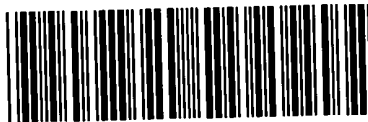


Company Registration No. 07033979 (England and Wales)

**STEALTHWAVE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017**

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# STEALTHWAVE LIMITED

## COMPANY INFORMATION

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<b>Director</b>	A. Novikov
<b>Company number</b>	07033979
<b>Registered office</b>	Acre House 11-15 William Road London United Kingdom NW1 3ER
<b>Auditors</b>	H W Fisher & Company Acre House 11-15 William Road London United Kingdom NW1 3ER
<b>Business address</b>	50A Berkeley Street London W1J 8HA

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# STEALTHWAVE LIMITED

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# STEALTHWAVE LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2017**

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The director presents the strategic report for the year ended 31 October 2017.

### **Fair review of the business**

The group made a pre-tax profit of £4,501,153 (2016: £3,739,946) for the year on a turnover of £25,314,684 (2016: £23,425,417).

At 31 October 2017, the group had net assets of £2,835,881 (2016: £1,536,288).

During the year under review, Stealthwave Limited continued to grow its business and clientele and remain one of the leading restaurants in London.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the group are:

- 1) Competition from other restaurants. Management seek to mitigate this by an ongoing assessment of competing restaurants and consideration of any changes needed to its own dining experience to compete.
- 2) Potential reputation damage resulting from suppliers. Rigorous controls are applied in selecting its suppliers to ensure that all food and drink purchased is of the highest quality.
- 3) Potential reputation damage resulting from clientele. Management applies careful review of all complaints and online postings due to the growing use of web best booking and reviewing websites such as Trip Adviser and Open Table.

### **Key performance indicators**

There are several key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

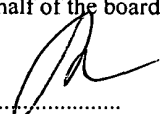
These are viewed before any exceptional costs are incurred.

The Key Performance Indicators that are taken into consideration when managing the restaurants are:

- 1) The Gross margin on sales after direct ingredient costs.
- 2) The staff costs as a percentage of sales.
- 3) Property costs as a percentage of sales.
- 4) Other costs as a percentage of sales.

These are viewed against budget levels set and those achieved in prior years.

On behalf of the board



.....  
A. Novikov

Director

23/7/18

# STEALTHWAVE LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2017**

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The director presents his annual report and financial statements for the year ended 31 October 2017.

### Principal activities

The principal activity of Stealthwave Limited is the operation of two restaurants and a lounge bar at one location situated at 50A Berkeley Street, London, W1.

### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

A. Novikov

### Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were declared amounting to £2,314,395.

### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

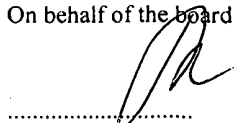
### Auditor

The auditor, H W Fisher & Company, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as the director is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



A. Novikov

Director

23/7/18

# **STEALTHWAVE LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 OCTOBER 2017***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# STEALTHWAVE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF STEALTHWAVE LIMITED

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#### Opinion

We have audited the financial statements of Stealthwave Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2017 and of its profit for the year 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

# **STEALTHWAVE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF STEALTHWAVE LIMITED**

---

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of director**

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

**Russell Nathan (Senior Statutory Auditor)**  
**for and on behalf of H W Fisher & Company**

**Chartered Accountants**  
**Statutory Auditor**  
**Acre House**  
11-15 William Road  
London  
NW1 3ER  
United Kingdom

**23/7/18**

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# STEALTHWAVE LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 OCTOBER 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>		25,314,684	23,425,417
Cost of sales		(15,603,257)	(14,570,627)
<b>Gross profit</b>		9,711,427	8,854,790
Administrative expenses		(5,219,891)	(5,107,614)
Other operating income		9,054	-
<b>Operating profit</b>	<b>3</b>	4,500,590	3,747,176
Interest receivable and similar income	<b>6</b>	563	641
Interest payable and similar expenses	<b>7</b>	-	(7,871)
<b>Profit before taxation</b>		4,501,153	3,739,946
Tax on profit	<b>8</b>	(887,165)	(753,583)
<b>Profit for the financial year</b>		3,613,988	2,986,363

Profit for the financial year is all attributable to the owners of the parent company

Total comprehensive income for the year is all attributable to the owners of the parent company

