

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020  
  
MUZICALL LIMITED**

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**MUZICALL LIMITED**

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**COMPANY INFORMATION**

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

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**MUZICALL LIMITED**

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**MUZICALL LIMITED**  
**REGISTERED NUMBER:04964271**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	1,059,775	967,164
Debtors: amounts falling due within one year	5	60,388	78,515
Cash at bank and in hand		100,619	135,367
		<u>1,220,782</u>	<u>1,181,046</u>
Creditors: amounts falling due within one year	6	(66,363)	(79,924)
<b>Net current assets</b>		<u>1,154,419</u>	<u>1,101,122</u>
<b>Total assets less current liabilities</b>		<u>1,154,419</u>	<u>1,101,122</u>
Creditors: amounts falling due after more than one year	7	(2,902,602)	(2,650,442)
<b>Net liabilities</b>		<u>(1,748,183)</u>	<u>(1,549,320)</u>
<b>Capital and reserves</b>			
Called up share capital		306,881	306,881
Other reserves		4,346,871	4,346,871
Profit and loss account		(6,401,935)	(6,203,072)
		<u>(1,748,183)</u>	<u>(1,549,320)</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: 26 July 2021

The notes on pages 2 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 since the Company generated a net loss of £198,863 during the year ended 31 December 2020 and, at that date, the company's total liabilities exceeded its total assets by £1,748,183. The Company owes £2,902,602 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 \$5.0 million, and \$27.1million for the years ended December 31, 2020 and 2019, respectively. The Company had an accumulated deficit of \$548.9 million and \$544.0 million as of December 31, 2020 and 2019, respectively. The Company believes that its cash and cash equivalents of \$23.9 million as of December 31, 2020, as well as the unused capacity of its revolving line of credit, are 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 and unused capacity on our revolving line of credit 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 and access to additional funding, 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**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.

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**3. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2019 -£NIL).

The average monthly number of employees, including directors, during the year was 0 (2019 -0).

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MUZICALL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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4. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 January 2020	226,364
At 31 December 2020	226,364
<b>Depreciation</b>	
At 1 January 2020	226,364
At 31 December 2020	226,364
<b>Net book value</b>	
At 31 December 2020	-
<b>At 31 December 2019</b>	-

**MUZICALL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	1,059,775	967,164
	<u>1,059,775</u>	<u>967,164</u>
<b>Due within one year</b>		
Trade debtors	19,343	41,870
Other debtors	11,101	5,357
Prepayments and accrued income	29,944	31,288
	<u>60,388</u>	<u>78,515</u>

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

	2020 £	2019 £
Trade creditors	381	174
Amounts owed to group undertakings	53,631	69,769
Accruals and deferred income	12,351	9,981
	<u>66,363</u>	<u>79,924</u>

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

	2020 £	2019 £
Amounts owed to group undertakings	2,902,602	2,650,442
	<u>2,902,602</u>	<u>2,650,442</u>

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

	2020 £	2019 £
Repayable other than by instalments	2,902,602	2,650,442
	<u>2,902,602</u>	<u>2,650,442</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**8. 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.

**9. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 2 August 2021 by Richard Watson FCCA (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.