicles	33.3 %

Periodic reviews are made to take into account usage and obsolescence.

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The instalments payable under each agreement are apportioned between capital and revenue to write off the finance charge in equal amounts over the period of the agreement.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis, and includes all direct costs. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions during the year in foreign currencies are recorded at the rates applicable at the date of the transactions. All exchange differences are taken to the profit and loss account.

(g) Deferred taxation

Deferred tax is provided using the full provision method at current rates for taxation deferred for all timing differences. Deferred tax balances are not discounted.

Deferred tax assets are only recognised if there is a reasonable probability that they can be utilised in the foreseeable future.

(h) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

GOLDEN LADY (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

2 TURNOVER

The company engages in only one class of business and all of the turnover arises in the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging / (crediting):

	2005 £	2004 £
Depreciation of tangible fixed assets:		
- owned by the company	121,597	132,954
Audit fees	7,900	7,700
Operating lease rentals:		
- plant & machinery	19,768	18,913
Profit on disposal of fixed assets	(1,700)	(1,768)
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2005 £	2004 £
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Sch 6 to the Companies Act 1985	4,850	4,800
	<u> </u>	<u> </u>

No directors (2004 - none) were members of company pension schemes.

5 TAXATION

	2005 £	2004 £
Current year taxation		
UK corporation tax	74,646	131,829
Total UK taxation	74,646	131,829
Adjustments in respect of prior periods		
Corporation tax	(115)	-
	<u>74,531</u>	<u>131,829</u>

GOLDEN LADY (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

6 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, Machinery Motor vehicles & Merchandising Equipment £	Total £
Cost			
At 1 January 2005			
At 1 January 2005	2,010,022	1,135,129	3,145,151
Additions	-	63,368	63,368
Disposals	-	(348,841)	(348,841)
At 31 December 2005	<u>2,010,022</u>	<u>849,656</u>	<u>2,859,678</u>
Depreciation			
At 1 January 2005	805,007	1,089,551	1,894,558
Charge for the year	74,784	46,813	121,597
On disposals	-	(348,841)	(348,841)
At 31 December 2005	<u>879,791</u>	<u>787,523</u>	<u>1,667,314</u>
Net book amount			
At 31 December 2005	<u>1,130,231</u>	<u>62,133</u>	<u>1,192,364</u>
At 31 December 2004	<u>1,205,015</u>	<u>45,578</u>	<u>1,250,593</u>

7 DEBTORS

	2005 £	2004 £
Trade debtors	714,071	621,107
Amounts owed by group undertakings	512,549	414,772
Other debtors	28,579	39,947
	<u>1,255,199</u>	<u>1,075,826</u>

8 CREDITORS:

Amounts falling due within one year

	2005 £	2004 £
Trade creditors	104,926	44,361
Corporation tax	36,820	95,661
Other tax and social security	184,757	175,963
Other creditors	138,008	180,831
	<u>464,511</u>	<u>496,816</u>

GOLDEN LADY (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

9 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 January 2005 and 31 December 2005 Ordinary shares of £100 each	4,000,000	30,000	3,000,000

10 RESERVES

	£
Profit and loss account	
At 1 January 2005	243,835
Profit for the year	122,189
At 31 December 2005	366,024

11 OTHER COMMITMENTS

At 31 December 2005 the company had annual commitments under operating leases as follows:

	2005 £	2004 £
Expiry date:		
Within one year	6,722	8,922
Between one and five years	661	9,305

12 TRANSACTIONS WITH RELATED PARTIES

As Golden Lady (UK) Limited is a subsidiary of Gilfin Spa and the consolidated accounts of Gilfin Spa are publicly available in Italy, advantage has been taken of the exemption offered by Financial Reporting Standard 8 from the requirement to disclose transactions with other group companies.

13 PENSION COSTS

The Company contributes to personal pension plans for certain employees. The pension cost charge amounting to £18,622 (2004: £14,466) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £2,365 (2004: £1,444).

14 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Gilfin Spa.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Gilfin Spa, a company incorporated in Italy. Consolidated accounts are available from Camera di Commercio Industria e Artigianato, Largo XXIV Maggio, 1 60124 Ancona (AN), Italy.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.