The group statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# STEALTHWAVE LIMITED

## GROUP BALANCE SHEET

AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	10		5,187,868		5,445,233
<b>Current assets</b>					
Stocks	14	556,103		550,900	
Debtors	15	1,049,412		1,736,654	
Cash at bank and in hand		1,490,560		1,188,981	
		<u>3,096,075</u>		<u>3,476,535</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(5,306,005)</u>		<u>(7,264,212)</u>	
<b>Net current liabilities</b>			<u>(2,209,930)</u>		<u>(3,787,677)</u>
<b>Total assets less current liabilities</b>			2,977,938		1,657,556
<b>Provisions for liabilities</b>	17		<u>(142,057)</u>		<u>(121,268)</u>
<b>Net assets</b>			<u>2,835,881</u>		<u>1,536,288</u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Profit and loss reserves			<u>2,835,781</u>		<u>1,536,188</u>
<b>Total equity</b>			<u>2,835,881</u>		<u>1,536,288</u>

The financial statements were approved and signed by the director and authorised for issue on 23/7/18

  
A. Novikov  
Director

# STEALTHWAVE LIMITED

## COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	10	5,187,868		5,445,233	
Investments	11	1,009		1,009	
		<u>5,188,877</u>		<u>5,446,242</u>	
<b>Current assets</b>					
Stocks	14	556,103		550,900	
Debtors	15	1,047,763		1,735,005	
Cash at bank and in hand		1,484,513		1,182,934	
		<u>3,088,379</u>		<u>3,468,839</u>	
<b>Creditors: amounts falling due within one year</b>	16	(5,148,175)		(7,106,382)	
<b>Net current liabilities</b>		<u>(2,059,796)</u>		<u>(3,637,543)</u>	
<b>Total assets less current liabilities</b>		<u>3,129,081</u>		<u>1,808,699</u>	
<b>Provisions for liabilities</b>	17	(142,057)		(121,268)	
<b>Net assets</b>		<u>2,987,024</u>		<u>1,687,431</u>	
<b>Capital and reserves</b>					
Called up share capital	19	100		100	
Profit and loss reserves		2,986,924		1,687,331	
<b>Total equity</b>		<u>2,987,024</u>		<u>1,687,431</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,613,988 (2016 - £1,687,331 profit).

The financial statements were approved and signed by the director and authorised for issue on 23/7/18

.....  
A. Novikov  
Director

Company Registration No. 07033979

# STEALTHWAVE LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 OCTOBER 2017**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2015</b>		100	1,971,573	1,971,673
<b>Year ended 31 October 2016:</b>				
Profit and total comprehensive income for the year		-	2,986,363	2,986,363
Dividends	9	-	(3,421,748)	(3,421,748)
<b>Balance at 31 October 2016</b>		100	1,536,188	1,536,288
<b>Year ended 31 October 2017:</b>				
Profit and total comprehensive income for the year		-	3,613,988	3,613,988
Dividends	9	-	(2,314,395)	(2,314,395)
<b>Balance at 31 October 2017</b>		100	2,835,781	2,835,881

# STEALTHWAVE LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 OCTOBER 2017**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2015</b>		100	3,421,748	3,421,848
<b>Year ended 31 October 2016:</b>				
Profit and total comprehensive income for the year		-	1,687,331	1,687,331
Dividends	9	-	(3,421,748)	(3,421,748)
<b>Balance at 31 October 2016</b>		100	1,687,331	1,687,431
<b>Year ended 31 October 2017:</b>				
Profit and total comprehensive income for the year		-	3,613,988	3,613,988
Dividends	9	-	(2,314,395)	(2,314,395)
<b>Balance at 31 October 2017</b>		100	2,986,924	2,987,024

# STEALTHWAVE LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22	5,832,844		4,852,800	
Interest paid		-		(7,871)	
Income taxes paid		(700,434)		(959,598)	
<b>Net cash inflow from operating activities</b>		<u>5,132,410</u>		<u>3,885,331</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(188,988)		(237,231)	
Interest received		563		641	
<b>Net cash used in investing activities</b>		<u>(188,425)</u>		<u>(236,590)</u>	
<b>Financing activities</b>					
Repayment of loans		-		(2,927,856)	
Dividends paid		(4,642,406)		(1,093,737)	
<b>Net cash used in financing activities</b>		<u>(4,642,406)</u>		<u>(4,021,593)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>301,579</u>		<u>(372,852)</u>	
Cash and cash equivalents at beginning of year		1,188,981		1,561,833	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,490,560</u></u>		<u><u>1,188,981</u></u>	

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2017

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#### 1 Accounting policies

##### Company information

Stealthwave Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,613,988 (2016 - £1,687,331 profit).

