

STEALTHWAVE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

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COMPANIES HOUSE

STEALTHWAVE LIMITED

DIRECTOR AND ADVISERS

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

STEALTHWAVE LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the financial statements	9 - 20

STEALTHWAVE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The director presents the strategic report and financial statements for the year ended 31 October 2015.

Review of the business

The group made a pre-tax profit of £2,853,090 (2014: pre-tax loss £408,667) for the year on a turnover of £23,058,602 (2014: £21,797,665).

At 31 October 2015, the group had net assets of £1,971,673 (2014: net liabilities £270,867).

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.

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

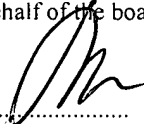
These are viewed before any exceptional costs are incurred.

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

08/08/2016

STEALTHWAVE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The director presents his report and financial statements for the year ended 31 October 2015.

Principal activities

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

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

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

Director

The following director has held office since 1 November 2014:

A. Novikov

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 of 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 group's performance.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

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

STEALTHWAVE LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, Director's 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 group 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 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

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

On behalf of the Board

✓ 

A. Novikov

Director

08/08/2016

STEALTHWAVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STEALTHWAVE LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Stealthwave Limited for the year ended 31 October 2015 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 2 - 3, the director is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 2015 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STEALTHWAVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF STEALTHWAVE 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 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.

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
United Kingdom

17/08/2016

STEALTHWAVE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	2015 £	2014 £
Turnover	2		
Continuing operations		22,798,541	21,525,713
Discontinued activities		260,061	271,952
		<u>23,058,602</u>	<u>21,797,665</u>
Cost of sales		(14,480,189)	(13,635,717)
Gross profit		<u>8,578,413</u>	<u>8,161,948</u>
Administrative expenses		(5,723,699)	(8,570,255)
Continuing operations		3,373,480	2,914,925
Discontinued activities		(518,766)	(3,323,232)
		<u>2,854,714</u>	<u>(408,307)</u>
Other interest receivable and similar income		1,616	32
Interest payable and similar charges	7	(3,240)	(392)
Profit/(loss) on ordinary activities before taxation		<u>2,853,090</u>	<u>(408,667)</u>
Tax on profit/(loss) on ordinary activities	8	(610,550)	(560,206)
Profit/(loss) on ordinary activities after taxation		<u><u>2,242,540</u></u>	<u><u>(968,873)</u></u>

There are no recognised gains and losses other than those passing through the profit and loss account.

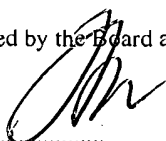
STEALTHWAVE LIMITED

BALANCE SHEETS

AS AT 31 OCTOBER 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixed assets					
Tangible assets	10	5,648,327	6,792,677	5,648,327	6,292,677
Investments	11	-	-	1,009	1,009
		<u>5,648,327</u>	<u>6,792,677</u>	<u>5,649,336</u>	<u>6,293,686</u>
Current assets					
Stocks	12	494,364	494,933	494,364	494,933
Debtors	13	3,661,289	3,000,855	3,637,069	3,074,337
Cash at bank and in hand		1,561,833	1,156,604	1,555,786	1,156,604
		<u>5,717,486</u>	<u>4,652,392</u>	<u>5,687,219</u>	<u>4,725,874</u>
Creditors: amounts falling due within one year	14	(9,282,328)	(11,582,939)	(7,802,895)	(7,675,361)
Net current liabilities		<u>(3,564,842)</u>	<u>(6,930,547)</u>	<u>(2,115,676)</u>	<u>(2,949,487)</u>
Total assets less current liabilities		2,083,485	(137,870)	3,533,660	3,344,199
Provisions for liabilities	15	(111,812)	(132,997)	(111,812)	(132,997)
		<u>1,971,673</u>	<u>(270,867)</u>	<u>3,421,848</u>	<u>3,211,202</u>
Capital and reserves					
Called up share capital	17	100	100	100	100
Profit and loss account	18	1,971,573	(270,967)	3,421,748	3,211,102
Shareholders' funds	19	<u>1,971,673</u>	<u>(270,867)</u>	<u>3,421,848</u>	<u>3,211,202</u>

