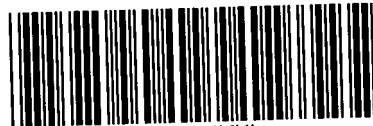


Company Registration No. 06860380 (England and Wales)

SOMO LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

TUESDAY



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COMPANIES HOUSE

SOMO LTD

COMPANY INFORMATION

Directors

R D Langston
N A Hynes
C S Uminski

Secretary

R D Langston

Company number

06860380

Registered office

1st Floor Epworth House
25 City Road
London
EC1Y 1AA

Auditors

Harris & Trotter LLP
64 New Cavendish Street
London
W1G 8TB

SOMO LTD

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SOMO LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Principal activities and review of the business

The principal activity of the company continued to be that of advertising.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 January 2013:

R D Langston	
N A Hynes	
D W W Evans	(Resigned 21 May 2014)
S S J Edelstyn	(Resigned 21 May 2014)
C S Uminski	
T W Schulz	(Resigned 21 May 2014)

Auditors

Harris & Trotter LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

SOMO LTD


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



N A Hynes

Director

26 September 2014

SOMO LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOMO LTD

We have audited the financial statements of Somo Ltd for the year ended 31 December 2013 set out on pages 5 to 12. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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 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 Annual Report to identify material inconsistencies with the audited financial statements. 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 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

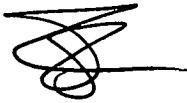
SOMO LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS 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

26 September 2014

Chartered Accountants
Statutory Auditor

64 New Cavendish Street
London
W1G 8TB

SOMO LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	16,994,083	8,005,434
Cost of sales		(16,212,380)	(7,733,281)
Gross profit		<u>781,703</u>	<u>272,153</u>
Administrative expenses		(613,710)	(1,035,584)
Operating profit/(loss)	3	167,993	(763,431)
Other interest receivable and similar income	4	-	336
Interest payable and similar charges	5	(1,715)	(9,515)
Profit/(loss) on ordinary activities before taxation		<u>166,278</u>	<u>(772,610)</u>
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the year	13	<u><u>166,278</u></u>	<u><u>(772,610)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

SOMO LTD

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Intangible assets	7		18,409		11,806
Tangible assets	8		154,690		93,570
			<u>173,099</u>		<u>105,376</u>
Current assets					
Debtors	9	5,311,292		3,774,067	
Cash at bank and in hand		223,125		96,201	
		<u>5,534,417</u>		<u>3,870,268</u>	
Creditors: amounts falling due within one year	10	<u>(5,771,836)</u>		<u>(3,980,476)</u>	
Net current liabilities			<u>(237,419)</u>		<u>(110,208)</u>
Total assets less current liabilities			<u>(64,320)</u>		<u>(4,832)</u>
Creditors: amounts falling due after more than one year	11		<u>(232,500)</u>		<u>(458,266)</u>
			<u>(296,820)</u>		<u>(463,098)</u>
Capital and reserves					
Called up share capital	12		3,333		3,333
Share premium account	13		246,987		246,987
Profit and loss account	13		<u>(547,140)</u>		<u>(713,418)</u>
Shareholders' funds	14		<u>(296,820)</u>		<u>(463,098)</u>

Approved by the Board and authorised for issue on 26 September 2014



N A Hynes
Director

Company Registration No. 06860380

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

The financial statements have been prepared on a going concern basis. The company's going concern is dependent on the status of the group as a whole. The group recorded a loss after taxation of £2,165,889 (2012: £2,589,300) for the year. At the year end the group has net liabilities of £3,292,747 (2012: £1,657,730).

On 17 February 2014, 2,025,696 Ordinary shares of £0.0001 each in Somo Global Ltd were issued at £0.4048 per share. Also on 17 February 2014, 4,106,493 Ordinary B shares of £0.0001 each in Somo Global were issued at £0.3238 per share and a further 6,422,925 Ordinary B shares of £0.0001 each in Somo Global Ltd were issued at £0.4048 per share. The total consideration for these shares issued was £4,749,849.

The directors are confident that support from its parent company will continue and therefore 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 as current assets and long term liabilities as current liabilities.

