



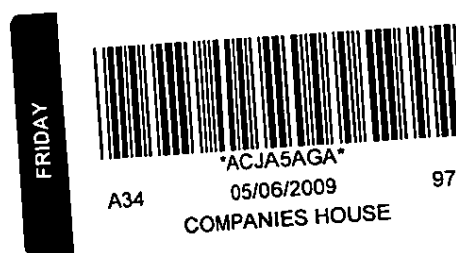
Accountants &
business advisers

Company No. 02027951

GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2008



Client No: 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 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities

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

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.

During the year the company has opened two high street retail outlets to sell specific products directly to the end customer.

The directors are pleased with the increase in turnover of 28% and the resulting profitability. Margins have suffered due to the pressures of maintaining market share with its high street customers. 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 and clothing sectors and with the demands of dealing with high street retailers. These risks are mitigated by having a quality product range and ensuring that quality standards and customers terms are maintained.

Political and charitable contributions

During the year the company made charitable contributions of £10,573 (2007 - £Nil)

Results

The profit for the year, after taxation, amounted to £422,680 (2007 - £734,561).

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

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

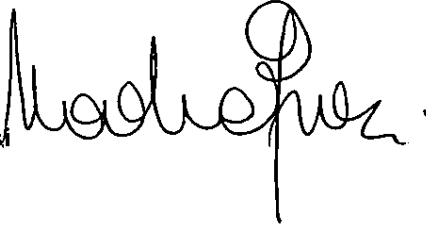
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

GOLDEN LADY (UK) LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

This report was approved by the board on 2 June 2009 and signed on its behalf.

Nadia Grassi
Secretary

A handwritten signature in black ink, appearing to read 'Nadia Grassi', written over the printed name and title.

GOLDEN LADY (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2008

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 the affairs of the company and of the surplus or deficit 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 2008 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.

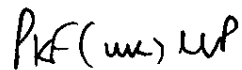
GOLDEN LADY (UK) LIMITED

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 2008 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

Registered auditors

Leicester, UK

Date: 2 June 2009

GOLDEN LADY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
TURNOVER	2	12,701,088	9,926,147
Cost of sales		<u>(9,969,738)</u>	<u>(7,409,931)</u>
GROSS PROFIT		2,731,350	2,516,216
Selling and distribution costs		<u>(1,034,427)</u>	<u>(932,114)</u>
Administrative expenses		<u>(1,149,110)</u>	<u>(602,240)</u>
Other operating income	3	<u>2,600</u>	<u>-</u>
OPERATING PROFIT	4	550,413	981,862
Interest receivable		<u>77,449</u>	<u>57,796</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		627,862	1,039,658
Tax on profit on ordinary activities	7	<u>(205,182)</u>	<u>(305,097)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>422,680</u>	<u>734,561</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

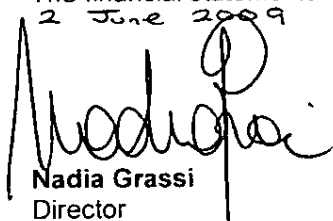
The notes on pages 9 to 17 form part of these financial statements.

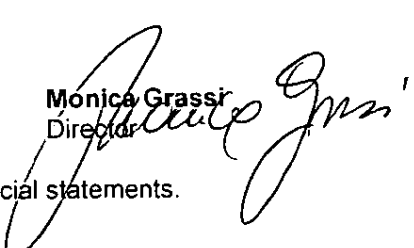
GOLDEN LADY (UK) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	8		1,593,696		1,061,845
CURRENT ASSETS					
Stocks	9	2,244,996		1,240,024	
Debtors	10	1,741,412		2,485,861	
Cash at bank		2,880,242		1,891,113	
		<u>6,866,650</u>		<u>5,616,998</u>	
CREDITORS: amounts falling due within one year	11	<u>(4,302,912)</u>		<u>(2,944,089)</u>	
NET CURRENT ASSETS			<u>2,563,738</u>		<u>2,672,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,157,434</u>		<u>3,734,754</u>
CAPITAL AND RESERVES					
Called up share capital	13		3,000,000		3,000,000
Profit and loss account	14		1,157,434		734,754
SHAREHOLDERS' FUNDS	15		<u>4,157,434</u>		<u>3,734,754</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 June 2009


Nadia Grassi
Director


Monica Grassi
Director

The notes on pages 9 to 17 form part of these financial statements.

GOLDEN LADY (UK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	21	1,941,146	999,870
Returns on investments and servicing of finance	22	77,449	57,796
Taxation	22	(329,569)	(278,612)
Capital expenditure and financial investment	22	(699,897)	(68,535)
Equity dividends paid		-	(466,225)
INCREASE IN CASH IN THE YEAR		989,129	244,294

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
Increase in cash in the year	989,129	244,294
MOVEMENT IN NET FUNDS IN THE YEAR	989,129	244,294
Net funds at 1 January 2008	1,891,113	1,646,819
NET FUNDS AT 31 DECEMBER 2008	2,880,242	1,891,113

The notes on pages 9 to 17 form part of these financial statements.

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 for wholesale distribution, and at the point of sale for retail.

