

Company Registration No. 04160087 (England and Wales)

CHARACTER WORLD LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

TUESDAY



A55 *AP4AWDVH* 46
06/10/2009
COMPANIES HOUSE

CHARACTER WORLD LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Notes to the abbreviated accounts	6 - 18

CHARACTER WORLD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

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

Principal activities and review of the business

The principal activity of the company continued to be the marketing and sales of licensed and unlicensed products and textiles.

The principal risk and uncertainty facing the company is its exposure to quick changes in trends and fashions. The directors closely monitor the popularity of current stock lines and continue to identify new products and licences which will generate future revenues. Our financial risk management objective is to ensure sufficient working capital for the company. This is achieved by careful management of our cash balances and overdraft facilities.

The company's main focus during the year has been to continue growing profitable business through new licensed product development. In 2008 the business was divided into Kids, Brands and Football and work will be continuing in 2009 to develop these new areas.

During the year the company expanded its range of licensed product lines and has continued to distribute to the UK's leading retailers.

Turnover is a key performance indicator for our business as it measures the total output of the business at the prices we are able to charge our customers. During the year we were able to increase turnover by 36.7% on the previous year.

Due to current economic uncertainty the directors are anticipating that sales will be maintained at the current level in 2009.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 January 2008:

D E Schweiger	
H J Schweiger	(Resigned 4 April 2008)
M Schweiger	
S Farris	
T D Schweiger	(Resigned 4 April 2008)
R Rowlands	

CHARACTER WORLD LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

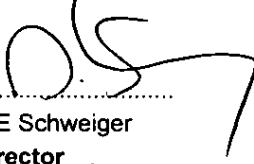
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
D E Schweiger
Director
31/03/09

CHARACTER WORLD LIMITED

INDEPENDENT AUDITORS' REPORT TO CHARACTER WORLD LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of Character World Limited for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



UHY Hacker Young Manchester LLP
Chartered Accountants
Registered Auditor

31/03/09

St James Building
79 Oxford Street
Manchester
M1 6HT

CHARACTER WORLD LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
	Notes	£	£
Gross profit		5,950,771	5,505,890
Distribution costs		(431,911)	(365,899)
Administrative expenses		(3,074,014)	(2,626,418)
Operating profit	2	<u>2,444,846</u>	<u>2,513,573</u>
Other interest receivable and similar income		2,650	1,108
Interest payable and similar charges	4	<u>(60,690)</u>	<u>(51,529)</u>
Profit on ordinary activities before taxation		<u>2,386,806</u>	<u>2,463,152</u>
Tax on profit on ordinary activities	5	<u>(529,559)</u>	<u>(787,306)</u>
Profit for the year	17	<u><u>1,857,247</u></u>	<u><u>1,675,846</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CHARACTER WORLD LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Intangible assets	7	634,450		683,254	
Tangible assets	8	372,970		349,057	
Investments	9	2		-	
		<u>1,007,422</u>		<u>1,032,311</u>	
Current assets					
Stocks	10	2,457,140		1,651,018	
Debtors	11	5,619,915		4,861,577	
Cash at bank and in hand		<u>1,114,098</u>		<u>622,920</u>	
		9,191,153		7,135,515	
Creditors: amounts falling due within one year	12	<u>(4,414,679)</u>		<u>(4,932,715)</u>	
Net current assets		<u>4,776,474</u>		<u>2,202,800</u>	
Total assets less current liabilities		<u>5,783,896</u>		<u>3,235,111</u>	
Creditors: amounts falling due after more than one year	13	-		(83,118)	
Provisions for liabilities	14	<u>(29,619)</u>		<u>(27,427)</u>	
		<u>5,754,277</u>		<u>3,124,566</u>	
Capital and reserves					
Called up share capital	16	765,003		765,001	
Profit and loss account	17	<u>4,989,274</u>		<u>2,359,565</u>	
Shareholders' funds	18	<u>5,754,277</u>		<u>3,124,566</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 30/3/09


D E Schweiger
Director

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

Turnover represents amounts receivable from sales of licensed and unlicensed products and textiles net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life, being 20 years.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Alteration to leasehold	5% / 10% Straight line
Plant and machinery	10% Straight line
Fixtures, fittings & equipment	33.3% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. The cost of stock represents the purchase value of the goods and costs to bring it to its current location, and the net realisable value of the stock is the actual value the stock can be sold for.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies **(continued)**

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at a contracted rate. All differences are taken to profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	48,804	48,804
Depreciation of tangible assets	78,875	53,222
Auditors' remuneration (including expenses)	36,293	21,907
and after crediting:		
Profit on foreign exchange transactions	(421,932)	(636,101)
	<u> </u>	<u> </u>
3 Investment income	2008	2007
	£	£
Bank interest	2,650	1,108
	<u> </u>	<u> </u>
	<u>2,650</u>	<u>1,108</u>
	<u> </u>	<u> </u>
4 Interest payable	2008	2007
	£	£
On bank loans and overdrafts	57,057	51,300
Hire purchase interest	230	229
Other interest	3,403	-
	<u> </u>	<u> </u>
	<u>60,690</u>	<u>51,529</u>
	<u> </u>	<u> </u>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

