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Company Registration No. 07033979 (England and Wales)



CREATIVITY ENTHUSIASM ENERGY VISION

STEALTHWAVE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2014

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STEALTHWAVE LIMITED

COMPANY INFORMATION

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

STEALTHWAVE LIMITED

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STEALTHWAVE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2014

The director presents his strategic report on the group for the year ended 31 October 2014.

Review of the business

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.

It should be noted that Stealthwave Limited incurred exceptional costs arising from the purchase of another restaurant group during the year to October 2014.

Results

The group made a pre-tax loss of £408,667 (2013: pre-tax profit £2,903,754) for the year on a turnover of £21,797,665 (2013: £20,297,015).

At 31 October 2014, the group had net liabilities of £270,867 (2013: net assets £698,006).

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

Dated: 29/7/2015

STEALTHWAVE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2014

The director presents his report and group financial statements for the year ended 31 October 2014.

Director

The director who served during the year was:

A. Novikov

Employee involvement

Within the bounds of commercial confidentiality, information is disseminated to all members of staff about matters that affect the progress of the group and are of interest and concern to them as employees.

Disabled persons

Disabled persons are employed by the group when they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the group's business and every effort is made to ensure that they are given full and fair consideration.

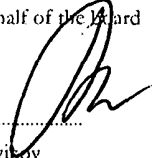
Disclosure of information to auditors

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 have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

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

On behalf of the Board



A. Novikov

Director

Dated: 29/7/2015

STEALTHWAVE LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the 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.

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 2014 set out on pages 5 to 19. 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 on page 3, the director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 2014 and of the group's loss 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.

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

NW1 3ER

United Kingdom

Dated: *30 July 2015*

STEALTHWAVE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2014

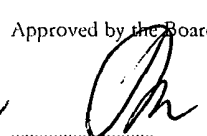
	Notes	2014 £	2013 £
Turnover	2		
Continuing operations		21,525,713	20,297,015
Acquired and discontinued activities		271,952	-
		<hr/>	<hr/>
		21,797,665	20,297,015
 Cost of sales		 (13,635,717)	 (12,504,033)
		<hr/>	<hr/>
Gross profit		8,161,948	7,792,982
 Administrative expenses		 (8,570,255)	 (4,889,098)
		<hr/>	<hr/>
Operating (loss)/profit	4	(408,307)	2,903,884
Continuing operations		2,914,925	2,903,884
Acquired and discontinued activities		(3,323,232)	-
		<hr/>	<hr/>
		(408,307)	2,903,884
 Other interest receivable and similar income		 32	 -
Interest payable and similar charges	7	(392)	(130)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(408,667)	2,903,754
 Tax on (loss)/profit on ordinary activities	8	 (560,206)	 (397,501)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(968,873)	2,506,253
		<hr/>	<hr/>

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 2014**

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Tangible assets	11	6,792,677	6,881,551	6,292,677	6,881,551
Investments	12	-	-	1,009	-
		<u>6,792,677</u>	<u>6,881,551</u>	<u>6,293,686</u>	<u>6,881,551</u>
Current assets					
Stocks	13	494,933	470,602	494,933	470,602
Debtors	14	1,106,507	899,904	946,695	899,904
Cash at bank and in hand		1,156,604	558,946	1,156,604	558,946
		<u>2,758,044</u>	<u>1,929,452</u>	<u>2,598,232</u>	<u>1,929,452</u>
Creditors: amounts falling due within one year	15	<u>(9,688,591)</u>	<u>(7,783,108)</u>	<u>(5,547,719)</u>	<u>(7,783,108)</u>
Net current liabilities		<u>(6,930,547)</u>	<u>(5,853,656)</u>	<u>(2,949,487)</u>	<u>(5,853,656)</u>
Total assets less current liabilities		<u>(137,870)</u>	<u>1,027,895</u>	<u>3,344,199</u>	<u>1,027,895</u>
Provisions for liabilities	16	<u>(132,997)</u>	<u>(329,889)</u>	<u>(132,997)</u>	<u>(329,889)</u>
		<u>(270,867)</u>	<u>698,006</u>	<u>3,211,202</u>	<u>698,006</u>
Capital and reserves					
Called up share capital	17	100	100	100	100
Profit and loss account	18	(270,967)	697,906	3,211,102	697,906
Shareholders' funds	19	<u>(270,867)</u>	<u>698,006</u>	<u>3,211,202</u>	<u>698,006</u>

Approved by the Board and authorised for issue on 29/7/2015



A. Novikov
Director

STEALTHWAVE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	£	2014 £	£	2013 £
Net cash inflow from operating activities	20		3,576,639		4,127,270
Returns on investments and servicing of finance					
Interest received		32		-	
Interest paid		(392)		(130)	
Net cash outflow for returns on investments and servicing of finance			(360)		(130)
Taxation			(129,512)		-
Capital expenditure					
Payments to acquire tangible fixed assets		(168,460)		(381,695)	
Net cash outflow for capital expenditure			(168,460)		(381,695)
Cash acquired with subsidiary			99,113	-	
Net cash inflow before financing			3,377,420		3,745,445
Financing					
Repurchase of debenture loan		(2,779,809)		(4,217,567)	
Net cash outflow from financing			(2,779,809)		(4,217,567)
Increase/(decrease) in cash in the year	22, 21		597,611		(472,122)

