

Company Number: 08789165

MGAGE EUROPE LIMITED
(FORMERLY GSO MMBU PRIVATE COMPANY LIMITED)

**STRATEGIC REPORT, DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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MGAGE EUROPE LIMITED
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2014

BUSINESS REVIEW AND FINANCIAL PERFORMANCE

The Group is delighted to present its first report on mGage Europe Limited covering its combined and consolidated results for the financial year ended 31 December 2014.

2014 was a significant year in that it was the year of incorporation for mGage Europe Limited, as we created a company from the mobile messaging trading assets of the Velti Group in the UK, Netherlands and Greece. This Group formed the European division of mGage LLC which traded in the USA and India.

BUSINESS SUMMARY AND FUTURE DEVELOPMENTS REVIEW

During 2014, the Group's focus had been on creating a brand name in the European market that, supported by the similar activities in USA and India, is now synonymous with mobile engagement for enterprise brands.

As we see the needs for large enterprise and charities to engage with their consumers through the increasing prevalence of mobile communications, there is the requirement for our services to increase significantly year on year.

We are fortunate to be owned and financially supported by GSO Capital Partners LP, a division of The Blackstone Group L.P, who have enabled the management team to create a stable environment through 2014 positioning the company for a strong 2015. As part of the company's strategy mGage sold the digital division of the business to Black Swan Data Ltd in June 2014 for a 25% shareholding in the company.

We do however operate in a very competitive and regulated market so we rely upon the development capability of our Product teams to ensure that we both create compelling propositions and adhere to the local regulatory requirements in the markets where we trade.

We have made strong hires in the Product area and been able to enhance our flagship Communicate Pro platform so that it is now the market leading multichannel platform supporting the growing trend for consumers not only to communicate via text messages, but also on social messaging applications through their mobile device.

The start of 2015 saw a significant increase in the Sales team in both the UK and Netherlands in order to build and grow marketing and business development activity in the UK and Benelux. Furthermore there was preparation for the sale of the business to TBC Holdings which completed in August.

The two companies share the same Chairman of the Board, Jim Continenza, and similar ownership. TBC and mGage are backed by the world's leading investment and advisory firms, The Blackstone Group and GSO Capital. The combination of mGage and TBC will allow for greater opportunities for scale and growth.

TBC is a technology company enabling businesses of all sizes with best-in-class advertising, marketing and network solutions that focus on strengthening relationships between businesses and their customers. With this acquisition, TBC will support hundreds of thousands of local, national and global businesses in over 650 markets throughout the U.S. and Europe. TBC will continue to fuel mGage's growth to further expand the business.

TBC is committed to the success of the Group and has already begun making strong capital investments into the business. The acquisition brings additional resources, capacity, and talent across the entire organization.

FINANCIAL RESULTS

In its first trading year ended 31 December 2014, the Group generated revenues of £13,238,568. The Group achieved a Gross margin of 46% for the year. At the year end we had Net Current Assets of £1.1m and Cash in Bank of £8.4m.

MGAGE EUROPE LIMITED
STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

The number of active brands using the Company's new platform is up to over 30. The directors are satisfied with the level of turnover and together with the organic growth of legacy messaging and payments service, their intention is to continue to grow the business through increasing sales volume and innovation.

PRINCIPAL RISKS AND UNCERTAINTIES

Directors consider that the principal risks and uncertainties facing the Group and a summary of the key measures taken to mitigate those risks are as follows:

Potential downturn in SMS messages and brands seek to use "Over the top" (OTT) messaging applications such as WhatsApp.

The Group is dependent on the ongoing need for brands to communicate with its consumers for Customer Service and Customer Relationship Management. Brands currently use email, increasingly use SMS, native Smartphone applications and are considering using OTT applications in order to advise their customer of sales or service interactions. The market is highly competitive and changing quickly.

