

02027951



Accountants &
business advisers

GOLDEN LADY (UK) LIMITED

Annual Report

Year ended 31 December 2011

FOR INFORMATION OF DIRECTORS ONLY



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

GOLDEN LADY (UK) LIMITED

COMPANY INFORMATION

Directors	N Grassi M Grassi
Company secretary	N Grassi
Company number	02027951
Registered office	County Estate Nunn Brook Road Huthwaite, Sutton In Ashfield Nottinghamshire NG17 2HU
Auditor	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 2011

The directors present their report and the financial statements for the year ended 31 December 2011

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

Following the decision by the directors in the preceding year to terminate the lease of one of the company's retail outlets, the directors are pleased the company has retained its market share and maintained turnover at similar levels to last year on a like for like basis

The company has returned to profitability in the year which has been achieved against an economic background that is challenging and competitive. Margins have decreased in the year by 3% as a direct result of increased direct costs that the company was unable to pass onto its high street customer base

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 profit for the year, after taxation, amounted to £127,197 (2010 - loss £556,503)

Directors

The directors who served during the year were

N Grassi
M 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

GOLDEN LADY (UK) LIMITED

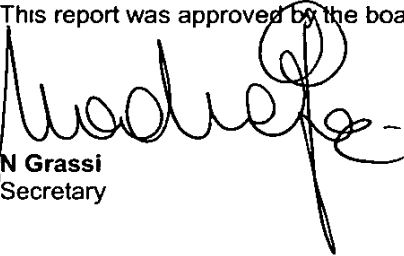
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

This report was approved by the board on 12 March 2012 and signed on its behalf



N Grassi
Secretary

GOLDEN LADY (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

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, and
- 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 AUDITOR'S 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 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 and express an opinion on 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 directors' 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 the 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 2011 and of its profit 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 matters 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 AUDITOR'S 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

PKF (UK) LLP

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

21 March 2012

GOLDEN LADY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1	14,468,998	14,705,401
Cost of sales		<u>(12,333,955)</u>	<u>(12,043,199)</u>
GROSS PROFIT		2,135,043	2,662,202
Distribution costs		<u>(776,437)</u>	<u>(812,948)</u>
Administrative expenses		<u>(1,130,305)</u>	<u>(1,518,172)</u>
Exceptional administrative expenses		-	<u>(722,858)</u>
Total administrative expenses		<u>(1,130,305)</u>	<u>(2,241,030)</u>
OPERATING PROFIT/(LOSS)	3	228,301	(391,776)
Interest receivable and similar income	6	1,799	1,336
Interest payable and similar charges	7	<u>(4,876)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		225,224	(390,440)
Tax on profit/(loss) on ordinary activities	8	<u>(98,027)</u>	<u>(166,063)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	<u>127,197</u>	<u>(556,503)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 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
REGISTERED NUMBER: 02027951

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	9		1,031,652		1,134,293
CURRENT ASSETS					
Stocks	10	2,391,244		1,594,490	
Debtors	11	4,195,544		4,332,650	
Cash at bank		3,787,938		1,694,329	
		<u>10,374,726</u>		<u>7,621,469</u>	
CREDITORS : amounts falling due within one year	12	(7,520,138)		(4,998,904)	
NET CURRENT ASSETS			<u>2,854,588</u>		<u>2,622,565</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,886,240</u>		<u>3,756,858</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(2,185)		-
NET ASSETS			<u><u>3,884,055</u></u>		<u><u>3,756,858</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		3,000,000		3,000,000
Profit and loss account	15		884,055		756,858
SHAREHOLDERS' FUNDS	16		<u><u>3,884,055</u></u>		<u><u>3,756,858</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12 March 2012

N Grassi
Director

M 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 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	19	(500,152)	(975,237)
Returns on investments and servicing of finance	20	(3,077)	1,336
Taxation		(266,141)	(114,483)
Capital expenditure and financial investment	20	(137,021)	(98,014)
CASH OUTFLOW BEFORE FINANCING		(906,391)	(1,186,398)
Financing	20	3,000,000	-
INCREASE/(DECREASE) IN CASH IN THE YEAR		2,093,609	(1,186,398)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	2,093,609	(1,186,398)
Cash inflow from increase in debt and lease financing	(3,000,000)	-
MOVEMENT IN NET FUNDS IN THE YEAR	(906,391)	(1,186,398)
Net funds at 1 January 2011	1,694,329	2,880,727
NET FUNDS AT 31 DECEMBER 2011	787,938	1,694,329

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 2011

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 during the year, 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 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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.6 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

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.7 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

1.8 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 PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	235,345	243,358
Auditors' remuneration	9,750	9,000
Operating lease rentals		
- plant and machinery	3,427	3,620
- other operating leases	321,525	411,682
Loss on disposal of tangible fixed assets	4,317	166,666
Exceptional administration costs - lease surrender	-	722,858
	<u> </u>	<u> </u>

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	484,505	499,642
Social security costs	42,347	48,705
Other pension costs	20,111	20,425
	<u>546,963</u>	<u>568,772</u>

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

	2011 No.	2010 No.
Sales and distribution	13	12
Administration	5	7
Retail	7	5
	<u>25</u>	<u>24</u>

5 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>4,850</u>	<u>4,850</u>

No directors (2010 - none) were members of company pension schemes

6 INTEREST RECEIVABLE

	2011 £	2010 £
Other interest receivable	89	-
Bank interest receivable	1,710	1,336
	<u>1,799</u>	<u>1,336</u>

