

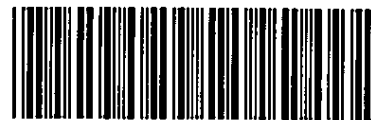
Company Registration No. 949665

Automatic Data Processing Limited

Report and Financial Statements

30 June 2006

MONDAY



LY2Y0U0D

LD5

22/10/2007

313

COMPANIES HOUSE

Automatic Data Processing Limited

Report and financial statements 2006

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8

Automatic Data Processing Limited

Report and financial statements 2006

Officers and professional advisers

Directors

A J Brennan (Resigned 31st August 2007)
D McGuire (Appointed 29th August 2007)
J Benson (USA)
P Lesueur (Resigned 23rd May 2007)

Secretary

Clifford Chance Secretaries Limited
10 Upper Bank Street
London E14 5JJ

Registered Office

Syward Place
Pycroft Road
Chertsey
Surrey KT16 9JT

Bankers

Barclays Bank plc
Multinational Corporate Team
Level 28
No 1 Churchill Place
Canary Wharf
London
E14 5HP

The Royal Bank of Scotland plc
Drummond's Branch
49 Charing Cross
Admiralty Arch
London SW1A 2DX

Solicitors

Clifford Chance
10 Upper Bank Street
London E14 5JJ

Auditors

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

Automatic Data Processing Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2006

Results and dividends

The results for the year ended 30 June 2006 are as follows

	2006 £'000	2005 £'000 (Restated)
Profit before taxation	2,889	5,079
Profit after taxation	2,779	5,650

The directors propose a final dividend for the year of £nil (2005 – £nil)

Principal activities

The company's principal activities are the provision of computerised transaction processing, data communications and information services

Review of the business

Turnover for the year was £33,941,459 (2005 – £33,188,864) Turnover increased 2.3 % on the previous year (2005 – 4 %)

The directors believe that the revenue from the payroll services will continue to grow during the coming year and that the business is soundly based for future profitable growth

Automatic Data Processing Limited's ultimate parent company is Automatic Data Processing Inc ("ADP Inc"), which is incorporated in the United States of America. ADP Inc is the largest payroll services provider in the world with over 545,000 clients and processes payroll and related services for over 50 million wage earners

Research and development

The company continues to invest in developing products and services for the evolving needs of the payroll market

Risk management and enhanced business review

Automatic Data Processing Limited, in line with the strategy of the ADP group of companies, employs a range of business management tools and processes for the effective management of the business

Group risks are discussed in the Group's Annual Report which does not form part of this report

Directors

The membership of the Board throughout the year and since the year-end is set out on page 1. The directors have no beneficial interests in the share capital of the company or any other company within the UK group.

Automatic Data Processing Limited

Directors' report (continued)

Political and charitable donations

During the period the company made no political donations, but charitable donations of £2,522 (2005 – £1,534) were made

Subsequent events

On July 6th 2007, ADP Inc, the ultimate parent company, completed the sale of its travel clearing business, an airline ticket clearing business, headquarters based in Spain. Included in the sale was the clearing division of Automatic Data Processing Limited

Employee involvement

Information on business developments and operational matters is disseminated to staff through monthly briefing sessions, occasional staff events, presentations and additional written briefing as matters arise

Disabled employees

It is the company's policy to encourage the employment, training and career development of disabled persons. If employees become disabled, every effort is made for them to continue in employment or receive appropriate training. In order to safeguard its employees, the company pursues a policy designed to provide secure working environments and training standards

Auditors

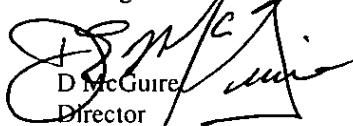
Each of the persons who is a director at the date of approval of this report confirms that

- 1 so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2 the director has taken all the steps that he ought to have taken as a director in order to make himself/herself 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 s234Za of the Companies Act 1985

