

Company Registration No. 949665

Automatic Data Processing Limited

Report and Financial Statements

30 June 2011

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Automatic Data Processing Limited

Report and financial statements 2011

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Automatic Data Processing Limited

Report and financial statements 2011

Officers and professional advisers

Directors

D McGuire
M Bonarti

Secretary

TMF Corporate Secretarial Services Limited
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Bankers

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Multinational Corporate Team
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Allied Irish Bank
PO Box 96A
7/12 Dame Street
Dublin 2

Solicitors

Clifford Chance
10 Upper Bank Street
London
E14 5JJ

Auditor

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 2011

Results and dividends

The results for the year are as follows

	2011 £'000	2010 £'000
Loss before taxation	(45,445)	(6,239)
Loss after taxation	(45,224)	(6,032)

The directors do not propose any dividend for the year (2010 – £nil)

There have been some unusual events which have adversely affected pre tax results

	2011 £'000	2010 £'000
Impairment of investments in subsidiaries following capital contribution	41,721	5,387
Lower interest receivable due to reduced rates	-	1,400

Principal activities

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

Review of the business

Turnover for the year was £40,862,899 (2010 – £39,241,913)

The directors believe that revenue will grow during the coming year compared to 2011 and that the business is soundly based for future profitable growth despite the one off effects detailed above. The 2011 results include an impairment of £41,720,946 relating to the write-off of an investment in subsidiary balance arising from capital contribution.

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 about 550,000 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.

Research and development

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

Automatic Data Processing Limited

Directors' report (continued)

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 (2010 – £nil), but charitable donations of £3,028 (2010 – £1,250) were made.

Employee involvement

Information on business developments and operational matters is disseminated to staff through quarterly 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.

Pension Scheme

On 30th July 2009 the principal employer of the ADP Chessington Pension Scheme was changed, with agreement of the Trustees, from Chessington Computer Services Ltd to Automatic Data Processing Limited. Contributions into the scheme are now being made by Automatic Data Processing Limited.

The pension liability was transferred into Automatic Data Processing Limited through a capital contribution to Chessington Computer Services Limited increasing its investment in subsidiaries. As this investment in subsidiaries is not considered recoverable as this entity is due to be liquidated, an impairment was immediately recognised.

Automatic Data Processing Limited

Directors' report (continued)

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 above

The Company has considerable financial resources and a 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, the loss this year was principally caused by an impairment being recognised following share purchases in subsidiaries in order to recapitalise these companies. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditor

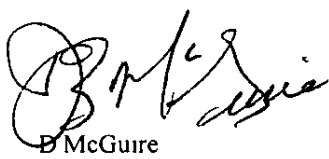
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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



B McGuire
Director

30.03 2012

Automatic Data Processing Limited

Directors' responsibilities statement

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 auditor's report to the members of Automatic Data Processing Limited

We have audited the financial statements of Automatic Data Processing Limited for the period ended 30 June 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 23. 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 auditor's 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 director 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its loss for the period 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 period 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

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

30 March 2012

Automatic Data Processing Limited

Profit and loss account Year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Turnover			
Continuing operations	1	40,206	38,637
Other operating income		657	605
Cost of sales		(16,918)	(15,272)
Gross profit		23,945	23,970
Distribution costs		(2,088)	(2,039)
Administrative expenses		(26,261)	(22,777)
Impairment Charge	9	(41,721)	(5,387)
Operating loss	4	(46,125)	(6,233)
Interest payable and similar charges	5	(71)	(277)
Interest receivable and similar income	6	751	271
Loss on ordinary activities before taxation		(45,445)	(6,239)
Tax credit on loss on ordinary activities	7	221	207
Loss for the financial year	17,18	(45,224)	(6,032)

Statement of total recognised gains and losses Year ended 30 June 2011

	2011 £'000	2010 £'000
Loss for the financial year	(45,224)	(6,032)
Actuarial gain/(loss) relating to the pension scheme	2,238	(4,542)
Deferred tax (credit)/charge on actuarial gain/(loss)	(504)	2,018
Total recognised gains and losses relating to the year	17,18	(8,556)

