

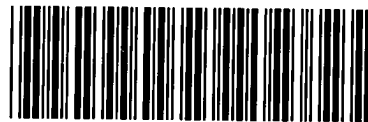
Registration number: 01273274

# Pitney Bowes Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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## **Pitney Bowes Holdings Limited**

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## **Pitney Bowes Holdings Limited**

### **Company Information**

<b>Directors</b>	G R Willsher R Higginson
<b>Registered office</b>	Building 5 Trident Place Hatfield Business Park Mosquito Way Hatfield Hertfordshire AL10 9UJ
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 54 Clarendon Road Watford WD17 1DU

## **Pitney Bowes Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

#### **Principal activities**

The principal activity of the company is that of a holding company.

#### **Fair review of the business**

The Company made a profit for the financial year of £369,000 (2017: £86,763,000). The net assets of the Company at 31 December 2018 were £221,792,000 (2017: £221,423,000).

The Company is part of the wider Pitney Bowes Group.

The Pitney Bowes Group is a global technology company offering innovative products and solutions that help our clients navigate the complex world of commerce. We offer customer information management, location intelligence and customer engagement products and solutions to help our clients market to their customers, and shipping, mailing, fulfillment, returns and cross-border ecommerce products and solutions that enable the sending of parcels and packages across the globe. Our business is organised around three distinct sets of solutions – Small and Medium Business Solutions, Enterprise Business Solutions and Digital Commerce Solutions.

#### **Small and Medium Business Solutions**

We are a global leader in providing a full range of mailing equipment, software, supplies and support services that enable our clients to efficiently create physical and digital mail and evidence postage and print shipping labels for the sending of mail and parcels.

#### **Enterprise Business Solutions**

Our Enterprise Business Solutions group includes equipment and services that enable large enterprises to process inbound and outbound mail.

#### **Digital Commerce Solutions**

Within the Digital Commerce Solutions group, we provide a broad range of solutions, including customer information management, location intelligence, customer engagement software and shipping management and cross-border ecommerce solutions for businesses of all sizes

We continue to invest in our current technologies, products and solutions, and in the development of new technologies, products and solutions in order to maintain and improve our competitive position.

We have made, and are continuing to make, significant investments in the rebranding of the company in order to build market awareness and client demand for our products and services. We are also making investments in marketing in support of the Company's brand and business strategy. The brand investments, including a newly launched website ([www.pitneybowes.com/uk](http://www.pitneybowes.com/uk)) are designed to enhance our operational and go-to-market changes, including how we sell to and serve our clients.

The company does not have any specific key performance indicators as it is a holding company only.

## **Pitney Bowes Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2018 (continued)**

#### **Principal risks and uncertainties**

Our business faces certain risks which we consider and manage on a proactive basis.

##### **Competition**

Our business competes with a number of companies, our competitors ranging from large multinationals to smaller more narrowly focused regional and local firms. We must continue to invest in our technologies, products and solutions, and in the development of new technologies, products and solutions in order to maintain and improve our competitive position.

##### **Postal regulations and processes**

A significant portion of our revenue and profitability is directly or indirectly subject to regulation and oversight by postal authorities. We depend on a health postal sector which could be influenced, positively or negatively, by legislative or regulatory changes.

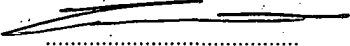
##### **Lower profit margins**

As we transform our business to more digital and commerce services, our profit margins will be lower and, if we cannot reduce our costs, our earnings could be impacted. We expect overall profit margins to continue to be impacted as a result of a change of mix from higher margin Small and Medium Business Solutions to Digital Commerce Solutions.

##### **Customs and regulatory risks**

The international nature of our Global Ecommerce business subjects us to increased customs and regulatory risks from cross-border transactions, and fluctuations in foreign currency exchange rates.

Approved by the Board on 22.10.19 and signed on its behalf by:

  
.....  
G R Willsher  
Director

## **Pitney Bowes Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors of the company**

The directors who held office during the year were as follows:

D R Denney (Resigned 28 February 2018)

G R Willsher

R Higginson (appointed 28 February 2018)

J L Coupland - Company secretary and director (Resigned 3 April 2018)

#### **Financial instruments**

##### ***Objectives and policies***

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.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

###### ***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.

###### ***Interest Rate Risk***

We manage our exposure to changes in interest rate by limiting its impact on earnings and cash flows. The company finances its operations through shareholders' funds and working capital and only has exposure to interest rate fluctuations on its cash balances.

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

###### ***Fair value***

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

#### **Employment of disabled persons**

The company has always endeavoured to give full and fair consideration to applications for employment by disabled persons with due regard for their particular aptitudes and abilities. Training has been given, wherever possible, to enable existing employees who have become disabled to continue their employment. The company's policy is and has been to encourage the training, career development and promotion of disabled persons.