Approved by the Board and authorised for issue on 8th August 2016

✓ 

A. Novikov
Director

Company Registration No. 07033979

STEALTHWAVE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2015

	Note	£	2015 £	£	2014 £
Net cash inflow from operating activities	22		708,429		1,706,792
Returns on investments and servicing of finance					
Interest received		1,616		32	
Interest paid		(1,840)		(392)	
Net cash outflow for returns on investments and servicing of finance			(224)		(360)
Taxation			(536,753)		(129,512)
Capital expenditure					
Payments to acquire tangible assets		(141,876)		(168,460)	
Receipts from sales of tangible assets		500,700		-	
Net cash inflow/(outflow) for capital expenditure			358,824		(168,460)
Acquisitions and disposals					
Purchase of subsidiary undertakings (net of cash acquired)		-		99,113	
Net cash (outflow)/inflow for acquisitions and disposals			-		99,113
Net cash inflow before management of liquid resources and financing			530,276		1,507,573
Financing					
Repurchase of debenture loan		(125,000)		(909,962)	
Net cash outflow from financing			(125,000)		(909,962)
Increase in cash in the year	23, 24		405,276		597,611

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and a going concern basis. It is noted that the group has net current liabilities of £3,564,842 (2014: net current liabilities £6,930,547) Stealthwave Limited (the individual company) has net current assets of £2,115,676 (2014: £2,949,487) at 31 October 2015. The group has made a substantial profit the year and the validity of the going concern basis is dependent upon the company continuing to trade profitably.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 October 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

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

1.5 Goodwill

Acquired goodwill is reviewed annually for impairment.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.10 Revenue recognition

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

1.11 Pensions

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.

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

(Continued)

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

	2015			2014		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	14,229,418	250,771	14,480,189	13,350,205	285,512	13,635,717
Distribution costs	-	-	-	-	-	-
Administrative expenses	5,195,643	528,056	5,723,699	5,260,583	3,309,672	8,570,255
	<u>19,425,061</u>	<u>778,827</u>	<u>20,203,888</u>	<u>18,610,788</u>	<u>3,595,184</u>	<u>22,205,972</u>

4 Operating profit/(loss)

2015
£

2014
£

Operating profit/(loss) is stated after charging:

Amortisation of intangible assets	-	3,053,385
Depreciation of tangible assets	785,330	803,991
Loss on disposal of tangible assets	196	1,983,012
Loss on foreign exchange transactions	189	-
Operating lease rentals		
- Plant and machinery	38,531	34,144
Fees payable to the group's auditor for the audit of the group's annual accounts (company £18,000; 2014 £18,000)	<u>24,050</u>	<u>21,000</u>

5 Director's remuneration

2015
£

2014
£

Remuneration for qualifying services	<u>180,000</u>	<u>180,000</u>
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STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

6 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Directors	1	1
Administration and restaurant	327	324
	<u>328</u>	<u>325</u>

Employment costs

	2015 £	2014 £
Wages and salaries	5,597,258	5,370,453
Social security costs	397,389	399,032
Other pension costs	35,198	23,439
	<u>6,029,845</u>	<u>5,792,924</u>

7 Interest payable

	2015 £	2014 £
On bank loans and overdrafts	873	392
On loans repayable after five years	967	-
Other interest	1,400	-
	<u>3,240</u>	<u>392</u>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

