

Company Registration No. 00949665

Automatic Data Processing Limited

Report and Financial Statements

30 June 2012

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Automatic Data Processing Limited

Report and financial statements 2012

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Automatic Data Processing Limited

Report and financial statements 2012

Officers and professional advisers

Directors

D McGuire
M Bonarti

Secretary

TMF Corporate Secretarial Services Limited
Pellipar House, 1st Floor
9 Cloak Lane
London
EC4R 2RU

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

JPMorgan Chase Bank N A
PO Box 260166
Baton Rouge
LA 70826-0166

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 2012

Results and dividends

The results for the year are as follows

	2012 £'000	2011 £'000
Loss before taxation	(231)	(45,445)
Loss after taxation	<u>(711)</u>	<u>(45,224)</u>

The directors do not propose any dividend for the year (2011 £nil)

In the previous year there were some unusual events which adversely affected pre tax results however there are no such events for the year ended 30 June 2012

	2012 £'000	2011 £'000
Impairment of investments in subsidiaries following capital contribution	<u>-</u>	<u>41,721</u>

Principal activities

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

Review of the business

Turnover for the year was £44,074,000 (2011 £40,206,000)

The directors believe that revenue will grow during the coming year compared to 2012 and that the business is soundly based for future profitable growth. The 2012 results present a result much closer to a break even position compared to 2011 which included an impairment of £41,721,000 relating to the write-off of an investment in subsidiary balance arising from capital contribution

During the year, the Company issued allotment of 7,500,000 shares at a subscription price of £1.00 per share to its immediate parent company, ADP Network Services Ltd

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 one of the world's largest providers of business outsourcing solutions, with more than \$10 billion in revenues and approximately 600,000 clients

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

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

Automatic Data Processing Limited

Directors' report (continued)

Political and charitable donations

During the period the Company made no political donations (2011 £nil), but charitable donations of £359 (2011 £3,028) 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.

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.

Despite making losses in the financial year, 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. 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



D McGuire
Director

18 January 2013

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, 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 year ended 30 June 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 21. 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 auditor

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 2012 and of its loss 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 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
18 January 2013

Automatic Data Processing Limited

Profit and loss account Year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
Turnover			
Continuing operations	1	44,074	40,206
Cost of sales		<u>(19,356)</u>	<u>(16,918)</u>
Gross profit		24,718	23,288
Distribution costs		(2,182)	(2,088)
Administrative expenses		(25,193)	(26,261)
Other operating income		718	657
Impairment Charge	9	<u>-</u>	<u>(41,721)</u>
Operating loss	4	(1,939)	(46,125)
Interest payable and similar charges	5	-	(71)
Interest receivable and similar income	6	<u>1,708</u>	<u>751</u>
Loss on ordinary activities before taxation		(231)	(45,445)
Tax (charge)/credit on loss on ordinary activities	7	<u>(480)</u>	<u>221</u>
Loss for the financial year	16, 17	<u><u>(711)</u></u>	<u><u>(45,224)</u></u>

Statement of total recognised gains and losses Year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
Loss for the financial year		(711)	(45,224)
Actuarial (loss)/gain relating to the pension scheme		(2,512)	2,238
Deferred tax credit on actuarial (loss)/gain		<u>(566)</u>	<u>(504)</u>
Total recognised gains and losses relating to the year	16, 17	<u><u>(3,789)</u></u>	<u><u>(43,490)</u></u>

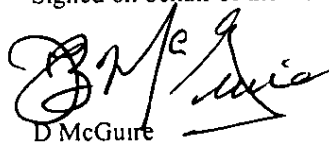
Automatic Data Processing Limited

Balance sheet 30 June 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	8	1,832	1,766
Investments	9	-	-
		<u>1,832</u>	<u>1,766</u>
Current assets			
Debtors amounts falling due within one year	10	13,467	10,115
Deferred tax asset	14	922	1,402
Cash at bank and in hand	11	132,048	108,993
		<u>146,437</u>	<u>120,510</u>
Creditors: amounts falling due within one year	12	<u>(142,109)</u>	<u>(118,567)</u>
Net current assets		4,328	1,943
Creditors: amounts falling due after more than one year	12	(2,127)	(2,078)
Provisions for liabilities	13	<u>(596)</u>	<u>(514)</u>
Net assets excluding pension liability		3,437	1,117
Pension liability	19	<u>(1,314)</u>	<u>(2,792)</u>
Total net assets/(liabilities)		<u>2,123</u>	<u>(1,675)</u>
Capital and reserves			
Called up share capital	15	13,000	5,500
Profit and loss account	16	(12,132)	(8,343)
Other reserves	16	1,255	1,168
Total shareholders' funds/(deficit)	17	<u>2,123</u>	<u>(1,675)</u>

The financial statements of Automatic Data Processing Limited, registered number 00949665 were approved by the Board of Directors and authorised for issue on 18 January 2013

Signed on behalf of the Board of Directors


D McGuire
Director

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

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.

Despite making losses in the financial year, 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. 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 2012

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.

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 2012

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 defined contribution pension 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 note 19.

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 21).

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 2012

2. Information regarding directors and employees

	2012 £'000	2011 £'000
Directors' emoluments		
Salaries	509	469
Pension contributions	14	12
	<u>523</u>	<u>481</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 £523,000 (2011 £481,000) of which £14,150 relates to pension contributions (2011 £12,069). One director is a member of a defined contribution pension scheme (2011 one). No directors are members of the defined benefit schemes (2011 none).

	2012 No	2011 No.
Average number of persons employed (including directors)		
Systems programmers	23	18
Production/operations	26	28
Customer support	325	261
Administration	31	26
Sales/marketing	168	160
	<u>573</u>	<u>478</u>

	2012 £'000	2011 £'000
Staff costs during the year (including directors)		
Wages and salaries	23,638	20,878
Social security costs	2,861	2,395
Other pension costs	1,168	1,336
Share-based payments (including National Insurance Contributions)	87	35
	<u>27,754</u>	<u>24,644</u>

Excluded from the above analysis for the average number of persons employed by the Company are employees whose costs are fully recharged to related Companies. During the year, the average number of such employees was 68 (2011 48).

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 £894,285 and £871,417 in 2012 and 2011 respectively. Fair value of the PBUs is determined by the ADP Inc EPS growth over the performance period. The Company recorded total expenses of £896,965 and £856,263 in 2012 and 2011, respectively.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

3. Share-based payments

The Company charged the following amounts to the profit and loss account in 2012 and 2011 in relation to equity-settled share-based payments

	2012 £'000	2011 £'000
Share options	87	35

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 2011 Number	Granted Number	Exercised Number	Lapsed/ transferred Number	Outstanding At 30 June 2012 Number	Exercisable At 30 June 2012 Number
Share options	131,919	-	18,612	-	113,307	111,987
Weighted-average exercise price (\$)	38.91	-	38.16	-	38.84	38.82

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 2012

4 Operating loss

	2012 £'000	2011 £'000
Operating loss is after charging.		
Rentals under operating leases		
Plant and machinery	36	41
Land and buildings	1,216	1,173
Depreciation (note 8)	785	713
Provisions for dilapidation (note 13)	82	83
Fees payable to the Company's auditor for the audit of the Company's annual accounts	70	69
Fees payable to the Company's auditor and their associates for other services Tax	31	58
	<u> </u>	<u> </u>

5. Interest payable and similar charges

	2012 £'000	2011 £'000
Other finance charge (see pension note 19)	-	71
	<u> </u>	<u> </u>

6. Interest receivable and similar income

	2012 £'000	2011 £'000
Interest receivable on cash at bank	1,580	751
Other finance income (see pension note 19)	128	-
	<u>1,708</u>	<u>751</u>

7 Tax (charge)/credit on loss on ordinary activities

	2012 £'000	2011 £'000
Current tax		
UK corporation	-	-
Adjustments in respect of previous years	-	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	456	(58)
Adjustments in respect of previous years	(822)	96
Effect of changes in tax rates	(114)	183
	<u>(480)</u>	<u>221</u>
Total tax (charge)/credit for the year	<u>(480)</u>	<u>221</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

7. Tax (charge)/credit on loss on ordinary activities (continued)

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

	2012 £'000	2011 £'000
Loss on ordinary activities before taxation	(231)	(45,445)
Tax on loss at standard UK tax rate of 25.5% (2011: 27.5%)	(59)	(12,498)
Defined benefit schemes – ADP and Chessington	-	-
Non-tax deductible expenses	60	11,557
Capital allowances in excess of depreciation	64	35
Movement in short-term timing differences	(14)	(335)
Group relief surrendered for nil consideration	750	440
Tax losses carried forward	-	801
Utilisation of tax losses	(801)	-
Current tax (charge)/credit for the year	-	-

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.

8. Tangible fixed assets

	Computer installation £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2011	4,693	1,733	6,426
Additions	742	122	864
Disposals	(445)	-	(445)
At 30 June 2012	4,990	1,855	6,845
Depreciation			
At 1 July 2011	3,533	1,127	4,660
Charge for the year	587	198	785
Disposals	(432)	-	(432)
At 30 June 2012	3,688	1,325	5,013
Net book value			
At 30 June 2012	1,302	530	1,832
At 30 June 2011	1,160	606	1,766

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

9. Fixed asset investments

	Shares in subsidiary undertaking £'000
Cost	
At 1 July 2011 and 30 June 2012	47,108
Provision for impairment	
At 1 July 2011 and 30 June 2012	(47,108)
Net book value	
At 30 June 2012 and 30 June 2012	-

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 entity is due to be liquidated, the investment is not considered recoverable and therefore the asset has been fully impaired in the previous year.