5 Taxation	2008	2007
	£	£
Domestic current year tax		
UK corporation tax	527,367	752,159
Adjustment for prior years	-	7,720
	<hr/>	<hr/>
Current tax charge	527,367	759,879
Deferred tax		
Deferred tax charge/credit current year	2,192	27,427
	<hr/>	<hr/>
	529,559	787,306
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	2,386,806	2,463,152
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	680,240	738,946
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	21,714	27,491
Depreciation add back	22,479	15,967
Capital allowances	(26,571)	(29,954)
Adjustments to previous periods	-	7,720
Group relief	(170,891)	-
Other tax adjustments	396	(291)
	<hr/>	<hr/>
	(152,873)	20,933
	<hr/>	<hr/>
Current tax charge	527,367	759,879
	<hr/> <hr/>	<hr/> <hr/>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6 Acquisitions

On the 4 April 2008 Character World Limited acquired 100% of the issued share capital in T D S Enterprises Limited, by means of a share for share exchange. All the assets and liabilities of T D S Enterprises Limited were hived up to Character World Limited.

	Total
	£
Cash	500
Liabilities	(3,309)
	<hr/>
Net liabilities acquired	(2,809)
	<hr/> <hr/>
Satisfied by:	
Debit to intercompany loan account	2,809
	<hr/> <hr/>

7 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2008 & at 31 December 2008	976,078
	<hr/>
Amortisation	
At 1 January 2008	292,824
Charge for the year	48,804
	<hr/>
At 31 December 2008	341,628
	<hr/>
Net book value	
At 31 December 2008	634,450
	<hr/> <hr/>
At 31 December 2007	683,254
	<hr/> <hr/>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

8 Tangible fixed assets

	Alteration to leasehold	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2008	247,920	195,081	443,001
Transfer on hive up	-	15,881	15,881
Additions	51,512	51,276	102,788
	<hr/>	<hr/>	<hr/>
At 31 December 2008	299,432	262,238	561,670
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2008	13,199	80,745	93,944
Transfer on hive up	-	15,881	15,881
Charge for the year	12,587	66,288	78,875
	<hr/>	<hr/>	<hr/>
At 31 December 2008	25,786	162,914	188,700
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2008	273,646	99,324	372,970
	<hr/>	<hr/>	<hr/>
At 31 December 2007	234,721	114,336	349,057
	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £1,717 (2007 - £3,434) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £1,717 (2007 - £1,717) for the year.

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

9 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2008	-
Additions	772,464
	<hr/>
At 31 December 2008	772,464
	<hr/>
Provisions for diminution in value	
At 1 January 2008	-
Charge for the year	772,462
	<hr/>
At 31 December 2008	772,462
	<hr/>
Net book value	
At 31 December 2008	2
	<hr/> <hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
T D S Enterprises Limited	England & Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
T D S Enterprises Limited	Principal activity Supplier of textile and gift products	2	7,165
		<hr/> <hr/>	<hr/> <hr/>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

10 Stocks	2008	2007
	£	£
Finished goods and goods for resale	2,457,140	1,651,018
	<u>2,457,140</u>	<u>1,651,018</u>

11 Debtors	2008	2007
	£	£
Trade debtors	4,676,449	4,041,139
Amounts owed by parent and fellow subsidiary undertakings	797,192	-
Other debtors	-	724,031
Prepayments and accrued income	146,274	96,407
	<u>5,619,915</u>	<u>4,861,577</u>

Amounts falling due after more than one year and included in the debtors above are:

	2008	2007
	£	£
Amounts owed by participating interests	-	680,045
	<u>-</u>	<u>680,045</u>

12 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	-	334,080
Net obligations under hire purchase contracts	1,287	1,717
Trade creditors	2,178,598	1,499,119
Amounts owed to parent	310,745	-
Corporation tax	318,890	750,129
Other taxes and social security costs	603,413	643,970
Other creditors	488,135	1,271,176
Accruals and deferred income	513,611	432,524
	<u>4,414,679</u>	<u>4,932,715</u>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

13 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	-	81,831
Net obligations under hire purchase contracts	-	1,287
	<u>-</u>	<u>83,118</u>
Analysis of loans		
Wholly repayable within five years	-	182,679
	<u>-</u>	<u>182,679</u>
Included in current liabilities	-	(100,848)
	<u>-</u>	<u>81,831</u>
Loan maturity analysis		
In more than one year but not more than two years	-	182,679
	<u>-</u>	<u>182,679</u>
<p>Bank loans and overdrafts are secured by way of a mortgage dated 13 October 2003. Hire Purchase facilities are secured on the assets to which they relate.</p>		
Net obligations under hire purchase contracts		
Repayable within one year	1,287	1,717
Repayable between one and five years	-	1,287
	<u>1,287</u>	<u>3,004</u>
Included in liabilities falling due within one year	(1,287)	(1,717)
	<u>-</u>	<u>1,287</u>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2008	27,427
Profit and loss account	2,192
	<hr/>
Balance at 31 December 2008	29,619
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	29,619	27,427
	<hr/> <hr/>	<hr/> <hr/>

