

Company Registration No. 949665

Automatic Data Processing Limited

Report and Financial Statements

30 June 2009

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Automatic Data Processing Limited

Report and financial statements 2009

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Automatic Data Processing Limited

Report and financial statements 2009

Officers and professional advisers

Directors

D McGuire

J Benson (Resigned 13 March 2009)

M Bonatti (Appointed 13 March 2009)

Secretary

Clifford Chance Secretaries Limited

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Registered Office

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Bankers

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Multinational Corporate Team

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Solicitors

Clifford Chance

10 Upper Bank Street

London

E14 5JJ

Auditors

Deloitte LLP

Chartered Accountants

London, United Kingdom

Automatic Data Processing Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2009

Results and dividends

The results for the year are as follows

	2009 £'000	2008 £'000
Profit before taxation	2,989	7,579
Profit after taxation	3,098	6,391

The directors do not propose any dividend for the year (2008 – £nil)

Principal activities

The Company's principal activity is the provision of employer services

Review of the business

Turnover and other operating income for the year was £39,807,413 (2008 – £36,257,276)
Turnover increased 9.8% on the previous year (2008 – 1.7%) All turnover for the year arose from the UK

The directors believe that revenue 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 570,000 clients and processes payroll and related services for over 30 million wage earners.

ADP Inc manages its operations on a divisional basis. Employer Services is one such division. For this reason the Company's directors believe that key performance indicators are not necessary for the understanding of the business.

Automatic Data Processing Limited

Directors' report (continued)

Research and development

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

Risk management

Competitive pressure is a continued risk for the Company. The Company manages this risk by providing value added services to its customers, whilst continually reviewing and updating its products.

The Company's principal financial assets are bank balances and cash. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers. With a significant bank balance the Company has minimal liquidity risk. The price risk is managed with an annual review in line with inflation and market trends.

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.

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.

Political and charitable donations

During the period the Company made no political donations (2008 – £nil), but charitable donations of £1,307 (2008 – £2,988) were made.

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.

Automatic Data Processing Limited

Directors' report (continued)

Auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he/she 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 s418 of the Companies Act 2006

Pursuant to section 386 of the Companies Act 1985, an elective resolution was passed on 28 October 1990 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore, Deloitte LLP are deemed to continue as auditors.

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

A handwritten signature in black ink, appearing to read 'D McGuire', with a stylized flourish at the end.

D McGuire
Director

31 MARCH 2010

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). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 Automatic Data Processing Limited

We have audited the financial statements of Automatic Data Processing Limited for the year ended 30 June 2009 which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2009 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Sarah Shillingford (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
31 March 2010

Automatic Data Processing Limited

Profit and loss account Year ended 30 June 2009

	Notes	2009 £'000	2008 £'000
Turnover		39,244	35,880
Other operating income		563	377
		<u>39,807</u>	<u>36,257</u>
Cost of sales		(17,071)	(15,667)
Gross profit		22,736	20,590
Distribution costs		(1,879)	(1,643)
Administrative expenses		(19,470)	(18,567)
Operating profit	4	1,387	380
Continuing operations			
Profit on sale of discontinued operations	5	-	4,685
Interest payable and similar charges	6	(88)	(31)
Interest receivable and similar income	7	1,690	2,545
Profit on ordinary activities before taxation		2,989	7,579
Tax credit / (charge) on profit on ordinary activities	8	109	(1,188)
Profit for the financial year	19	3,098	6,391

Statement of total recognised gains and losses Year ended 30 June 2009

	2009 £'000	2008 £'000
Profit for the financial year	3,098	6,391
Actuarial gain / (loss) relating to the pension scheme	307	(341)
Deferred tax (charge) / credit on actuarial gain / (loss)	(86)	95
Total recognised gains and losses relating to the year	3,319	6,145

Automatic Data Processing Limited

Balance sheet 30 June 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	1,894	1,848
Investments	10	50	50
		<u>1,944</u>	<u>1,898</u>
Current assets			
Stocks	11	134	150
Debtors amounts falling due within one year	12	8,658	9,259
Deferred Tax Asset	16	423	357
Cash at bank and in hand	13	86,091	62,557
		<u>95,306</u>	<u>72,323</u>
Creditors: amounts falling due within one year	14	<u>(47,983)</u>	<u>(28,576)</u>
Net current assets		47,323	43,747
Creditors: amounts falling due after more than one year	14	(2,736)	(2,382)
Provisions for liabilities	15	<u>(347)</u>	<u>(251)</u>
Net assets excluding pension liability		46,184	43,012
Pension liability	21	<u>(919)</u>	<u>(1,206)</u>
Total net assets		<u>45,265</u>	<u>41,806</u>
Capital and reserves			
Called up share capital	17	500	500
Profit and loss account	18	43,703	40,384
Other reserves	18	1,062	922
Total shareholders' funds		<u>45,265</u>	<u>41,806</u>

The financial statements of Automatic Data Processing Limited, registered number 949665, were approved by the Board of Directors and authorised for issue on 31 MARCH 2010

Signed on behalf of the Board of Directors


D McGuire
Director

Automatic Data Processing Limited

Notes to the financial statements **Year ended 30 June 2009**

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, and its risk management procedures are set out in the Review of the business and Risk management sections of the Directors' report on pages 2 and 3.

The Company is profitable and has considerable financial resources and a significant positive bank balance. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Share-based payments

The Company has applied the requirements of FRS 20 Share-based payment. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 July 2006.

Stock options

Stock options are granted to employees at exercise prices equal to the fair market value of the Company's common stock on the dates of grant. Stock options are issued under a grade vesting schedule, generally vest ratably over five years and have a term of ten years. Compensation expense for stock options is recognized over the requisite service period for each separately vesting portion of the stock option award. ADP Inc. has granted rights to its equity instruments to certain employees of the Company. This share based compensation is accounted for as equity-settled in the consolidated financial statements of the parent. UITF 44 requires the Company to record an expense for such compensation (see note 3) in accordance with FRS 20 with a corresponding increase in equity as a contribution from the parent. In fiscal year 2007, the Company reduced the number of stock options issued to employees and replaced these awards with the issuance of performance-based restricted stock.

Employee stock purchase plan

Prior to November 2005, the Company offered an employee stock purchase plan that allowed eligible employees to purchase shares of common stock at 85% of the lower of market value as of the date the purchase price for an offering was determined or market value as of the end of such offering. In November 2005, the Company revised the employee stock purchase plan offering beginning on January 1, 2006, whereby eligible employees can purchase shares of common stock at 85% of the market value at the date the purchase price for the offering is determined. Compensation expense for the employee stock purchase plan is recognized over the vesting period of 24 months on a straight-line basis.

ADP Inc. has granted rights to its equity instruments to certain employees of the Company. This Share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent. UITF 44 requires the Company to record an expense for such compensation (see note 3) in accordance with FRS 20 with a corresponding increase in equity as a contribution from the parent.

Automatic Data Processing Limited

Notes to the financial statements **Year ended 30 June 2009**

1 Accounting policies (continued)

Performance-based restricted stock

In fiscal 2007, the Company restructured its stock-based compensation programs for non-executives on a prospective basis, and began awarding two-year performance-based restricted stock in place of stock options at a ratio of approximately one share of performance-based restricted stock for every four stock options. The performance-based restricted stock programme contains a two-year performance period and a subsequent six-month service period. Under this programme, the Company communicates "target awards" to employees at the beginning of a performance period and, as such, dividends are not paid in respect of the "target awards" during the performance period. After the two-year performance period, if the performance targets are achieved, employees are eligible to receive dividends on any shares awarded under the programme. The performance target is based on EPS growth over the performance period with possible payouts ranging from 0% to 125% of the "target award". Compensation expense is recognized on a straight-line basis over the vesting term of approximately 30 months based upon the probable performance target that will be met.

Investments

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

Stock

Stock of paper and computer consumables is valued at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The periods generally applicable are:

Computer installation	2 – 3 years
Fixtures and fittings (including leasehold improvements)	1 – 10 years

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.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

1. Accounting policies (continued)

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.

Leases

Rental charges under operating leases are charged to profit and loss on a straight-line basis 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

Revenue, which is stated net of Value Added Tax, is recognised once the obligations to the client have been fulfilled.

Consolidation

In accordance with the exemptions available under s401 of the Companies Act 2006 and FRS 2 'Accounting for Subsidiary Undertakings', 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.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

2. Information regarding directors and employees

	2009 £'000	2008 £'000
Directors' emoluments		
Salaries	447	680
Pension contributions	9	21
	<u>456</u>	<u>701</u>

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received under long-term incentive schemes. The directors' emoluments disclosed above include those of the highest paid director of £447,124 (2008 - £442,238) and £ 9,097 which relates to pension contributions (2008 - £10,585). One director is a member of a defined contribution pension scheme (2008 - one). No directors are members of the defined benefit scheme (2008 - none).

	2009 No.	2008 No.
Average number of persons employed (including directors)		
Systems programmers	22	21
Production/operations	34	34
Customer support	334	333
Administration	34	30
Sales/marketing	141	148
	<u>565</u>	<u>566</u>

The above numbers include 44 (2008 - 43) employees whose costs are recharged to other ADP group companies.

	2009 £'000	2008 £'000
Staff costs during the year (including directors)		
Wages and salaries	18,993	16,809
Social security costs	2,191	2,044
Other pension costs	1,000	1,011
Share-based payments (including National Insurance Contributions)	138	111
	<u>22,322</u>	<u>19,975</u>

Performance-based restricted stock

The ADP Group issues to certain employees, performance-based units (PBUs) that require the Group to pay benefits to the employee at the date of exercise. During 2009, no PBUs were issued. The Company has recorded liabilities of £549,566 and £557,713 in 2009 and 2008, respectively. Fair value of the PBUs is determined by the EPS growth over the performance period. The Company recorded total expenses of £nil and £306,208 in 2009 and 2008, respectively.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

3. Share-based payments

The Company charged the following amounts to the profit and loss account in 2009 and 2008 in relation to equity-settled share-based payments

	2009 £'000	2008 £'000
Approved SAYE	20	41
Unapproved SAYE	4	8
Share options	116	130
	<u>140</u>	<u>179</u>

These amounts have been credited to Equity as a Parent Company Capital contribution in accordance with UITF 44 "Group and Treasury Share Transaction" (see note 1 Accounting policies)

Movement on stock options granted and weighted average exercise price during the year are as follows

	At 1 July 2008 Number	Granted Number	Exercised Number	Lapsed/ transferred/ other Number	Outstanding At 30 June 2009 Number	Exercisable At 30 June 2009 Number
Share options	117,150	-	-	20,603	137,753	104,228
Weighted-average exercise price (\$)	40.13	-	-	30.85	38.74	38.14

Outstanding options at 30 June 2009 had a range of exercise prices from \$31.28 to \$42.94

Stock options

The fair value of each stock option issued prior to 1 January 2005 was estimated on the date of grant using a Black-Scholes option pricing model. For stock options issued on or after 1 January 2005, the fair value of each stock option was estimated on the date of grant using a binomial option pricing model. The binomial model considers a range of assumptions related to volatility, risk-free interest rate and employee exercise behaviour. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Group's stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the US Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

Stock purchase plan

The employee stock purchase plans are open to all employees and provide for a purchase price equal to the daily average market price on the date of grant, less 15 per cent. The shares can be purchased during a two-week period each year. Pursuant to these plans, the discount of £106,453 will be expensed over the vesting period of three years.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

4. Operating profit

	2009 £'000	2008 £'000
Operating profit is after charging:		
Rentals under operating leases		
Plant and machinery	211	165
Other operating leases	1,216	1,235
Depreciation (note 9)	670	686
Restructuring cost	141	175
Provisions for dilapidation (note 15)	98	66
Fees payable to the Company's auditors for the audit of the Company's annual accounts	57	55
Fees payable to the Company's auditors and their associates for other services Tax	142	88

5. Exceptional items reported after profit

The profit on sale of discontinued operations in the prior year relates to the sale of the travel clearing business. The sale occurred on 6 July 2007 and was based on a transfer of assets valued at 30 June 2007. No trading profit or loss was recognised in the prior period by Automatic Data Processing Limited in relation to this part of the business.

6. Interest payable and similar charges

	2009 £'000	2008 £'000
Other finance charge (see pension note 21)	88	31
	<u>88</u>	<u>31</u>

7. Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable on cash at bank	1,690	2,545

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

8. Tax charge on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax		
UK corporation tax at 28% (2008 29.5%)	(563)	(782)
Adjustments in respect of previous years	632	1
	<u>69</u>	<u>(781)</u>
Deferred tax		
Origination and reversal of timing differences	42	(360)
Adjustments in respect of previous years	(2)	(47)
	<u>40</u>	<u>(407)</u>
Total tax credit / (charge) on ordinary activities	<u>109</u>	<u>(1,188)</u>

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

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	<u>2,989</u>	<u>7,579</u>
Tax on profit on ordinary activities at 28% (2008 29.5%)	(837)	(2,236)
Non taxable profit on sale of subsidiary	-	1,382
Non-tax deductible expenses	(56)	(140)
Capital allowances in excess of depreciation	(24)	23
Movement in short-term timing differences	(109)	150
Group relief received for nil consideration	377	39
Adjustments in respect of previous years	632	1
Items charged elsewhere (reserves)	86	-
Current tax charge for the year	<u>69</u>	<u>(781)</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

