

Box Intl Holdings Limited

Report and financial statements

Registered number 08531025

31 January 2019

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Company Information

Directors

D C Smith
J R Mannie
D B Leeb

Company Secretary

Citco Management (UK) Limited

Registered Office

14th-15th Floors
White Collar Factory
1 Old Street Yard
London
EC1Y 8AF

Independent Auditor

Ernst & Young LLP
1 More London Riverside
London
SE1 2AF

Bankers

Bank of America Merrill Lynch
2 King Edward Street
London
EC1A 1HQ

Strategic report

The directors present their strategic report for the year ended 31 January 2019.

Review of the business

For the year ended 31 January 2019 Box Intl Holdings Limited's ("the company") principal activity was that of a Holding company with the purpose of holding subsidiary companies common stock.

Results and KPIs

The financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies Act 2006.

Key financial and other performance indicators during the year were as follows:

	2019	2018	Change
	\$	\$	%
Loss for the financial year	(954)	(1,020)	6%
Current assets as % of current liabilities ('quick ratio')	0.04%	0.08%	0.04%

Total loss for the financial year was \$954 (2018: \$1,020). This loss was caused predominantly by administration costs of running the company.

The group's "quick ratio" (current assets as a percentage of current liabilities) was 0.04%, largely due to the yearend intercompany balance, payable to Box Inc, exceeding year end debtors and cash reserves.

Strategic report (*continued*)

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks.

The key business and financial risks and uncertainties affecting the company are continually monitored by the directors and appropriate steps are taken to eliminate or reduce their impact. The following risks are significant to the company's operations:

- Cash risk. The company is dependent for ongoing cash funding from the ultimate parent within the group Box Inc, a company registered in the United States. The directors are confident the current arrangements of funding will continue for the foreseeable future.
- Investment risk. The company has purchased the common stock of Box Technology Limited. The directors are confident that this investment will deliver future economic returns for the company.

By order of the board



Director

J R Mannie

30/10/2019

14-15th Floors
White Collar Factory
1 Old Street Yard
London, EC1Y 8AF
UK

Directors' report

The directors present their report for the year ended 31 January 2019.

Directors

The directors who held office during the year and up to the date of this report are as follows:

D C Smith
J R Mannie
D B Leeb

Proposed dividend

The directors do not recommend the payment of a dividend (2018: Nil).

Going Concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by Box Inc, the company's ultimate Holdings undertaking.

Box Inc has indicated to the company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Political and charitable contributions

The company made no political or UK charitable contributions during the period (2018: Nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the necessary steps required to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report (*continued*)

Auditors

In accordance with Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and EY LLP will therefore continue in office.

By order of the board



Director

J R Mannie

30/10/2019

14-15th Floors
White Collar Factory
1 Old Street Yard
London, EC1Y 8AF
UK

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK General Accepted Accounting Practice).

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 and 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 judgements and 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'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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Box Intl Holdings Limited

Opinion

We have audited the financial statements of Box Intl Holdings Limited for the year ended 31 January 2019 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 January 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditors' report to the members of Box Intl Holdings Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the members of Box Intl Holdings Limited
(continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Marcus Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, UK

Date 30 October 2019

Income Statement
for the year ended 31 January 2019

	<i>Note</i>	2019	2018
		\$	\$
Administrative expenses		(973)	(1,033)
Operating loss	2	(973)	(1,033)
Interest receivable and similar income		19	13
Loss on ordinary activities before taxation		(954)	(1,020)
Taxation	5	-	-
Loss for the financial period		(954)	(1,020)

The results derive from continuing operations.

Other Comprehensive Income

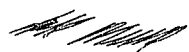
For the year ended 31 January 2019

	2019 \$	2018 \$
Loss for the year	(954)	(1,020)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(954)</u>	<u>(1,020)</u>

Statement of Financial Position
at 31 January 2019

	<i>Note</i>	2019	2018
		\$	\$
Fixed assets			
Investments	6	256,489,148	218,489,148
Current assets			
Debtors	7	291	291
Cash at bank and in hand		593	1,547
		<u>884</u>	<u>1,838</u>
Creditors: amounts falling due within one year	8	(23,235)	(23,235)
Net current liabilities		<u>(22,351)</u>	<u>(21,397)</u>
Total assets less current liabilities		<u>256,466,797</u>	<u>218,467,751</u>
Net assets		<u><u>256,466,797</u></u>	<u><u>218,467,751</u></u>
Capital and reserves			
Called up share capital	9	32,659,289	32,659,289
Other reserves	10	230,438,766	192,438,766
Profit and loss account	10	(6,631,258)	(6,630,304)
Shareholder's funds	11	<u><u>256,466,797</u></u>	<u><u>218,467,751</u></u>

These financial statements were approved by the directors on 30/10/2019 and were signed accordingly:
By order of the board



Director
J R Mannie

Statement of Changes in Equity
for the year ended 31 January 2019

	Called-up share capital	Other reserves	Profit and loss account	Total
	\$	\$	\$	\$
At 1 February 2018	32,659,289	192,438,766	(6,630,304)	218,467,751
Loss and total comprehensive loss for the year	-	-	(954)	(954)
Other contributions	-	38,000,000	-	38,000,000
At 31 January 2019	<u>32,659,289</u>	<u>230,438,766</u>	<u>(6,631,258)</u>	<u>256,466,797</u>

Statement of Changes in Equity
for the year ended 31 January 2018

	Called-up share capital	Other reserves	Profit and loss account	Total
	\$	\$	\$	\$
At 1 February 2017	32,659,289	132,000,000	(6,629,284)	158,030,005
Loss and total comprehensive loss for the year	-	-	(1,020)	(1,020)
Other contributions	-	60,438,766	-	60,438,766
At 31 January 2018	<u>32,659,289</u>	<u>192,438,766</u>	<u>(6,630,304)</u>	<u>218,467,751</u>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies Act in 2006. The company transitioned from previously extant UK GAAP to FRS102 for all periods presented.