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

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 £270,867 (2013: net current assets £698,006) and Stealthwave Limited has net current assets of £3,211,202 (2013: £698,006) at 31 October 2014. The group's net liability position is a result of its purchase during the year of Brompton Asian Group Limited and its subsidiaries, and the cessation of trade of that group's trading subsidiary on 6 July 2014. 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 have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2014. 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 are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, 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 - Leasehold	Over length of lease
Plant and machinery	25% - 33% Straight Line
Fixtures, fittings & equipment	20% - 25% Straight Line

1.7 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.8 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.

1.9 Revenue recognition

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

1.10 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 2014

1 Accounting policies

(Continued)

1.11 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not 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

	2014			2013		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	13,350,205	285,512	13,635,717	12,504,033	-	12,504,033
Administrative expenses	5,260,583	3,309,672	8,570,255	4,889,098	-	4,889,098
	<u>18,610,788</u>	<u>3,595,184</u>	<u>22,205,972</u>	<u>17,393,131</u>	<u>-</u>	<u>17,393,131</u>

The discontinued figures are also the amounts relating to acquisitions in the year.

4 Operating (loss)/profit

2014
£

2013
£

Operating (loss)/profit is stated after charging:

Amortisation of intangible assets	3,053,385	-
Depreciation of owned tangible assets	803,991	721,396
Loss on disposal of tangible assets	1,983,012	-
Operating lease rentals		
- Plant and machinery	34,144	30,912
Fees payable to the group's auditor for the audit of the group's annual accounts (company £18,000; 2013: £15,735)	21,000	15,735
	<u></u>	<u></u>

5 Director's emoluments

2014
£

2013
£

Emoluments for qualifying services	<u>193,967</u>	<u>180,000</u>
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STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

6 Employees

Number of employees

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

	2014 Number	2013 Number
Directors	1	1
Administration and restaurant	324	281
	<u>325</u>	<u>282</u>

Employment costs

	2014 £	2013 £
Wages and salaries	5,370,453	4,620,152
Social security costs	399,032	348,856
Other pension costs	23,439	157,493
	<u>5,792,924</u>	<u>5,126,501</u>

7 Interest payable

	2014 £	2013 £
On bank loans and overdrafts	<u>392</u>	<u>130</u>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

8	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	536,750	67,612
	Adjustment for prior years	61,900	-
	Current tax charge	598,650	67,612
	Deferred tax		
	Deferred tax charge	(38,444)	329,889
		560,206	397,501
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(408,667)	2,903,754
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.83% (2013 - 20.00%)	(89,212)	580,751
	Effects of:		
	Non deductible expenses	32,582	114,150
	Depreciation add back	174,970	144,279
	Capital allowances	(126,505)	(165,780)
	Movement in losses	172,072	(605,788)
	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)	-
	Current tax charge	598,650	67,612

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:

	2014 £	2013 £
Holding company's profit for the financial year	2,513,196	2,506,253

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

10 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 November 2013	-
Additions	3,053,385
	<hr/>
At 31 October 2014	3,053,385
	<hr/>
Amortisation	
At 1 November 2013	-
Impairment	3,053,385
	<hr/>
At 31 October 2014	3,053,385
	<hr/>
Net book value	
At 31 October 2014	-
	<hr/> <hr/>
At 31 October 2013	-
	<hr/> <hr/>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

11 Tangible fixed assets Group

	Land and buildings Short Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 November 2013	6,573,537	381,055	1,481,338	8,435,930
Additions	-	62,212	106,248	168,460
Purchased with subsidiary	-	63,211	483,446	546,657
At 31 October 2014	6,573,537	506,478	2,071,032	9,151,047
Depreciation				
At 1 November 2013	738,813	155,746	659,820	1,554,379
Charge for the year	299,511	108,219	396,261	803,991
At 31 October 2014	1,038,324	263,965	1,056,081	2,358,370
Net book value				
At 31 October 2014	5,535,213	242,513	1,014,951	6,792,677
At 31 October 2013	5,834,724	225,309	821,518	6,881,551

Tangible fixed assets (continued) Company

	Land and buildings Short Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 November 2013	6,573,537	381,055	1,481,338	8,435,930
Additions	-	62,212	106,248	168,460
At 31 October 2014	6,573,537	443,267	1,587,586	8,604,390
Depreciation				
At 1 November 2013	738,813	155,746	659,820	1,554,379
Charge for the year	299,511	102,824	354,999	757,334
At 31 October 2014	1,038,324	258,570	1,014,819	2,311,713
Net book value				
At 31 October 2014	5,535,213	184,697	572,767	6,292,677
At 31 October 2013	5,834,724	225,309	821,518	6,881,551