Automatic Data Processing Limited

Balance sheet 30 June 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	8	1,766	1,628
Investments	9	-	50
		<u>1,766</u>	<u>1,678</u>
Current assets			
Stocks	10	-	108
Debtors amounts falling due within one year	11	10,115	8,767
Deferred Tax Asset	15	1,402	648
Cash at bank and in hand	12	108,993	107,766
		<u>120,510</u>	<u>117,289</u>
Creditors' amounts falling due within one year	13	<u>(118,567)</u>	<u>(74,011)</u>
Net current assets		1,943	43,278
Creditors: amounts falling due after more than one year	13	(2,078)	(2,559)
Provisions for liabilities	14	<u>(514)</u>	<u>(427)</u>
Net assets excluding pension liability		1,117	41,970
Pension liability	20,21	<u>(2,792)</u>	<u>(5,186)</u>
Total net (liabilities)/assets		<u><u>(1,675)</u></u>	<u><u>36,784</u></u>
Capital and reserves			
Called up share capital	16	5,500	500
Profit and loss account	17	(8,343)	35,147
Other reserves	17	1,168	1,137
Total shareholders' (deficit)/funds	18	<u><u>(1,675)</u></u>	<u><u>36,784</u></u>

The financial statements of Automatic Data Processing Limited, registered number 949665, were approved by the Board of Directors and authorised for issue on *MARCH 30, 2012*

Signed on behalf of the Board of Directors


D. McGuire
Director

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

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

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 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. The loss this year and the net liability position of the company at 30 June 2011 was principally caused by an impairment being recognised following share purchases in subsidiaries in order to recapitalise these companies. 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 Ultimate Parent Company, Automatic Data Processing Inc's common stock on the dates of grant. Stock options are issued under a grade vesting schedule, generally vest rateably 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. Automatic Data Processing 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.

Automatic Data Processing 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 2011

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 2011

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 two defined benefit pension schemes. 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 notes 20 and 21.

Turnover

Revenue, which is stated net of Value Added Tax, is recognised once the obligations to the client have been fulfilled. Turnover relates to sales made within the United Kingdom.

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 2011

2. Information regarding directors and employees

	2011 £'000	2010 £'000
Directors' emoluments		
Salaries	469	458
Pension contributions	12	11
	<u>481</u>	<u>469</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 £481,000 (2010 - £469,400) of which £12,069 relates to pension contributions (2010 - £11,432). One director is a member of a defined contribution pension scheme (2010 - one). No directors are members of the defined benefit schemes (2010 - none).

	2011 No.	2010 No.
Average number of persons employed (including directors)		
Systems programmers	21	22
Production/operations	30	35
Customer support	357	330
Administration	30	31
Sales/marketing	160	136
	<u>597</u>	<u>554</u>

	2011 £'000	2010 £'000
Staff costs during the year (including directors)		
Wages and salaries	20,878	18,156
Social security costs	2,395	1,825
Other pension costs	1,336	773
Share-based payments (including National Insurance Contributions)	-	73
	<u>24,609</u>	<u>20,827</u>

Performance-based restricted stock

The Automatic Data Processing Group issues to certain employees, performance-based units that require the Group to pay benefits to the employee at the date of exercise. The company has recorded liabilities of £871,417 and £573,081 in 2011 and 2010 respectively. Fair value of the PBUs is determined by the ADP Inc EPS growth over the performance period. The Company recorded total expenses of £856,263 and £311,862 in 2011 and 2010, respectively.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

3. Share-based payments

The Company charged the following amounts to the profit and loss account in 2011 and 2010 in relation to equity-settled share-based payments

	2011 £'000	2010 £'000
Approved SAYE	-	19
Unapproved SAYE	-	2
Share options	35	54
	<u>35</u>	<u>75</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 2010 Number	Granted Number	Exercised Number	Lapsed/ transferred Number	Outstanding At 30 June 2011 Number	Exercisable At 30 June 2011 Number
Share options	147,366	6,013	-	-	153,379	131,919
Weighted-average exercise price (\$)	38.71	39.13	-	-	38.94	38.91

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. Details of the key assumptions used are disclosed in the consolidated accounts of Automatic Data Processing Inc.

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.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

4. Operating loss

	2011 £'000	2010 £'000
Operating loss is after charging		
Rentals under operating leases		
Plant and machinery	41	105
Other operating leases	1,173	1,263
Depreciation (note 8)	713	699
Restructuring cost	-	93
Provisions for dilapidation (note 14)	83	82
Fees payable to the Company's auditor for the audit of the Company's annual accounts	69	59
Fees payable to the Company's auditor and their associates for other services Tax	58	48
	<u> </u>	<u> </u>

5. Interest payable and similar charges

	2011 £'000	2010 £'000
Other finance charge (see pension note 20, 21)	71	277
	<u>71</u>	<u>277</u>

6 Interest receivable and similar income

	2011 £'000	2010 £'000
Interest receivable on cash at bank	751	271
	<u>751</u>	<u>271</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