7. INTEREST PAYABLE

	2011 £	2010 £
On loans from group undertakings	4,321	-
Other interest payable	555	-
	<u>4,876</u>	<u>-</u>

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

8. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	76,910	166,505
Adjustments in respect of prior periods	3,710	-
Total current tax	80,620	166,505
Deferred tax		
Origination and reversal of timing differences	18,048	(442)
Effect of decreased tax rate on opening liability	(641)	-
Total deferred tax (see note 13)	17,407	(442)
Tax on profit/loss on ordinary activities	98,027	166,063

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit/loss on ordinary activities before tax	225,224	(390,440)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	58,558	(109,323)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,333	252,612
Depreciation in the year in excess of capital allowances	20,441	22,936
Adjustments to tax charge in respect of prior periods	3,710	-
Changes in provisions leading to a (decrease)/increase in the tax charge	(4,854)	280
Effect of change in tax rate in the year	1,432	-
Current tax charge for the year (see note above)	80,620	166,505

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates expected to be effective at the time the timing differences, which give rise to the provision, are expected to reverse. The Chancellor of the Exchequer announced in his Emergency Budget on 22 June 2010 that the rate of corporation tax will be reduced by 1 percentage point a year until 2014, when it will remain at 23%.

At the date of approval of the financial statements the rate of 25% has been given Royal Assent. Therefore, in accordance with relevant accounting standards, the calculation of deferred tax provision is based on a tax rate of 25%.

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold improve- ments £	Plant, machinery, motor vehicles and merchand- ising equipment £	Total £
Cost				
At 1 January 2011	2,010,022	257,546	1,096,263	3,363,831
Additions	-	-	137,021	137,021
Disposals	-	-	(222,668)	(222,668)
At 31 December 2011	2,010,022	257,546	1,010,616	3,278,184
Depreciation				
At 1 January 2011	1,279,520	64,803	885,215	2,229,538
Charge for the year	74,784	25,933	134,628	235,345
On disposals	-	-	(218,351)	(218,351)
At 31 December 2011	1,354,304	90,736	801,492	2,246,532
Net book value				
At 31 December 2011	655,718	166,810	209,124	1,031,652
At 31 December 2010	730,502	192,743	211,048	1,134,293

10 STOCKS

	2011 £	2010 £
Finished goods and goods for resale	2,391,244	1,594,490

11 DEBTORS

	2011 £	2010 £
Trade debtors	3,844,187	3,976,852
Amounts owed by group undertakings	2,876	-
Corporation tax due	19,016	-
Other debtors	329,465	340,576
Deferred tax asset (see note 13)	-	15,222
	4,195,544	4,332,650

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

12. CREDITORS
Amounts falling due within one year

	2011 £	2010 £
Loans	3,000,000	-
Trade creditors	53,528	24,834
Amounts owed to group undertakings	3,091,237	3,883,877
Corporation tax	-	166,505
Social security and other taxes	1,153,517	731,623
Other creditors	221,856	192,065
	<u>7,520,138</u>	<u>4,998,904</u>

During the year the company took out an unsecured loan of £3 million (2010 - £Nil) from Golden Lady S p A , a group company, at an interest rate of 3.05%. The loan is due to be fully repaid within one year.

13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	15,222	14,780
Charged to the profit and loss account for year	(17,407)	442
	<u>(2,185)</u>	<u>15,222</u>
(Provision)/asset at end of year		

The deferred taxation balance is made up as follows

	2011 £	2010 £
Accelerated capital allowances	(2,625)	8,874
Short term timing differences	440	6,348
	<u>(2,185)</u>	<u>15,222</u>

14. SHARE CAPITAL

	2011 £	2010 £
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 2011

15 RESERVES

	Profit and loss account £
At 1 January 2011	756,858
Profit for the year	127,197
At 31 December 2011	<u>884,055</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	3,756,858	4,313,361
Profit/(loss) for the year	<u>127,197</u>	<u>(556,503)</u>
Closing shareholders' funds	<u>3,884,055</u>	<u>3,756,858</u>

17. PENSION COSTS

The company contributes to personal pension plans for certain employees. The pension cost charge amounting to £20,111 (2010 - £20,425) represents contributions payable by the company during the year. Accrued contributions at the year end amounted to £1,758 (2010 - £428).

18 OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Between 2 and 5 years	-	-	457	457
After more than 5 years	<u>325,000</u>	<u>325,000</u>	<u>-</u>	<u>-</u>

GOLDEN LADY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit/(loss)	228,301	(391,776)
Depreciation of tangible fixed assets	235,345	243,358
Profit on disposal of tangible fixed assets	4,317	166,666
(Increase)/decrease in stocks	(796,754)	154,394
Decrease/(increase) in debtors	143,777	(2,624,092)
Increase/(decrease) in creditors	480,378	(220,360)
(Decrease)/increase in amounts owed to group undertakings	(795,516)	1,696,573
Net cash outflow from operating activities	(500,152)	(975,237)

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,799	1,336
Interest paid	(4,876)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	(3,077)	1,336
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(137,021)	(98,046)
Sale of tangible fixed assets	-	32
Net cash outflow from capital expenditure	(137,021)	(98,014)
	2011 £	2010 £
Financing		
New loans	3,000,000	-

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	1,694,329	2,093,609	-	3,787,938
Debts due within one year	-	(3,000,000)	-	(3,000,000)
Net funds	1,694,329	(906,391)	-	787,938

GOLDEN LADY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

22. RELATED PARTY TRANSACTIONS

As Golden Lady (UK) Limited is a wholly owned 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

23. 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