



Financial Statements

Character World Holdco Limited

For the Period Ended 31 March 2015



Registered number: 06542144

Character World Holdco Limited

Company Information

Directors	D E Schweiger M Schweiger
Company secretary	M Schweiger
Registered number	06542144
Registered office	c/o UHY Hacker Young St James Building 79 Oxford Street Manchester M1 6HT
Business address	Character House 1 Oak Green Stanley Green Business Park Cheadle Hulme Cheshire SK8 6QL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	National Westminster Bank Plc 23 Stamford New Road Altrincham Cheshire WA14 1DB

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Directors' Report

For the Period Ended 31 March 2015

The directors present their report and the financial statements for the 15 months ended 31 March 2015. The entity had a 15 month period to bring the reporting date in line with the rest of the group.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an intermediate holding company.

Results and dividends

The profit for the period, after taxation, amounted to £317,084 (2013 - loss £2,069,286).

Directors

The directors who served during the period were:

D E Schweiger
M Schweiger
J E Dillon (resigned 5 December 2014)
M Hancox (resigned 30 June 2015)

Future developments

There have not been any significant matters affecting the company since the year end.

Character World Holdco Limited

Directors' Report

For the Period Ended 31 March 2015

Disclosure 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 relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on

11 March 2016

and signed on its behalf.



M Schweiger
Director

Independent Auditor's Report to the Members of Character World Holdco Limited

We have audited the financial statements of Character World Holdco Limited for the period ended 31 March 2015, which comprise the Income statement, the Statement of other comprehensive income, the Statement of financial position, the Statement of changes in equity 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2015 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Character World Holdco 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Stuart Muskett (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Manchester

Date: *16 March 2016*

Character World Holdco Limited

Income Statement

For the Period Ended 31 March 2015

		Period ended 31 March 2015	Year ended 31 December 2013
	Note	£	£
Administrative expenses		<u>(63,210)</u>	<u>(62,517)</u>
Operating loss		(63,210)	(62,517)
Interest payable and similar charges	4	<u>(248,877)</u>	<u>(1,037,366)</u>
Loss on ordinary activities before taxation		(312,087)	(1,099,883)
Taxation on loss on ordinary activities	5	<u>(4,997)</u>	<u>(969,403)</u>
Loss for the period		<u>(317,084)</u>	<u>(2,069,286)</u>

The notes on pages 10 to 18 form part of these financial statements.

Character World Holdco Limited

Statement of Other Comprehensive Income
For the Period Ended 31 March 2015

	Period ended 31 March 2015	Year ended 31 December 2013
	£	£
Loss for the financial period	<u>(317,084)</u>	<u>(2,069,286)</u>
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(317,084)</u>	<u>(2,069,286)</u>

Statement of Financial Position

As at 31 March 2015

	Note	31 March 2015 £	31 December 2013 £
Fixed assets			
Investments	6	13,057,060	11,282,874
		<u>13,057,060</u>	<u>11,282,874</u>
Current assets			
Debtors: Amounts falling due within one year	7	874	7,413,226
Cash at bank and in hand	8	6,182	28
		<u>7,056</u>	<u>7,413,254</u>
Creditors: Amounts falling due within one year	9	(17,196,380)	(12,060)
Net current liabilities		<u>(17,189,324)</u>	<u>7,401,194</u>
Total assets less current liabilities		<u>(4,132,264)</u>	<u>18,684,068</u>
Creditors: Amounts falling due after more than one year	10	(990,000)	(23,489,248)
Net liabilities		<u>(5,122,264)</u>	<u>(4,805,180)</u>
Capital and reserves			
Called up share capital	12	102,000	102,000
Share premium account		918,000	918,000
Retained losses		(6,142,264)	(5,825,180)
		<u>(5,122,264)</u>	<u>(4,805,180)</u>

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

11 March 2016



M Schweiger
Director

Statement of Changes in Equity

For the period ended 31 March 2015

	Share capital £	Share premium £	Retained losses £	Total equity £
At 1 January 2014	102,000	918,000	(5,825,180)	(4,805,180)
Comprehensive loss for the period				
Loss for the period	-	-	(317,084)	(317,084)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	(317,084)	(317,084)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	102,000	918,000	(6,142,264)	(5,122,264)