The company has passed an elective resolution to dispense with the obligation to re – appoint auditors annually in accordance with section 386 of the Companies Act 1985

Approved by the Board of Directors
and signed on behalf of the Board


D McGuire
Director

19th Oct 2007

Automatic Data Processing Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 proper accounting records that 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 1985. 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 member of Automatic Data Processing Limited

We have audited the financial statements of Automatic Data Processing Limited for the year ended 30 June 2006 which comprise the profit and loss account, statement of total recognised gains and losses, the balance sheet and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors

London
19 Oct 2007

Automatic Data Processing Limited

Profit and loss account Year ended 30 June 2006

	Note	2006 £'000	2005 £'000 (Restated)
Turnover	3	33,941	33,189
Cost of sales		(16,349)	(15,481)
Gross profit		17,592	17,708
Distribution costs		(1,290)	(1,205)
Administrative expenses		(14,754)	(12,714)
Operating profit	5	1,548	3,789
Interest payable and similar charges	6	(29)	(50)
Interest receivable and similar income	7	1,370	1,340
Profit on ordinary activities before taxation		2,889	5,079
Tax (charge)/credit on profit on ordinary activities	8	(110)	571
Profit on ordinary activities after taxation		2,779	5,650
Retained profit for financial year	19	2,779	5,650

Statement of total recognised gains and losses Year ended 30 June 2006

	2006 £'000	2005 £'000 (Restated)
Profit for the financial year	2,779	5,650
Actuarial loss relating to the pension scheme	(425)	(104)
Deferred tax on actuarial loss	115	24
Total recognised gains and losses relating to the year	2,469	5,570
Prior year adjustment on adoption of FRS 17	(1,011)	
Total gains and losses recognised since last annual report and financial statements	1,458	

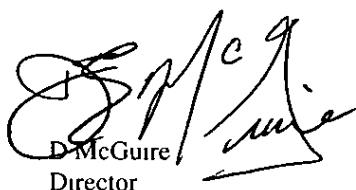
Automatic Data Processing Limited

Balance sheet 30 June 2006

	Note	2006 £'000	2005 £'000 (Restated)
Fixed assets			
Intangible assets	9	142	213
Tangible assets	10	2,967	3,097
Investments	11	50	50
		<u>3,159</u>	<u>3,360</u>
Current assets			
Stocks	12	122	156
Debtors - amounts falling due within one year	13	8,680	8,490
- amounts falling due after one year	16	584	653
Cash at bank and in hand		35,812	32,742
		<u>45,198</u>	<u>42,041</u>
Creditors: amounts falling due within one year	14	<u>(10,195)</u>	<u>(9,312)</u>
Net current assets		35,003	32,729
Creditors: amounts falling due after more than one year	14	(2,603)	(2,942)
Provisions for liabilities and charges	15	(156)	(480)
		<u>35,403</u>	<u>32,667</u>
Net assets excluding pension liability		35,403	32,667
Pension liability	21	<u>(1,278)</u>	<u>(1,011)</u>
Total net assets		<u>34,125</u>	<u>31,656</u>
Capital and reserves			
Called up share capital	17	500	500
Profit and loss account	18	33,625	31,156
Total equity shareholders' funds		<u>34,125</u>	<u>31,656</u>

The Board of Directors approved these financial statements on 19th Oct 2007

Signed on behalf of the Board of Directors


D McGuire
Director

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year with the exception of FRS 17 'Retirement benefits', as described in Note 2.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Intangible fixed assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is ten years. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The periods generally applicable are:

Land and buildings	30 years
Computer installation	2 – 3 years
Fixtures and fittings	1 – 7 years

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Stocks

Stocks of paper and computer consumables are valued at the lower of cost and net realisable value. Cost represents the invoiced cost of purchase.

Research and development

Internal research and development is charged to the profit and loss account as incurred.

Repairs and renewals

Expenditure on repairs and renewals is charged to the profit and loss account as incurred.