The Group seeks to mitigate this risk by diversifying exposure across all these methods of communication by increasing the number of messaging channels across which Communicate Pro platform operates. The Group can support SMS, MMS, App Push, Social Channels and now OTT providers such as WeChat,

Technology risks

The Group is reliant on its proprietary pricing and execution engines. Competitors either presently operating in the market or potential new entrants may produce software that is more effective than that of the Group. Constant investment in research and development of new products and services is key to the Group remaining competitive and attractive to new customers.

Information technology risks

The Group depends on technology and advanced information systems, which may fail or be subject to disruption. The integrity, reliability and operational performance of the Group's IT systems are critical to the Group's operations. The Group has in place business continuity procedures and security measures to protect against network or IT failure, or disruption.


Compliance Risk

The Group provides mobile payment services that are regulated by Phonepay Plus (PPP) a Premium Rated Service Government Regulator and operates under rules set up by "Payfort"; which is supported by the 4 UK Mobile Network Operators– Vodafone, O2, Three and EE in conjunction with the micropayment industry, the industry trade association AIME and the regulators – Ofcom and PhonepayPlus.

The regulatory environment is regularly changing and imposes significant demands on the resources of the Group. As the Group's activities expand, offering new products and penetrating more vertical industries, the regulatory demands will inevitably increase. The costs of compliance are expected to increase.

This report was approved by the board on behalf.


S Patel
Director

 16th September 2015 and signed on its

MGAGE EUROPE LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2014

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

PRINCIPAL ACTIVITY

The group's principal activities during the year were that of provision of mobile engagement services via fully integrated mobile marketing and advertising platforms.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £9,379,664.

No interim dividends were paid during the year and no final dividend has been proposed.

DIRECTORS

The directors who served during the year were:

S Patel (appointed 18 March 2014)

J Sheth (appointed 18 March 2014, resigned 12 August 2015)

M Beeney (appointed 25 November 2013, resigned 18 March 2014)

S Eisenberg (appointed 25 November 2013, resigned 18 March 2014)

GSO MMBU Acquisitions LLC (appointed 25 November 2013, resigned 18 March 2014)

The following directors were appointed post year end:

A Bowlds (appointed 12 August 2015)

J Continenza (appointed 12 August 2015)

BRANCHES IN THE EUROPEAN UNION

Included within the company is a branch based in the Netherlands.

MATTERS COVERED IN THE STRATEGIC REPORT

The business review, principal risks and uncertainties, key financial performance indicators and future developments are included within the strategic report.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 information and to establish that the company's auditor is aware of that information.

This report was approved by the board on

16th September 2015 and signed on its behalf.



S Patel

Director

MGAGE EUROPE LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2014

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 the group and of the profit or loss of the group for that year. 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;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MGAGE EUROPE LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of mGage Europe Limited for the year ended 31 December 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes numbered 1 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 auditor's 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 group's and the parent company's affairs as at 31 December 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MGAGE EUROPE LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 DECEMBER 2014

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.



Martin Israel (senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Date: 24 September 2015

MGAGE EUROPE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
TURNOVER	2	13,238,568	-
Cost of Sales		<u>(7,025,680)</u>	-
GROSS PROFIT		6,212,888	-
Administrative expenses: Amortisation of intangible fixed assets	7	(6,414,300)	-
Administrative expenses: Other		<u>(7,658,905)</u>	-
OPERATING LOSS	4	(7,860,317)	-
Exceptional items: Reorganisation costs		<u>(285,188)</u>	-
OPERATING LOSS AFTER EXCEPTIONAL ITEMS		(8,145,505)	-
Amounts written off investments	8	(1,204,720)	-
Interest receivable and similar income		13,889	-
Interest payable and similar charges	5	<u>(631)</u>	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,336,967)	-
Tax on loss on ordinary activities	6	<u>(42,697)</u>	-
LOSS FOR THE FINANCIAL YEAR AND RETAINED LOSS CARRIED FORWARD	14	<u>(9,379,664)</u>	-

All amounts relate to continuing operations.

The profit and loss account contains all the gains and losses recognised in the current year and previous period.

The related notes 1 to 20 form part of these financial statements.