Statement of Changes in Equity

As at 31 December 2013

	Share capital £	Share premium £	Retained losses £	Total equity £
At 1 January 2013	102,000	918,000	(3,755,894)	(2,735,894)
Comprehensive loss for the year				
Loss for the year	-	-	(2,069,286)	(2,069,286)
Total comprehensive loss for the year	-	-	(2,069,286)	(2,069,286)
At 31 December 2013	102,000	918,000	(5,825,180)	(4,805,180)

The notes on pages 10 to 18 form part of these financial statements.

Notes to the Financial Statements

For the Period Ended 31 March 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015, but may be applied early to periods ending on or after 31 December 2012. Character World Holdco Limited has taken the option to apply the standard early in the preparation of these financial statements.

Information on the impact first-time adoption of FRS 102 is given in note 15.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The financial statements are presented in Sterling (£).

The individual accounts of Character World Holdco have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes

The following principal accounting policies have been applied:

1.2 Company information

Character World Holdco Limited is a limited company incorporated in the UK and its registered office is Character House, 1 Oak Green, Stanley Green Business Park, Cheadle Hulme, Cheshire, SK8 6QL.

1.3 Investments

Investments are held as fixed assets are shown at cost less provision for impairment.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Period Ended 31 March 2015

1. Accounting policies (continued)

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.8 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 requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Ensco 1090 Limited, a company registered in England and Wales, and is included in the consolidated accounts of that company.

Notes to the Financial Statements

For the Period Ended 31 March 2015

1. Accounting policies (continued)

1.9 Interest-bearing loans and borrowings

All interest bearing loans are initially recorded at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate in the carrying amount.

2. Operating loss

During the period, no director received any emoluments (2013 - £NIL).

3. Employees

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

4. Interest payable and similar charges

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
Loans from group undertakings	248,877	1,037,366
	<u>248,877</u>	<u>1,037,366</u>

Notes to the Financial Statements

For the Period Ended 31 March 2015

5. Taxation

	Period ended 31 March 2015	Year ended 31 December 2013
	£	£
Adjustments in respect of previous periods	-	(11,046)
	<u>-</u>	<u>(11,046)</u>
Deferred tax		
Origination and reversal of timing differences	4,997	640,363
Adjustments in respect of the prior period	-	243,282
Effect of tax rate change on opening balance	-	96,804
	<u>4,997</u>	<u>980,449</u>
Total deferred tax	<u>4,997</u>	<u>980,449</u>
	<u>4,997</u>	<u>969,403</u>
Taxation on profit on ordinary activities	<u>4,997</u>	<u>969,403</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2013 -lower than) the standard rate of corporation tax in the UK of 21.5% (2013 -23.25%). The differences are explained below:

	Period ended 31 March 2015	Year ended 31 December 2013
	£	£
Loss on ordinary activities before taxation	<u>(312,087)</u>	<u>(1,099,883)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 -23.25%)	(66,787)	(255,723)
Effects of:		
Expenses not deductible for tax purposes	212,069	230,520
Adjustments to tax charge in respect of prior periods	-	232,236
Origination and reversal of timing differences	-	(104,059)
Effect of tax rate change on opening balance	(350)	96,804
Group relief	(139,935)	769,625
	<u>4,997</u>	<u>969,403</u>
Total tax charge for the period/year	<u>4,997</u>	<u>969,403</u>

Factors that may affect future tax charges

Following Budget 2015 announcements, there will be a further reduction in the main rate of corporation tax to 20% from 1 April 2016.

