

Pitney Bowes

Pitney Bowes Holdings Limited
Annual Report and Financial Statements
Year Ended 31 December 2011

Registered Number 1273274



PITNEY BOWES HOLDINGS LIMITED
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
For the year ended 31 December 2011

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PITNEY BOWES HOLDINGS LIMITED
DIRECTORS AND OFFICERS

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

G R Willsher	
H Jesson	Resigned 29 June 2011
R Spielberger	Appointed 29 June 2011

Company secretary

J L Coupland

Registered Office

The Pinnacles
Harlow
Essex
CM19 5BD

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Solicitors

Allen & Overy

Bankers

Barclays Bank PLC
National Westminster Bank PLC
Chase Manhattan Bank, N A.
Bank of Ireland

PITNEY BOWES HOLDINGS LIMITED
REPORT OF THE DIRECTORS
For the year ended 31 December 2011

The directors of Pitney Bowes Holdings Limited have pleasure in submitting their annual report, together with the audited financial statements of the company, for the year ended 31 December 2011

Principal activities and business review

The principal activity of the company is that of a holding company for the companies shown on pages 12 and 13

Principal risks and uncertainties

The principal risks and uncertainties of the business relate to the general economic environment and also those risks identified in Note 12

Results and dividends

The profit and loss account on page 8 shows loss before tax of £57,000 for the year, (2010 loss £8,528,000) The loss after tax is £150,000 (2010 loss £8,747,000)

The directors do not propose an ordinary share dividend (2010 Nil)

Key performance indicators

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

Directors

The present members of the board and changes since the presentation of the last financial statements are shown on page 2

Directors' interests

No director beneficially owns any of the ordinary shares of the Company

The interests of the directors in the shares of the ultimate parent undertaking are exempt from disclosure under the Companies (Disclosure of Directors Interests) (Exceptions) Regulations SI 1985/802 as the parent company is incorporated outside of Great Britain and owns 100% of Pitney Bowes Holdings Limited

For the purpose of the register required to be kept by Section 325 of the Companies Act 2006, the directors are exempt from notifying the company of interests in companies incorporated outside of the United Kingdom

PITNEY BOWES HOLDINGS LIMITED
REPORT OF THE DIRECTORS
For the year ended 31 December 2011 (continued)

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 year. 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.

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
- 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.

PITNEY BOWES HOLDINGS LIMITED
REPORT OF THE DIRECTORS
For the year ended 31 December 2011 (continued)

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

The Pinnacles
Harlow
Essex
CM19 5BD

On behalf of the Board



Date 20 August 2012

G R Willsher
Director

PITNEY BOWES HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITNEY BOWES HOLDINGS LIMITED

We have audited the financial statements of Pitney Bowes Holding Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of director and auditors

As explained more fully in the Statement of directors' responsibilities set out in the Report of the Director's, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its result 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

Opinion on other matter prescribed by the Companies Act 2006

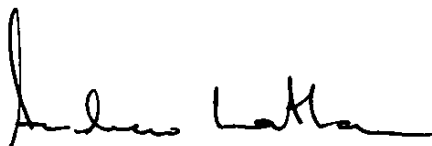
In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITNEY
BOWES HOLDINGS LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Andrew Latham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

Date 20th August 2012

PITNEY BOWES HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Interest receivable and similar income	4	14	12
Amounts written off fixed asset investments	6	(71)	(8,540)
Loss on ordinary activities before taxation	2	(57)	(8,528)
Tax on loss on ordinary activities	5	(93)	(219)
Loss for the financial year	10	(150)	(8,747)

Income is derived from continuing operations

A reconciliation of movements in shareholders' funds is given in note 11

There is no material difference between the result on ordinary activities before taxation and the retained loss for the financial years stated above and their historical cost equivalents

There are no gains or losses other than those shown in the profit and loss account above

PITNEY BOWES HOLDINGS LIMITED
BALANCE SHEET
As at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	6	<u>75,796</u>	<u>75,867</u>
		75,796	75,867
Current assets			
Debtors	7	52,762	52,762
Cash at bank and in hand		<u>18</u>	<u>4</u>
		52,780	52,766
Creditors - amounts falling due within one year	8	<u>(312)</u>	<u>(219)</u>
Net current assets		<u>52,468</u>	<u>52,547</u>
Total assets less current liabilities		128,264	128,414
Net assets		<u>128,264</u>	<u>128,414</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	26,212	26,362
Total shareholders' funds	11	<u>128,264</u>	<u>128,414</u>

The financial statements on pages 8 to 15 were approved by the board of directors on 20 August 2011 and were signed on its behalf by



G R Willsher
Director

PITNEY BOWES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

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 immediate parent company, Pitney Bowes Inc., 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 permanent diminution in value.

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 recognized 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 recognized 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 recognized have not been discounted.

Cashflow statement and related party disclosures

The company is a wholly owned subsidiary of Pitney Bowes Inc. 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 Loss on ordinary activities before taxation

The auditors' remuneration for the company is borne by another group company (2010: nil).