7. Tax charge on (loss)/profit on ordinary activities

	2011 £'000	2010 £'000
Current tax		
UK corporation tax at 28%	-	-
Adjustments in respect of previous years	-	(18)
	<u>-</u>	<u>(18)</u>
Deferred tax		
Origination and reversal of timing differences	475	225
Adjustments in respect of previous years	96	-
Effect of changes in tax rates	183	-
Deferred tax on pension scheme	(533)	-
	<u>221</u>	<u>225</u>
Total tax credit for the year	<u>221</u>	<u>207</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 (loss)/profit before tax are as follows

	2011 £'000	2010 £'000
Loss on ordinary activities before tax	(45,445)	(6,239)
Tax on loss at standard UK tax rate of 27.5% (2010 28%)	12,498	1,747
Defined benefit schemes – ADP and Chessington	-	922
Non-tax deductible expenses	(11,557)	(1,719)
Capital allowances in excess of depreciation	(35)	(27)
Movement in short-term timing differences	886	(120)
Group relief received for nil consideration	-	(803)
Adjustments in respect of previous years	-	(18)
Items charged elsewhere (reserves)	(503)	-
Group relief surrendered for nil consideration	(440)	-
Tax losses carried forwards	(849)	-
Current tax (charge)/credit for the year	<u>-</u>	<u>(18)</u>

It was announced in the March 2011 Budget statements that there will be a reduction in the rate of UK corporation tax to 22% by 1 April 2014. A reduction in the rate to 26% was substantially enacted on 29 March 2011 with effect from 1 April 2011 and further reductions are expected to be introduced in future Finance Bills.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

8 Tangible fixed assets

	Computer installation £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2010	3,982	1,593	5,575
Additions	688	163	851
Reclassification	23	(23)	-
At 30 June 2011	4,693	1,733	6,426
Depreciation			
At 1 July 2010	3,010	937	3,947
Charge for the year	523	190	713
At 30 June 2011	3,533	1,127	4,660
Net book value			
At 30 June 2011	1,160	606	1,766
At 30 June 2010	972	656	1,628

9 Fixed asset investments

	Shares in subsidiary undertaking £'000
Cost	
At 1 July 2010	5,437
Additions	41,671
At 30 June 2011	47,108
Provision for impairment	
At 1 July 2010	5,387
Charge for the year	41,721
At 30 June 2011	47,108
Net book value	
At 30 June 2011	-
At 30 June 2010	50

On 30 July 2009, Automatic Data Processing Limited made a capital injection to Chessington Computer Services Limited and assumed the pension liability held in that entity. As this investment in subsidiary is not considered recoverable as this entity is due to be liquidated, an impairment was immediately recognised.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

On 23 June 2011, the company purchased 40,519,223 ordinary shares of ADP Limited of £1 each for total cash consideration of £40,519,223

On 23 June 2011, the company purchased 10 ordinary shares of AGC Application Group Limited of £1 each for total cash consideration of £1,151,721

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

As ADP Limited and AGC Application Group Limited are in the process of liquidation, the Directors do not consider the investment in these companies to be recoverable and a total impairment of £41,721,000 has been recognised

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

10. Stocks

	2011 £'000	2010 £'000
Paper and computer consumables	-	108

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

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

11. Debtors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade debtors	6,850	5,517
Amounts due from fellow subsidiary undertakings	1,539	1,772
Corporation tax debtor	245	159
Other debtors	418	73
Prepayments	1,063	1,246
	<u>10,115</u>	<u>8,767</u>

12. Cash at bank and in hand

	2011 £'000	2010 £'000
Cash at bank – Client Funds (Note 13)	100,666	60,083
Cash at bank and in hand	8,327	47,683
	<u>108,993</u>	<u>107,766</u>

13. Creditors

Amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	1,491	955
Amounts owed to fellow subsidiary undertakings for a loan	2,110	2,123
Amounts due to fellow subsidiary undertakings	5,067	3,625
Client obligations (Note 12)	100,666	60,083
Other taxes and social security	1,812	1,624
Other creditors	17	109
Accruals and deferred income	7,404	5,492
	<u>118,567</u>	<u>74,011</u>

The Client obligations relate to amounts owed to third parties on behalf of clients (note 12)

Amounts falling due after more than one year

	2011 £'000	2010 £'000
Accruals and deferred income	<u>2,078</u>	<u>2,559</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

14. Provision for liabilities

	Dilapidations £'000	NIC on share options £'000	Total £'000
At 1 July 2010	394	33	427
Charged to the profit and loss account	83	4	87
At 30 June 2011	<u>477</u>	<u>37</u>	<u>514</u>

