

Pitney Bowes

Pitney Bowes Holdings Limited

Directors' Report and Financial Statements

Year Ended 31 December 2014

Registered Number 1273274

THURSDAY



A48TF5W3

A16

04/06/2015

#67

COMPANIES HOUSE

PITNEY BOWES HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

Directors' Report	2 - 4
Independent Auditors' Report.....	5
Profit and Loss Account.....	6
Balance Sheet.....	7
Notes to the Financial Statements.....	8 - 13

PITNEY BOWES HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014

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

Principal activities and business review

The principal activity of the company is that of a holding company for the companies shown in note 6. As such, it does not trade but has received interest income on intercompany balances in the year of £1,094,000 (2013:£1,066,000).

Results and dividends

The profit and loss account shows profit on ordinary activities before taxation of £1,094,000 for the year, (2013: £9,534,000 loss). The profit for the financial year is £1,124,000 (2013: £9,498,000 loss).

The directors do not propose an ordinary share dividend (2013: £nil).

Key performance indicators

The company acts as a holding company so there are no key performance indicators.

Principal risks and uncertainties

The principal risks and uncertainties of the business relate to the general economic environment and also those risks identified below.

a) Financial Instruments

The company's financial instruments comprise cash and various items such as debtors and creditors that arise directly from its operations. All financial assets and liabilities are recorded at historical cost. It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken. Similarly the company did not undertake any financial hedging arrangements during the year under review. The year-end position reflects these policies and there have been no changes in policies or risks since the year-end. The main risks arising from the company's financial instruments are liquidity risks and interest rate risks.

b) Liquidity Risk

Through cash flow forecasting the company monitors working capital and expenditure requirements to ensure that cash is available to meet obligations as they fall due.

c) Interest rate risk

The company finances its operations through shareholders' funds and working capital and only has exposure to interest rate fluctuations on its cash balances and intercompany loans.

d) The fair values of the financial assets and liabilities approximate to their book values.

PITNEY BOWES HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014 (continued)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

G R Willsher
R Spielberger
J L Coupland (also Company Secretary)

Directors' indemnities

The ultimate parent company, Pitney Bowes Incorporated, purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company's directors.

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared 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 of the profit or 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 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'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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PITNEY BOWES HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014 (continued)

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware there is no relevant information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

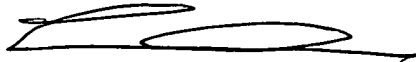
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken advantage of section 414B of the Companies Act 2006 not to include a strategic review in these financial statements.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Approved by the Board on 26 May 2015 and signed on behalf of the directors



G R Willsher
Director

26 May 2015

Independent auditors' report to the members of Pitney Bowes Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Pitney Bowes Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

What we have audited

Pitney Bowes Holdings Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from

preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements 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.



Matthew Mullins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
26 May 2015

PITNEY BOWES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Note	2014 £000	2013 £000
Interest receivable and similar income	4	1,094	1,066
Amounts written off investments	6	-	(10,600)
Profit/(loss) on ordinary activities before taxation	2	1,094	(9,534)
Tax on profit/(loss) on ordinary activities	5	30	36
Profit/(loss) for the financial year	10	1,124	(9,498)

Profit/(loss) for the financial year is derived from continuing operations.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

There are no recognised gains or losses other than those shown in the profit and loss account above. Accordingly, no statement of total recognised gains and losses is presented.

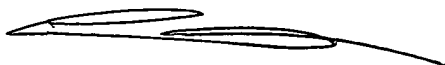
PITNEY BOWES HOLDINGS LIMITED

BALANCE SHEET

As at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	6	<u>75,796</u>	<u>75,796</u>
		75,796	75,796
Current assets			
Debtors	7	77,669	34,415
Debtors – amounts falling due after more than one year	7	-	42,157
Cash at bank and in hand		<u>7</u>	<u>10</u>
		77,676	76,582
Creditors: amounts falling due within one year	8	<u>(33,187)</u>	<u>(33,217)</u>
Net current assets		44,489	43,365
Total assets less current liabilities		<u>120,285</u>	<u>119,161</u>
Net assets		<u>120,285</u>	<u>119,161</u>
Capital and reserves			
Called up share capital	9	97,000	97,000
Share premium account	10	5,052	5,052
Profit and loss account	10	18,233	17,109
Total shareholders' funds	11	<u>120,285</u>	<u>119,161</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 26 May 2015 and were signed on its behalf by:



G R Willsher
Director

Registered number: 1273274

PITNEY BOWES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis and under the historical cost convention. The accounting policies, which have been applied consistently, are set out below, and are in accordance with applicable accounting standards in the United Kingdom and in accordance with the Companies Act 2006.

Principles of consolidation

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare group financial statements as its ultimate parent company, Pitney Bowes Incorporated, has prepared consolidated financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Investment in subsidiaries

The investment in direct subsidiaries is carried at cost less provisions for any impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

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 that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date.

An asset is recognised to the extent that the transfer of economic benefits in the future is more likely than not. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax liabilities recognised have not been discounted.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Pitney Bowes Incorporated and is included in the consolidated financial statements of this company, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised 1996). The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Pitney Bowes group.

2 Profit/(loss) on ordinary activities before taxation

The auditors' remuneration for the current and prior financial year was borne by another group company. It has not been possible to separately identify the audit fee related to this entity.

