
SOMO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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SOMO LTD

COMPANY INFORMATION

Directors	R D Langston N A Hynes C S Uminski
Company secretary	R D Langston
Registered number	06860380
Registered office	18th Floor Portland House Bressenden Place, Victoria London SW1E 5RS
Independent auditors	Harris & Trotter LLP Chartered Accountants 64 New Cavendish Street London W1G 8TB

SOMO LTD

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SOMO LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Introduction

The directors present their strategic report for the year ended 31 December 2015

The principle activity of the company continued to be that of planning and buying of mobile and digital marketing inventory

Business review

A summary of the main financial highlights for the year is set out below

	2015	2014	2013
	£	£	£
Turnover	10,178,919	13,412,925	16,994,083
Profit/(Loss) before tax	322,723	(731,218)	166,278
Net liabilities	(705,315)	(1,028,038)	(296,820)

Principal risks and uncertainties

The company's principal financial instruments comprise of bank balances, bank overdrafts, trade debtors and loans

The main purpose of these instruments is to raise funds for and to finance the company's operations

The group's approach to managing risks applicable to the financial instruments concerned is shown below

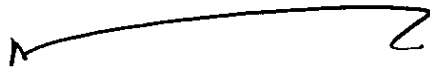
In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

In respect of loans, these comprise of intercompany loans

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

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


.....
N A Hynes
Director
Date 22 March 2016

SOMO LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015

Directors

The directors who served during the year were

R D Langston
N A Hynes
C S Uminski

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

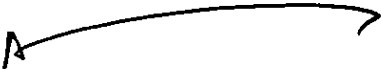
SOMO LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Auditors

Under section 487(2) of the Companies Act 2006, Harris & Trotter LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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


.....
N A Hynes
Director
Date 22 March 2016

SOMO LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOMO LTD

We have audited the financial statements of Somo Ltd for the year ended 31 December 2015, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

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 Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' 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 Company's affairs as at 31 December 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

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

SOMO LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOMO LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Hugh Lask (Senior Statutory Auditor)

for and on behalf of
Harris & Trotter LLP

Chartered Accountants

64 New Cavendish Street
London
W1G 8TB

22 March 2016

SOMO LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

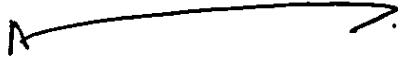
	Note	2015 £	2014 £
Turnover		10,178,919	13,412,925
Cost of sales		(9,549,922)	(13,208,928)
Gross profit		628,997	203,997
Administrative expenses		(251,042)	(875,413)
Operating profit/(loss)		377,955	(671,416)
Interest payable and expenses	6	(55,232)	(59,802)
Profit/(loss) before tax		322,723	(731,218)
Profit/(loss) for the year		322,723	(731,218)
Total comprehensive income for the year		322,723	(731,218)

SOMO LTD
REGISTERED NUMBER.06860380

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Tangible assets	8	1,311	17,625
		<u>1,311</u>	<u>17,625</u>
Current assets			
Debtors amounts falling due within one year	9	3,320,936	3,134,537
Cash at bank and in hand	10	5,436	83,760
		<u>3,326,372</u>	<u>3,218,297</u>
Creditors amounts falling due within one year	11	(4,032,998)	(3,975,437)
Net current liabilities		<u>(706,626)</u>	<u>(757,140)</u>
Total assets less current liabilities		<u>(705,315)</u>	<u>(739,515)</u>
Creditors amounts falling due after more than one year	12	-	(288,523)
Net liabilities		<u><u>(705,315)</u></u>	<u><u>(1,028,038)</u></u>
Capital and reserves			
Called up share capital	15	3,333	3,333
Share premium account	14	246,987	246,987
Profit and loss account	14	(955,635)	(1,278,358)
Shareholders' deficit		<u><u>(705,315)</u></u>	<u><u>(1,028,038)</u></u>

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


N A Hynes
 Director
 Date 22 March 2016

The notes on pages 9 to 18 form part of these financial statements

SOMO LTD

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	3,333	246,987	(1,278,358)	(1,028,038)
Comprehensive income for the year				
Profit for the year	-	-	322,723	322,723
	-----	-----	-----	-----
AT 31 December 2015	3,333	246,987	(955,635)	(705,315)
	=====	=====	=====	=====

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2014	3,333	246,987	(547,140)	(296,820)
Comprehensive income for the year				
Loss for the year	-	-	(731,218)	(731,218)
	-----	-----	-----	-----
AT 31 December 2014	3,333	246,987	(1,278,358)	(1,028,038)
	=====	=====	=====	=====