Included in the dilapidations provision is an amount of £413,005 which relates to the dilapidations provision on a lease expiring March 2020 and £63,624 which relates to a lease expiring July 2017, it is expected that the provisions will be utilised after the lease expiry dates

15. Deferred taxation

	2011 £'000	2010 £'000
Deferred tax assets		
Short-term timing differences	450	498
Capital allowances in excess of depreciation	151	150
Losses	801	-
	<u>1,402</u>	<u>648</u>
Total	<u>1,402</u>	<u>648</u>
Opening balance	648	423
Credit to profit and loss account	754	225
Closing balance	<u>1 402</u>	<u>648</u>

16. Called up share capital

	2011 £'000	2010 £'000
Allotted, Called up and fully paid:		
5,500,000 ordinary shares of £1 each (2010 500,000)	<u>5,500</u>	<u>500</u>

On 30th June 2011, ADP Ltd issued allotment of 5,000,000 shares at a subscription price of £1.00 per share to ADP Network Services Ltd

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

17 Reserves

	Other reserves £'000	Profit and loss account £'000
At 1 July 2010	1,137	35,147
Retained loss for the year	-	(45,224)
Actuarial gain	-	2,238
Deferred tax on actuarial gain	-	(504)
Expense-share-based payments (note 3)	31	-
At 30 June 2011	<u>1,168</u>	<u>(8,343)</u>

18. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Loss for the year	(45,224)	(6,032)
Capital Contribution from immediate parent company	5,000	-
Capital contribution from ultimate parent company following adoption of FRS20 (note 3)	31	75
Actuarial gain/(loss) relating to pension scheme	2,238	(4,542)
Deferred tax on actuarial (loss)/gain	(504)	2,018
Net decrease in shareholders' funds	<u>(38,459)</u>	<u>(8,481)</u>
Opening shareholders' funds	<u>36,784</u>	<u>45,265</u>
Closing shareholders' funds	<u>(1,675)</u>	<u>36,784</u>

19. Operating lease commitments

At 30 June 2011 the Company was committed to making the following payments during the next year in respect of operating leases

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	-	5	-	1
Within two to five years	93	-	93	5
After five years	1,177	-	1,177	-
	<u>1,270</u>	<u>5</u>	<u>1,270</u>	<u>6</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

20 Pension – ADP Pension and Life Assurance Plan

Defined contribution scheme

The Company currently operates a money purchase defined contribution scheme

The pension cost for the current year totalled £452,000 (2010 – £901,000) As at the balance sheet date, there were outstanding pension contributions totalling £nil (2010 – £nil)

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 2011 £'000	At 30 June 2010 £'000
Present value of funded obligations	7,584	7,178
Fair value of plan assets	(7,100)	(5,969)
	<u>484</u>	<u>1,209</u>
Deficit	484	1,209
Related deferred tax asset	(126)	(339)
	<u>358</u>	<u>870</u>
Net liability		
Amounts in balance sheet		
Liabilities	<u>358</u>	<u>870</u>
Net liabilities	<u><u>358</u></u>	<u><u>870</u></u>

Amounts recognised in the profit and loss are as follows

	At 30 June 2011 £'000	At 30 June 2010 £'000
Interest costs	387	377
Return on assets	(396)	(293)
	<u>(9)</u>	<u>84</u>
Net periodic benefit cost		
Total expense included in interest payable	<u><u>(9)</u></u>	<u><u>84</u></u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

20 Pension (continued)

Change in the present value of scheme liabilities

	2011 £'000	2010 £'000
At 1 July 2010 / 2009	7,178	5,918
Interest cost	387	377
Actuarial loss	211	1,123
Gross benefits paid	(192)	(240)
At 30 June 2011 / 2010	<u>7,584</u>	<u>7,178</u>

Change in the fair value of assets

	2011 £'000	2010 £'000
At 1 July 2010 / 2009	5,969	4,642
Employer contributions	452	901
Expected return on assets	396	293
Assets gain	475	373
Gross benefits paid	(192)	(240)
At 30 June 2011 / 2010	<u>7,100</u>	<u>5,969</u>

The Company expects to contribute £452,000 to the ADP Limited Pension & Life Assurance Plan in the year to 30 June 2012

	At 30 June 2011	At 30 June 2010
Assets as a proportion of total scheme assets		
Equities	53%	45%
Fixed Income Bonds	41%	42%
Property	5%	6%
Cash	<u>1%</u>	<u>7%</u>

Property amounts to £381,000 (2010 - £387,000) of the total fair value of scheme assets