MGAGE EUROPE LIMITED
CONSOLIDATED BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	7	12,966,074	-
Tangible assets	9	196,090	-
Investments	8	-	-
		<u>13,162,164</u>	<u>-</u>
CURRENT ASSETS			
Investments	8	100	-
Debtors	10	7,784,948	-
Cash at bank and in hand		8,458,764	10
		<u>16,243,812</u>	<u>10</u>
CREDITORS: amounts falling due within one year	11	<u>(15,120,461)</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,123,351</u>	<u>10</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,285,515</u>	<u>10</u>
CREDITORS: amounts falling due after more than one year	12	<u>(670,305)</u>	<u>-</u>
NET ASSETS		<u>13,615,210</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up share capital	13/14	22	10
Share premium account	14	22,994,852	-
Profit and loss account	14	<u>(9,379,664)</u>	<u>-</u>
SHAREHOLDERS' FUNDS	14	<u>13,615,210</u>	<u>10</u>

The financial statements were approved and authorised for issue by the board on 16th September 2015 and were signed on its behalf by:


S. Patel

Director

The related notes 1 to 20 form part of these financial statements.

MGAGE EUROPE LIMITED
COMPANY BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	7	12,966,074	-
Tangible assets	9	166,373	-
Investments	8	-	-
		<u>13,132,447</u>	<u>-</u>
CURRENT ASSETS			
Investments	8	100	-
Debtors	10	7,545,366	-
Cash at bank		<u>8,430,670</u>	<u>10</u>
		15,976,136	10
CREDITORS: amounts falling due within one year	11	<u>(14,932,944)</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,043,192</u>	<u>10</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,175,639	10
CREDITORS: amounts falling due after one year	12	<u>(670,305)</u>	<u>-</u>
NET ASSETS		<u>13,505,334</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up share capital	13/14	22	10
Share premium account	14	22,994,852	-
Profit and loss account	14	<u>(9,489,540)</u>	<u>-</u>
SHAREHOLDERS' FUNDS	14	<u>13,505,334</u>	<u>10</u>

The financial statements were approved and authorised for issue by the board on 16th September 2015 and were signed on its behalf by:


S. Patel

Director

The related notes 1 to 20 form part of these financial statements.

MGAGE EUROPE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	<u>3,389,577</u>	-
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		13,889	-
Interest paid		<u>(631)</u>	-
		<u>13,258</u>	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of intangible fixed assets		(373,441)	-
Purchase of tangible fixed assets		(122,598)	-
Purchase of investment		<u>(1,079,820)</u>	-
		<u>(1,575,859)</u>	-
ACQUISITIONS AND DISPOSALS			
Purchase of trade and assets	16	(19,072,250)	-
Cash acquired with purchase of trade and assets		<u>2,709,164</u>	-
NET CASH OUTFLOW BEFORE FINANCING		<u>(14,536,110)</u>	-
FINANCING			
Proceeds from share issue		<u>22,994,864</u>	10
NET CASH INFLOW		<u>8,458,754</u>	10
Cash at 31 December 2013		<u>10</u>	-
CASH AT 31 DECEMBER 2014		<u>8,458,764</u>	10

The related notes 1 to 20 form part of these financial statements.

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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, in accordance with applicable accounting standards (UK GAAP) and on the going concern basis.

The directors consider the going concern basis to be appropriate having paid due regard to the company's and its group's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that year.

TBC Holdings I Inc. has confirmed that they make available to the company, funding in an amount of up to £750,000 over the next 12 months, so as to enable the company to discharge all their debts and liabilities as they fall due.

1.2 Consolidation

The consolidated balance sheet and profit and loss account include the accounts of the company and its subsidiary made up to 31 December 2014. No profit and loss account is presented for the company as provided in Section 408 of Companies Act 2006.

1.2 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 the profit and loss account.

The financial statements of the subsidiary undertaking whose functional currency is Euro's have been translated into sterling using the average rate to translate the profit and loss account and the closing rate to translate the balance sheet.

1.3 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:

Office equipment	- 25% per annum on a straight line basis
Fixtures & fittings	- 25% per annum on a straight line basis
Leasehold improvements	- Depreciated over the length of the lease

1.4 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Goodwill	- 33% per annum on a straight line basis
Intellectual property	- 33% per annum on a straight line basis
Internal development	- 33% per annum on a straight line basis

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Turnover

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

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the year until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Investments held as current assets are shown at the lower of cost and net realisable value.

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The whole of the turnover is attributable to the group's principal activities.

A geographical analysis of turnover is as follows:

	2014	2013
	£	£
United Kingdom	8,152,654	-
Rest of European Union	2,039,839	-
Rest of the World	3,046,075	-
	<u>13,238,568</u>	<u>-</u>

3. DIRECTORS AND EMPLOYEES

Staff costs (including directors)

	2014	2013
	£	£
Wages and salaries	4,543,011	-
Social security costs	694,993	-
Pension costs	28,356	-
	<u>5,266,360</u>	<u>-</u>

Average number of employees

	No.	No.
Management	3	-
Sales and marketing	21	-
Operations and development	78	-
Administration	19	-
	<u>121</u>	<u>-</u>

Directors' emoluments

	£	£
Salaries and taxable benefits	256,354	-

Pension costs

-	-
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Highest paid director

Salary and taxable benefits	256,354	-
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MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

4. OPERATING LOSS	2014	2013
	£	£
The operating loss is stated after charging:		
Auditors' remuneration	25,000	-
Depreciation of tangible fixed assets	394,363	-
Amortisation of intangible fixed assets	6,414,300	-
Loss on foreign exchange	25,589	-
Operating lease rentals: property leases	507,297	-
	<u> </u>	<u> </u>
5. INTEREST PAYABLE AND SIMILAR CHARGES	2014	2013
	£	£
Interest paid	631	-
	<u> </u>	<u> </u>
6. TAXATION	2014	2013
	£	£
Analysis of tax charge for the year		
Current Tax (see note below)		
- UK corporation tax charge on loss for the year	-	-
	<u> </u>	<u> </u>
Overseas tax	42,697	-
	<u> </u>	<u> </u>
	42,697	-
	<u> </u>	<u> </u>
Factors affecting the Group tax charge for the year		
The tax charge for the year is higher than the standard rate of corporation tax in the UK of 21.5%. The differences are explained below:		
Loss on ordinary activities before taxation	(9,336,967)	-
Loss on ordinary activities at standard UK corporation tax rate	(2,007,448)	-
Effects of:		
Expenses not deductible for tax purposes	328,086	-
Deferred tax asset not recognised	1,592,615	-
Other adjustments	86,747	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges

At 31 December 2014 the group had trading losses carried forward of approximately £7,900,000 (2013: £Nil). No deferred tax asset has been provided in respect of those losses because of the current uncertainty over their utilisation.

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

7. INTANGIBLE FIXED ASSETS

	Goodwill £	Intellectual Property £	Internal Development £	Total £
Group and Company				
Cost				
At 1 January 2014	-	-	-	-
Acquisitions (see note 16)	10,006,915	9,000,018	-	19,006,933
Additions	-	-	373,441	373,441
At 31 December 2014	<u>10,006,915</u>	<u>9,000,018</u>	<u>373,441</u>	<u>19,380,374</u>
Amortisation				
At 1 January 2014	-	-	-	-
Charge for year	<u>3,335,638</u>	<u>3,000,018</u>	<u>78,644</u>	<u>6,414,300</u>
At 31 December 2014	<u>3,335,638</u>	<u>3,000,018</u>	<u>78,644</u>	<u>6,414,300</u>
Net Book Value				
31 December 2014	<u>6,671,277</u>	<u>6,000,000</u>	<u>294,797</u>	<u>12,966,074</u>
31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. INVESTMENTS

Fixed Asset Investment - Subsidiary Undertaking

The company holds a 100% shareholding in mGage Athens Private Company, a company incorporated in Greece. The principal activity of that entity is that of services provided in relation to mobile engagement activities. The investment was acquired for a consideration of £Nil.

Current Asset Investment - Other Investment

At 31 December 2014 the company held a 25% shareholding in Black Swan Data Limited which is carried at a net book value of £100 (being cost of £1,204,820 less impairment of £1,204,720). The investment is not considered to be an associate undertaking of the company as the company lacks significant influence over that entity's operating and financial policies.

The investment is classed as a current asset as it was being held for resale, see note 20 for details of the post year end disposal of this investment.

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

9. TANGIBLE FIXED ASSETS

Group	Office Equipment £	Fixtures & Fittings £	Leasehold Improvements £	Total £
Cost				
At 1 January 2014	-	-	-	-
Acquisition (see note 16)	387,668	16,625	73,902	478,195
Additions	120,715	1,883	-	122,598
Disposals	(19,173)	-	-	(19,173)
31 December 2014	489,210	18,508	73,902	581,620
Depreciation				
At 1 January 2014	-	-	-	-
Charge for the year	303,476	16,985	73,902	394,363
Disposals	(8,833)	-	-	(8,833)
31 December 2014	294,643	16,985	73,902	385,530
Net Book Value				
31 December 2014	194,567	1,523	-	196,090
31 December 2013	-	-	-	-
Company				
Cost				
At 1 January 2014	-	-	-	-
Acquisition (see note 16)	387,668	16,625	73,902	478,195
Additions	57,415	1,883	-	59,298
Disposals	(19,173)	-	-	(19,173)
31 December 2014	425,910	18,508	73,902	518,320
Depreciation				
At 1 January 2014	-	-	-	-
Acquisition (see note 16)	17,426	-	-	17,426
Charge for the year	252,467	16,985	73,902	343,354
Disposals	(8,833)	-	-	(8,833)
31 December 2014	261,060	16,985	73,902	351,947
Net Book Value				
31 December 2014	164,850	1,523	-	166,373
31 December 2013	-	-	-	-

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

10. DEBTORS

	2014 Group £	2014 Company	2013 Group £	2013 Company
Due within one year				
Trade debtors	3,378,270	3,378,270	-	-
Amounts owed by group undertakings	136,323	36,369	-	-
Other debtors	111,672	100,298	-	-
Other taxes and social security costs	111,645	-	-	-
Prepayments and accrued income	4,047,038	4,030,429	-	-
	<u>7,784,948</u>	<u>7,545,366</u>	<u>-</u>	<u>-</u>

11. CREDITORS

amounts falling due within one year	2014 Group £	2014 Company £	2013 Group	2013 Company
Trade creditors	3,275,618	3,275,618	-	-
Deferred consideration (see note 18.2)	125,000	125,000	-	-
Amounts owed to group undertakings	212,229	213,520	-	-
Corporation tax	42,697	-	-	-
Other taxes and social security costs	381,231	269,126	-	-
Other creditors	468,959	434,953	-	-
Accruals and deferred income	10,614,727	10,614,727	-	-
	<u>15,120,461</u>	<u>14,932,944</u>	<u>-</u>	<u>-</u>

12. CREDITORS:

amounts falling due after more than one year	2014 Group £	2014 Company £	2013 Group £	2013 Company £
Amounts owed to group undertakings	<u>670,305</u>	<u>670,305</u>	<u>-</u>	<u>-</u>

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

13. SHARE CAPITAL	2014	2013
	£	£
Alloted, called up and fully paid		
2,204 Ordinary shares of £0.01 each (2013: 1,000 Ordinary shares of £0.01 each)	<u>22</u>	<u>10</u>

14. SHAREHOLDERS' FUNDS

Group	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2014	10	-	-	10
Loss for the year	-	-	(9,379,664)	(9,379,664)
Share issue	<u>12</u>	<u>22,994,852</u>	<u>-</u>	<u>22,994,864</u>
At 31 December 2014	<u>22</u>	<u>22,994,852</u>	<u>(9,379,664)</u>	<u>13,615,210</u>

Company

At 1 January 2014	10	-	-	10
Loss for the year	-	-	(9,489,540)	(9,489,540)
Share issue	<u>12</u>	<u>22,994,852</u>	<u>-</u>	<u>22,994,864</u>
At 31 December 2014	<u>22</u>	<u>22,994,852</u>	<u>(9,489,540)</u>	<u>13,505,334</u>

The only movement in the company's and group's shareholders' funds in the previous period was the issue of 1,000 ordinary £0.01 shares for total consideration of £10.

15. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating loss	(8,145,505)	-
Amortisation of intangible fixed assets	6,414,300	-
Depreciation of tangible fixed assets	376,937	-
Movement in debtors	5,792,449	-
Movement in creditors	<u>(1,048,604)</u>	<u>-</u>
	<u>3,389,577</u>	<u>-</u>

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YEAR ENDED 31 DECEMBER 2014

16. RECONCILIATION OF PURCHASE OF TRADE AND ASSETS

	2014 £	2013 £
Cash acquired on acquisition	2,709,164	-
Intangible fixed assets	19,006,933	-
Tangible fixed assets	478,195	-
Acquisition of debtors	13,577,397	-
Acquisition of creditors	<u>(16,699,439)</u>	<u>-</u>
	<u>19,072,250</u>	<u>-</u>

The purchase of trade and assets was satisfied by cash of £19,072,250

17. OPERATING LEASE COMMITMENTS

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

	Land and Buildings 2014 £	Other 2014 £	<i>Land and Buildings 2013 £</i>	<i>Other 2013 £</i>
Expiry date:				
Within 1 year	64,217	233,289	-	-
Between 2 and 5 years	<u>30,992</u>	<u>453,708</u>	<u>-</u>	<u>-</u>
	<u>95,209</u>	<u>686,997</u>	<u>-</u>	<u>-</u>

18. RELATED PARTY TRANSACTIONS

18.1 Subsidiary Undertaking

As the company wholly owns its subsidiary undertaking it has taken advantage of FRS8 not to disclose transactions with that undertaking.

18.2 Black Swan Data Limited ("BSD")

See note 8 for details of the company's investment in BSD. The company is a director of BSD.

At 31 December 2014, £28,483 was owed to BSD (2013: £nil).

At 31 December 2014, deferred consideration of £125,000 is payable to BSD (2013: £nil).

MGAGE EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2014

18. RELATED PARTY TRANSACTIONS (CONTINUED)

18.3 mGage LLC

During the year, mGage LLC, the Company's immediate parent undertaking, provided services totalling £109,154 (2013: £nil). At 31 December 2014, £764,837 was payable to mGage LLC (2013: £nil), of which £185,037 is a current liability, and £579,800 is a non-current liability.

18.4 Velti DR Limited ("Velti")/Mobile Interactive Group Limited ("MIG")

On 3 January 2014, the company purchased the trade and assets of Velti and MIG, companies in which S Patel, a director of the company, was a previous director. The consideration paid for the purchase was £19,072,250. See note 16 for further details.

18.5 mGage India Private Limited

During the year the company provided services to mGage India Private Limited, a company owned by mGage LLC, and totalling £32,121 (2013: £nil)

19. ULTIMATE PARENT UNDERTAKINGS

The company's ultimate parent undertaking until 21 August 2015 was GSO MMBU Cayman Holdings LP (Cayman). On 21 August 2015, TBC Holdings I Inc., a company incorporated in USA became the ultimate parent undertaking.

20. POST BALANCE SHEET EVENTS

On 12 August 2015 a capital reduction occurred whereby the share premium account of the company was reduced by £22,994,852 to £nil. This is so that the company has distributable reserves going forward.

On 21 August 2015, TBC Holdings I Inc. became the company's ultimate parent undertaking. See note 19 for further details.

On 19 August 2015 the company's investment in Black Swan Data Limited (see note 8) was sold to mGage Holdings LLC, the immediate parent undertaking of the company for consideration of £100.