9. Tangible fixed assets

	Computer installation £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2008	3,165	1,528	4,693
Additions	520	196	716
At 30 June 2009	3,685	1,724	5,409
Depreciation			
At 1 July 2008	2,267	578	2,845
Charge for the year	458	212	670
At 30 June 2009	2,725	790	3,515
Net book value			
At 30 June 2009	960	934	1,894
At 30 June 2008	898	950	1,848

10. Fixed asset investments

	Shares in subsidiary undertaking £'000
Cost and net book value at 30 June 2008 and at 30 June 2009	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 Chessington Computer Services Limited ceased trading on 30 June 2005

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

10. Fixed asset investments (continued)

During the year ended 30 June 2009, ADP Limited incurred a loss of £1,086,000. The aggregate amount of its capital and reserves as at 30 June 2009 was £35,838,000 (shareholders' deficit).

During the year ended 30 June 2009, AGC Application Group Limited incurred a loss of £45,000. The aggregate amount of its capital and reserves as at 30 June 2009 was £1,119,000 (shareholders' deficit).

During the year ended 30 June 2009, The Chessington Partnership Limited incurred a loss of £4,138. The aggregate amount of its capital and reserves as at 30 June 2009 was £625,438.

During the year ended 30 June 2009, Chessington Computer Services Limited incurred a loss of £244,000. The aggregate amount of its capital and reserves as at 30 June 2009 was £9,887,000 (shareholders' deficit).

11. Stocks

	2009 £'000	2008 £'000
Paper and computer consumables	134	150

There is no material difference between the balance sheet value of stocks and their replacement cost.

12. Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade debtors	5,977	6,126
Amounts due from fellow subsidiary undertakings	1,318	1,113
Other debtors	27	288
Prepayments	1,336	1,115
	<u>8,658</u>	<u>9,259</u>

13. Cash at bank and in hand

	2009 £'000	2008 £'000
Cash at bank – Client Funds (see Note 14)	37,050	18,184
Cash at bank and in hand	49,041	44,373
	<u>86,091</u>	<u>62,557</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

14 Creditors

Amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	858	1,090
Amounts owed to fellow subsidiary undertakings for a loan	2,123	2,123
Amounts due to fellow subsidiary undertakings	1,312	866
Client obligations	37,050	18,184
Corporation Tax	319	-
Other taxes and social security	1,382	1,367
Other creditors	136	19
Accruals and deferred income	4,803	4,927
	<u>47,983</u>	<u>28,576</u>

The Client obligations relate to amounts owed to third parties on behalf of clients (note 13)

Amounts falling due after more than one year

	2009 £'000	2008 £'000
Accruals and deferred income	<u>2,736</u>	<u>2,382</u>

15. Provision for liabilities

	Dilapidations £'000	NIC on share options £'000	Total £'000
At 1 July 2008	215	36	251
Utilised during the year	-	-	-
Charged / (credited) to the profit and loss account	<u>98</u>	<u>(2)</u>	<u>96</u>
At 30 June 2009	<u>313</u>	<u>34</u>	<u>347</u>

Included in the dilapidations provision is an amount of £280,909 which relates to the dilapidations provision on a lease expiring March 2020 and £32,416 which relates to a lease expiring July 2017. It is expected that the provisions will be utilised after the lease expiry dates.

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Notes to the financial statements Year ended 30 June 2009

16 Deferred taxation

	2009 £'000	2008 £'000
Deferred tax assets		
Short-term timing differences	300	256
Capital allowances in excess of depreciation	123	101
	<u>423</u>	<u>357</u>
Total		
	<u>423</u>	<u>357</u>
Opening balance	357	722
Adjustment in respect of prior years	(2)	-
Credit / (charge) to profit and loss account	68	(365)
	<u>423</u>	<u>357</u>
Closing balance		
	<u>423</u>	<u>357</u>

The credit / (charge) to profit and loss account shown here excludes movements in deferred tax on the pension deficit, see Note 8 and Note 21

17. Called up share capital

	2009 £'000	2008 £'000
Authorised, called up, allotted and fully paid: 500,000 ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

18. Reserves

	Other reserves £'000	Profit and loss account £'000
At 1 July 2008	922	40,384
Retained profit for the year	-	3,098
Actuarial gain	-	307
Deferred tax on actuarial gain	-	(86)
Expense – share-based payments (note 3)	140	-
	<u>1,062</u>	<u>43,703</u>
At 30 June 2009		
	<u>1,062</u>	<u>43,703</u>

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Notes to the financial statements Year ended 30 June 2009

19. Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the year	3,098	6,391
Capital contribution from ultimate parent company following adoption of FRS 20 (note 3)	140	179
Actuarial gain/(loss) relating to pension scheme	307	(341)
Deferred tax on actuarial gain/loss	(86)	95
Net Increase in shareholders' funds	3,459	6,324
Opening shareholders' funds	41,806	35,482
Closing shareholders' funds	45,265	41,806

