



Accountants &
business advisers

Company No 02027951

GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2010



Client No 1067747

Registrar's Copy

GOLDEN LADY (UK) LIMITED

COMPANY INFORMATION

Directors	Nadia Grassi Monica Grassi
Company 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 2010

The directors present their report and the financial statements for the year ended 31 December 2010

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

The directors are pleased with the increase in turnover of over 2% which has been achieved against an economic background that is very challenging and competitive. Margins continue to come under pressure of maintaining market share with its high street customers. During the year the company resolved to shutdown one of its retail outlets and terminated the lease of the relevant premises. Costs of over £722,000 were incurred for this termination resulting in the company suffering a loss of £390,440 before taxation.

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.

Results

The loss for the year, after taxation, amounted to £556,503 (2009 - profit £155,927)

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

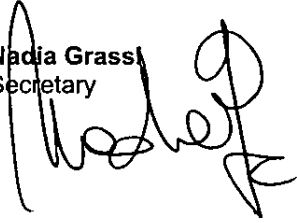
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing 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 2010**

This report was approved by the board on *16 March 2011* and signed on its behalf

Nadia Grassl
Secretary

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

GOLDEN LADY (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement, the reconciliation of movements in shareholders' funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

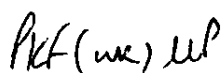
GOLDEN LADY (UK) LIMITED

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Nishit Bathia (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
Leicester, UK

Date 25 March 2011

GOLDEN LADY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1	14,705,401	14,332,555
Cost of sales		<u>(12,043,199)</u>	<u>(11,639,806)</u>
GROSS PROFIT		2,662,202	2,692,749
Selling and distribution costs		<u>(812,948)</u>	<u>(824,659)</u>
Administrative expenses		<u>(1,518,172)</u>	<u>(1,580,262)</u>
Exceptional administrative expenses		<u>(722,858)</u>	<u>-</u>
OPERATING (LOSS)/PROFIT	3	(391,776)	287,828
Interest receivable	6	<u>1,336</u>	<u>8,264</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(390,440)	296,092
Tax on (loss)/profit on ordinary activities	7	<u>(166,063)</u>	<u>(140,165)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	<u>(556,503)</u>	<u>155,927</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 9 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED
REGISTERED NUMBER 02027951

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	8		1,134,293		1,446,303
CURRENT ASSETS					
Stocks	9	1,594,490		1,748,884	
Debtors	10	4,332,650		1,708,116	
Cash at bank		1,694,329		2,880,727	
		<u>7,621,469</u>		<u>6,337,727</u>	
CREDITORS amounts falling due within one year	11	(4,998,904)		(3,470,669)	
NET CURRENT ASSETS			<u>2,622,565</u>		<u>2,867,058</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,756,858</u>		<u>4,313,361</u>
CAPITAL AND RESERVES					
Called up share capital	13		3,000,000		3,000,000
Profit and loss account	14		<u>756,858</u>		<u>1,313,361</u>
SHAREHOLDERS' FUNDS	15		<u>3,756,858</u>		<u>4,313,361</u>

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

25 March 2011

Nadia Grassi
Director

Monica Grassi
Director

The notes on pages 9 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
Net cash flow from operating activities	18	(975,237)	158,741
Returns on investments and servicing of finance	19	1,336	8,264
Taxation	19	(114,483)	(92,323)
Capital expenditure and financial investment	19	(98,014)	(74,197)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,186,398)	485

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £	2009 £
(Decrease)/Increase in cash in the year	(1,186,398)	485
MOVEMENT IN NET FUNDS IN THE YEAR	(1,186,398)	485
Net funds at 1 January 2010	2,880,727	2,880,242
NET FUNDS AT 31 DECEMBER 2010	1,694,329	2,880,727

The notes on pages 9 to 16 form part of these financial statements

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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
Long term Leasehold Property	-	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 to the Profit and loss account 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 and an appropriate proportion of fixed and variable overheads.

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2010	2009
	£	£
Depreciation of tangible fixed assets		
- owned by the company	243,358	221,590
Auditors' remuneration	9,000	9,000
Operating lease rentals		
- plant and machinery	3,620	5,873
- other operating leases	411,682	623,802
Exceptional administrative expenses - lease surrender	722,858	-
Loss on disposal of tangible fixed assets	166,666	-

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010	2009
	£	£
Wages and salaries	499,642	536,841
Social security costs	48,705	50,786
Other pension costs	20,425	20,505
	568,772	608,132

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

	2010	2009
	No	No
Sales and distribution	12	10
Administration	7	5
Retail	5	14
	24	29

5. DIRECTORS' REMUNERATION

	2010	2009
	£	£
Emoluments	4,850	4,850

No directors (2009 - none) were members of company pension schemes

6. INTEREST RECEIVABLE

	2010	2009
	£	£
Bank interest receivable	1,336	8,264

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

7 TAXATION

	2010 £	2009 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	166,505	114,482
Adjustments in respect of prior periods	-	21,965
Total current tax	166,505	136,447
Deferred tax (see note 12)		
Origination and reversal of timing differences	(442)	3,718
Tax on (loss)/profit on ordinary activities	166,063	140,165