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
Leasehold improvements	-	10% straight line
Plant & machinery	-	20-33% straight line
Motor vehicles	-	33.3% straight line
Merchandising equipment	-	20-50% 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 2008

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

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2008 £	2007 £
Other operating income	2,600	-

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

4. OPERATING PROFIT

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

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	172,266	138,198
Auditors' remuneration	9,000	8,615
Operating lease rentals:		
- plant and machinery	5,333	4,161
Difference on foreign exchange	1,602	-
Profit on disposal of tangible fixed assets	(4,220)	(9)
	<u> </u>	<u> </u>

5. STAFF COSTS

Staff costs, including directors remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	446,640	397,741
Social security costs	40,365	36,355
Pension contributions	19,392	18,428
	<u>506,397</u>	<u>452,524</u>

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

	2008 £	2007 £
Sales and distribution	11	11
Administration	6	6
Retail	5	-
	<u>22</u>	<u>17</u>

6. DIRECTORS' REMUNERATION

	2008 £	2007 £
Emoluments	4,850	4,850
	<u> </u>	<u> </u>

No directors (2007 - none) were members of company pension schemes.

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

7. TAXATION

	2008 £	2007 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	190,358	338,419
Deferred tax (see note 12)		
Origination and reversal of timing differences	14,824	(33,322)
Tax on profit on ordinary activities	<u>205,182</u>	<u>305,097</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>627,862</u>	<u>1,039,658</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	175,801	311,897
Effects of:		
Expenses not deductible for tax purposes	10,689	4,184
Depreciation for year in excess of capital allowances	6,126	25,049
Provisions not deductible for tax purposes	(5,580)	(2,711)
Adjustments to tax charge in respect of rate changes	3,322	-
Current tax charge for the year (see note above)	<u>190,358</u>	<u>338,419</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 2008**

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Leasehold improve- ments £	Plant, machinery, motor vehicles & mer- chandising equipment £	Total £
Cost				
At 1 January 2008	2,010,022	-	961,552	2,971,574
Additions	-	394,565	309,552	704,117
Disposals	-	-	(149,734)	(149,734)
At 31 December 2008	<u>2,010,022</u>	<u>394,565</u>	<u>1,121,370</u>	<u>3,525,957</u>
Depreciation				
At 1 January 2008	1,029,359	-	880,370	1,909,729
Charge for the year	74,784	18,067	79,415	172,266
On disposals	-	-	(149,734)	(149,734)
At 31 December 2008	<u>1,104,143</u>	<u>18,067</u>	<u>810,051</u>	<u>1,932,261</u>
Net book value				
At 31 December 2008	<u>905,879</u>	<u>376,498</u>	<u>311,319</u>	<u>1,593,696</u>
At 31 December 2007	<u>980,663</u>	<u>-</u>	<u>81,182</u>	<u>1,061,845</u>

9. STOCKS

	2008 £	2007 £
Finished goods and goods for resale	<u>2,244,996</u>	<u>1,240,024</u>

10. DEBTORS

	2008 £	2007 £
Trade debtors	1,403,044	2,105,319
Other debtors	319,870	347,220
Deferred tax asset (see note 12)	18,498	33,322
	<u>1,741,412</u>	<u>2,485,861</u>

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11. CREDITORS:
Amounts falling due within one year

	2008 £	2007 £
Trade creditors	151,336	83,826
Amounts owed to group undertakings	2,976,260	1,696,166
Corporation tax	70,358	209,569
Social security and other taxes	938,254	851,440
Other creditors	166,704	103,088
	<u>4,302,912</u>	<u>2,944,089</u>

12. DEFERRED TAX ASSET

Deferred tax assets:

	2008 £	2007 £
At 1 January 2008	21,716	-
Arising during the year	(3,218)	33,322
	<u>18,498</u>	<u>33,322</u>
At 31 December 2008	<u>18,498</u>	<u>33,322</u>

The deferred tax asset is made up as follows:

	2008 £	2007 £
Fixed asset timing differences	18,050	26,759
Short term timing differences	448	6,563
	<u>18,498</u>	<u>33,322</u>

13. SHARE CAPITAL

	2008 £	2007 £
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 2008**

14. RESERVES

	Profit and loss account £
At 1 January 2008	734,754
Profit for the year	422,680
At 31 December 2008	1,157,434

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	3,734,754	3,466,418
Profit for the year	422,680	734,561
Dividends (Note 16)	-	(466,225)
Closing shareholders' funds	4,157,434	3,734,754

16. DIVIDENDS

	2008 £	2007 £
Ordinary		
Dividends paid	-	466,225
	-	466,225

17. OPERATING LEASE COMMITMENTS

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2008 £	2007 £	2008 £	Other 2007 £
Expiry date:				
Within 1 year	-	-	2,400	2,400
Between 2 and 5 years	-	-	220	661
After more than 5 years	605,000	830,000	-	-

18. 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 2008

19. PENSION COSTS

The company contributes to personal pension plans for certain employees. The pension cost charge amounting to £19,392 (2007 £18,428) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £1,599 (2007 £1,528).

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Gilfin S.p.A.

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.

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	550,413	981,862
Depreciation of tangible fixed assets	172,266	138,198
Profit on disposal of tangible fixed assets	(4,220)	(9)
Increase in stocks	(1,004,972)	(441,524)
Decrease/(increase) in debtors	729,625	(912,464)
Increase in creditors	217,940	89,053
Increase in amounts owed to group undertakings	1,280,094	1,144,754
Net cash inflow from operations	1,941,146	999,870

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

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	77,449	57,796
	77,449	57,796
	2008 £	2007 £
Taxation		
Corporation tax paid	(329,569)	(278,612)
	(329,569)	(278,612)

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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

	2008 £	2007 £
Capital expenditure and financial investment		
Sale of intangible fixed assets	4,220	908
Purchase of tangible fixed assets	(704,117)	(69,443)
Net cash outflow from capital expenditure	<u>(699,897)</u>	<u>(68,535)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand:	1,891,113	989,129	-	2,880,242
Net funds	<u>1,891,113</u>	<u>989,129</u>	<u>-</u>	<u>2,880,242</u>