

Company Registration No. 07033979 (England and Wales)

**STEALTHWAVE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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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 NW1 3ER United Kingdom
<b>Auditor</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
<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 2018**

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The director presents the strategic report for the year ended 31 October 2018.

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

The company made a pre-tax profit of £4,740,806 (2017: £4,501,153) for the year on a turnover of £26,725,206 (2017: £25,314,684).

As at 31 October 2018, the company had net assets of £2,726,241 (2017: £2,987,024).

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company are:

- 1) Competition from other restaurants. The company's management seek to mitigate this by an ongoing assessment of competition restaurants and consideration of any changes needed to its own dining experience to compete.
- 2) Potential reputation damage resulting from suppliers. The company applies rigorous controls in selecting its suppliers to ensure that all food and drink purchased is of the highest quality.
- 3) Potential reputational damage resulting from clientele. Management applies careful review of all complaints and online postings due to the growing use of web booking and reviewing sites such as Tripadvisor and OpenTable.

### **Key performance indicators**

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

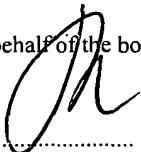
These are viewed before any exceptional costs are incurred.

The key performance indicators that are taken into consideration when managing the restaurants are:

- 1) gross margin on sales after direct ingredient costs,
- 2) staff costs as a percentage of sales,
- 3) property costs as a percentage of sales, and
- 4) other costs as a percentage of sales.

These are compared to budgets and those achieved in previous years.

On behalf of the board



.....  
A. Novikov

Director

10 June 2019

# STEALTHWAVE LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2018

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The director presents his report and financial statements for the year ended 31 October 2018.

#### Principal activities

The principal activity of the company is the operation of two restaurants and a lounge bar 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 interim dividends were paid amounting to £4,000,000. Ordinary final dividends were paid amounting to £88,862.

#### 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 company continues and that the appropriate training is arranged. It is the policy of the company 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 company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

#### Auditor

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

#### Statement of disclosure to auditor

The director has confirmed that there is no information of which he is aware which is relevant to the audit, but of which the auditors are unaware. He has further confirmed that he has taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the board

  
.....  
A. Novikov

Director

Date: 10 June 2019

# **STEALTHWAVE LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 OCTOBER 2018***

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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 company and of the profit or loss of the company 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 company will continue in business.

The director is 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. He is 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.

# 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 'company') for the year ended 31 October 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 October 2018 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 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 director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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

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

In the light of the knowledge and understanding of the 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, 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 director's 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 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 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.

### **Use of our 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

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# STEALTHWAVE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	26,725,206	25,314,684
Cost of sales		(16,298,713)	(15,603,257)
<b>Gross profit</b>		10,426,493	9,711,427
Administrative expenses		(5,685,179)	(5,219,891)
Other operating income		-	9,054
<b>Operating profit</b>	<b>4</b>	4,741,314	4,500,590
Interest receivable and similar income	<b>7</b>	501	563
Amounts written off investments		(1,009)	-
<b>Profit before taxation</b>		4,740,806	4,501,153
Tax on profit	<b>8</b>	(912,727)	(887,165)
<b>Profit for the financial year</b>		3,828,079	3,613,988

The Statement Of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# STEALTHWAVE LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10		4,882,526		5,187,868
Investments	11		-		1,009
			<u>4,882,526</u>		<u>5,188,877</u>
<b>Current assets</b>					
Stocks	13	554,275		556,103	
Debtors	14	938,535		1,047,763	
Cash at bank and in hand		1,158,962		1,484,513	
		<u>2,651,772</u>		<u>3,088,379</u>	
<b>Creditors: amounts falling due within one year</b>	15	(4,660,832)		(5,148,175)	
<b>Net current liabilities</b>			(2,009,060)		(2,059,796)
<b>Total assets less current liabilities</b>			<u>2,873,466</u>		<u>3,129,081</u>
<b>Provisions for liabilities</b>	16		(147,225)		(142,057)
<b>Net assets</b>			<u>2,726,241</u>		<u>2,987,024</u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Profit and loss reserves			2,726,141		2,986,924
<b>Total equity</b>			<u>2,726,241</u>		<u>2,987,024</u>

The financial statements were approved and signed by the director and authorised for issue on 10 June 2019