The notes on pages 9 to 18 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006

Information on the impact of first-time adoption of FRS 102 is given in note 18

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied

1.2 Going concern

The financial statements have been prepared on a going concern basis. At the year end the company has net liabilities of £705,315 (2014 £1,028,038)

The company relies on the support of its parent company (Somo Global Ltd), which in turn relies on the support of its shareholders in order to meet its medium term capital requirements. The directors are confident that this support will continue for the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of the company's assets to their recoverable amount, to provide for any further liabilities which may arise and to reclassify fixed assets and long term liabilities as current assets.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the Company will receive the consideration due under the contract,
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and,
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1 Accounting policies (continued)

1.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'Administrative expenses'

1.5 Tangible fixed assets & depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

The estimated useful lives range as follows

Computer equipment - 2 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are measured at present value of the future cash flows. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.11 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Analysis of turnover

	2015	2014
	£	£
United Kingdom	6,072,377	6,879,038
Rest of Europe	2,986,820	3,982,287
Rest of the world	1,119,722	2,551,600
	<u>10,178,919</u>	<u>13,412,925</u>

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2015	2014
	£	£
Depreciation of tangible fixed assets	18,482	160,775
Amortisation of intangible assets, including goodwill	-	(17,197)
Exchange differences	84,071	140,753
	<u>102,553</u>	<u>284,331</u>

During the year, no director received any emoluments (2014 - £NIL)

4. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	8,000	8,000
	<u>8,000</u>	<u>8,000</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Employees

Staff costs were as follows

	2015	2014
	£	£
Wages and salaries	1,148,622	1,462,550
Social security costs	86,991	138,296
	<u>1,235,613</u>	<u>1,600,846</u>

The average monthly number of employees, including the directors, during the year was as follows

	2015	2014
	No.	No
	27	37

6. Interest payable and similar charges

	2015	2014
	£	£
Bank interest payable	-	4,213
Other interest payable	55,232	55,589
	<u>55,232</u>	<u>59,802</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. Taxation

	2015 £	2014 £
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20% (2014 - 21 50%) The differences are explained below

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	322,723	<i>(731,218)</i>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21 50%)	64,545	<i>(157,212)</i>
Effects of.		
Non-tax deductible expenses	2,126	<i>3,095</i>
Depreciation add back	3,712	<i>45,485</i>
Capital allowances	(4,795)	<i>(9,643)</i>
Utilisation of tax losses	(65,588)	<i>-</i>
Unrelieved tax losses carried forward	-	<i>118,275</i>
Total tax charge for the year	-	<i>-</i>

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2015	164,977
Additions	2,246
Disposals	(92,702)
At 31 December 2015	74,521
Depreciation	
At 1 January 2015	147,352
Charge owned for the period	18,482
Disposals	(92,624)
At 31 December 2015	73,210
Net book value	
At 31 December 2015	1,311
<i>At 31 December 2014</i>	<i>17,625</i>

9. Debtors

	2015 £	2014 £
Trade debtors	1,215,893	222,515
Amounts owed by group undertakings	1,250,917	2,195,926
Prepayments and accrued income	854,126	716,096
	3,320,936	3,134,537
	3,320,936	3,134,537

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Cash and cash equivalents

	2015	2014
	£	£
Cash at bank and in hand	5,436	83,760
	<u>5,436</u>	<u>83,760</u>

11. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	1,072,308	2,898,911
Amounts owed to group undertakings	267,009	-
Taxation and social security	169,315	151,119
Other creditors	715,493	42,346
Accruals and deferred income	1,808,873	883,061
	<u>4,032,998</u>	<u>3,975,437</u>

Included in other creditors is an amount of £671,808 (2014 £Nil) which is secured against all the assets of the company

12. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Other loans	-	288,523
	<u>-</u>	<u>288,523</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,247,014	3,122,619
	<u>3,247,014</u>	<u>3,122,619</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,563,834)	(4,098,980)
	<u>(3,563,834)</u>	<u>(4,098,980)</u>

Financial assets measured at amortised cost comprise trade and other receivables

Financial Liabilities measured at amortised cost comprise trade and other payables

14. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses

15. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
33,333 Ordinary shares of £0 10 each	3,333	3,333
	<u>3,333</u>	<u>3,333</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Related party transactions

FRS102 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

17. Controlling party

The immediate and ultimate parent company is Somo Global Ltd Somo Global Ltd has no overall control

18. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss