

MUZICALL LIMITED

ABBREVIATED ACCOUNTS

31 DECEMBER 2015

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MUZICALL LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2015

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MUZICALL LIMITED

INDEPENDENT AUDITOR'S REPORT TO MUZICALL LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Muzicall Limited for the year ended 31 December 2015 prepared under Section 396 of the Companies Act 2006. This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director is responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



PHILIP KING FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

16 December 2016

MUZICALL LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2015

	Note	2015 £	2014 £
FIXED ASSETS	2		
Intangible assets		1,766,074	3,064,124
Tangible assets		9,140	61,033
Investments		184	184
		<u>1,775,398</u>	<u>3,125,341</u>
CURRENT ASSETS			
Debtors		315,805	730,283
Cash at bank and in hand		974,621	650,529
		<u>1,290,426</u>	<u>1,380,812</u>
CREDITORS: Amounts falling due within one year		<u>(284,271)</u>	<u>(499,826)</u>
NET CURRENT ASSETS		<u>1,006,155</u>	<u>880,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,781,553</u>	<u>4,006,327</u>
CREDITORS: Amounts falling due after more than one year		<u>(2,508,018)</u>	<u>(2,587,799)</u>
		<u>273,535</u>	<u>1,418,528</u>
CAPITAL AND RESERVES			
Called up equity share capital	3	306,881	306,881
Other reserves		4,346,871	4,346,871
Profit and loss account		(4,380,217)	(3,235,224)
SHAREHOLDERS' FUNDS		<u>273,535</u>	<u>1,418,528</u>

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved and signed by the director and authorised for issue on 12-13-16



M Parham

Company Registration Number: 04964271

The notes on pages 3 to 4 form part of these abbreviated accounts.

MUZICALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

The financial statements have been prepared using the going concern basis of accounting. In determining whether the company's financial statements can be prepared on the going concern basis the Director has considered all factors likely to affect its future development, performance and its financial position.

A fellow group company, Real Networks Austria, has committed to providing operational and financial support to the company as is necessary to enable it to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these financial statements. Furthermore they will not see repayment of intercompany indebtedness during the support period, unless sufficient funds are available such that doing so will not compromise the going concern position.

Following consideration of the above factors the Director has considered that it is appropriate to apply the going concern basis.

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).

Consolidation

In the opinion of the director, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and is recognised in the month in which the company supplies the related ring back tone or support services.

Licenses and development costs

Licences are valued at cost less accumulated amortisation. Development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised.

Amortisation on licences and development costs is calculated to write off the cost in equal annual instalments over the period during which the company is expected to benefit, which is estimated at 6 years.

Marketing fund

Marketing expenditures are written off to the profit and loss account in the period in which the associated advertisement or promotion is run. Any contractual marketing commitment is shown as a financial liability and the associated deferred expenditure is written off to the profit and loss as the marketing expenditures are incurred.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit, which is estimated at 6 years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Acquired Goodwill	3 years straight line
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Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Fixtures & Fittings	3 years straight line
Ringback Tone Equipment	3 years straight line

MUZICALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting policies. The deferred tax balance has not been discounted.

Due to the uncertainty as to the timing and quantum of future profits of the company, it was decided not to recognise any of the deferred tax asset that had accrued on tax losses incurred to date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 January 2015	9,274,125	1,569,334	184	10,843,643
Additions	–	1,260	–	1,260
At 31 December 2015	<u>9,274,125</u>	<u>1,570,594</u>	<u>184</u>	<u>10,844,903</u>
DEPRECIATION				
At 1 January 2015	6,210,001	1,508,301	–	7,718,302
Charge for year	1,298,050	53,153	–	1,351,203
At 31 December 2015	<u>7,508,051</u>	<u>1,561,454</u>	<u>–</u>	<u>9,069,505</u>
NET BOOK VALUE				
At 31 December 2015	<u>1,766,074</u>	<u>9,140</u>	<u>184</u>	<u>1,775,398</u>
At 31 December 2014	<u>3,064,124</u>	<u>61,033</u>	<u>184</u>	<u>3,125,341</u>

Muzicall Software Limited

The company owns 100% of Muzicall Software Limited, a company incorporated in Israel.

The principle activity was that of providing staff to assist with research and development activities in the telecommunications industry.

The aggregate capital and reserves as at 31 December 2015 were £239,241 (2014: £278,995). The loss for the year ended 31 December 2015 was £23,488 (2014: £17,242 loss).

3. SHARE CAPITAL

Allotted, called up and fully paid:

	2015 No.	£	2014 No.	£
Ordinary shares of £0.01 each	<u>30,688,100</u>	<u>306,881</u>	<u>30,688,100</u>	<u>306,881</u>

4. ULTIMATE PARENT COMPANY

The parent company of Muzicall Ltd is RealNetworks International BV, a company based in the Netherlands. The ultimate parent of Muzicall Ltd is RealNetworks Inc, a company based in the United States of America.