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 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Software

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Leasehold Improvements	over the term of the lease
Fixtures, fittings & equipment	25 % Reducing balance

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

2 Turnover

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

3	Operating profit/(loss)	2013 £	2012 £
	Operating profit/(loss) is stated after charging:		
	Amortisation of intangible assets	12,902	4,024
	Depreciation of tangible assets	114,707	73,696
	Auditors' remuneration	8,000	3,500
		<u>134,609</u>	<u>81,220</u>

4	Investment income	2013 £	2012 £
	Bank interest	-	336
		<u>-</u>	<u>336</u>

5	Interest payable	2013 £	2012 £
	On other loans wholly repayable within five years	-	9,515
	On underprovision for tax	1,715	-
		<u>1,715</u>	<u>9,515</u>

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation		2013	2012
	Total current tax		-	-
			<u> </u>	<u> </u>
	Factors affecting the tax charge for the year			
	Profit/(loss) on ordinary activities before taxation		166,278	(772,610)
			<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)		38,660	(189,289)
			<u> </u>	<u> </u>
	Effects of:			
	Non deductible expenses		5,546	9,335
	Depreciation add back		29,669	19,041
	Capital allowances		(34,231)	(13,270)
	Tax losses utilised		(39,644)	-
	Tax losses carried forward		-	174,183
			<u> </u>	<u> </u>
			(38,660)	189,289
			<u> </u>	<u> </u>
	Current tax charge for the year		-	-
			<u> </u>	<u> </u>
7	Intangible fixed assets	Trademarks & Domains	Software	Total £
	Cost			
	At 1 January 2013	12,530	4,779	17,309
	Additions	1,366	18,139	19,505
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2013	13,896	22,918	36,814
		<u> </u>	<u> </u>	<u> </u>
	Amortisation			
	At 1 January 2013	3,096	2,407	5,503
	Charge for the year	6,498	6,404	12,902
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2013	9,594	8,811	18,405
		<u> </u>	<u> </u>	<u> </u>
	Net book value			
	At 31 December 2013	4,302	14,107	18,409
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2012	121	2,142	11,806
		<u> </u>	<u> </u>	<u> </u>

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 Tangible fixed assets

	Leasehold Improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2013	27,233	165,118	192,351
Additions	36,854	138,973	175,827
	<u>64,087</u>	<u>304,091</u>	<u>368,178</u>
At 31 December 2013	64,087	304,091	368,178
Depreciation			
At 1 January 2013	13,960	84,821	98,781
Charge for the year	22,024	92,683	114,707
	<u>35,984</u>	<u>177,504</u>	<u>213,488</u>
At 31 December 2013	35,984	177,504	213,488
Net book value			
At 31 December 2013	<u>28,103</u>	<u>126,587</u>	<u>154,690</u>
At 31 December 2012	<u>13,273</u>	<u>80,297</u>	<u>93,570</u>

9 Debtors

	2013 £	2012 £
Trade debtors	758,707	1,406,855
Amounts owed by parent and fellow subsidiary undertakings	3,053,974	1,920,796
Other debtors	234,037	80,154
Prepayments and accrued income	1,264,574	366,262
	<u>5,311,292</u>	<u>3,774,067</u>

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

10 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	4,563,362	3,502,593
Corporation tax	-	11,218
Other taxes and social security costs	595,672	30,137
Other creditors	56,883	36,312
Accruals and deferred income	555,919	400,216
	<u>5,771,836</u>	<u>3,980,476</u>
11 Creditors: amounts falling due after more than one year	2013	2012
	£	£
Other loans	<u>232,500</u>	<u>458,266</u>
Analysis of loans		
Wholly repayable within five years	<u>232,500</u>	<u>458,266</u>
12 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
33,333 Ordinary of 10p each	<u>3,333</u>	<u>3,333</u>
13 Statement of movements on reserves	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2013	246,987	(713,418)
Profit for the year	-	166,278
	<u>246,987</u>	<u>(547,140)</u>
Balance at 31 December 2013	<u>246,987</u>	<u>(547,140)</u>

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

14 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Profit/(Loss) for the financial year	166,278	(772,610)
Opening shareholders' funds	(463,098)	309,512
	<hr/>	<hr/>
Closing shareholders' funds	(296,820)	(463,098)
	<hr/> <hr/>	<hr/> <hr/>

15 Employees

Number of employees

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

	2013	2012
	Number	Number
Total employees	37	27
	<hr/>	<hr/>

Employment costs

	2013	2012
	£	£
Wages and salaries	1,430,174	1,094,947
Social security costs	143,245	121,227
	<hr/>	<hr/>
	1,573,419	1,216,174
	<hr/> <hr/>	<hr/> <hr/>

16 Control

The company is controlled by Somo Global Limited, its immediate parent company.

17 Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Included in creditors is £41,000 (2012: £41,000) owed by Interactive Mobile Works Ltd and is an interest free loan repayable on demand. R D Langston is a director and shareholder of Interactive Mobile Works Ltd.

During the year consultancy fees of £Nil (2012: £57,750) were paid to C Uminski, a director of the company.