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Stealthwave Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions and balances are eliminated on consolidation.

#### 1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group has made a significant profit for the year and expects to continue to trade profitably in future and on this basis the director considers the company a going concern.

#### 1.4 Turnover

Turnover represents the sale of food and drinks in the restaurants net of VAT.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short leasehold land and buildings	Over length of lease
Plant and machinery	25% - 33% Straight Line
Fixtures, fittings & equipment	20% - 25% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct costs incurred to bring stock to their current location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2017

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#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 1 Accounting policies

(Continued)

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

The group 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.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical judgements included in the accounts.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 3 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange losses	2,156	1,296
Depreciation of owned tangible fixed assets	443,731	440,325
Loss on disposal of tangible fixed assets	2,622	-
Cost of stocks recognised as an expense	7,084,091	6,609,578
Operating lease charges	29,318	29,774
	<u>28,204</u>	<u>21,725</u>

### 4 Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	<u>28,204</u>	<u>21,725</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Directors	1	1	1	1
Administration and restaurant	333	332	333	332
	<u>334</u>	<u>333</u>	<u>334</u>	<u>333</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	6,149,153	5,863,577	6,149,153	5,863,577
Social security costs	505,539	461,268	505,539	461,268
Pension costs	47,742	41,533	47,742	41,533
	<u>6,702,434</u>	<u>6,366,378</u>	<u>6,702,434</u>	<u>6,366,378</u>

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 6 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Other interest income	563	641

### 7 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	-	7,871

### 8 Taxation

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	866,376	744,127
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,789	9,456
Total tax charge for the year	887,165	753,583

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	4,501,153	3,739,946
Expected tax charge based on the standard rate of corporation tax in the UK of 19.41% (2016: 20.00%)	873,674	747,989
Tax effect of expenses that are not deductible in determining taxable profit	-	1,878
Adjustments in respect of financial assets	15,691	15,721
Other non-reversing timing differences	-	(3,210)
Other permanent differences	-	200
Effect of change in rate of deferred tax	(2,200)	(8,995)
Taxation charge for the year	887,165	753,583

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 9 Dividends

	2017 £	2016 £
Final declared	2,314,395	3,421,748
	<u>2,314,395</u>	<u>3,421,748</u>

### 10 Tangible fixed assets

Group	Short leasehold land and buildings £	Plant and Fixtures, fittings machinery & equipment £	Total £
<b>Cost</b>			
At 1 November 2016	6,608,857	592,038	8,982,497
Additions	-	87,705	188,988
Disposals	-	(5,994)	(5,994)
At 31 October 2017	<u>6,608,857</u>	<u>673,749</u>	<u>9,165,491</u>
<b>Depreciation and impairment</b>			
At 1 November 2016	1,639,979	445,315	3,537,264
Depreciation charged in the year	301,834	67,900	443,731
Eliminated in respect of disposals	-	(3,372)	(3,372)
At 31 October 2017	<u>1,941,813</u>	<u>509,843</u>	<u>3,977,623</u>
<b>Carrying amount</b>			
At 31 October 2017	<u>4,667,044</u>	<u>163,906</u>	<u>5,187,868</u>
At 31 October 2016	<u>4,968,878</u>	<u>146,723</u>	<u>5,445,233</u>

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 10 Tangible fixed assets

(Continued)

Company	Short leasehold land and buildings £	Plant and Fixtures, fittings machinery £	& equipment £	Total £
<b>Cost</b>				
At 1 November 2016	6,608,857	592,038	1,781,602	8,982,497
Additions	-	87,705	101,283	188,988
Disposals	-	(5,994)	-	(5,994)
At 31 October 2017	6,608,857	673,749	1,882,885	9,165,491
<b>Depreciation and impairment</b>				
At 1 November 2016	1,639,979	445,315	1,451,970	3,537,264
Depreciation charged in the year	301,834	67,900	73,997	443,731
Eliminated in respect of disposals	-	(3,372)	-	(3,372)
At 31 October 2017	1,941,813	509,843	1,525,967	3,977,623
<b>Carrying amount</b>				
At 31 October 2017	4,667,044	163,906	356,918	5,187,868
At 31 October 2016	4,968,878	146,723	329,632	5,445,233