Taxation

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. All differences are taken to the profit and loss account.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

1. Accounting policies (continued)

Leases

Rental charges under operating leases are charged to profit and loss as incurred over the periods of the leases

Pensions

The company operates a money purchase scheme for qualifying employees. Pension costs for this scheme are charged to the profit and loss account in the period in which they arise.

The company also operates a defined benefit pension scheme. For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

Further information on pension arrangements is set out in note 21.

Turnover

Turnover is recognised once the obligations to the Client have been fulfilled.

Consolidation

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of Automatic Data Processing Inc., which prepares group accounts (see note 23).

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Automatic Data Processing Inc. and its cash flows are included within the consolidated financial statements of that company which are publicly available.

2. Prior year restatement

The full implementation of FRS 17 'Retirement Benefits' has required a change to the accounting treatment of pensions, with the prior year results being restated accordingly, as follows:

Balance sheet

	As previously reported at 30 June 2005 £'000	Adoption of FRS 17 £'000	30 June 2005 (restated) £'000
Shareholders' funds	32,667	-	32,667
Pension liability (see note 21)	-	(1,011)	(1,011)
	<u>32,667</u>	<u>(1,011)</u>	<u>(31,656)</u>

Under FRS 17, the difference between the market value of the assets of the pension fund and the present value of the accrued pension liabilities is shown on the balance sheet net of deferred tax and of provision for unrefunded pension obligations.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

2 Prior year restatement (continued)

Profit and loss account

	As previously reported at 30 June 2005 £'000	Adoption of FRS 17 £'000	30 June 2005 (restated) £'000
Administrative expenses	(12 786)	72	(12,714)
Interest payable and similar charges	-	(50)	(50)

The profit and loss charge under SSAP 24, comprised a regular pension cost net of spreading of the surplus over the average remaining service lives of the relevant employees and a notional interest credit. Under FRS 17, three net items are included in the profit and loss account

Charged to operating profit

- the full service cost of the pension provision relating to the period

Included in interest

- a charge equal to the expected increase in the present value of the scheme liabilities because the benefits are closer to settlement, and netted against this, and
- a credit equivalent to the companies' long term expected return on assets based on market value of the scheme assets at the start of the period

Included in the statement of total recognised gains and losses is the difference between the expected return on pension assets and that actually achieved along with differences which arise from experience or assumption changes in pension liabilities, with the associated deferred tax

3. Segmental information

In the opinion of the directors, turnover derives from two classes of business, payroll services and clearing businesses. Analysis of class of business by turnover, profit before tax and net assets are as stated below

	Turnover		Profit before tax		Net assets	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000 (Restated)	2006 £'000	2005 £'000 (Restated)
Payroll services	28,264	25,518	167	1,444	16,150	16,408
Clearing	5,677	7,671	2,722	3,635	17,975	15,248
	<u>33,941</u>	<u>33,189</u>	<u>2,889</u>	<u>5,079</u>	<u>34,125</u>	<u>31,656</u>

Geographical Market

The payroll and clearing businesses derive their entire turnover from the United Kingdom

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

4. Information regarding directors and employees

Directors' emoluments	2006 £'000	2005 £'000
Salaries	195	163
Pension contributions	22	22
	<u>217</u>	<u>185</u>

The directors' emoluments disclosed above include those of the highest paid director of £217,087 (2005 - £185,477) of which £22,062 relates to pension contributions (2005 - £22,170). One director is a member of a defined contribution pension scheme (2005 - one). No directors are members of the defined benefit scheme (2005-None).