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

20. Pension (continued)

Principal actuarial assumptions at the balance sheet date

	At 30 June 2011	At 30 June 2010
Rate of increase in salaries	3.51%	3.24%
Rate of increase in pensions in payment	3.51%	3.24%
Discount rate	5.41%	5.47%
Inflation assumptions	3.51%	3.24%
Rate of return on scheme assets	6.00%	6.50%

Mortality (calculated using PA92 tables) - projected to 2010 for existing pensioners and 2020 for future pensioners in both 2011 and 2010

Amounts for the current and previous four periods are as follows

	At 30 June 2011 £'000	At 30 June 2010 £'000	At 30 June 2009 £'000	At 30 June 2008 £'000	At 30 June 2007 £'000
Defined Benefit Obligations	7,584	7,178	5,918	6,699	6,769
Scheme assets	7,100	5,969	4,642	5,024	5,286
Deficit	484	1,209	1,276	1,675	1,483
Experience adjustments on scheme liabilities	-	-	(1,204)	(61)	3
Experience adjustments on scheme assets	475	373	(795)	(710)	167

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

21 Pension – ADP Chessington Pension scheme

The former employees of Chessington Computer Services Limited are eligible for membership of the ADP Chessington Pension Scheme, a funded defined benefit scheme operating in the UK

Contributions made in respect of the year ended 30 June 2011 totalled £1,200,000 (2010 - £3,021,000)

On the 30th July 2009 Automatic Data Processing Limited replaced Chessington Computer Services Limited as the principal employer for the ADP Chessington Pension Scheme

	At 30 June 2011 £'000	At 30 June 2010 £'000
Present value of funded obligations	30,274	28,624
Fair value of plan assets	(26,985)	(22,629)
	<u>3,289</u>	<u>5,995</u>
Deficit	3,289	5,995
Related deferred tax	(855)	(1,679)
Net liability	<u>2,434</u>	<u>4,316</u>
Amounts in balance sheet		
Liabilities	<u>2,434</u>	<u>4,316</u>
Net liabilities	<u><u>2,434</u></u>	<u><u>4,316</u></u>

Amounts recognised in the profit and loss are as follows

	At 30 June 2011 £'000	At 30 June 2010 £'000
Interest costs	1,551	1,451
Return on assets	(1,492)	(1,248)
Net periodic benefit cost	<u>59</u>	<u>203</u>
Total expense included in interest payable	<u><u>59</u></u>	<u><u>203</u></u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

21 Pensions (continued)

Change in benefit obligations

	2011 £'000	2010 £'000
At 1 July	28,624	22,597
Interest cost	1,551	1,451
Actuarial (gain)/loss	644	5,135
Gross benefits paid	(545)	(559)
	<u>30,274</u>	<u>28,624</u>

Change in the fair value of assets

	2011 £'000	2010 £'000
At 1 July	22,629	17,210
Employer contributions	1,200	3,021
Expected return on assets	1,492	1,257
Assets gain/(loss)	2,209	1,700
Gross benefits paid	(545)	(559)
	<u>26,985</u>	<u>22,629</u>

The Company expects to contribute £1,200,000 to the ADP Chessington Pension Scheme in the year to 30 June 2012

	At 30 June 2011	At 30 June 2010
Assets as proportion of total Scheme assets		
Equities	55%	52%
Fixed Income Bonds	45%	47%
Property	0%	0%
Cash	1%	1%

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2011

21. Pensions (continued)

Principal actuarial assumptions at the balance sheet date

	At 30 June 2011	At 30 June 2010
Rate of increase in pensions in payment	3.51%	3.24%
Discount rate	5.41%	5.47%
Inflation assumptions	3.51%	3.24%

Mortality (calculated using PA92 tables) - projected to 2011 for existing pensioners and 2020 for future pensioners in both 2011 and 2010

The actual rate of return on scheme assets is 6.50% (2010 – 6.55%)

Amounts for the current and previous four periods are as follows

	At 30 June 2011 £'000	At 30 June 2010 £'000	At 30 June 2009 £'000	At 30 June 2008 £'000	At 30 June 2007 £'000
Defined Benefit Obligations	30,274	28,624	22,597	23,459	23,794
Scheme assets	26,985	22,629	17,210	19,833	20,265
Surplus/(deficit)	(3,289)	(5,995)	(5,387)	(3,626)	(3,529)
Experience adjustments on scheme liabilities	Nil	Nil	722	(153)	(234)
Experience adjustments on scheme assets	(2,209)	(1,700)	(2,379)	(1,684)	618

On 30 July 2009, Automatic Data Processing Limited made a capital injection to Chessington Computer Services Limited and assumed the pension liability held in that entity. As this investment in subsidiary is not considered recoverable as this entity is due to be liquidated, an impairment was immediately recognised.

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.