.....  
A. Novikov  
Director

Company Registration No. 07033979

# STEALTHWAVE LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 OCTOBER 2018*

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 November 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
<b>Year ended 31 October 2018:</b>				
Profit and total comprehensive income for the year		-	3,828,079	3,828,079
Dividends	9	-	(4,088,862)	(4,088,862)
<b>Balance at 31 October 2018</b>		100	2,726,141	2,726,241

# STEALTHWAVE LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 OCTOBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	5,042,650		5,833,500	
Income taxes paid		(1,105,008)		(700,434)	
<b>Net cash inflow from operating activities</b>		<u>3,937,642</u>		<u>5,133,066</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(168,726)		(188,988)	
Proceeds from other investments and loans		(6,106)		(656)	
Interest received		501		563	
<b>Net cash used in investing activities</b>		<u>(174,331)</u>		<u>(189,081)</u>	
<b>Financing activities</b>					
Dividends paid		(4,088,862)		(4,642,406)	
<b>Net cash used in financing activities</b>		<u>(4,088,862)</u>		<u>(4,642,406)</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(325,551)</u>		<u>301,579</u>	
Cash and cash equivalents at beginning of year		1,484,513		1,182,934	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,158,962</u></u>		<u><u>1,484,513</u></u>	

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 OCTOBER 2018*

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### 1 Accounting policies

#### Company information

Stealthwave Limited is a private company limited by shares 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 £.

#### 1.2 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. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

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

#### 1.4 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 and 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 credited or charged to profit or loss.

#### 1.5 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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company 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.

#### 1.7 Stocks

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

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

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### 1 Accounting policies

(Continued)

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.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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.

##### *Basic financial assets*

Basic financial assets, which include debtors 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, other than those held at fair value through profit and loss, 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.

##### *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 company 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.

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.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2018

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#### 1 Accounting policies

(Continued)

##### 1.10 Equity instruments

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

##### 1.11 Taxation

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

###### *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 company'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 when the company has 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 company 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.

##### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2018**

### **2 Judgements and key sources of estimation uncertainty**

In the application of the company'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.

The director believes there to be no critical judgements or key sources of uncertainty in preparing these accounts.

### **3 Turnover and other revenue**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### **4 Operating profit**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,112)	2,156
Fees payable to the company's auditor for the audit of the company's financial statements	28,040	28,204
Depreciation of owned tangible fixed assets	474,068	443,731
Loss on disposal of tangible fixed assets	-	2,622
Cost of stocks recognised as an expense	7,136,619	7,084,091
Operating lease charges	955,735	925,234
	<u>          </u>	<u>          </u>

### **5 Employees**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Directors	1	1
Administration and restaurant	363	333
	<u>          </u>	<u>          </u>
	<u>364</u>	<u>334</u>



# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2018	2017
		£	£
	Wages and salaries	6,755,319	6,149,153
	Social security costs	558,466	505,539
	Pension costs	71,930	47,742
		<u>7,385,715</u>	<u>6,702,434</u>
6	Director's remuneration		
		2018	2017
		£	£
	Remuneration for qualifying services	<u>180,000</u>	<u>180,000</u>
7	Interest receivable and similar income		
		2018	2017
		£	£
	Interest income		
	Other interest income	<u>501</u>	<u>563</u>
8	Taxation		
		2018	2017
		£	£
	Current tax		
	UK corporation tax on profits for the current period	<u>907,559</u>	<u>866,376</u>
	Deferred tax		
	Origination and reversal of timing differences	<u>5,168</u>	<u>20,789</u>
	Total tax charge	<u>912,727</u>	<u>887,165</u>

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2018

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

	2018 £	2017 £
Profit before taxation	4,740,806	4,501,153
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	900,753	873,674
Tax effect of expenses that are not deductible in determining taxable profit	554	-
Adjustments in respect of financial assets	12,029	15,691
Effect of change in deferred tax rate	(609)	(2,200)
Taxation charge for the year	912,727	887,165

#### 9 Dividends

	2018 £	2017 £
Final paid	88,862	2,314,395
Interim paid	4,000,000	-
	4,088,862	2,314,395

