

# Financial Statements Character World Bidco Limited

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For the year ended 31 December 2011



Registered number: 06549359

## Company Information

<b>Directors</b>	D E Schweiger M Schweiger J E Dillon
<b>Company secretary</b>	M Schweiger
<b>Company number</b>	06549359
<b>Registered office</b>	c/o UHY Hacker Young St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Character House 1 Oak Green Stanley Green Business Park Cheadle Hulme Cheshire SK8 6QL
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	National Westminster Bank Plc 23 Stamford New Road Altrincham Cheshire WA14 1DB

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# 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 is that of a holding company

## **Directors**

The directors who served during the year were

D E Schweiger  
M Schweiger  
J E Dillon

## **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 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,
- 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.

## **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

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**Character World Bidco Limited**

## Directors' Report

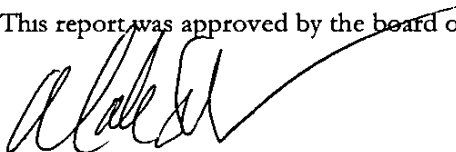
For the year ended 31 December 2011

### **Auditor**

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 exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 20 April 2012 and signed on its behalf



**M Schweiger**  
Director



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

We have audited the financial statements of Character World Bidco Limited for the year ended 31 December 2011, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 year for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Character World Bidco 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, or
- 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 in preparing the Directors' report

*Grant Thornton UK LLP*

Stuart Muskett (Senior statutory auditor)

for and on behalf of  
**Grant Thornton UK LLP**

Chartered Accountants  
Statutory Auditor

Manchester

20 April 2012

## Profit and Loss Account

For the year ended 31 December 2011

	Note	2011 £	2010 £
Administrative expenses		<u>(75)</u>	<u>(5,108)</u>
<b>Operating loss - continuing operations</b>	2	<b>(75)</b>	<b>(5,108)</b>
Interest payable and similar charges	3	<u>(1,056,997)</u>	<u>(1,125,100)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(1,057,072)</b>	<b>(1,130,208)</b>
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>	9	<b><u>(1,057,072)</u></b>	<b><u>(1,130,208)</u></b>

The notes on pages 7 to 11 form part of these financial statements



## Balance Sheet

As at 31 December 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Investments	5		19,997,927		19,997,927
<b>Current assets</b>					
Cash in hand		97		402	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,366,362)</u>		<u>(1,344,857)</u>	
<b>Net current liabilities</b>			<u>(1,366,265)</u>		<u>(1,344,455)</u>
<b>Total assets less current liabilities</b>			<u>18,631,662</u>		<u>18,653,472</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(23,028,500)</u>		<u>(21,993,238)</u>
<b>Net liabilities</b>			<u>(4,396,838)</u>		<u>(3,339,766)</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account	9		<u>(4,396,839)</u>		<u>(3,339,767)</u>
<b>Shareholders' deficit</b>			<u>(4,396,838)</u>		<u>(3,339,766)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 April 2012



**M Schweiger**  
 Director

The notes on pages 7 to 11 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 December 2011

## 1. Accounting Policies

### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operation existence for the foreseeable future. During the year ended 31 December 2011, the company made a loss before taxation of £1,057,072 (2010 - £3,339,766). 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 from the requirement to produce a cash flow statement on the grounds that it is included in the consolidated cash flow statement of Character World Holdco Limited, the ultimate parent company.

### 1.2 Investments

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

### 1.3 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 Character World Holdco Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

### 1.4 Interest-bearing loans and borrowings

All interest bearing loans and borrowings 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 repayments 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 year, no director received any emoluments (2010 - £NIL).

## Notes to the Financial Statements

For the year ended 31 December 2011

### 3. Interest payable

	2011 £	2010 £
Bank loan interest paid	118,312	241,989
Intercompany interest	882,442	800,401
FRS 4 finance cost amortisation	56,243	82,710
	<u>1,056,997</u>	<u>1,125,100</u>

### 4. Taxation

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.49% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(1,057,072)</u>	<u>(1,130,208)</u>
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 26.49% (2010 - 28%)	(280,018)	(316,458)
<b>Effects of:</b>		
Group relief	<u>280,018</u>	<u>316,458</u>
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

### 5. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	<u>19,997,927</u>
<b>Net book value</b>	
At 31 December 2011	<u>19,997,927</u>
At 31 December 2010	<u>19,997,927</u>

## Notes to the Financial Statements

For the year ended 31 December 2011

**6. Creditors:  
Amounts falling due within one year**

	2011	2010
	£	£
Bank loan	1,400,000	1,400,000
Unamortised debt issuance costs	(34,738)	(56,242)
Other creditors	1,100	1,099
	<u>1,366,362</u>	<u>1,344,857</u>

**7. Creditors:  
Amounts falling due after more than one year**

	2011	2010
	£	£
Bank loans	350,000	2,100,000
Unamortised debt issuance costs	-	(34,738)
Amounts owed to group undertakings	22,446,997	19,717,996
Loan note interest accrued	231,503	209,980
	<u>23,028,500</u>	<u>21,993,238</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011	2010
	£	£
Repayable other than by instalments	<u>22,678,500</u>	<u>19,927,976</u>

# Notes to the Financial Statements

For the year ended 31 December 2011

## Loan maturity analysis\*

	2011 £	2010 £
Within one year	1,365,262	1,343,575
In more than one year but not more than two years	350,000	1,370,224
In more than two year but not more than five years	-	695,038
In more than five years	22,678,500	19,927,976
	<u>24,393,762</u>	<u>23,336,813</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

Amount owned to parent and fellow subsidiary undertakings include £7,103,520 (2010 - £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 £6,083,350 (2010 - £4,215,267) on which there is no interest charged and no fixed repayment date and loans notes due to Character World Holdco Limited amounting to £9,260,127 (2010 - £8,299,209). The principal amount of loan notes was £6,581,000 in 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 2011 amounted to £419,961 (2010 - 380,917) and the interest added at 30 September 2011 amounted to £440,958 (2010 - £399,962). The loan notes are repayable in 2017.

## 8. Share capital

	2011 £	2010 £
<b>Authorised</b>		
1,000 Ordinary shares shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares share of £1	<u>1</u>	<u>1</u>

## 9. Reserves

	Profit and loss account £
At 1 January 2011	(3,339,767)
Loss for the year	(1,057,072)
At 31 December 2011	<u>(4,396,839)</u>

# Notes to the Financial Statements

For the year ended 31 December 2011

## **10. Related party relationships and transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirements to disclose transactions with group companies in the grounds that consolidated financial statements are prepared by the ultimate parent company

## **11. Ultimate parent undertaking and controlling party**

RJD Partners are considered to be the ultimate controlling party by virtue of their majority shareholding in the 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 the group financial statements and copies can be obtained from Character House, 1 Oak Green, Stanley Green Business Park, Cheadle Hulme, Cheshire, SK8 6QL