

Company Registration No 06549359 (England and Wales)

CHARACTER WORLD BIDCO LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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CHARACTER WORLD BIDCO LIMITED

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CHARACTER WORLD BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the company is that of a holding company, and because of this the directors feel it is more appropriate to include their business review of the trading subsidiary in this report. The principal activity of its trading subsidiary is the marketing and sale of licensed products and textiles.

The principal risks and uncertainties facing the company are its exposure to quick changes in trends and fashions, and its exposure to foreign currency markets.

The directors closely monitor the popularity of current stock lines and continue to identify new products and licences which will generate future revenues. During 2009 a number of new licences were signed to ensure continuity of turnover. The directors also monitor foreign currency markets to ensure that fluctuations in currencies have the smallest possible effect on the company's trading results.

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. In 2009 the company's stockholding base was significantly lowered, bringing a reduction in working capital required.

The company's main focus during the year has been to continue growing profitable business through the development of existing and new licensed products. In 2009 development of the Brands and Football area of the business continued with the signing of additional licences.

During the year the company expanded its range of licensed product lines particularly with the development of a range of Toddler and Single beds which will become available in 2010. The company 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. Despite the economic uncertainty which affected the total UK market during 2009 the company experienced only a 6% decrease in turnover.

A Sales Director has been appointed during the year to co-ordinate an increase in sales effort and this is anticipated to produce a significant increase in turnover in 2010.

Results and dividends

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

Directors

The following directors have held office since 1 January 2009

D E Schweiger
M Schweiger
J E Dillon

CHARACTER WORLD BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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 judgements and accounting 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.

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



M Schweiger

Director

19 April 2010

CHARACTER WORLD BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO CHARACTER WORLD BIDCO LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 11, together with the financial statements of Character World Bidco Limited for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



D Symonds
(Senior Statutory Auditor)
for and on behalf of

19 April 2010

Chartered Accountants
Statutory Auditor

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

CHARACTER WORLD BIDCO LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Year ended 31 December 2009 £	Period ended 31 December 2008 £
Administrative expenses		(11,606)	(26,530)
Operating loss	2	(11,606)	(26,530)
Interest payable and similar charges	3	(1,187,802)	(983,621)
Loss on ordinary activities before taxation		(1,199,408)	(1,010,151)
Tax on loss on ordinary activities	4	-	-
Loss for the year	10	(1,199,408)	(1,010,151)

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 BIDCO LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Investments	5		19,997,927		19,997,927
Current assets					
Debtors	6	1,125		-	
Cash at bank and in hand		8,333		-	
		<u>9,458</u>		<u>-</u>	
Creditors: amounts falling due within one year	7	<u>(1,321,540)</u>		<u>(1,298,255)</u>	
Net current liabilities			<u>(1,312,082)</u>		<u>(1,298,255)</u>
Total assets less current liabilities			18,685,845		18,699,672
Creditors, amounts falling due after more than one year	8		<u>(20,895,403)</u>		<u>(19,709,822)</u>
			<u>(2,209,558)</u>		<u>(1,010,150)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		<u>(2,209,559)</u>		<u>(1,010,151)</u>
Shareholders' funds	11		<u>(2,209,558)</u>		<u>(1,010,150)</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 19 April 2010



M Schweiger
Director

Company Registration No 06549359

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. During the year ended 31 December 2009 the company made a loss before taxation of £1,199,408 (2008 - £1,010,151) and at that date its liabilities exceeded its assets by £2,209,558 (2008 - £1,010,150). If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values to their recoverable amount and to provide for future liabilities that may arise and to reclassify fixed assets as current assets.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis, given the continued support of other group companies.

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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

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

1.4 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.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Character World Holdco Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.6 FRS 4 Finance costs

Finance costs in relation to financial instruments are netted against the principal and released to the profit and loss account over the term of the instrument using the actuarial method.

1.7 Comparative period

The comparative period is 31 March 2008 to 31 December 2008.