20. Operating lease commitments

At 30 June 2009 the Company was committed to making the following payments during the next year in respect of operating leases

	2009		2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	-	1	-	7
Within two to five years	93	15	-	16
After five years	1,177	-	1,270	-
	1,270	16	1,270	23

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Notes to the financial statements Year ended 30 June 2009

21. Pension scheme

Defined contribution scheme

The Company currently operates a money purchase defined contribution scheme

The pension cost for the current year totalled £999,585 (2008 – £1,010,804) As at the balance sheet date, there were outstanding pension contributions totalling £nil (2008 – £120,519)

Defined benefit scheme

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 This scheme is no longer open to new employees

The amounts recognised in the balance sheet are as follows

	At 30 June 2009 £'000	At 30 June 2008 £'000
Present value of funded obligations	5,918	6,699
Fair value of plan assets	(4,642)	(5,024)
	<u>1,276</u>	<u>1,675</u>
Present value of unfunded obligations	-	-
Unrecognised past service costs	-	-
	<u>1,276</u>	<u>1,675</u>
Deficit	1,276	1,675
Related deferred tax asset	(357)	(469)
	<u>919</u>	<u>1,206</u>
Net liability	919	1,206
Amounts in balance sheet		
Liabilities	919	1,206
Assets	-	-
	<u>919</u>	<u>1,206</u>
Net liabilities	919	1,206

Amounts recognised in the profit and loss are as follows

	At 30 June 2009 £'000	At 30 June 2008 £'000
Interest costs	416	370
Return on assets	(328)	(339)
	<u>88</u>	<u>31</u>
Net periodic benefit cost	88	31
	<u>88</u>	<u>31</u>
Total expense	88	31

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Notes to the financial statements Year ended 30 June 2009

21 Pension scheme (continued)

Change in the present value of scheme liabilities

	At 30 June 2009 £'000	At 30 June 2008 £'000
At 1 July	6,699	6,769
Interest cost	416	370
Actuarial loss	(1,102)	(369)
Gross benefits paid	(95)	(71)
	<u>5,918</u>	<u>6,699</u>

Change in the fair value of assets

	At 30 June 2009 £'000	At 30 June 2008 £'000
At 1 July	5,024	5,286
Employer contributions	180	180
Expected return on assets	328	339
Assets loss	(795)	(710)
Gross benefits paid	(95)	(71)
	<u>4,642</u>	<u>5,024</u>

The Company expects to contribute £180,000 to the ADP Limited Pension & Life Assurance Plan in the year to 30 June 2009

	At 30 June 2009	At 30 June 2008
Assets as a proportion of total scheme assets		
Equities	49%	54%
Fixed Income Bonds	36%	37%
Property	4%	4%
Cash	<u>11%</u>	<u>5%</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2009

21. Pension scheme (continued)

Principal actuarial assumptions at the balance sheet date.

	At 30 June 2009	At 30 June 2008
Rate of increase in pensions in payment	3.20%	3.75%
Discount rate	6.5%	6.25%
Inflation assumptions	3.20%	3.75%
Rate of return on scheme assets	6.47%	6.33%

The weighted average life expectancy for mortality tables used to determine benefit obligations is as follows

at member age 60 (current life expectancy)	27	24
at member age 40 (life expectancy at age 60)	29	24

The Company expects to contribute £549,000 to the ADP Pension and Life Assurance plan during the year ending 30 June 2010

Amounts for the current and previous four periods are as follows

	At 30 June 2009 £'000	At 30 June 2008 £'000	At 30 June 2007 £'000	At 30 June 2006 £'000	At 30 June 2005 £'000
Defined Benefit Obligations	5,918	6,699	6,769	6,556	4,700
Scheme assets	4,642	5,024	5,286	4,731	3,257
Deficit	1,276	1,675	1,483	1,825	1,443
Experience adjustments on scheme liabilities	(1,204)	(61)	3	(257)	(17)
Experience adjustments on scheme assets	795	710	(167)	(34)	(446)

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 wholly-owned group entities

23. 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

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Notes to the financial statements Year ended 30 June 2009

24. Subsequent events

The Company had given a guarantee in favour of the ADP Chessington Pension Scheme during 2008. On 30 July 2009, the principal employer of this scheme was changed, with agreement of the Trustees, from Chessington Computer Services Ltd to Automatic Data Processing Ltd. The net liabilities of this scheme as at 30 June 2009 were £5,387,000.