## **Pitney Bowes Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2018 (continued)**

#### **Employee involvement**

The company's long established tradition of good management/employee relations based upon the exchange of information, ideas, viewpoints and observations by open communication and discussion through the Council of Personnel Relations ("CPR"), formed by management and employees in 1963, was enshrined in a CPR Charter in 1977, which now serves as that body's constitution. The CPR has three functions: employee representation, joint consultation and collective bargaining and negotiation. Communication on all employee matters and on the company's performance is exchanged through an infrastructure of employee representation by committees, culminating in regular scheduled meetings with representatives of senior management, an in-house periodical and regular meetings between managers and the chairman.

#### **Future developments**

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

#### **Research and development**

We continue to invest in the development of our software products and constantly monitor customer requirements and aspirations. The directors regard the investment in research and development as integral to the success of the business.

#### **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.

## Pitney Bowes Holdings Limited

### Directors' Report for the Year Ended 31 December 2018 (continued)

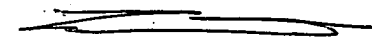
#### Directors' liabilities

The Directors have the benefit of an indemnity which is a qualifying third party provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

#### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 22.10.19 and signed on its behalf by:



.....  
G R Willsher  
Director



## **Pitney Bowes Holdings Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

#### ***Directors' confirmations***

In the case of each director in office at the date the Directors' Report is approved:

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

# **Pitney Bowes Holdings Limited**

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

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Pitney Bowes Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account and statement of retained earnings, the statement of comprehensive income for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# **Pitney Bowes Holdings Limited**

## **Independent auditors' report to the members of Pitney Bowes Holdings Limited (continued)**

### **Reporting on other information (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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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.

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A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

## **Pitney Bowes Holdings Limited**

### **Independent auditors' report to the members of Pitney Bowes Holdings Limited (*continued*)**

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#### **Other required reporting**

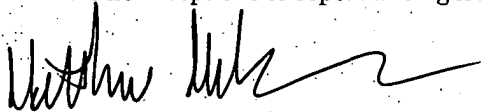
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#### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

22 October 2019

# **Pitney Bowes Holdings Limited**

## **Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2018**

	Note	2018 £ 000	2017 £ 000
Turnover		-	-
Operating profit/(loss)		-	-
Income from shares in group undertakings		-	86,500
Other interest receivable and similar income	3	369	288
Interest payable and similar expenses	4	-	(25)
		369	86,763
Profit before tax		369	86,763
Taxation	7	-	-
Profit for the financial year		369	86,763
Retained earnings brought forward		119,371	32,608
Retained earnings carried forward		119,740	119,371

**Pitney Bowes Holdings Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2018**

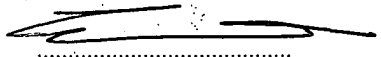
	<b>2018</b> <b>£ 000</b>	<b>2017</b> <b>£ 000</b>
Profit for the financial year	<u>369</u>	<u>86,763</u>
Total comprehensive income for the year	<u>369</u>	<u>86,763</u>

# Pitney Bowes Holdings Limited

(Registration number: 01273274)  
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Investments	8	169,513	169,513
<b>Current assets</b>			
Debtors	9	51,902	51,900
Cash at bank and in hand		377	10
		<u>52,279</u>	<u>51,910</u>
<b>Net assets</b>		<u>221,792</u>	<u>221,423</u>
<b>Capital and reserves</b>			
Called up share capital	11	97,000	97,000
Share premium account		5,052	5,052
Profit and loss account		<u>119,740</u>	<u>119,371</u>
<b>Total equity</b>		<u>221,792</u>	<u>221,423</u>

Approved and authorised by the Board on 22.10.19 and signed on its behalf by:

  
G R Willsher  
Director

## **Pitney Bowes Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

Building 5 Trident Place  
Hatfield Business Park Mosquito Way  
Hatfield  
Hertfordshire  
AL10 9UJ  
United Kingdom

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

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

##### **Summary of 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 Inc. These financial statements may be obtained from Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926.



## **Pitney Bowes Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared on a going concern basis.

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.

##### **Exemption from preparing group financial statements**

The financial statements contain information about Pitney Bowes Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Pitney Bowes Inc., a company incorporated in the United States of America.

##### **Judgements**

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 judgement (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

##### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

##### **Taxation**

The Group 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.

##### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

## Pitney Bowes Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 2 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Trade debtors

Trade and other receivables, 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.