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

2	Operating loss	2009	2008
		£	£
	Operating loss is stated after charging		
	Auditors' remuneration (including expenses)	4,000	4,000
		<u> </u>	<u> </u>
3	Interest payable	2009	2008
		£	£
	Bank loan interest paid	352,638	417,306
	FRS 4 finance costs amortisation	109,177	64,514
	Intercompany interest	725,987	501,801
		<u> </u>	<u> </u>
		1,187,802	983,621
		<u> </u>	<u> </u>
4	Taxation	2009	2008
		£	£
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(1,199,408)	(1,010,151)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	(335,834)	(282,842)
		<u> </u>	<u> </u>
	Effects of		
	Group relief	335,834	282,842
		<u> </u>	<u> </u>
		335,834	282,842
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

5 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2009 & at 31 December 2009	19,997,927

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			
Character World Limited	England and Wales	Ordinary	100 00
T D S Enterprises Limited	England and 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 2009 £	Profit/(loss) for the year 2009 £
	Principal activity		
Character World Limited	Marketing and sale of licensed products and textiles	8,260,355	2,506,078
T D S Enterprises Limited	Dormant	2	-

The shares in T D S Enterprises Limited are held by Character World Limited

6 Debtors	2009 £	2008 £
Other debtors	1,125	-

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

7 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts	1,400,000	1,403,432
FRS 4 finance costs	(82,710)	(109,177)
Accruals and deferred income	4,250	4,000
	<u>1,321,540</u>	<u>1,298,255</u>

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

8 Creditors: amounts falling due after more than one year	2009 £	2008 £
Loan note interest accrued	190,458	172,751
Bank loans	3,500,000	4,900,000
FRS 4 finance costs	(90,981)	(173,691)
Parent company loan notes	7,618,330	6,910,050
Amounts owed to parent and subsidiary undertakings	9,677,596	7,900,712
	<u>20,895,403</u>	<u>19,709,822</u>
Analysis of loans *		
Not wholly repayable within five years by instalments	17,486,384	14,983,513
Wholly repayable within five years	4,726,309	6,017,132
	<u>22,212,693</u>	<u>21,000,645</u>
Included in current liabilities	(1,317,290)	(1,290,823)
	<u>20,895,403</u>	<u>19,709,822</u>
Instalments not due within five years	<u>17,486,384</u>	<u>14,983,513</u>
Loan maturity analysis *		
In more than one year but not more than two years	1,343,757	1,317,290
In more than two years but not more than five years	2,065,262	3,409,019
In more than five years	<u>17,486,384</u>	<u>14,983,513</u>

* net of finance costs and including loan note interest accrued

Bank loans are subject to interest based on LIBOR and are secured by an unlimited cross guarantee between the company and all other UK subsidiaries in the group, a debenture containing fixed and floating charges over the assets of the group and an assignment over keyman insurance policies of D E Schweiger and M Schweiger

Included in creditors are unamortised finance costs amounting to £173,691 (2008 - £282,868) which are being released to the profit and loss account over 5 years using the actuarial method. Total finance costs released to the profit and loss account during the year were £109,177 (2008 - £64,514)

Amounts owed to parent and fellow subsidiary undertakings include £7,103,520 (2008 - £7,103,520) due to the parent company, Character World Holdco Limited on which there is no interest charged and no fixed repayment date, a loan due to Character World Limited, a wholly owned subsidiary amounting to £2,574,076 (2008 - £797,192) on which there is no interest charged and no fixed repayment date and loan notes due to Character World Holdco Limited amounting to £7,618,330 (2008 - £6,910,050). The principal amount of the loan notes was £6,581,000 on which interest is payable at 10% per annum and is added to principal loan balance at March and September each year. Interest added to the principal at 31 March 2009 amounted to £345,502 (2008 - £nil) and the interest added at 30 September 2009 amounted to £362,778 (2008 - £329,050). The loan notes are repayable in 2017.

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

9 Share capital	2009	2008
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>
10 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2009		(1,010,151)
Loss for the year		(1,199,408)
		<u> </u>
Balance at 31 December 2009		(2,209,559)
		<u> </u>
11 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Loss for the financial year	(1,199,408)	(1,010,151)
Proceeds from issue of shares	-	1
	<u> </u>	<u> </u>
Net depletion in shareholders' funds	(1,199,408)	(1,010,150)
Opening shareholders' funds	(1,010,150)	-
	<u> </u>	<u> </u>
Closing shareholders' funds	(2,209,558)	(1,010,150)
	<u> </u>	<u> </u>

12 Employees

There were no employees during the year apart from the directors

13 Ultimate parent company

The immediate and ultimate parent company is Character World Holdco Limited, a company registered in England and Wales

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