



Accountants &
business advisers

Company No 2027951

GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2007



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
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 2007

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activities

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

Business review

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 of 27% 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.

At the year end the company was in a strong financial position, with adequate cash reserves. The directors consider that the business faces no specific risks, but is exposed to general risks associated with the hosiery industry.

Results

The profit for the year, after taxation, amounted to £734,561 (2006 - £466,418)

Directors

The directors who served during the year were

Nadia Grassi
Monica Grassi

Financial instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to significant price risk or liquidity risk.

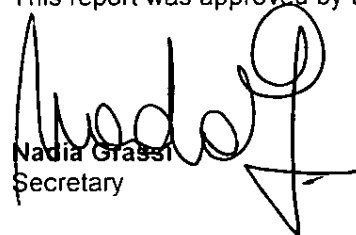
Provision of information to auditors

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.

This report was approved by the board on 3 June 2008

and signed on its behalf


Nadia Grassi
Secretary

GOLDEN LADY (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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.

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.

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 2007 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 3 June 2008

GOLDEN LADY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	2	9,926,147	7,848,361
Cost of sales		<u>(7,409,931)</u>	<u>(5,634,206)</u>
GROSS PROFIT		2,516,216	2,214,155
Selling and distribution costs		<u>(932,114)</u>	<u>(896,657)</u>
Administrative expenses		<u>(602,240)</u>	<u>(642,487)</u>
OPERATING PROFIT	3	981,862	675,011
Interest receivable		<u>57,796</u>	<u>28,308</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,039,658	703,319
Tax on profit on ordinary activities	6	<u>(305,097)</u>	<u>(236,901)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>734,561</u>	<u>466,418</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

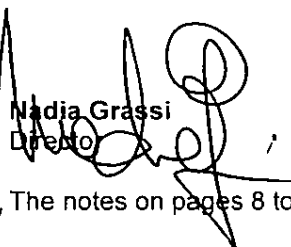
The notes on pages 8 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	7		1,061,845		1,131,499
CURRENT ASSETS					
Stocks	8	1,240,024		798,500	
Debtors	9	2,485,861		1,540,075	
Cash at bank		1,891,113		1,646,819	
		<u>5,616,998</u>		<u>3,985,394</u>	
CREDITORS amounts falling due within one year	10	(2,944,089)		(1,650,475)	
NET CURRENT ASSETS			<u>2,672,909</u>		<u>2,334,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,734,754</u>		<u>3,466,418</u>
CAPITAL AND RESERVES					
Called up share capital	12		3,000,000		3,000,000
Profit and loss account	13		734,754		466,418
SHAREHOLDERS' FUNDS	14		<u>3,734,754</u>		<u>3,466,418</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 June 2008


Nadia Grassi
Director


Monica Grassi
Director

The notes on pages 8 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Net cash flow from operating activities	20	999,870	1,582,076
Returns on investments and servicing of finance	21	57,796	28,308
Taxation	21	(278,612)	(123,959)
Capital expenditure and financial investment	21	(68,535)	(62,301)
Equity dividends paid		(466,225)	(366,024)
INCREASE IN CASH IN THE YEAR		244,294	1,058,100

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
Increase in cash in the year	244,294	1,058,100
MOVEMENT IN NET DEBT IN THE YEAR	244,294	1,058,100
Net funds at 1 January 2007	1,646,819	588,719
NET FUNDS AT 31 DECEMBER 2007	1,891,113	1,646,819

The notes on pages 8 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 applicable accounting standards

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 2007

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)

	2007	2006
	£	£
Depreciation of tangible fixed assets		
- owned by the company	138,198	124,866
Auditors' remuneration	8,615	8,100
Operating lease rentals		
- plant and machinery	4,161	8,777
Profit on disposal of fixed assets	(9)	(4,404)

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

4 STAFF COSTS

Staff costs, including directors remuneration, were as follows

	2007 £	2006 £
Wages and salaries	397,741	310,329
Social security costs	36,355	33,684
Pension contributions	18,428	16,857
	<u>452,524</u>	<u>360,870</u>

The average monthly number of employees, including directors, during the year was as follows

	2007 £	2006 £
Sales and distribution	11	10
Administration	6	5
	<u>17</u>	<u>15</u>
Total		