	2006 No.	2005 No.
Average number of persons employed (including UK directors)		
Systems program	26	29
Production / Operations	96	164
Customer support	260	227
Administration	35	37
Sales/marketing	103	84
	<u>520</u>	<u>541</u>

	2006 £'000	2005 £'000 (Restated)
Staff costs during the year (including directors)		
Wages and salaries	18,040	14,683
Social security costs	2,117	1,823
Other pension costs	810	756
	<u>20,967</u>	<u>17,262</u>

5 Operating profit

	2006 £'000	2005 £'000
Operating profit is after charging:		
Rentals under operating leases		
Plant and machinery	178	205
Other operating leases	1,579	1,559
Depreciation (note 10)	739	586
Amortisation (note 9)	71	71
Loss on disposal of fixed assets	-	41
Restructuring cost - employer services division	384	273
Employee severance costs - clearing division	50	45
Provisions for dilapidation	(325)	(162)
Auditors' remuneration - audit services	38	36
Auditors' remuneration - non audit services	29	32
	<u></u>	<u></u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

6. Interest payable and similar charges

	2006 £'000	2005 £'000 (Restated)
Other finance charge (see pension note 21)	29	50
	<u>29</u>	<u>50</u>

7. Interest receivable and similar income

	2006 £'000	2005 £'000
Interest receivable on cash at bank	1,370	1,340
	<u>1,370</u>	<u>1,340</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

8. Tax (charge)/credit on profit on ordinary activities

	2006 £'000	2005 £'000 (Restated)
Current tax		
UK corporation tax at 30% (2005 30%)	(90)	-
Adjustments in respect of previous years	49	899
	(41)	899
Deferred tax		
Timing differences	(60)	(385)
Adjustments to the estimated recoverable amounts of		
Deferred tax assets arising in previous periods	-	-
Adjustments in respect of previous years	(9)	57
	(69)	(328)
	(110)	571

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2006 £'000	2005 £'000 (Restated)
Profit on ordinary activities before tax	2,890	5,057
Tax at standard rate	(867)	(1,517)
Non tax deductible expenses	(61)	(84)
Capital allowances in excess of depreciation	82	129
Movement in short-term timing differences	21	256
Group relief received for nil consideration	734	1,216
Adjustments in respect of previous years	50	899
Current tax credit / (charge) for the year	(41)	899

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

9. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 July 2005 and at 30 June 2006	711
Amortisation	
At 1 July 2005	498
Charge for the year	71
At 30 June 2006	569
Net book value	
At 30 June 2006	142
At 30 June 2005	213

Goodwill derives from the purchase of the business of GSI Travel & Transportation (UK) Limited on 30 June 1998

10. Tangible fixed assets

	Freehold land and buildings £'000	Computer installation £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 July 2005	2,238	3,502	2,580	8,320
Additions	97	357	156	610
Disposals	-	-	(2)	(2)
At 30 June 2006	2,335	3,859	2,734	8,928
Depreciation				
At 1 July 2005	1,137	2,515	1,571	5,223
Charge for the year	57	516	166	739
Disposals	-	-	(1)	(1)
At 30 June 2006	1,194	3,031	1,736	5,961
Net book value				
At 30 June 2006	1,141	828	998	2,967
At 30 June 2005	1,101	987	1,009	3,097

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

11. Fixed asset investments

	Shares in subsidiary undertaking £'000
Cost and net book value at 30 June 2005 and at 30 June 2006	50

Name of Subsidiary	Country of incorporation	Holding	Proportion held	Nature of business
ADP Limited	Great Britain	Ordinary Shares	100%	Holding Company
AGC Application Group Limited	Great Britain	Ordinary Shares	100%	Non Trading

Sub-subsidiaries

ADP Limited owns the entire share capital of The Chessington Partnership Limited, a company incorporated in Great Britain (holding company) The Chessington Partnership Limited owns the entire share capital of Chessington Computer Services Limited, a company incorporated in Great Britain (payroll services supplier to the public sector) Chessington Computer Services Limited ceased trading on 30 June 2005

12. Stocks

	2006 £'000	2005 £'000
Paper and computer consumables	122	156

13. Debtors

	2006 £'000	2005 £'000
Trade debtors	5,345	5,531
Amounts due from fellow subsidiary undertakings	1,075	1,110
Corporation tax debtor	1,061	823
Other debtors	142	201
Prepayments	1,057	825
	8,680	8,490

