

Registered number: 06860380

SOMO LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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SOMO LTD

COMPANY INFORMATION

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

Introduction

The directors present their strategic report for the year ended 31 December 2014.

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:

	2014	2013	2012
	£	£	£
Turnover	13,412,925	16,994,083	8,005,434
Profit / (Loss) before taxation	(731,218)	166,278	(772,610)
Net Liabilities	(1,028,038)	(296,820)	(463,098)

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.

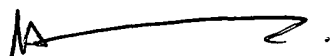
In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

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: 8 February 2016

SOMO LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Directors

The directors who served during the year were:

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

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 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 judgments 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.

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 2014**

Auditors

The auditors, Harris & Trotter LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
N A Hynes
Director

Date: 8 February 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 2014, set out on pages 6 to 13. 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, 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 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 2014 and of its 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

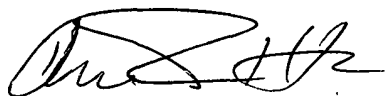
SOMO LTD

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

8 February 2016

SOMO LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Turnover	1,2	13,412,925	16,994,083
Cost of sales		<u>(13,208,928)</u>	<u>(16,212,380)</u>
Gross profit		203,997	781,703
Administrative expenses		<u>(875,413)</u>	<u>(613,710)</u>
Operating (loss)/profit	3	(671,416)	167,993
Interest payable and similar charges	5	<u>(59,802)</u>	<u>(1,715)</u>
(Loss)/profit on ordinary activities before taxation		(731,218)	166,278
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year	13	<u>(731,218)</u>	<u>166,278</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 8 to 13 form part of these financial statements.

SOMO LTD
REGISTERED NUMBER: 06860380

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	7		-		18,409
Tangible assets	8		17,625		154,690
			<u>17,625</u>		<u>173,099</u>
Current assets					
Debtors	9	3,134,537		5,311,292	
Cash at bank and in hand		83,760		223,125	
		<u>3,218,297</u>		<u>5,534,417</u>	
Creditors: amounts falling due within one year	10		<u>(3,975,437)</u>		<u>(5,771,836)</u>
Net current liabilities			<u>(757,140)</u>		<u>(237,419)</u>
Total assets less current liabilities			<u>(739,515)</u>		<u>(64,320)</u>
Creditors: amounts falling due after more than one year	11		<u>(288,523)</u>		<u>(232,500)</u>
Net liabilities			<u><u>(1,028,038)</u></u>		<u><u>(296,820)</u></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>(1,278,358)</u>		<u>(547,140)</u>
Shareholders' deficit	14		<u><u>(1,028,038)</u></u>		<u><u>(296,820)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 February 2016.


.....
N A Hynes
Director

The notes on pages 8 to 13 form part of these financial statements.

SOMO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 applicable accounting standards.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company recorded a loss after taxation of £731,218 (2013: £166,278 profit) for the year. At the year end the company has net liabilities of £1,028,038 (2013: £296,820).

The company relies on the support of its parent company (Somo Global Ltd), which in turn relies to 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 as current assets and long term liabilities as current liabilities.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Software

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

Patents

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

1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Over the term of the lease
Fixtures and fittings	-	25% Reducing balance

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. Turnover

All turnover arose within the United Kingdom.

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the company	160,774	114,707
Auditors' remuneration	8,000	8,000
Amortisation - intangible fixed assets	13,573	12,902
	<u>182,347</u>	<u>135,609</u>

During the year, no director received any emoluments (2013 - £NIL).

4. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,462,550	1,414,717
Social security costs	138,296	143,245
	<u>1,600,846</u>	<u>1,557,962</u>

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

	2014 No.	2013 No.
	<u>37</u>	<u>37</u>

5. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	4,213	-
On other loans	55,589	-
On under provision for tax	-	1,715
	<u>59,802</u>	<u>1,715</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	<u>(731,218)</u>	<u>166,278</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	(157,212)	38,660
Effects of:		
Non deductible expenses	3,095	5,546
Depreciation add back	45,485	29,669
Capital allowances	(9,643)	(34,231)
Utilisation of tax losses	-	(39,644)
Unrelieved tax losses carried forward	<u>118,275</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

7. Intangible fixed assets

	Software £	Trademarks & Domains £	Total £
Cost			
At 1 January 2014	22,918	13,896	36,814
Disposals	(22,918)	(13,896)	(36,814)
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation			
At 1 January 2014	8,811	9,594	18,405
Charge for the year	9,501	4,072	13,573
On disposals	(18,312)	(13,666)	(31,978)
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2013	<u>14,107</u>	<u>4,302</u>	<u>18,409</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 January 2014	64,087	304,091	368,178
Additions	37,736	18,348	56,084
Disposals	(101,823)	(157,462)	(259,285)
At 31 December 2014	-	164,977	164,977
Depreciation			
At 1 January 2014	35,984	177,504	213,488
Charge for the year	65,839	94,935	160,774
On disposals	(101,823)	(125,087)	(226,910)
At 31 December 2014	-	147,352	147,352
Net book value			
At 31 December 2014	-	17,625	17,625
At 31 December 2013	28,103	126,587	154,690

9. Debtors

	2014 £	2013 £
Trade debtors	222,515	758,707
Amounts owed by group undertakings	2,195,926	3,053,974
Other debtors	-	234,037
Prepayments and accrued income	716,096	1,264,574
	<u>3,134,537</u>	<u>5,311,292</u>

**10. Creditors:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	2,898,911	4,563,362
Other taxation and social security	151,118	595,672
Other creditors	42,346	56,883
Accruals and deferred income	883,062	555,919
	<u>3,975,437</u>	<u>5,771,836</u>

SOMO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. Creditors:		
Amounts falling due after more than one year		
	2014	2013
	£	£
Other loans	<u>288,523</u>	<u>232,500</u>
12. Share capital		
	2014	2013
	£	£
Allotted, called up and fully paid		
33,333 Ordinary shares of £0.10 each	<u>3,333</u>	<u>3,333</u>
13. Reserves		
	Share premium account £	Profit and loss account £
At 1 January 2014	246,987	(547,140)
Loss for the financial year		(731,218)
At 31 December 2014	<u>246,987</u>	<u>(1,278,358)</u>
14. Reconciliation of movement in shareholders' deficit		
	2014	2013
	£	£
Opening shareholders' deficit	(296,820)	(463,098)
(Loss)/profit for the financial year	(731,218)	166,278
Closing shareholders' deficit	<u>(1,028,038)</u>	<u>(296,820)</u>
15. Related party transactions		

Included in creditors is £Nil (2013: £41,000) owed by Interactive Mobile Works Ltd. R D Langston is a director and shareholder of Interactive Mobile Works Ltd.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. Ultimate parent undertaking and controlling party

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