5 DIRECTORS' REMUNERATION

	2007 £	2006 £
Emoluments	<u>4,850</u>	<u>4,800</u>

No directors (2006 - none) were members of company pension schemes

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

6 TAXATION

	2007 £	2006 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	338,419	237,093
Adjustments in respect of prior periods	-	(192)
Total current tax	<u>338,419</u>	<u>236,901</u>
Deferred tax (see note 11)		
Origination and reversal of timing differences	(33,322)	-
Tax on profit on ordinary activities	<u>305,097</u>	<u>236,901</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2006 - higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>1,039,658</u>	<u>703,319</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	311,897	210,996
Effects of		
Expenses not deductible for tax purposes	4,184	541
Depreciation for year in excess of capital allowances	25,049	16,991
Provisions not deductible for tax purposes	(2,711)	8,565
Adjustments to tax charge in respect of prior periods	-	(192)
Current tax charge for the year (see note above)	<u>338,419</u>	<u>236,901</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

7 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, Machinery, Motor Vehicles & Merchan- dising Equipment £	Total £
Cost			
At 1 January 2007	2,010,022	893,643	2,903,665
Additions	-	69,443	69,443
Disposals	-	(1,534)	(1,534)
At 31 December 2007	2,010,022	961,552	2,971,574
Depreciation			
At 1 January 2007	954,575	817,591	1,772,166
Charge for the year	74,784	63,414	138,198
On disposals	-	(635)	(635)
At 31 December 2007	1,029,359	880,370	1,909,729
Net book value			
At 31 December 2007	980,663	81,182	1,061,845
At 31 December 2006	1,055,447	76,052	1,131,499

8 STOCKS

	2007 £	2006 £
Finished goods and goods for resale	1,240,024	798,500

9 DEBTORS

	2007 £	2006 £
Trade debtors	2,105,319	1,514,625
Other debtors	347,220	25,450
Deferred tax asset (see note 11)	33,322	-
	2,485,861	1,540,075

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

10. CREDITORS.

Amounts falling due within one year

	2007 £	2006 £
Trade creditors	83,826	94,430
Amounts owed to group undertakings	1,696,166	551,412
Corporation tax	209,569	149,762
Social security and other taxes	851,440	656,705
Other creditors	103,088	198,166
	<u>2,944,089</u>	<u>1,650,475</u>

11 DEFERRED TAXATION

	2007 £	2006 £
At 1 January 2007	-	-
Arising during the year	33,322	-
	<u>33,322</u>	<u>-</u>
At 31 December 2007	<u>33,322</u>	<u>-</u>

The deferred taxation balance is made up as follows

	2007 £	2006 £
Fixed asset timing differences	26,759	-
Short term timing differences	6,563	-
	<u>33,322</u>	<u>-</u>

12 SHARE CAPITAL

	2007 £	2006 £
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>

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13 RESERVES

	Profit and loss account £
At 1 January 2007	466,418
Profit for the year	734,561
Dividends Equity capital	(466,225)
	<u>734,754</u>
At 31 December 2007	<u>734,754</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	3,466,418	3,366,024
Profit for the year	734,561	466,418
Dividends (Note 15)	(466,225)	(366,024)
	<u>3,734,754</u>	<u>3,466,418</u>
Closing shareholders' funds	<u>3,734,754</u>	<u>3,466,418</u>

15 DIVIDENDS

	2007 £	2006 £
Ordinary		
Dividends paid	466,225	366,024
	<u>466,225</u>	<u>366,024</u>

16 OPERATING LEASE COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2007 £	2006 £	2007 £	Other 2006 £
Expiry date				
Within 1 year	-	-	2,400	2,400
Between 2 and 5 years	-	-	661	661
After more than 5 years	830,000	-	-	-
	<u>830,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 RELATED PARTY TRANSACTIONS

As Golden Lady (UK) Limited is a sub-subsidiary of ENGIFIN S p A and the consolidated accounts of ENGIFIN S p A 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

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

18 PENSION COSTS

The company contributes to personal pension plans for certain employees. The pension cost charge amounting to £18,428 (2006 £16,857) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £1,528 (2006 £2,916).

19 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.

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	981,862	675,011
Depreciation of tangible fixed assets	138,198	124,866
Profit on disposal of tangible fixed assets	(9)	(1,700)
Increase in stocks	(441,524)	(4,247)
Increase in debtors	(912,464)	(797,425)
Increase in creditors	89,053	521,610
Increase in amounts owed to group undertakings	1,144,754	1,063,961
Net cash inflow from operations	999,870	1,582,076

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	57,796	28,308
	57,796	28,308
Taxation		
Corporation tax paid	(278,612)	(123,959)
	(278,612)	(123,959)

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2007 £	2006 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(69,443)	(65,097)
Sale of tangible fixed assets	908	2,796
Net cash outflow from capital expenditure	<u>(68,535)</u>	<u>(62,301)</u>

22 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Cash at bank and in hand	1,646,819	244,294	-	1,891,113
Net funds	<u>1,646,819</u>	<u>244,294</u>	<u>-</u>	<u>1,891,113</u>