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 10 Tangible fixed assets

	Short leasehold land and buildings	Plant and Fixtures, fittings machinery and equipment		Total
	£	£	£	£
<b>Cost</b>				
At 1 November 2017	6,608,857	673,749	1,882,885	9,165,491
Additions	-	108,699	60,027	168,726
At 31 October 2018	6,608,857	782,448	1,942,912	9,334,217
<b>Depreciation and impairment</b>				
At 1 November 2017	1,941,813	509,843	1,525,967	3,977,623
Depreciation charged in the year	301,834	80,101	92,133	474,068
At 31 October 2018	2,243,647	589,944	1,618,100	4,451,691
<b>Carrying amount</b>				
At 31 October 2018	4,365,210	192,504	324,812	4,882,526
At 31 October 2017	4,667,044	163,906	356,918	5,187,868

### 11 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries		-	1,009

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 November 2017	1,009
Disposals	(1,009)
At 31 October 2018	-
<b>Carrying amount</b>	
At 31 October 2018	-
At 31 October 2017	1,009

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

<b>12</b>	<b>Financial instruments</b>		<b>2018</b>	<b>2017</b>
			£	£
	<b>Carrying amount of financial assets</b>			
	Debt instruments measured at amortised cost		542,840	525,196
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		3,355,173	3,751,068
			<u>          </u>	<u>          </u>
<b>13</b>	<b>Stocks</b>		<b>2018</b>	<b>2017</b>
			£	£
	Raw materials and consumables		554,275	556,103
			<u>          </u>	<u>          </u>
<b>14</b>	<b>Debtors</b>		<b>2018</b>	<b>2017</b>
			£	£
	<b>Amounts falling due within one year:</b>			
	Trade debtors		13,699	14,104
	Other debtors		529,141	511,092
	Prepayments and accrued income		395,695	522,567
			<u>          </u>	<u>          </u>
			938,535	1,047,763
			<u>          </u>	<u>          </u>
<b>15</b>	<b>Creditors: amounts falling due within one year</b>		<b>2018</b>	<b>2017</b>
			£	£
	Trade creditors		1,361,470	1,713,609
	Corporation tax		375,637	573,086
	Other taxation and social security		930,022	824,021
	Other creditors		133,166	130,919
	Accruals		1,860,537	1,906,540
			<u>          </u>	<u>          </u>
			4,660,832	5,148,175
			<u>          </u>	<u>          </u>
<b>16</b>	<b>Provisions for liabilities</b>		<b>2018</b>	<b>2017</b>
		<b>Notes</b>	£	£
	Deferred tax liabilities	<b>17</b>	147,225	142,057
			<u>          </u>	<u>          </u>

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	<b>Liabilities 2018 £</b>	<b>Liabilities 2017 £</b>
<b>Balances:</b>		
Accelerated capital allowances	147,225	142,057
<b>Movements in the year:</b>		<b>2018 £</b>
Liability at 1 November 2017		142,057
Charge to profit or loss		5,168
Liability at 31 October 2018		147,225

### 18 Retirement benefit schemes

	<b>2018 £</b>	<b>2017 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	71,930	47,742

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	<b>2018 £</b>	<b>2017 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary of £1 each	100	100
	100	100

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2018**

### 20 Operating lease commitments

#### Lessee

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

	2018 £	2017 £
Within one year	980,263	948,370
Between two and five years	3,921,052	3,793,480
In over five years	9,394,187	10,036,915
	<u>14,295,502</u>	<u>14,778,765</u>

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>614,085</u>	<u>534,255</u>

Danas Consultants Limited is a 50% shareholder of Stealthwave Limited and a company incorporated in Cyprus. Mr A. Novikov, a director of Stealthwave Limited, is the controlling party of Danas Consultants Limited.

During the year, the company was charged royalties of £801,454 (2017: £759,019 ) by Danas Consultants Limited. At 31 October 2018 the company owed accrued royalties to Danas Consultants Limited of £676,650 (2017: £674,946).

At 31 October 2018 the company was owed £9,262 (2017: nil) by the director:

### 22 Controlling party

There are no controlling parties.

# STEALTHWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**23 Cash generated from operations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	3,828,079	3,613,988
<b>Adjustments for:</b>		
Taxation charged	912,727	887,165
Investment income	(501)	(563)
Loss on disposal of tangible fixed assets	-	2,622
Depreciation and impairment of tangible fixed assets	474,068	443,731
Amounts written off investments	1,009	-
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	1,828	(5,203)
Decrease in debtors	115,334	687,898
(Decrease)/increase in creditors	(289,894)	203,862
<b>Cash generated from operations</b>	<b>5,042,650</b>	<b>5,833,500</b>