



Accountants &
business advisers

Company No 2027951

GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2006

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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
Bankers	Lloyds TSB Bank 7 High Street Leicester LE1 9FS
Solicitors	Bray & Bray Spa Place 36-42 Humberstone Gate Leicester LE5 0AE

GOLDEN LADY (UK) LIMITED

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GOLDEN LADY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activities

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

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 pleased with the increase in turnover and the resulting profitability. The directors 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

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

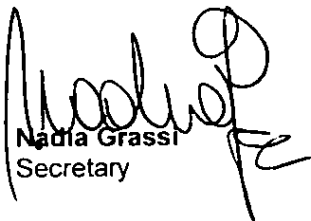
Auditors

The auditors, PKF (UK) LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

Basis of preparation

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

This report was approved by the board on 29 March 2007 and signed on its behalf


Nadia Grassi
Secretary

GOLDEN LADY (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2006

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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.

GOLDEN LADY (UK) LIMITED

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 2006 set out on pages 5 to 11. The 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 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 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 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 other transactions 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.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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 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.

GOLDEN LADY (UK) LIMITED

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

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

PKF (UK) LLP

PKF (UK) LLP

Registered auditors

Leicester, UK

Date *4 April 2007*

GOLDEN LADY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
TURNOVER	2	7,848,361	4,106,477
Cost of sales		<u>(5,634,206)</u>	<u>(2,530,411)</u>
GROSS PROFIT		2,214,155	1,576,066
Selling and distribution costs		(896,657)	(729,237)
Administrative expenses		<u>(642,487)</u>	<u>(672,636)</u>
OPERATING PROFIT	3	675,011	174,193
Interest receivable		28,308	23,710
Interest payable		<u>-</u>	<u>(1,183)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		703,319	196,720
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	<u>(236,901)</u>	<u>(74,531)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>466,418</u></u>	<u><u>122,189</u></u>

The notes on pages 7 to 11 form part of these financial statements

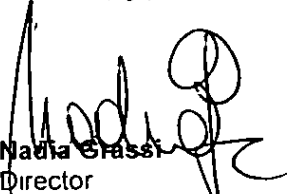
GOLDEN LADY (UK) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	£	2006 £	2005 £
FIXED ASSETS				
Tangible fixed assets	6		1,131,499	1,192,364
CURRENT ASSETS				
Stocks		798,500	794,253	
Debtors	7	1,540,075	1,255,199	
Cash at bank		1,646,819	588,719	
		<u>3,985,394</u>	<u>2,638,171</u>	
CREDITORS amounts falling due within one year	8	<u>(1,650,475)</u>	<u>(464,511)</u>	
NET CURRENT ASSETS			<u>2,334,919</u>	<u>2,173,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,466,418</u>	<u>3,366,024</u>
CAPITAL AND RESERVES				
Called up share capital	9		3,000,000	3,000,000
Profit and loss account	10		466,418	366,024
SHAREHOLDERS' FUNDS			<u>3,466,418</u>	<u>3,366,024</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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2007


Nadia Grassi
Director


Monica Grassi
Director

The notes on pages 7 to 11 form part of these financial statements

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

1.1 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)

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

Turnover is recognised at the point of dispatch

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	4% straight line
Plant & machinery	-	20-33 3% straight line
Motor vehicles	-	33 3% straight line
Merchandising equipment	-	50% straight line

Periodic reviews are made to take into account usage and obsolescence

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

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

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)

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	124,866	121,597
Operating lease rentals - plant & machinery	8,777	19,768
Auditors remuneration	8,100	7,900
Profit on disposal of fixed assets	(4,404)	(1,700)

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

4 DIRECTORS' REMUNERATION

	2006 £	2005 £
Aggregate emoluments	<u>4,800</u>	<u>4,850</u>

No directors (2005 - none) were members of company pension schemes

5 TAXATION

	2006 £	2005 £
Analysis of tax charge in the year		
UK corporation tax charge on profits of the year	237,093	74,646
Adjustments in respect of prior periods	(192)	(115)
Total current tax	<u>236,901</u>	<u>74,531</u>
Tax on profit on ordinary activities	<u>236,901</u>	<u>74,531</u>

6. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, Machinery, Motor Vehicles & Merchan- dising Equipment £	Total £
Cost			
At 1 January 2006	2,010,022	849,656	2,859,678
Additions	-	65,097	65,097
Disposals	-	(21,110)	(21,110)
At 31 December 2006	<u>2,010,022</u>	<u>893,643</u>	<u>2,903,665</u>
Depreciation			
At 1 January 2006	879,791	787,523	1,667,314
Charge for the year	74,784	50,082	124,866
On disposals	-	(20,014)	(20,014)
At 31 December 2006	<u>954,575</u>	<u>817,591</u>	<u>1,772,166</u>
Net book value			
At 31 December 2006	<u>1,055,447</u>	<u>76,052</u>	<u>1,131,499</u>
At 31 December 2005	<u>1,130,231</u>	<u>62,133</u>	<u>1,192,364</u>

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 DEBTORS

	2006 £	2005 £
Trade debtors	1,514,625	714,071
Amounts owed by group undertakings	-	512,549
Other debtors	25,450	28,579
	<u>1,540,075</u>	<u>1,255,199</u>

8. CREDITORS

Amounts falling due within one year

	2006 £	2005 £
Trade creditors	94,430	104,926
Amounts owed to group undertakings	551,412	-
Corporation tax	149,762	36,820
Social security and other taxes	656,705	184,757
Other creditors	198,166	138,008
	<u>1,650,475</u>	<u>464,511</u>

9 SHARE CAPITAL

	2006 £	2005 £
Authorised		
40,000 Ordinary shares of £100 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid		
30,000 Ordinary shares of £100 each	<u>3,000,000</u>	<u>3,000,000</u>

10 RESERVES

	Profit and loss account £
At 1 January 2006	366,024
Profit retained for the year	466,418
Dividends Equity capital	(366,024)
	<u>466,418</u>
At 31 December 2006	<u>466,418</u>

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

11 DIVIDENDS

	2006 £	2005 £
Ordinary		
Dividends paid	<u>366,024</u>	<u>-</u>
	<u><u>366,024</u></u>	<u><u>-</u></u>

12 OPERATING LEASE COMMITMENTS

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	2005 £
Expiry date:		
Within 1 year	2,400	6,722
Between 2 and 5 years	<u>661</u>	<u>661</u>

13 RELATED PARTY TRANSACTIONS

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

14. PENSION COSTS

The company contributes to personal pension plans for certain employees. The pension cost charge amounting to £16,857 (2005 £18,622) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £2,916 (2005 £2,365).

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Gilfin Spa

The parent undertaking of the group for which consolidated accounts are prepared is ENGIFIN S p A, 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 ENGIFIN S p A is the company's ultimate parent company and ultimate controlling party