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2008 £	2007 £
Contributions payable by the company for the year	6,054	-
	<hr/> <hr/>	<hr/> <hr/>

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

16 Share capital	2008	2007
	£	£
Authorised		
234,999 Ordinary shares of £1 each	234,999	234,999
255,001 Ordinary A shares of £1 each	255,001	255,001
255,000 Ordinary B shares of £1 each	255,000	255,000
255,000 Ordinary C shares of £1 each	255,000	255,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
255,001 Ordinary A shares of £1 each	255,003	255,001
255,000 Ordinary B shares of £1 each	255,000	255,000
255,000 Ordinary C shares of £1 each	255,000	255,000
	<u>765,003</u>	<u>765,001</u>

On the 4 April 2008 the company issued 2 Ordinary A shares in exchange for 100% of the share capital in T D S Enterprises Limited.

On the 4 April 2008 100% of the issued share capital of the company was acquired by Character World Bidco Limited.

17 Statement of movements on reserves	Other reserve	Profit and loss account
		£
Balance at 1 January 2008	-	2,359,565
Profit for the year	-	1,857,247
Premium on shares issued during the year	772,462	-
Transfer from other reserve to profit and loss account	<u>(772,462)</u>	<u>772,462</u>
Balance at 31 December 2008	<u>-</u>	<u>4,989,274</u>

The company has taken advantage of s131 of the Companies Act 1985 and has credited the premium arising on the acquisition of T D S Enterprises Limited to the other reserve account. The transfer from the other reserve to the profit and loss reserve represents the release from the other reserve account of £772,462 (2007 - £Nil) corresponding to the diminution in value of the investment.

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

18 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial year	1,857,247	1,675,846
Proceeds from issue of shares	2	-
Movements on other reserves	772,462	-
	<u>2,629,711</u>	<u>1,675,846</u>
Net addition to shareholders' funds	2,629,711	1,675,846
Opening shareholders' funds	3,124,566	1,448,720
	<u>5,754,277</u>	<u>3,124,566</u>
Closing shareholders' funds	5,754,277	3,124,566

19 Contingent liabilities

The company has entered into a number of contracts which guarantee minimum levels of future royalty payments. These guarantees apply where minimum levels of sales on which royalties are paid are not reached. In circumstances where the directors consider that payments under the guarantees will be required, full provision for these payments has been made in the financial statements. However, where the directors consider that minimum levels of sales required by contracts will be reached, no provision for payments under the guarantees has been made. Should future levels of sales be less than anticipated by the directors further provisions for liabilities under these contracts may be required.

The bank has an inter-company guarantee between Character World Limited and T D S Enterprises Limited dated 1 Feb 2006. At the 31 December 2008, the maximum potential liability under this guarantee was £Nil (2007 - £131,110).

20 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Between two and five years	-	-	12,437	10,183
In over five years	167,875	135,000	-	-
	<u>167,875</u>	<u>135,000</u>	<u>12,437</u>	<u>10,183</u>

As at 31 December 2008 Character World Limited had entered into, and was bound by, two forward contracts to purchase foreign currency amounting to £6,590,000.

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

21 Capital commitments	2008	2007
	£	£

At 31 December 2008 the company had capital commitments as follows:

Authorised but not contracted for	42,000	-
-----------------------------------	--------	---

22 Directors' emoluments	2008	2007
	£	£

Emoluments for qualifying services	603,275	-
------------------------------------	---------	---

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	181,908	-
------------------------------------	---------	---

23 Transactions with directors

D E Schweiger and M Schweiger are interested in TDM Properties Limited as directors and shareholders. Included in other debtors is a balance of £Nil (2007 - £680,045) due from TDM Properties Limited.

During the year Character World Limited paid rent to TDM Properties Limited of £139,358 (2007 - £142,383).

CHARACTER WORLD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Directors	5	-
Administration & Design	42	-
	<u>47</u>	<u>-</u>

Employment costs

	2008 £	2007 £
Wages and salaries	1,769,348	-
Social security costs	185,086	-
Other pension costs	6,054	-
	<u>1,960,488</u>	<u>-</u>

In 2007 employees were paid by TDS Enterprises Limited.

25 Ultimate parent company

The immediate parent company is Character World Bidco Limited. The ultimate parent company is Character World Holdco Limited.

Character World Holdco Limited prepares group financial statements and copies can be obtained from Character House, 1 Oak Green, Stanley Business Park, Cheadle Hulme, Cheshire, SK8 6QL.