8	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	631,735	536,750
	Adjustment for prior years	-	61,900
	Total current tax	<u>631,735</u>	<u>598,650</u>
	Deferred tax		
	Origination and reversal of timing differences	(21,185)	(38,444)
		<u>(21,185)</u>	<u>(38,444)</u>
		<u>610,550</u>	<u>560,206</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>2,853,090</u>	<u>(408,667)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.41% (2014 - 21.83%)	<u>582,316</u>	<u>(89,212)</u>
	Effects of:		
	Non deductible expenses	1,739	32,582
	Depreciation add back	160,286	174,970
	Capital allowances	(112,906)	(126,505)
	Movement in losses	300	172,072
	Fair value adjustment on consolidation	-	(216,446)
	Adjustments to previous periods	-	61,900
	Amortisation of goodwill add back	-	666,554
	Reversal of provision on consolidation	-	(77,265)
		<u>49,419</u>	<u>687,862</u>
	Current tax charge for the year	<u>631,735</u>	<u>598,650</u>

9 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2015 £	2014 £
Holding company's profit for the financial year	<u>210,646</u>	<u>2,513,196</u>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

10 Tangible fixed assets

Group

	Land and buildings Short Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 November 2014	6,573,537	506,478	2,071,032	9,151,047
Additions	35,320	52,575	53,981	141,876
Disposals	-	(1,000)	(500,000)	(501,000)
At 31 October 2015	6,608,857	558,053	1,625,013	8,791,923
Depreciation				
At 1 November 2014	1,038,324	263,965	1,056,081	2,358,370
On disposals	-	(104)	-	(104)
Charge for the year	300,244	116,787	368,299	785,330
At 31 October 2015	1,338,568	380,648	1,424,380	3,143,596
Net book value				
At 31 October 2015	5,270,289	177,405	200,633	5,648,327
At 31 October 2014	5,535,213	242,513	1,014,951	6,792,677

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

10 Tangible fixed assets

(Continued)

Tangible fixed assets

Company

	Land and buildings Short Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 November 2014	6,573,537	443,267	1,587,586	8,604,390
Additions	35,320	52,575	53,981	141,876
Disposals	-	(1,000)	-	(1,000)
At 31 October 2015	6,608,857	494,842	1,641,567	8,745,266
Depreciation				
At 1 November 2014	1,038,324	258,570	1,014,819	2,311,713
On disposals	-	(104)	-	(104)
Charge for the year	300,244	116,787	368,299	785,330
At 31 October 2015	1,338,568	375,253	1,383,118	3,096,939
Net book value				
At 31 October 2015	5,270,289	119,589	258,449	5,648,327
At 31 October 2014	5,535,213	184,697	572,767	6,292,677

11 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 November 2014 & at 31 October 2015	1,009
Net book value	
At 31 October 2015	1,009
At 31 October 2014	1,009

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

11 Fixed asset investments

(Continued)

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Brompton Asian Group Limited	England and Wales	Ordinary	100.00
Brompton Asian Brasserie Limited	England and Wales	Ordinary	100.00
Brompton Restaurant Group Limited	England and Wales	Ordinary	100.00
Brompton Grocer Limited	England and Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Brompton Asian Group Limited	Holding company
Brompton Asian Brasserie Limited	Dormant
Brompton Restaurant Group Limited	Dormant
Brompton Grocer Limited	Dormant

12 Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Finished goods and goods for resale	494,364	494,933	494,364	494,933

13 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed by group undertakings	-	-	-	233,294
Other debtors	3,224,954	2,475,925	3,200,734	2,433,158
Prepayments and accrued income	436,335	524,930	436,335	407,885
	3,661,289	3,000,855	3,637,069	3,074,337

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

14 Creditors : amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Shareholder loan	2,563,950	2,688,950	2,563,950	2,688,950
Bank loans and overdrafts	-	47	-	-
Trade creditors	1,459,955	1,492,597	1,366,854	1,313,941
Corporation tax	631,732	536,750	631,732	536,750
Taxes and social security costs	882,560	735,675	875,606	735,675
Directors current accounts	363,906	370,115	363,906	370,115
Other creditors	1,452,738	3,786,668	146,344	139,826
Accruals and deferred income	1,927,487	1,972,137	1,854,503	1,890,104
	<u>9,282,328</u>	<u>11,582,939</u>	<u>7,802,895</u>	<u>7,675,361</u>