Automatic Data Processing Limited also holds fixed asset investments in the following subsidiary undertakings,

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 therefore the value of the investment has been fully impaired.

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.

The Chessington Partnership Limited and Chessington Computer Services Limited are in the process of liquidation.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

10. Debtors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade debtors	8,818	6,850
Amounts due from fellow subsidiary undertakings	1,746	1,539
Corporation tax debtor	245	245
Interest receivable	1,376	387
Other debtors	67	31
Prepayments	1,215	1,063
	<u>13,467</u>	<u>10,115</u>

11. Cash at bank and in hand

	2012 £'000	2011 £'000
Cash at bank – Client Funds (Note 12)	125,122	100,666
Cash at bank and in hand	6,926	8,327
	<u>132,048</u>	<u>108,993</u>

12 Creditors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Trade creditors	2,125	1,491
Amounts owed to fellow subsidiary undertakings for a loan	2,123	2,110
Amounts due to fellow subsidiary undertakings	2,009	5,067
Client obligations (Note 11)	125,122	100,666
Other taxes and social security	2,340	1,812
Other creditors	-	17
Accruals and deferred income	8,390	7,404
	<u>142,109</u>	<u>118,567</u>

The Client obligations relate to amounts owed to third parties on behalf of clients (note 11)

	2012 £'000	2011 £'000
Amounts falling due after more than one year		
Accruals and deferred income	2,127	2,078
	<u>2,127</u>	<u>2,078</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

13. Provision for liabilities

	Dilapidations £'000	NIC on share options £'000	Total £'000
At 1 July 2011	477	37	514
Charged to the profit and loss account	82	-	82
At 30 June 2012	<u>559</u>	<u>37</u>	<u>596</u>

Included in the dilapidations provision is an amount of £478,000 which relates to the dilapidations provision on a lease expiring March 2020 and £81,000 which relates to a lease expiring July 2017, it is expected that the provisions will be utilised after the lease expiry dates

14. Deferred taxation

	2012 £'000	2011 £'000
Deferred tax assets		
Short-term timing differences	742	450
Capital allowances in excess of depreciation	180	151
Losses	-	801
	<u>922</u>	<u>1,402</u>
Total	<u>922</u>	<u>1,402</u>
Opening balance	1,402	648
(Charge)/Credit to profit and loss account	(480)	754
Closing balance	<u>922</u>	<u>1,402</u>

15. Called up share capital

	2012 £'000	2011 £'000
Allotted, Called up and fully paid:		
13,000,000 ordinary shares of £1 each (2011 5,500,000)	<u>13,000</u>	<u>5,500</u>

On 30 June 2012, Automatic Data Processing Ltd issued allotment of 7,500,000 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 2012

16 Reserves

	Other reserves £'000	Profit and loss account £'000
At 1 July 2011	1,168	(8,343)
Loss for the financial year	-	(711)
Actuarial loss	-	(2,512)
Deferred tax on actuarial loss	-	(566)
Expense-share-based payments (note 3)	87	-
	<u>1,255</u>	<u>(12,132)</u>
At 30 June 2012		

17. Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Loss for the financial year	(711)	(45,224)
Issue of share capital (note 15)	7,500	5,000
Expense-share-based payments (note 3)	87	31
Actuarial (loss)/gain relating to pension scheme	(2,512)	2,238
Deferred tax on actuarial (loss)/gain	(566)	(504)
	<u>3,798</u>	<u>(38,459)</u>
Net increase/(decrease) in shareholders' funds		
Opening shareholders' funds	(1,675)	36,784
Closing shareholders' funds	<u>2,123</u>	<u>(1,675)</u>

18. Operating lease commitments

At 30 June 2012, the Company was committed to making the following payments during the next year in respect of operating leases

	2012		2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	-	-	-	5
Within two to five years	90	7	93	-
After five years	1,177	-	1,177	-
	<u>1,267</u>	<u>7</u>	<u>1,270</u>	<u>5</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

19. 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 £1,168,000 (2011 £1,336,000) As at the balance sheet date, there were outstanding pension contributions totalling £nil (2011 £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

	2012 £'000	2011 £'000
Present value of funded obligations	8,946	7,584
Fair value of plan assets	(8,224)	(7,100)
	<u>722</u>	<u>484</u>
Deficit	722	484
Related deferred tax asset	(173)	(126)
	<u>549</u>	<u>358</u>

Amounts recognised in the profit and loss are as follows

	2012 £'000	2011 £'000
Interest costs	403	387
Return on assets	(455)	(396)
	<u>(52)</u>	<u>(9)</u>