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

14 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	1,151	919
Amounts owed to fellow subsidiary undertakings for a loan	2,123	2,123
Amounts due to fellow subsidiary undertakings	2,476	1,566
Other taxes and social security	400	1,030
Other creditors	378	263
Accruals and deferred income	3,667	3,411
	<u>10,195</u>	<u>9,312</u>

Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Accruals and deferred income	<u>2,603</u>	<u>2,942</u>

15 Provision for liabilities and charges

	Dilapidations £'000	Total £'000
At 1 July 2005	480	480
Released during year	(390)	(390)
Charged to the profit and loss account	<u>66</u>	<u>66</u>
At 30 June 2006	<u>156</u>	<u>156</u>

Included in the provision is an amount of £82,621 which relates to the dilapidations provision on a lease expiring 23rd March 2015, it is expected that the provision will be utilised after this time. Also included in the provision is an amount of £72,998 which relates to a lease on a building which has been vacated, however the dilapidations have not yet been agreed with the landlord, these provisions are expected to be utilised within the next three years.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

16. Deferred taxation

	2006 £'000	2005 £'000 (Restated)
Deferred tax assets		
Short term timing differences	215	198
Capital allowances in excess of depreciation	369	455
	<u>584</u>	<u>653</u>
Total	<u>584</u>	<u>653</u>
Opening balance	653	981
(Charge)/credit to profit and loss account	(69)	(328)
Closing balance	<u>584</u>	<u>653</u>

17. Called up share capital

	2006 £'000	2005 £'000
Authorised, called up, allotted and fully paid 500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

18. Reserves

	Profit and loss account £'000
At 1 July 2005	32,167
Adjustment on application of FRS17	(1,011)
At 1 July 2005 (restated)	<u>31,156</u>
Retained profit for the year	2,779
Actuarial loss	(425)
Deferred tax on actuarial loss	115
At 30 June 2006	<u>33,625</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

19. Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000 (Restated)
Profit for the year	2,779	5,650
Actuarial loss relating to pension scheme	(425)	(104)
Deferred tax on actuarial loss	115	24
Net Increase in equity shareholders' funds	<u>2,469</u>	<u>5,570</u>
Opening equity shareholders' funds as previously reported	32,667	27,039
Adoption of FRS 17	(1,011)	(953)
Opening equity shareholders' funds (restated)	<u>31,656</u>	<u>26,086</u>
Closing equity shareholders' funds	<u>34,125</u>	<u>31,656</u>

20. Operating lease commitments

At 30 June 2006 the company was committed to making the following payments during the next year in respect of operating leases

	2006		2005	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	-	18	-	15
Within two to five years	97	12	65	135
After five years	1,177	-	1,177	-
	<u>1,274</u>	<u>30</u>	<u>1,242</u>	<u>150</u>

21. Pension scheme

The company currently operates a money purchase defined contribution scheme

The pension cost for the current year totalled £810,487 (2005 – £756,508) As at the balance sheet date there were outstanding pension contributions totalling £83,299 (2005 –£63,622)

In accordance with the requirements of FRS 17 "Retirement Benefits", this note discloses the main financial assumptions made in valuing the liabilities of the schemes and the fair value of assets held

Some of the employees of Automatic Data Processing Limited were eligible for membership of the ADP Pension & Life Assurance Plan, a funded defined benefit scheme operating in the UK

The plan assets increased by £1,061,000 and the plan obligations increased by £1,059,000 following the amalgamation of the Audatex scheme into the ADP Pension & Life Assurance Plan

A full actuarial valuation of the ADP Pension & Life Assurance Plan was carried out at 1 April 2005 and updated to 30 June 2006