PITNEY BOWES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011 (continued)

3 Directors' remuneration

The emoluments of all Directors are paid by other Pitney Bowes' entities, with no recharge made to the company (2010 £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 Willsher Pitney Bowes Limited
H Jesson Pitney Bowes Limited
R Spielberger PB Deutschland GmbH

The company had no employees during the financial year (2010 none)

4 Interest receivable and similar income

	2011 £'000	2010 £'000
Interest from group undertakings	14	12
	<u>14</u>	<u>12</u>

5 Tax on loss on ordinary activities

Analysis of charge in the year

	2011 £'000	2010 £'000
<i>Current tax:</i>		
Corporation tax on the result for the year – current year	93	219
Total current tax	<u>93</u>	<u>219</u>

Factors affecting tax charge for the year:

The tax assessed for the financial year is different to the standard rate of corporation tax in the UK 26.5% (2010 28%) The differences are explained below

Loss on ordinary activities before tax	<u>(57)</u>	<u>(8,528)</u>
Loss on ordinary activities before tax multiplied by the standard UK rate of 26.5% (2010 28%)	(15)	(2,388)
Effects of		
Expenses not deductible for tax purposes	19	2,392
Transfer pricing adjustment	241	215
Prior year Group relief not paid for	(152)	-
Current tax charge for the year	<u>93</u>	<u>219</u>

PITNEY BOWES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011 (continued)

5 Tax on loss on ordinary activities (continud)

Factors that may affect future tax charges:

A number of changes to the UK corporation tax system were announced in the March 2011 and the March 2012 Budget Statements. The main rate of corporation tax was reduced from 28% to 26% from 1 April 2011 and was substantively enacted on 29 March 2011. A further reduction to 25% from 1 April 2012 was substantively enacted on 5 July 2011 and is therefore taken into account in these financial statements and a further reduction to 24% from 1 April 2012 was substantively enacted on 26 March 2012. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014. Beyond the reduction to 25%, the changes had not been substantively enacted at the balance sheet date and, therefore are not included in these financial statements. The impact of these proposed further reductions on the deferred tax balances is not expected to be material.

6 Investments

	2011	2010
	£'000	£'000
At 1 January 2011	75,867	84,407
Impairment	(71)	(8,540)
At 31 December 2011	75,796	75,867

The impairment relates to the investment in Pitney Bowes Management Services which has been written down to the value of its net assets and the investment in Alternative Mail and Parcel Investments Limited which has been written down to £nil. The directors believe that the carrying value of the other investments is 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 Manufacture and sales
Pitney Bowes Finance Limited	England	Leasing
Pitney Bowes Management Services Limited	England	Outsourced services
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 2011 (continued)

6 Investments (continued)

Pitney Bowes Limited:

Pitney Bowes Oy	Finland	Equipment sales
Pitney Bowes Espana SA	Spain	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
Secap Technologies Limited	England	Dormant
Pitney Bowes Danmark A/S	Denmark	Equipment sales
Pitney Bowes Holdings Denmark ApS	Denmark	Holding Company
Pitney Bowes Management Services Denmark A/S	Denmark	Outsourced services
Rosenkvist Kontormaskiner Odense A/S	Denmark	Equipment sales
Pitney Bowes Management Services Sweden AB	Sweden	Outsourced services
Pitney Bowes Management Services Norway AS	Norway	Outsourced services
Pitney Bowes Portugal, Sociedad Unipersonal Ld	Portugal	Equipment sales

The principal activities of the non-dormant subsidiaries are the manufacture, sales, or leasing of mailing machines and office equipment, or the provision of outsourced mailroom services, as specified above

7 Debtors

	2011	2010
	£'000	£'000
Amounts owed by group undertakings	52,762	52,762
	52,762	52,762

8 Creditors: Amounts falling due within one year

	2011	2010
	£'000	£'000
Corporation tax payable	312	219
	312	219

PITNEY BOWES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011 (continued)

9 Called up share capital

	2011	2010
	Number	Number
Authorized		
98,000,000 Ordinary shares of £1 each	98,000,000	98,000,000
Allotted, called up and fully paid		
97,000,004 Ordinary shares of £1 each	£ 97,000,004	£ 97,000,004

10 Reserves

	Share Premium account £'000	Profit and loss account £'000
At 1 January 2011	5,052	26,362
Loss for the year	-	(150)
At 31 December 2011	5,052	26,212

11 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Loss for the financial year	(150)	(8,747)
Net decrease in shareholders' funds	(150)	(8,747)
Opening shareholders' funds	128,414	137,161
Closing shareholders' funds	128,264	128,414

PITNEY BOWES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011 (continued)

12 Exposure to risks

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 and through the use of rolling short term investments ensures 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

13 Ultimate parent undertaking and controlling party

During the year the immediate parent undertaking Pitney Bowes Global Limited transferred its entire holdings in Pitney Bowes Holdings Limited to Pitney Bowes Europe Limited a Company registered in England. Copies of these financial statements can be obtained from Pitney Bowes Europe Limited, The Pinnacles, Harlow, Essex, CM19 5BD.

The ultimate parent undertaking and controlling party is Pitney Bowes Inc., a company incorporated in the United States of America, Pitney Bowes Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2011. Copies of the group financial statements are publicly available and can be obtained from Pitney Bowes World Headquarters, Stamford, Connecticut, 06926-0700USA.