Total income included in interest receivable/ payable

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

19 Pension (continued)

Change in the present value of scheme liabilities

	2012 £	2011 £
At beginning of the year	7,584	7,178
Interest cost	403	387
Actuarial loss	1,211	211
Gross benefits paid	(252)	(192)
At end of the year	<u>8,946</u>	<u>7,584</u>

Change in the fair value of assets

	2012 £'000	2011 £'000
At beginning of the year	7,100	5,969
Employer contributions	1,212	452
Expected return on assets	455	396
Assets gain	(291)	475
Gross benefits paid	(252)	(192)
At end of the year	<u>8,224</u>	<u>7,100</u>

The Company expects to contribute £462,000 to the ADP Limited Pension & Life Assurance Plan in the year to 30 June 2013

Assets as a proportion of total scheme assets at the balance sheet date

	2012	2011
Equities	44%	53%
Fixed Income Bonds	41%	41%
Property	4%	5%
Cash	<u>11%</u>	<u>1%</u>

Property amounts to £304,000 (2011 £381,000) of the total fair value of scheme assets

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

19 Pension (continued)

Principal actuarial assumptions at the balance sheet date

	2012	2011
Rate of increase in salaries	2.96%	3.51%
Rate of increase in pensions in payment	2.96%	3.51%
Discount rate	4.75%	5.41%
Inflation assumptions	2.96%	3.51%
Rate of return on scheme assets	6.00%	6.00%

The mortality assumption is made up of two components: the underlying base table and the allowance for future improvements in life expectancy. The base tables adopted are the SINXA light mortality tables, based on members' years of birth for both current and last financial year. Future improvements in life expectancy have been made in line with CMI 2009 with 1% p.a. long-term improvements (2011 MC with 1% minimum improvements).

Amounts for the current and previous four periods are as follows

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined Benefit Obligations	8,946	7,584	7,178	5,918	6,699
Scheme assets	8,224	7,100	5,969	4,642	5,024
Deficit	722	484	1,209	1,276	1,675
Experience adjustments on scheme liabilities	273	-	-	(1,204)	(61)
Experience adjustments on scheme assets	290	475	373	(795)	(710)

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 2012 totalled £3,216,000 (2011: £1,200,000).

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

	2012 £'000	2011 £'000
Present value of funded obligations	31,701	30,274
Fair value of plan assets	(30,694)	(26,985)
	1,007	3,289
Deficit	1,007	3,289
Related deferred tax asset	(242)	(855)
Net liability at the end of the year	765	2,434

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

19 Pension (continued)

Amounts recognised in the profit and loss are as follows

	2012 £'000	2011 £'000
Interest costs	1,620	1,551
Return on assets	(1,696)	(1,492)
Total (income) expense included in interest receivable/ payable	<u>(76)</u>	<u>59</u>

Change in benefit obligations

	2012 £'000	2011 £'000
At beginning of the year	30,274	28,624
Interest cost	1,620	1,551
Actuarial (gain)/loss	456	644
Gross benefits paid	(649)	(545)
At end of the year	<u>31,701</u>	<u>30,274</u>

Change in the fair value of assets

	2012 £'000	2011 £'000
At beginning of the year	26,985	22,629
Employer contributions	3,216	1,200
Expected return on assets	1,696	1,492
Assets gain/(loss)	(554)	2,209
Gross benefits paid	(649)	(545)
At end of the year	<u>30,694</u>	<u>26,985</u>

The Company expects to contribute £1,216,000 to the ADP Chessington Pension Scheme in the year to 30 June 2013

Assets as proportion of total Scheme assets at the balance sheet date

	2012	2011
Equities	52%	55%
Fixed Income Bonds	42%	45%
Property	0%	0%
Cash	<u>7%</u>	<u>1%</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2012

19 Pension (continued)

Principal actuarial assumptions at the balance sheet date

	At 30 June 2012	At 30 June 2011
Rate of increase in pensions in payment	2.96%	3.51%
Discount rate	4.75%	5.41%
Inflation assumptions	2.96%	3.51%

The mortality assumption is made up of two components: the underlying base table and the allowance for future improvements in life expectancy. The base tables adopted are the S1NXA light mortality tables, based on members' years of birth for both current and last financial year. Future improvements in life expectancy have been made in line with CMI 2009 with 1% p.a. long-term improvements (2011: MC with 1% minimum improvements).

The actual rate of return on scheme assets is 6.0% (2011: 6.50%).

Amounts for the current and previous four periods are as follows

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined Benefit Obligations	31,701	30,274	28,624	22,597	23,459
Scheme assets	30,694	26,985	22,629	17,210	19,833
Deficit	1,007	(3,289)	(5,995)	(5,387)	(3,626)
Experience adjustments on scheme liabilities	(584)	-	-	722	(153)
Experience adjustments on scheme assets	555	(2,209)	(1,700)	(2,379)	(1,684)

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.

20. 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.

21. 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.