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(390,440)	296,092
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(109,323)	82,906
Effects of		
Expenses not deductible for tax purposes	252,612	3,261
Depreciation for year in excess of capital allowances	22,936	22,460
Provisions not deductible for tax purposes	280	5,855
Adjustments to tax charge in respect of prior periods	-	21,965
Current tax charge for the year (see note above)	166,505	136,447

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 2010**

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Leasehold improve- ments £	Plant, machinery, motor vehicles & mer- chandising equipment £	Total £
Cost				
At 1 January 2010	2,010,022	397,615	1,192,446	3,600,083
Additions	-	-	98,046	98,046
Disposals	-	(138,282)	(196,016)	(334,298)
Transfer between classes	-	(1,787)	1,787	-
At 31 December 2010	<u>2,010,022</u>	<u>257,546</u>	<u>1,096,263</u>	<u>3,363,831</u>
Depreciation				
At 1 January 2010	1,178,927	57,692	917,161	2,153,780
Charge for the year	100,593	36,370	106,395	243,358
On disposals	-	(29,259)	(138,341)	(167,600)
At 31 December 2010	<u>1,279,520</u>	<u>64,803</u>	<u>885,215</u>	<u>2,229,538</u>
Net book value				
At 31 December 2010	<u>730,502</u>	<u>192,743</u>	<u>211,048</u>	<u>1,134,293</u>
At 31 December 2009	<u>831,095</u>	<u>339,923</u>	<u>275,285</u>	<u>1,446,303</u>

9. STOCKS

	2010 £	2009 £
Finished goods and goods for resale	<u>1,594,490</u>	<u>1,748,884</u>

10. DEBTORS

	2010 £	2009 £
Trade debtors	3,976,852	1,249,447
Other debtors	340,576	443,889
Deferred tax asset (see note 12)	15,222	14,780
	<u>4,332,650</u>	<u>1,708,116</u>

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11 CREDITORS

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	24,834	149,814
Amounts owed to group undertakings	3,883,877	2,187,307
Corporation tax	166,505	114,482
Social security and other taxes	731,623	854,534
Other creditors	192,065	164,532
	<u>4,998,904</u>	<u>3,470,669</u>

12. DEFERRED TAX ASSET

	2010 £	2009 £
At beginning of year	14,780	18,498
Charged to the profit and loss account for year	442	(3,718)
	<u>15,222</u>	<u>14,780</u>

The deferred tax asset is made up as follows

	2010 £	2009 £
Fixed asset timing differences	8,874	8,476
Short term timing differences	6,348	6,304
	<u>15,222</u>	<u>14,780</u>

13 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
30,000 Ordinary shares of £100 each	<u>3,000,000</u>	<u>3,000,000</u>

14 RESERVES

	Profit and loss account £
At 1 January 2010	1,313,361
Loss for the year	(556,503)
	<u>756,858</u>
At 31 December 2010	

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	4,313,361	4,157,434
(Loss)/profit for the year	(556,503)	155,927
Closing shareholders' funds	<u>3,756,858</u>	<u>4,313,361</u>

16. PENSION COSTS

The company contributes to personal pension plans for certain employees. The pension cost charge amounting to £20,425 (2009 - £20,505) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £428 (2009 - £2,512).

17 OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2010 £	2009 £	2010 £	Other 2009 £
Expiry date.				
Within 1 year	-	-	-	2,400
After more than 5 years	<u>325,000</u>	<u>605,000</u>	<u>-</u>	<u>-</u>

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating (loss)/profit	(391,776)	287,828
Depreciation of tangible fixed assets	243,358	221,590
Loss on disposal of tangible fixed assets	166,666	-
Decrease in stocks	154,394	496,161
(Increase)/decrease in debtors	(2,624,092)	29,529
Decrease in creditors	(220,360)	(87,414)
Increase/(decrease) in amounts owed to group undertakings	1,696,573	(788,953)
Net cash (outflow)/inflow from operations	<u>(975,237)</u>	<u>158,741</u>

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

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	<u>1,336</u>	<u>8,264</u>

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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

	2010 £	2009 £
Taxation		
Corporation tax paid	(114,483)	(92,323)
	<u>2010</u> £	<u>2009</u> £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(98,046)	(75,399)
Sale of tangible fixed assets	32	1,202
Net cash outflow from capital expenditure	<u>(98,014)</u>	<u>(74,197)</u>

20 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	2,880,727	(1,186,398)	-	1,694,329
Net funds	<u>2,880,727</u>	<u>(1,186,398)</u>	<u>-</u>	<u>1,694,329</u>

21 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

22 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 of Mantova, Via Pietro Fortunato Calvi, 28 - 46100 Mantova, Italy

In the opinion of the directors ENGIFIN S p A is the company's ultimate parent company and ultimate controlling party