##### Trade creditors

Trade and other payables, 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.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### 3 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest receivable from group companies	369	288

#### 4 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Interest payable on loans from group undertakings	-	25

#### 5 Directors' remuneration

The emoluments of all Directors are paid by other Pitney Bowes' entities, with no recharge made to the company (2017: £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  
D R Denney: Pitney Bowes Limited  
J L Coupland: Pitney Bowes Limited

## Pitney Bowes Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 6 Auditors' remuneration

The auditors' remuneration for the year was £4,120 (2017: £4,120) and was borne by another group company.

#### 7 Taxation

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-
Total current income tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	369	86,763
Corporation tax at standard rate	70	16,699
Tax decrease arising from group relief	(140)	(101)
Tax increase from transfer pricing adjustments	70	50
Tax decrease from effect of dividends from UK companies	-	(16,648)
Total tax charge/(credit)	-	-

A number of changes to the UK corporation tax system were announced in the July 2015 & March 2016 Budget Statements. The main rate of corporation tax was reduced from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. These changes were substantively enacted for financial reporting purposes on 26 October 2015 and 6 September 2016 respectively and are therefore taken into account in these financial statements.

#### 8 Investments

	2018 £ 000	2017 £ 000
Investments in subsidiaries	169,513	169,513

## Pitney Bowes Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 8 Investments (continued)

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2018 and 2017	<u>169,513</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 December 2018	<u>169,513</u>
At 31 December 2017	<u>169,513</u>

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Pitney Bowes International Finance Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ United Kingdom	Ordinary	100%	100%
Pitney Bowes Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
Pitney Bowes Finance Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
OldMS Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
Alternative Mail and Parcels Investments Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
Pitney Bowes Finance Ireland Limited	Clarity house, Belgard Road, Tallagh, Dublin 24 D24 Y6DF	Ordinary	100%	100%
Pitney Bowes Oy	PL 109 00211 Helsinki	Ordinary	100%	100%
Pitney Bowes Svenska AB	P.O. Box 408, 191 24 Sollentuna	Ordinary	100%	100%
Pitney Bowes Norge AS	Stålfjæra 26, 0975 Oslo	Ordinary	100%	100%
Pitney Bowes Ireland Limited	Clarity House, Belgard Road, Tallaght, Dublin 24 D24 Y6DF	Ordinary	100%	100%

## Pitney Bowes Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 8 Investments (continued)

OldPBIMS Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
The Pitney Bowes Pension Fund Trustee Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
Pitney Bowes Denmark AS	Herstedostervej 27 29, DK 2620 Albertslund, Denmark	Ordinary	100%	100%
Borderfree UK Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%
Borderfree Limited	Building 5 Trident Place, Hatfield Business Park Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ	Ordinary	100%	100%

The principal activity of Pitney Bowes International Finance Limited is financial services.

The principal activity of Pitney Bowes Limited is equipment sales.

The principal activity of Pitney Bowes Finance Limited is equipment leasing.

The principal activity of OldMS Limited is non-trading.

The principal activity of Alternative Mail and Parcels Investments Limited is dormant.

The principal activity of Pitney Bowes Finance Ireland Limited is equipment leasing.

The principal activity of Pitney Bowes Oy is equipment sales.

The principal activity of Pitney Bowes Svenska AB is equipment sales.

The principal activity of Pitney Bowes Norge AS is equipment sales.

The principal activity of Pitney Bowes Ireland Limited is equipment sales.

The principal activity of OldPBIMS Limited is dormant.

The principal activity of The Pitney Bowes Pension Fund Trustee Limited is non-trading.

The principal activity of Pitney Bowes Denmark AS is equipment sales.

The principal activity of Borderfree UK Limited is software and professional services.

The principal activity of Borderfree Limited is software and professional services.

## Pitney Bowes Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 9 Debtors

	2018 £ 000	2017 £ 000
Amounts owed by group undertakings	51,902	51,900
	<u>51,902</u>	<u>51,900</u>

Amounts owed by group undertakings comprise a loan of £32.0m which is non-interest bearing and repayable on demand and a loan of £19.9m which earns interest at 2.13 - 2.3% and is repayable on 29 March 2019.

#### 10 Cash at bank and in hand

	2018 £ 000	2017 £ 000
Cash at bank	377	10
	<u>377</u>	<u>10</u>

#### 11 Called up share capital

##### Allotted, called up and fully paid shares

	2018 No. 000	£ 000	2017 No. 000	£ 000
Ordinary shares of £1 each	97,000	97,000	97,000	97,000
	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>

#### 12 Parent and ultimate parent undertaking

The company's immediate parent is Pitney Bowes Holdco Limited, incorporated in United Kingdom.

The ultimate parent is Pitney Bowes Inc, incorporated in United States of America.

The most senior parent entity producing publicly available financial statements is Pitney Bowes Inc. These financial statements are available upon request from Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926. Pitney Bowes Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.