The Company has taken advantage of Financial Reporting Standard 102 section 1.12 "Reduced disclosure for subsidiaries". The Company is a qualifying entity within a group whose financial statements are publicly available. The following disclosure exemptions were taken:

- (a) the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv)
- (b) the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d)
- (c) the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going Concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by Box Inc, the company's ultimate Holdings undertaking.

Box Inc has indicated to the company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and, in particular, will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Presentation currency

The presentational currency of the company is USD (\$).

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Non – listed investments are measured at cost, less provisions for impairment. Impairment testing is carried out when indicators of impairment are identified. The directors concluded that there were no indicators of impairment in the year ended 31st January 2019.

Notes (continued)

2 Operating loss

	2019 \$	2018 \$
<i>The operating loss is stated after charging:</i>		
Auditors' remuneration for the audit of these financial statements	10,000	10,000

3 Remuneration of directors

Director's remuneration in respect of the services provided by all directors for the period ended 31 January 2019 have been borne by other group companies. The directors are also directors of other companies within the Box group. The director's services to the company do not occupy a significant amount of their time. As such these directors do not consider that they received any remuneration for their incidental services to the company for the period ended 31 January 2019.

There are no separate directors' pension schemes in existence.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was nil.

The aggregate payroll costs for the period were nil.

5 Taxation

	2019 \$	2018 \$
<i>UK corporation tax</i>		
UK Corporation tax on loss for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax charge/(credit)	-	-
<i>Deferred tax</i>		
Origination/ reversal of timing differences	-	-
Adjustment in respect of prior years	-	-
Differences in Deferred Tax arising from changes in rate	-	-
Total deferred tax (credit)/charge	-	-
Tax on loss on ordinary activities	-	-

Notes (continued)

5 Taxation (continued)

	2019 \$	2018 \$
The tax assessed for the year is different from the UK corporation tax rate of 19.16% (2018: 19.16%). The differences are explained below:		
(Loss) on ordinary activities before tax	(954)	(1,020)
Standard rate of corporation tax in the UK 19.16% (2018: 19.16%)	(182)	(195)
Effects of:		
Tax losses carried forward	182	195
Total tax charge/(credit) (see above)	-	-

At 31 January 2019, the company had no deferred tax assets.

6 Investments

	2019 \$	2018 \$
Non-Listed Investments	256,489,148	218,489,148
Impairments	-	-
	256,489,148	218,489,148

Details of investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holdings	Proportion of voting rights & shares held	Nature of Business
Box Intl Technology Limited (Direct)	Ordinary Shares	100%	Licence to exploit Box Technology
Box.Com (UK) Limited (Indirect)	Ordinary Shares	100%	Provision of SaaS (Software as a Service)

Notes (continued)

6. Investments (continued)

Box Deutschland Gmbh (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited
Box France SARL (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited
Box Canada Inc. (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited
Box.Com (Australia) Pty Ltd (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited
Box Netherlands BV (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited
Secure Cloud Collaboration Sweden AB (Indirect)	Ordinary Shares	100%	Marketing & Sales Development on behalf of Box.Com (UK) Limited

The value of investments before impairment has increased by \$38,000,000 (2018: \$60,438,766) due to capital contribution made by Box International Holdings Limited to Box International Technology Limited in the year.

7 Debtors

	2019 \$	2018 \$
Amounts owed from group undertakings	291	291
	<u>291</u>	<u>291</u>

8 Creditors: amounts falling due within one year

	2019 \$	2018 \$
Accruals and deferred income	23,235	23,235
	<u>23,235</u>	<u>23,235</u>

Notes (continued)

9 Called up share capital

	2019 \$	2018 \$
<i>Allotted, called up and fully paid</i>		
Equity: 32,659,289 Ordinary shares	32,659,289	32,659,289
PAR value (\$1)		

10 Movement in reserves

	Share premium account \$	Other reserves \$	Profit and loss account \$	Total \$
At beginning of year	-	192,438,766	(6,630,304)	185,808,462
Retained loss for the year	-	-	(954)	(954)
Additions	-	38,000,000	-	38,000,000
At end of year	-	230,438,766	(6,631,258)	223,807,508

11 Reconciliation of movements in shareholder's funds

	2019 \$	2018 \$
Loss for the financial year	(954)	(1,020)
Share Capital	-	-
Movement in Other Reserves	38,000,000	60,438,766
Net Increase in shareholder's funds	37,999,046	60,437,746
Opening shareholder's funds	218,467,751	158,030,005
Closing shareholder's funds	256,466,797	218,467,751

12 Ultimate parent company and parent undertaking of larger group of which the company is a member.

The ultimate and immediate parent company is Box Inc, a company registered in the United States.

The smallest and largest group in which the results of the company are consolidated is that headed by Box Inc. – 900 Jefferson Avenue, Redwood City, California, incorporated in The United States.