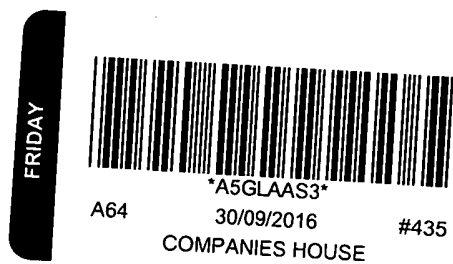


Registered number: 01273274

Pitney Bowes Holdings Limited

Directors' report and financial statements

For the year ended 31 December 2015



Pitney Bowes Holdings Limited

Company Information

Directors	G R Willsher D R Denney (appointed 7 July 2015)
Company secretary	J L Coupland
Registered number	01273274
Registered office	Building 5 Trident Place Hatfield Business Park Mosquito Way Hatfield Hertfordshire AL10 9UJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans AL1 3JX

Pitney Bowes Holdings Limited

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Pitney Bowes Holdings Limited

Directors' report For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company is that of a holding company for the companies shown in note 9. As such, it does not trade but has received interest income on intercompany balances in the year of £1,111,000 (2014: £1,094,000).

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014.

Results and dividends

The profit for the financial year amounted to £898,000 (2014: £1,124,000).

The directors do not propose an ordinary share dividend (2014: £nil).

Going concern

The directors believe in the company's ability to continue as a going concern and to meet its financial obligations as they fall due for a period of at least twelve months from the date of signing these financial statements.

Directors

The directors who served during the year were:

G R Willsher
R Spielberger (resigned 7 July 2015)
D R Denney (appointed 7 July 2015)

Future developments

The Company is expected to continue in its capacity as a holding company and no significant future developments are anticipated.

Principal risks and uncertainties

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

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.

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.

Fair values

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 2015

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.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Qualifying third party indemnity provisions

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.

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 he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been 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.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

29/9/16

and signed on its behalf.



G R Willsher
Director

Pitney Bowes Holdings Limited

Directors' responsibilities statement
For the year ended 31 December 2015

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, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), 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 judgments and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

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 2015 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

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2015;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement 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 Annual Report 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
30 September 2016

Pitney Bowes Holdings Limited

**Statement of comprehensive income
For the year ended 31 December 2015**

	Note	2015 £000	2014 £000
Income from other fixed assets investments		23	-
Interest receivable and similar income	7	1,111	1,094
Interest payable and similar charges	8	(38)	-
Profit on ordinary activities before taxation		1,096	1,094
Tax on profit on ordinary activities	9	(198)	30
Profit for the financial year		898	1,124

There was no other comprehensive income for 2015 (2014:£NIL).

Pitney Bowes Holdings Limited
Registered number:01273274

Balance sheet
As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	10	75,796	75,796
		<u>75,796</u>	<u>75,796</u>
Current assets			
Debtors: Amounts falling due within one year	11	78,805	77,669
Cash at bank and in hand	12	6	7
		<u>78,811</u>	<u>77,676</u>
Creditors: Amounts falling due within one year	13	(33,424)	(33,187)
Net current assets		<u>45,387</u>	<u>44,489</u>
Total assets less current liabilities		<u>121,183</u>	<u>120,285</u>
Net assets		<u>121,183</u>	<u>120,285</u>
Capital and reserves			
Called up share capital	15	97,000	97,000
Share premium account		5,052	5,052
Profit and loss account		19,131	18,233
Total equity		<u>121,183</u>	<u>120,285</u>

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

29/9/16



G R Willsher
Director

Pitney Bowes Holdings Limited

**Statement of changes in equity
For the year ended 31 December 2015**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2015	97,000	5,052	18,233	120,285
Comprehensive income for the year				
Profit for the financial year	-	-	898	898
At 31 December 2015	<u>97,000</u>	<u>5,052</u>	<u>19,131</u>	<u>121,183</u>

Pitney Bowes Holdings Limited

**Statement of changes in equity
For the year ended 31 December 2014**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2014	97,000	5,052	17,109	119,161
Comprehensive income for the year				
Profit for the financial year	-	-	1,124	1,124
At 31 December 2014	<u>97,000</u>	<u>5,052</u>	<u>18,233</u>	<u>120,285</u>

The notes on pages 10 to 17 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

Pitney Bowes Holdings Limited is a limited liability company incorporated in England. The registered office is Building 5 Trident Place, Hatfield Business Park, Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 17. Consent has been obtained from the company's shareholders in order for the company to adopt FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and consent has been obtained from the shareholders in order to take these exemptions:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Pitney Bowes Incorporated as at 31 December 2015 and these financial statements may be obtained from Pitney Bowes World Headquarters, 3001 Summer Street, Stamford, Connecticut, 06926, USA.

1.3 Going concern

The directors believe in the company's ability to continue as a going concern and to meet its financial obligations as they fall due for a period of at least twelve months from the date of signing these financial statements.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.5 Debtors

Basic financial asset, including loans receivable from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Both are subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Creditors

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Both are subsequently measured at amortised cost using the effective interest method.