Notes to the Financial Statements

For the Period Ended 31 March 2015

6. Fixed asset investments

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost			
At 1 January 2014	27,130	11,255,744	11,282,874
Additions	-	1,774,186	1,774,186
At 31 March 2015	<u>27,130</u>	<u>13,029,930</u>	<u>13,057,060</u>
At 31 December 2013	<u>27,130</u>	<u>11,255,744</u>	<u>11,282,874</u>

The addition in the period relates to accrued interest on loan notes to Character World Bidco Limited being capitalised.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding Principal activity
Character World Bidco Limited	England and Wales	Ordinary	100% Intermediate holding company
Character World Limited	England and Wales	Ordinary	100% Marketing and sales of licensed products
Character World China Holdings Limited	England and Wales	Ordinary	100% Intermediate holding company
Character World Shanghai Limited	England and Wales	Ordinary	100% Quality control and sourcing product

Notes to the Financial Statements

For the Period Ended 31 March 2015

7. Debtors

	31 March 2015 £	31 December 2013 £
Due within one year		
Amounts owed by group companies	-	7,384,913
Other debtors	-	23,316
Prepayments and accrued income	874	-
Deferred taxation	-	4,997
	<u>874</u>	<u>7,413,226</u>

The 'Other debtors' balance includes loans due from directors of £Nil (2013: £10,000).

8. Cash and cash equivalents

	31 March 2015 £	31 December 2013 £
Cash at bank and in hand	6,182	28
	<u>6,182</u>	<u>28</u>

9. Creditors: Amounts falling due within one year

	31 March 2015 £	31 December 2013 £
Trade creditors	-	12,060
Amounts owed to group undertakings	17,196,274	-
Corporation tax	15	-
Taxation and social security	91	-
	<u>17,196,380</u>	<u>12,060</u>

Notes to the Financial Statements

For the Period Ended 31 March 2015

10. Creditors: Amounts falling due after more than one year

Analysis of the maturity of loans is given below:

	31 March 2015 £	31 December 2013 £
Amounts falling due after more than 5 years		
Other loans	990,000	23,489,248
	<u>990,000</u>	<u>23,489,248</u>

Other loans are made up of the accrued interest on the previously held loan notes owed to management. This interest arose when the previously held loan notes were rolled over on the acquisition of Character World Holdco Limited by Ensco 1089 Limited. The accrued interest continues to accrue interest of 10% which is rolled up into the total loan every six months. The prior year other loans comprised monies owed to management of £10,676,240, monies owed to RJD Partners of £8,650,108 and intra company loans of £4,162,900.

11. Financial instruments

	31 March 2015 £	31 December 2013 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	-	7,408,228
	<u>-</u>	<u>7,408,228</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(18,186,274)	(23,501,308)
	<u>(18,186,274)</u>	<u>(23,501,308)</u>

Financial assets measured at amortised cost comprise of intercompany loans repayable on demand.

Financial liabilities measured at amortised cost comprise of intercompany loans repayable on demand.

Notes to the Financial Statements

For the Period Ended 31 March 2015

12. Share capital

	31 March 2015	31 December 2013
	£	£
Authorised, allotted, called up and fully paid		
522,500 Ordinary A shares shares of £0.10 each	52,250	52,250
477,500 Ordinary B shares shares of £0.10 each	47,750	47,750
20,000 Ordinary C shares shares of £0.10 each	2,000	2,000
	<hr/>	<hr/>
	102,000	102,000
	<hr/>	<hr/>

The rights attached to the various classes of shares referred to above are set out in the company's Articles of Association, copies of which can be obtained from Character House, 1 Oak Green, Stanley Green Business Park, Cheadle Hulme, Cheshire, SK8 6QL.

13. Related party transactions

The company has taken advantage of the exemption in FRS 102 (section 33) "Related Party Disclosure" not to disclose transactions with other members of the group.

Notes to the Financial Statements

For the Period Ended 31 March 2015

14. Controlling party

Palatine Private Equity are considered to be the ultimate controlling party by virtue of their majority shareholding in the ultimate company. The immediate parent company is Ensco 1089 Limited. The ultimate parent company is Ensco 1090 Limited.

Ensco 1090 Limited prepares group financial statements and copies can be obtained from Character House, 1 Oak Green, Stanley Green Business Park, Cheadle Hulme, Cheshire, SK8 6QL.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.