

Company Registration No. 06549359 (England and Wales)

CHARACTER WORLD BIDCO LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2008

TUESDAY



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06/10/2009
COMPANIES HOUSE

CHARACTER WORLD BIDCO LIMITED

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CHARACTER WORLD BIDCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2008

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

Principal activities and review of the business

The company was incorporated on 31 March 2008 with an authorised share capital of 1,000 ordinary shares of £1 each of which one was issued. The principal activity of the group is that of the marketing and sales of licensed and unlicensed products and textiles. The principal activity of the company is that of a holding company.

On 4 April 2008 the company acquired the entire share capital of Character World Limited, which in turn acquired the entire share capital of T D S Enterprises Limited. The assets and liabilities of T D S Enterprises Limited were subsequently hived up into Character World Limited.

The group's main focus during the period 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 period the group 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 period our main trading subsidiary, Character World Limited was 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.

The principal risk and uncertainty facing the group 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 group. This is achieved by careful management of our cash balances and overdraft facilities.

Results and dividends

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

Directors

The following directors have held office since 31 March 2008:

D E Schweiger	(Appointed 31 March 2008)
M Schweiger	(Appointed 31 March 2008)
J E Dillon	(Appointed 31 March 2008)

CHARACTER WORLD BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

Statement of directors' responsibilities

The directors are responsible for preparing 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 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 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.

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

31103109

CHARACTER WORLD BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO CHARACTER WORLD BIDCO LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

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 period 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.

**Chartered Accountants
Registered Auditor**

31/03/09

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 PERIOD ENDED 31 DECEMBER 2008

	Notes	Period ended 31 December 2008 £
Administrative expenses		(26,530)
Operating loss	2	(26,530)
Interest payable and similar charges	3	(983,621)
Loss on ordinary activities before taxation		(1,010,151)
Tax on loss on ordinary activities	4	-
Loss for the period	9	(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 2008

	Notes	2008	
		£	£
Fixed assets			
Investments	5		19,997,927
Current assets			
Creditors: amounts falling due within one year	6	(1,298,255)	
Net current liabilities			(1,298,255)
Total assets less current liabilities			18,699,672
Creditors: amounts falling due after more than one year	7	(19,709,822)	
			(1,010,150)
Capital and reserves			
Called up share capital	8		1
Profit and loss account	9	(1,010,151)	
Shareholders' funds	10	(1,010,150)	

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 31/3/09.....


D E Schweiger
Director

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2008

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 period ended 31 December 2008 the company made a loss before taxation of £1,010,151 and at that date its liabilities exceeded its assets by £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 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.

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.

2 Operating loss

Operating loss is stated after charging:

Auditors' remuneration (including expenses)

2008

£

4,000

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

3	Interest payable	2008
		£
	Bank loan interest paid	417,306
	FRS 4 finance costs amortisation	64,514
	Intercompany interest	501,801
		<u>983,621</u>
		<u>983,621</u>
4	Taxation	2008
		£
	Current tax charge	<u>-</u>
		<u>-</u>
	Factors affecting the tax charge for the period	
	Loss on ordinary activities before taxation	<u>(1,010,151)</u>
		<u>(1,010,151)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.01%	(282,943)
	Effects of:	
	Group relief	282,943
		<u>282,943</u>
	Current tax charge	<u>-</u>
		<u>-</u>

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

5 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 31 March 2008	-
Additions	19,997,927
	<hr/>
At 31 December 2008	19,997,927
	<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			
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 2008 £	Profit/(loss) for the year 2008 £
	Principal activity		
Character World Limited	Marketing and sale of license products and textiles	5,754,277	1,857,247
T D S Enterprises Limited	Marketing and sale of license products and textiles	2	7,165
		<hr/> <hr/>	<hr/> <hr/>

On 4 April 2008 the company acquired the entire share capital of Character World Limited.

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

6 Creditors: amounts falling due within one year

	2008 £
Bank loans and overdrafts	1,403,432
FRS 4 finance costs	(109,177)
Accruals and deferred income	4,000
	<hr/>
	1,298,255
	<hr/> <hr/>

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

7 Creditors: amounts falling due after more than one year	2008 £
Loan note interest accrued	172,751
Bank loans	4,900,000
FRS 4 finance costs	(173,691)
Parent company loan notes	6,910,050
Amounts owed to parent and subsidiary undertakings	7,900,712
	<u>19,709,822</u>
Analysis of loans *	
Not wholly repayable within five years by instalments:	14,983,513
Wholly repayable within five years	6,017,132
	<u>21,000,645</u>
Included in current liabilities	(1,290,823)
	<u>19,709,822</u>
Instalments not due within five years	<u>14,983,513</u>
Loan maturity analysis *	
In more than one year but not more than two years	1,317,290
In more than two years but not more than five years	3,409,019
In more than five years	<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 £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 £64,514.

Amounts owed to parent and fellow subsidiary undertakings include £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 £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 £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 30 September 2008 amounted to £329,050. The loan notes are repayable in 2017.

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

8 Share capital	2008
	£
Authorised	
1,000 Ordinary shares of £1 each	1,000
	<u> </u>
Allotted, called up and fully paid	
1 Ordinary shares of £1 each	1
	<u> </u>

The company was incorporated on 31 March 2008 with an authorised share capital of 1,000 ordinary shares of £1 each of which one was issued.

9 Statement of movements on profit and loss account	Profit and loss account
	£
Loss for the period	(1,010,151)
	<u> </u>

10 Reconciliation of movements in shareholders' funds	2008
	£
Loss for the financial period	(1,010,151)
Proceeds from issue of shares	1
	<u> </u>
Net depletion in shareholders' funds	(1,010,150)
Opening shareholders' funds	-
	<u> </u>
Closing shareholders' funds	(1,010,150)
	<u> </u>

11 Employees

There were no employees during the period apart from the directors.

CHARACTER WORLD BIDCO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

12 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.