### 11 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	12	-	-	1,009	1,009

#### Movements in fixed asset investments

Company	Shares £
<b>Cost</b>	
At 1 November 2016 & 31 October 2017	1,009
<b>Carrying amount</b>	
At 31 October 2017	1,009
At 31 October 2016	1,009

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 12 Subsidiaries

Details of the company's subsidiaries at 31 October 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Brompton Asian Brasserie Limited	England and Wales	Dormant	Ordinary		100.00
Brompton Asian Group Limited	England and Wales	Dormant	Ordinary	100.00	
Brompton Grocer Limited	England and Wales	Dormant	Ordinary		100.00
Brompton Restaurant Group Limited	England and Wales	Dormant	Ordinary		100.00

Brompton Asian Group Limited, Brompton Restaurant Group Limited and Brompton Grocer Limited, being subsidiaries of Stealthwave Limited, were dissolved on 19 December 2017.

### 13 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,017,405	2,536,726	2,009,709	2,529,030
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,892,827	5,940,031	3,751,068	5,851,318

### 14 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and consumables	556,103	550,900	556,103	550,900

### 15 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	14,104	13,806	14,104	13,806
Other debtors	512,741	1,333,939	511,092	1,332,290
Prepayments and accrued income	522,567	388,909	522,567	388,909
	1,049,412	1,736,654	1,047,763	1,735,005

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 16 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	1,795,390	1,559,276	1,713,609	1,477,495
Corporation tax payable	582,203	416,261	573,086	407,144
Other taxation and social security	830,975	907,920	824,021	847,920
Dividends payable	-	2,328,011	-	2,328,011
Other creditors	190,897	126,085	130,919	119,153
Accruals and deferred income	1,906,540	1,926,659	1,906,540	1,926,659
	<u>5,306,005</u>	<u>7,264,212</u>	<u>5,148,175</u>	<u>7,106,382</u>

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	<u>142,057</u>	<u>121,268</u>
Company	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	<u>142,057</u>	<u>121,268</u>
Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 November 2016	121,268	121,268
Charge to profit or loss	20,789	20,789
Liability at 31 October 2017	<u>142,057</u>	<u>142,057</u>



# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 18 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	47,742	41,533

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 19 Share capital

	Group and company	
	2017	2016
Ordinary share capital	£	£
Issued and fully paid		
100 Ordinary of £1 each	100	100

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2017**

### 20 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	876,747	876,747	876,747	876,747
Between two and five years	2,630,241	2,630,241	2,630,241	2,630,241
In over five years	10,155,653	11,032,400	10,155,653	11,032,400
	<u>13,662,641</u>	<u>14,539,388</u>	<u>13,662,641</u>	<u>14,539,388</u>

### 21 Related party transactions (Group and Company)

#### Transactions with related parties

During the year, the company was charged royalties of £759,019 (2016: £702,738) by Danas Consultants Limited.

Danas Consultants Limited is a 50% shareholder of Stealthwave Limited and a company incorporated in Cyprus. A. Novikov, a director of Stealthwave Limited, is the controlling party of Danas Consultants Limited. At 31 October 2017, the company owed accrued royalties of £674,946 (2016: £672,009) to Danas Consultants Limited.

At 31 October 2017, £257 (2016: £836,251) was owed to the company by Danas Consultants Limited.

During the year, remuneration of key management personnel amounted to £767,538 (2016: £671,726).

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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**22 Cash generated from group operations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	3,613,988	2,986,363
Adjustments for:		
Taxation charged	887,165	753,583
Finance costs	-	7,871
Investment income	(563)	(641)
Loss on disposal of tangible fixed assets	2,622	-
Depreciation of tangible fixed assets	443,731	440,325
Movements in working capital:		
(Increase) in stocks	(5,203)	(56,536)
Decrease in debtors	687,242	1,924,635
Increase/(decrease) in creditors	203,862	(1,202,800)
<b>Cash generated from operations</b>	<b>5,832,844</b>	<b>4,852,800</b>