1.8 Interest payable

Interest payable is charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.9 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

1.10 Taxation

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

**Notes to the financial statements
For the year ended 31 December 2015**

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of non-financial assets

The investments of the company are held at cost less accumulated impairment. There has been no impairments identified in the financial year and the directors believe that the carrying value of the investments is supported by their underlying net assets.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Pitney Bowes Holdings Limited

**Notes to the financial statements
For the year ended 31 December 2015**

3. Profit on ordinary activities before taxation

The auditors' remuneration for the current and prior financial year of £4,120 was borne by another group company.

4. Employees

The company had no employees other than the directors during the financial year (2014: none).

5. Directors' remuneration

The emoluments of all Directors are paid by other Pitney Bowes' entities, with no recharge made to the company (2014: £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

6. Income from investments

	2015 £000	2014 £000
Dividends received from investment	23	-
	<u>23</u>	<u>-</u>

7. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from group companies	1,111	1,094
	<u>1,111</u>	<u>1,094</u>

8. Interest payable and similar charges

	2015 £000	2014 £000
Other loan interest payable	38	-
	<u>38</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2015

9. Tax on profit on ordinary activities

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	218	237
Adjustments in respect of prior periods	(20)	(267)
	<u>198</u>	<u>(30)</u>
Total current tax	<u>198</u>	<u>(30)</u>
Deferred tax		
Total deferred tax		
	<u>198</u>	<u>(30)</u>
Tax on profit/(loss) on ordinary activities	<u>198</u>	<u>(30)</u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is different to (2014 - different to) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	<u>1,096</u>	<u>1,094</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	222	235
Effects of:		
Adjustments in respect of prior periods	(20)	(267)
Dividend income not taxable	(5)	-
Transfer pricing adjustments	1	2
Total tax charge/(credit) for the year	<u>198</u>	<u>(30)</u>

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the July 2015 Summer Budget. The main rate of corporation tax will be reduced from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. These changes were substantively enacted, for financial reporting purposes, on 26 October 2015 and a deferred tax rate of 18% has been taken into account in these financial statements.

Pitney Bowes Holdings Limited

**Notes to the financial statements
For the year ended 31 December 2015**

10. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2015	75,796
At 31 December 2015	<u>75,796</u>
Accumulated impairment	
At 1 January 2015 and 31 December 2015	<u>-</u>
At 31 December 2015	<u>75,796</u>
At 31 December 2014	<u>75,796</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Pitney Bowes Limited	England	Ordinary	100%	Equipment leasing
Pitney Bowes Finance Limited	England	Ordinary	100%	Leasing
OldMS Limited	England	Ordinary/Ordinary A	100%	Non-trading
Alternative Mail and Parcels Investments Limited	England	Ordinary	100%	Holding company
Pitney Bowes Finance Ireland Limited*	Eire	Ordinary	100%	Leasing
Pitney Bowes Oy**	Finland	Ordinary	100%	Equipment sales
Pitney Bowes Svenska AB**	Sweden	Ordinary	100%	Equipment sales
Pitney Bowes Norge As**	Norway	Ordinary	100%	Equipment sales
Pitney Bowes Ireland Limited**	Eire	Ordinary	100%	Equipment sales
OldPBIMS Limited***	England	Ordinary	100%	Non-trading
The Pitney Bowes Pension Fund Trustee Limited**	England	Ordinary	100%	Non-trading
Pitney Bowes Denmark A/S**	Denmark	Ordinary	100%	Equipment sales

*this company is owned by Pitney Bowes Finance Limited, a subsidiary of the company.

** this company is owned by Pitney Bowes Limited, a subsidiary of the company.

*** this company is owned by Alternative Mail and Parcels Investments Limited, a subsidiary of the company.

Pitney Bowes Holdings Limited

**Notes to the financial statements
For the year ended 31 December 2015**

11. Debtors

	2015 £000	2014 £000
Amounts falling due within one year		
Amounts owed by group undertakings	46,805	45,669
Amounts owed by undertakings in which the company has a participating interest	32,000	32,000
	<u>78,805</u>	<u>77,669</u>

Amounts owed by group undertakings comprise a £36,569,000 (2014: £35,478,000) loan with an interest rate of 3.00% and a £10,236,000 (2014: £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.

12. Cash at bank and in hand

	2015 £000	2014 £000
Cash at bank and in hand	6	7
	<u>6</u>	<u>7</u>

13. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to undertakings in which the company has a participating interest	32,951	32,950
Corporation tax	435	237
Accruals and deferred income	38	-
	<u>33,424</u>	<u>33,187</u>

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

Pitney Bowes Holdings Limited

**Notes to the financial statements
For the year ended 31 December 2015**

14. Reserves**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records the accumulated profits and losses of the company since incorporation.

15. Called up share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
97,000,004 (2014: 97,000,004) Ordinary shares of £1 each	<u>97,000</u>	<u>97,000</u>

16. 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 undertakings of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2015. 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.

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.