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

12 Fixed asset investments

Company

Shares in group
undertakings

£

Cost

At 1 November 2013

-

Additions

1,009

At 31 October 2014

1,009

Net book value

At 31 October 2014

1,009

At 31 October 2013

-

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Brompton Asian Group Limited	England and Wales	Ordinary	100
Brompton Asian Brasserie Limited	England and Wales	Ordinary	100
Brompton Restaurant Group Limited	England and Wales	Ordinary	100
Brompton Grocer Limited	England and Wales	Ordinary	100

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	Restaurant
Brompton Restaurant Group Limited	Property investment
Brompton Grocer Limited	Property investment

13 Stocks

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Finished goods and goods for resale	494,933	470,602	494,933	470,602

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

14 Debtors

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Other debtors	581,577	531,657	538,810	531,657
Prepayments and accrued income	524,930	368,247	407,885	368,247
	<u>1,106,507</u>	<u>899,904</u>	<u>946,695</u>	<u>899,904</u>

15 Creditors : amounts falling due within one year

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Shareholder loans	819,103	3,598,912	819,103	3,598,912
Bank loans and overdrafts	47	-	-	-
Trade creditors	1,492,597	932,813	1,313,941	932,813
Corporation tax	536,750	67,612	536,750	67,612
Taxes and social security costs	735,675	635,895	735,675	635,895
Directors current accounts	112,320	238,324	112,320	238,324
Other creditors	4,019,962	79,593	139,826	79,593
Accruals and deferred income	1,972,137	2,229,959	1,890,104	2,229,959
	<u>9,688,591</u>	<u>7,783,108</u>	<u>5,547,719</u>	<u>7,783,108</u>

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

16 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 November 2013	329,889
Profit and loss account	(38,444)
Acquired with subsidiary	(158,448)
Balance at 31 October 2014	132,997

Company

Balance at 1 November 2013	329,889
Profit and loss account	(196,892)
Balance at 31 October 2014	132,997

The deferred tax liability is made up as follows:

Deferred tax is calculated at 20% (2013 - 20%) analysed over the following timing differences:

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Accelerated capital allowances	271,037	329,889	271,037	329,889
Other timing differences	(138,040)	-	(138,040)	-
	132,997	329,889	132,997	329,889

17 Share capital

Allotted, called up and fully paid

100 Ordinary of £1 each

2014 2013

£ £

100 100

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

18 Statement of movements on profit and loss account

Group

Profit and loss account £

Balance at 1 November 2013	697,906
Loss for the year	(968,873)
Balance at 31 October 2014	(270,967)

Company

Profit and loss account £

Balance at 1 November 2013	697,906
Profit for the year	2,513,196
Balance at 31 October 2014	3,211,102

19 Reconciliation of movements in shareholders' funds

Group

2014 £

2013 £

(Loss)/Profit for the financial year	(968,873)	2,506,253
Opening shareholders' funds	698,006	(1,808,247)
Closing shareholders' funds	(270,867)	698,006

20 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

2014 £

2013 £

Operating (loss)/profit	(408,307)	2,903,884
Depreciation of tangible fixed assets	803,991	721,396
Amortisation of intangible fixed assets	3,053,385	-
Increase in stocks	(24,331)	(87,283)
Increase in debtors	(186,603)	(94,838)
Increase in creditors	338,504	684,111
Net cash inflow from operating activities	3,576,639	4,127,270

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

21	Reconciliation of net cash flow to movement in net funds/(debt)				2014	2013
					£	£
	Increase/(decrease) in cash in the year				597,611	(472,122)
	Redemption of debenture loans				2,779,809	4,217,567
	Movement in net funds in the year				3,377,420	3,745,445
	Opening net debt				(3,039,966)	(6,785,411)
	Closing net funds/(debt)				337,454	(3,039,966)
22	Analysis of net funds/(debt)	1 November 2013	Acquired with subsidiary	Cash flow	Other non-cash changes	31 October 2014
		£		£	£	£
	Net cash:					
	Cash at bank and in hand	558,946	99,113	498,545	-	1,156,604
	Bank overdrafts			(47)	-	(47)
				498,498		
	Debt:					
	Debts falling due within one year	(3,598,912)		2,779,809	-	(819,103)
	Net funds/(debt)	(3,039,966)	99,113	3,278,307	-	337,454

STEALTHWAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

23 Financial commitments

At 31 October 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014	2013
	£	£
Expiry date:		
In over five years	1,246,150	874,420

£350,000 of the above relates to leases which were surrendered on the 13th of July 2015.

At 31 October 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014	2013
	£	£
Expiry date:		
In over five years	896,150	874,420

24 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies.

During the year, the company was charged royalties of £645,771 (2013: £608,913) 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 2014, the company owed accrued royalties of £690,197 (2013: £553,698) to Danas Consultants Limited.

At 31 October 2014, £33,390 (2013: £238,324) was owed by the company to A. Novikov, and £819,103 (2013: £3,598,912) 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.

25 Controlling parties

There is no ultimate controlling party.