

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

MUZICALL LIMITED

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MUZICALL LIMITED

COMPANY INFORMATION

Director	M Parham
Company secretary	Abogado Nominees Limited
Registered number	04964271
Registered office	100 New Bridge Street London EC4V 6JA
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

MUZICALL LIMITED

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MUZICALL LIMITED
REGISTERED NUMBER:04964271

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due after more than one year	5	1,029,223	1,059,775
Debtors: amounts falling due within one year	5	31,031	60,388
Cash at bank and in hand		84,728	100,619
		<u>1,144,982</u>	<u>1,220,782</u>
Creditors: amounts falling due within one year	6	(43,531)	(66,363)
Net current assets		<u>1,101,451</u>	<u>1,154,419</u>
Total assets less current liabilities		<u>1,101,451</u>	<u>1,154,419</u>
Creditors: amounts falling due after more than one year	7	(2,815,089)	(2,902,602)
Net liabilities		<u>(1,713,638)</u>	<u>(1,748,183)</u>
Capital and reserves			
Called up share capital		306,881	306,881
Other reserves		4,346,871	4,346,871
Profit and loss account		(6,367,390)	(6,401,935)
		<u>(1,713,638)</u>	<u>(1,748,183)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
M Parham
Director

Date: 2 December 2022

The notes on pages 2 to 5 form part of these financial statements.

MUZICALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Muzicall Limited is private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page.

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statement 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 financial position.

The going concern status of the Company is dependent on the group being able to provide continued support to its subsidiary and therefore the group itself being a concern. Despite the Company generating a net profit of £34,545 during the year ended 31 December 2021, at that date, the company's total liabilities exceeded its total assets by £1,713,638. The Company owes £2,815,089 to fellow group company, RealNetworks GmbH (Austria), which is not due for repayment until 2034.

Group management have confirmed that they have no current intention to liquidate the company in the foreseeable future or to cease trading and as such have prepared the financial statements on a going concern basis.

RealNetworks GmbH (Austria) has also committed to providing 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.

We confirm the following matters of material uncertainty in relation to going concern of the ultimate parent which were disclosed in the publicly available consolidated accounts of the group:

"Liquidity and Capital Resources. The Company continues to incur operating losses from continuing operations, including net operating losses of \$20.9 million, and \$5.0 million for the years ended December 31, 2021 and 2020, respectively. The Company had an accumulated deficit of \$570.8 million and \$548.9 million as of December 31, 2021 and 2020, respectively. The Company believes that its cash and cash equivalents of \$27.1 million as of December 31, 2021 is adequate to fund the Company's operations for at least one year from the date these financial statements were issued."

"In the near term, we expect to see continued net negative cash flow from operating activities. We believe that our unrestricted current cash and cash equivalents will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. Notwithstanding this availability of cash, management has considered and will continue to evaluate implementation of a variety of cash conservation measures."

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Revenue

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

2.4 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2020 -0).

4. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2021	226,364
At 31 December 2021	226,364
Depreciation	
At 1 January 2021	226,364
At 31 December 2021	226,364
Net book value	
At 31 December 2021	-
At 31 December 2020	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	1,029,223	1,059,775
	<u>1,029,223</u>	<u>1,059,775</u>
Due within one year		
Trade debtors	16,192	19,343
Other debtors	800	11,101
Prepayments and accrued income	14,039	29,944
	<u>31,031</u>	<u>60,388</u>

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	20	381
Amounts owed to group undertakings	33,722	53,631
Accruals and deferred income	9,789	12,351
	<u>43,531</u>	<u>66,363</u>

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

	2021 £	2020 £
Amounts owed to group undertakings	2,815,089	2,902,602
	<u>2,815,089</u>	<u>2,902,602</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Repayable other than by instalments	2,815,089	2,902,602
	<u>2,815,089</u>	<u>2,902,602</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	25,962	25,962
	<u>25,962</u>	<u>25,962</u>

9. Controlling party

The parent of the smallest group for which consolidated financial statements are drawn up is RealNetworks, Inc., a company incorporated in the USA. The address of their registered office is: PO Box 91123, Seattle, WA 98111-9223, USA.

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.2. in the financial statements, which indicates the Company has net liabilities at the year end of £1,713,638. The Company is dependent on the continuing support and funding from group management to continue as a going concern. They have confirmed that they have no current intention to liquidate the company in the foreseeable future or to cease trading and as such have prepared the financial statements on a going concern basis. They will ensure the company is able to meet its liabilities as they fall due and continue in operational existence for a period of at least twelve months from the date of approval of these accounts.

Additionally in note 2.2 the Company has disclosed information about a material uncertainty disclosed in the latest parent company reporting.

As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a

material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 7 December 2022 by Andrew Wooding FCA (Senior statutory auditor) on behalf of Menzies LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.