PITNEY BOWES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

3 Directors' remuneration

The emoluments of all Directors are paid by other Pitney Bowes' entities, with no recharge made to the company (2013: £nil). It is therefore not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the following companies:

G R Willsher: Pitney Bowes Limited
R Spielberger: PB Deutschland GmbH

The company had no employees other than the directors during the financial year (2013: none).

4 Interest receivable and similar income

	2014 £000	2013 £000
Interest from group undertakings	1,094	1,066
	<u>1,094</u>	<u>1,066</u>

5 Tax on profit/(loss) on ordinary activities

	2014 £000	2013 £000
Current tax		
UK corporation tax on profit for the year	237	267
Adjustments in respect of prior years	(267)	(303)
Tax credit on profit/(loss) on ordinary activities	<u>(30)</u>	<u>(36)</u>

Factors affecting tax credit for the year:

The tax assessed for the financial year is different to (2013: different to) the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before taxation	<u>1,094</u>	<u>(9,534)</u>
Profit/(loss) on ordinary activities before taxation multiplied by the standard UK rate of 21.50% (2013: 23.25%)	235	(2,217)
Effects of:		
Expenses not deductible for tax purposes	-	2,465
Transfer pricing adjustment	2	19
Adjustments in respect of prior years	(267)	(303)
Current tax credit for the year	<u>(30)</u>	<u>(36)</u>

PITNEY BOWES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014 (continued)

5 Tax on profit/(loss) on ordinary activities (continued)

Factors that may affect future tax charges:

A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The main rate of UK corporation tax was reduced from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes were substantively enacted for financial reporting purposes on 2 July 2013 and are therefore taken into account in these financial statements.

6 Investments

	2014	2013
	£000	£000
At 1 January	75,796	75,796
Additions	-	10,600
Impairment	-	(10,600)
At 31 December	<u>75,796</u>	<u>75,796</u>

The directors believe that the carrying values of the investments are supported by their underlying net assets.

Subsidiary undertakings

The company has the following wholly owned subsidiaries:

Name	Country of incorporation or registration	Principal activity
Pitney Bowes Limited	England	Equipment sales
Pitney Bowes Finance Limited	England	Leasing
OldMS Limited	England	Non-trading
Alternative Mail and Parcels Investments Limited	England	Holding company

In addition, the Company has control of 100% of the voting rights of the following companies, the whole of the share capital being owned by:

Pitney Bowes Finance Limited:

Pitney Bowes Finans Norge AS	Norway	Leasing
Pitney Bowes Finance Ireland Limited	Eire	Leasing

PITNEY BOWES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014 (continued)

6 Investments (continued)

Pitney Bowes Limited:

Pitney Bowes Oy	Finland	Equipment sales
Pitney Bowes Svenska AB	Sweden	Equipment sales
Pitney Bowes Norge As	Norway	Equipment sales
Pitney Bowes Ireland Limited	Eire	Equipment sales
PBDorm Ireland Limited	Eire	Dormant
The Pitney Bowes Pension Fund Trustee Limited	England	Non-trading
Pitney Bowes Danmark A/S	Denmark	Equipment sales

The principal activities of the non-dormant subsidiaries are sales, or leasing of mailing machines and office equipment, as specified above.

7 Debtors

Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed by group undertakings	45,669	34,415
Amounts owed by undertakings in which the company has a participating interest	<u>32,000</u>	-
	<u>77,669</u>	<u>34,415</u>

Amounts owed by group undertakings comprise a £35,478,000 loan with an interest rate of 3.00% and a £10,191,000 loan with an interest rate of 0.31% which are both repayable on demand. Amounts owed by group undertakings in which the company has a participating interest are non-interest bearing and repayable on demand.

Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed by group undertakings	-	10,157
Amounts owed by undertakings in which the company has a participating interest	-	32,000
	<u>-</u>	<u>42,157</u>

PITNEY BOWES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014 (continued)**

8 Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings in which the company has a participating interest	32,950	32,950
Corporation tax	237	267
	<u>33,187</u>	<u>33,217</u>

Amounts owed to group undertakings represents a non-interest bearing, unsecured loan which is repayable on demand.

9 Called up share capital

	2014 £000	2013 £000
Allotted and fully paid 97,000,004 (2013: 97,000,004) Ordinary shares of £1 each	<u>97,000</u>	<u>97,000</u>

10 Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2014	5,052	17,109
Profit for the financial year	-	1,124
At 31 December 2014	<u>5,052</u>	<u>18,233</u>

PITNEY BOWES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014 (continued)

11 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit/(loss) for the financial year	1,124	(9,498)
Net increase/(decrease) in shareholders' funds	<u>1,124</u>	<u>(9,498)</u>
Opening shareholders' funds	119,161	128,659
Closing shareholders' funds	<u><u>120,285</u></u>	<u><u>119,161</u></u>

12 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Pitney Bowes Holdco Limited, a Company registered in England. Copies of these financial statements can be obtained from Pitney Bowes Holdco Limited, Building 5 Trident Place, Hatfield Business Park, Mosquito Way, Hatfield, Hertfordshire, United Kingdom, AL10 9UJ.

The ultimate parent undertaking and controlling party is Pitney Bowes Incorporated, a company incorporated in the United States of America. Pitney Bowes Incorporated is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2014. Copies of the group financial statements are publicly available and can be obtained from Pitney Bowes World Headquarters, 3001 Summer Street, Stamford, Connecticut, 06926, USA.

13 Related party transactions

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8, "Related Party Disclosures", as the consolidated financial statements of Pitney Bowes Incorporated in which the company is included, are available at the address noted above.