15 Provisions for liabilities

Group

Deferred taxation £

Balance at 1 November 2014	132,997
Profit and loss account	(21,185)
Balance at 31 October 2015	<u>111,812</u>

Company

Balance at 1 November 2014	132,997
Profit and loss account	(21,185)
Balance at 31 October 2015	<u>111,812</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	237,468	271,037	237,468	271,037
Other timing differences	(125,656)	(138,040)	(125,656)	(138,040)
	<u>111,812</u>	<u>132,997</u>	<u>111,812</u>	<u>132,997</u>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

16 Pension and other post-retirement benefit commitments

Defined contribution

	2015 £	2014 £
Contributions payable by the group for the year	35,198	23,439

17 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary of £1 each	100	100

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 November 2014	(270,967)
Profit for the year	2,242,540
Balance at 31 October 2015	1,971,573

Company

	Profit and loss account £
Balance at 1 November 2014	3,211,102
Profit for the year	210,646
Balance at 31 October 2015	3,421,748

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

19 Reconciliation of movements in shareholders' funds	2015	2014
Group	£	£
Profit/(loss) for the financial year	2,242,540	(968,873)
Opening shareholders' funds	(270,867)	698,006
Closing shareholders' funds	<u>1,971,673</u>	<u>(270,867)</u>

Company	2015	2014
	£	£
Profit for the financial year	210,646	2,513,196
Opening shareholders' funds	<u>3,211,202</u>	<u>698,006</u>
Closing shareholders' funds	<u>3,421,848</u>	<u>3,211,202</u>

20 Financial commitments

At 31 October 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
In over five years	<u>904,211</u>	<u>1,246,150</u>

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
In over five years	<u>904,211</u>	<u>896,150</u>

21 Control

There is no ultimate controlling party.

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

22	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2015	2014
		£	£
	Operating profit/(loss)	2,854,714	(408,307)
	Depreciation of tangible assets	785,330	803,991
	Amortisation of intangible assets	-	3,053,385
	Loss on disposal of tangible assets	196	-
	Decrease/(increase) in stocks	569	(24,331)
	Increase in debtors	(660,434)	(2,100,951)
	(Decrease)/Increase in creditors within one year	(2,271,946)	383,005
	Net cash inflow from operating activities	708,429	1,706,792

23	Analysis of net debt	1 November 2014	Cash flow	Other non-cash changes	31 October 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,156,604	405,229	-	1,561,833
	Bank overdrafts	(47)	47	-	-
		<u>1,156,557</u>	<u>405,276</u>	<u>-</u>	<u>1,561,833</u>
	Debts falling due within one year	(2,688,950)	125,000	-	(2,563,950)
	Net debt	(1,532,393)	530,276	-	(1,002,117)

24	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Increase in cash in the year	405,276	597,611
	Cash outflow from decrease in debt	125,000	909,962
	Movement in net debt in the year	530,276	1,507,573
	Opening net debt	(1,532,393)	(3,039,966)
	Closing net debt	(1,002,117)	(1,532,393)

25 Related party relationships and transactions

Group and Company

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

25 Related party relationships and transactions

(Continued)

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

During the year, the company was charged royalties of £683,956 (2014: £645,771) by Danas Consultants Limited. Danas Consultants Limited is a shareholder of Stealthwave Limited and a company incorporated in the British Virgin Islands. A. Novikov, a director of Stealthwave Limited, is the controlling party of Danas Consultants Limited. At 31 October 2015, the company owed accrued royalties of £695,299 (2014: £690,197) to Danas Consultants Limited.

At 31 October 2015, £363,906 (2014: £370,115) was owed by the company to A. Novikov, and £2,563,950 (2014: £2,688,950) to Kensington Estate Limited. Kensington Estate Limited is a company incorporated in the Jersey Channel Islands and a shareholder of Stealthwave Limited. Kensington Estate Limited is controlled by V. Afanasyeva.