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

21. Pension (continued)

	At 30 June 2006		At 30 June 2005		At 30 June 2004	
Rate of increase of salaries	3 00%		3 25%		3 25%	
Rate of increase in pensions in payment	3 00%		2 75%		2 75%	
Discount rate	5 25%		5 25%		5 75%	
Inflation assumption	3 00%		3 25%		2 75%	
Contributions made in respect of the year ended 30 June 2006 totalled £ 72,000 (2005- £72,000) The assets in the scheme and expected rate of return were as follows						
	Long term rate of return expected %	Value at 30 June 2006 £'000	Long term rate of return expected %	Value at 30 June 2005 £'000	Long term rate of return expected %	Value at 30 June 2004 £'000
Equities	7 00	3,974	7 00	2,133	7 25	1,828
Bonds	5 25	280	5 25	702	5 75	679
Property	6 00	192	6 00	84	6 00	45
Cash	4 00	284	4 00	337	4 00	51
Total fair value of assets		4,730		3,256		2,603
Present value of scheme liabilities		(6,556)		(4,700)		(3,965)
Gross pension liability		(1,826)		(1,444)		(1,362)
Deferred tax		548		433		409
Net liability		(1,278)		(1,011)		(953)

An analysis of the amount that has been charged to operating profit is shown below

	2006 £'000	2005 £'000	2004 £'000
Current service cost	-	-	-
Past service cost	-	-	-
	-	-	-

Analysis of the amount that has been credited to other finance income is shown below

	2006 £'000	2005 £'000	2004 £'000
Expected return on pension scheme assets	247	176	129
Interest on pension scheme liabilities	(276)	(226)	(210)
Net return	(29)	(50)	(81)

An analysis of the amount that has been recognised in the statement of total recognised gains and losses is shown in the following table, together with components shown as a percentage of scheme assets or liabilities

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2006

21. Pension (continued)

	2006 £'000	2005 £'000	2004 £'000
Actual return less expected return on pension scheme assets	35	466	(16)
<i>Percentage of scheme assets</i>	<i>0.7%</i>	<i>14.3%</i>	<i>(0.6%)</i>
Experience gains and losses arising on the scheme liabilities	(257)	(17)	-
<i>Percentage of the present value of scheme liabilities</i>	<i>(3.9%)</i>	<i>(0.4%)</i>	<i>0%</i>
Changes in assumptions underlying the present value of the scheme	(203)	(553)	254
Actuarial gain recognised in statement of total recognised gains and	(425)	(104)	238
<i>Percentage of the present value of scheme liabilities</i>	<i>(6.5%)</i>	<i>(2.2%)</i>	<i>6.0%</i>

The movement in scheme deficit during the year is shown in the following table

	£'000 2006/5	£'000 2005/4	£'000 2004/3
At 1 July	(1,444)	(1,362)	(1,591)
Current service cost	-	-	-
Contributions	72	72	72
Net finance income	(29)	(50)	(81)
Actuarial gain	(425)	(104)	238
At 30 June	(1,826)	(1,444)	(1,362)

22. Related party disclosures

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8, 'Related Party Disclosures' not to disclose transactions with other group entities

23. Post balance sheet events

On July 6th 2007, ADP Inc, the ultimate parent company, completed the sale of its travel clearing business, an airline ticket clearing business, headquarters based in Spain. Included in the sale was the clearing division of Automatic Data Processing Limited.

24. Ultimate parent company and immediate parent company

The ultimate parent company and controlling party is Automatic Data Processing Inc, which is incorporated in the United States of America. The immediate parent company is ADP Network Services Limited, a company incorporated in Great Britain.

The parent company of the smallest and largest group which prepares consolidated financial statements that include the results of Automatic Data Processing Limited is Automatic Data Processing Inc. Copies of the group financial statements of Automatic Data Processing Inc may be obtained from One ADP Boulevard, Roseland, New Jersey, USA.

The company is exempt from the obligation to prepare and deliver group accounts.