



AUTOMATIC DATA PROCESSING LIMITED

REPORT AND FINANCIAL STATEMENTS

30TH JUNE 1992



Company No: 949665



AUTOMATIC DATA PROCESSING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS : P J Griffiths
F S Lafer (USA)
J S Weston (USA)

SECRETARY : Legibus Secretaries Limited
Royux House
Aldermanbury Square
London EC2V 7LD

REGISTERED OFFICE : ADP House, 2 Pine Trees,
Chertsey Lane, Staines,
Middlesex TW18 3DS

**REGISTERED
AUDITOR:** Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

BANKERS : Barclays Bank PLC
High Street, Staines
Middlesex

The Royal Bank of Scotland PLC
Whitehall
London SW1

SOLICITORS : Clifford Chance
Blackfriars House
19 New Bridge Street
London EC4V 6BY



AUTOMATIC DATA PROCESSING LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 30th June 1992.

1. RESULTS AND DIVIDENDS

The results for the year ended 30th June 1992 are as follows :-

	<u>1992</u>	<u>1991</u>
Profit before taxation	£782,286	£480,253
Profit after taxation	£502,190	£275,058

The Directors do not propose a final dividend for the year.

2. REVIEW OF THE BUSINESS

The company's principal activity is the provision of computing services.

Turnover for the year was £6,073,096, an increase on the previous year of 3.5%.

The Directors believe that the revenue from their main payroll business will continue to increase during the coming year and, although the economic situation remains difficult, they believe the business will continue to prosper.



AUTOMATIC DATA PROCESSING LIMITED

DIRECTORS' REPORT

3. FIXED ASSETS

The company has continued to improve its assets and during the year spent £234,671 on new/replacement assets (see note 9 to the accounts).

4. RESEARCH AND DEVELOPMENT

The company is continuing its search for additional applications and processing methods both in the United Kingdom and together with other European ADP companies and its American parent.

5. FUTURE PROSPECTS

The Directors consider that 1992/93 will be a year of promising trading conditions. With the continued support of its employees and other ADP group companies, the company expects to fulfil its plans.

6. EVENTS SINCE THE END OF THE YEAR

The sales position since the end of the year is encouraging and the Directors are still optimistic of continued growth.

7. DIRECTORS

The existing membership of the Board is set out on page 1. All served throughout the year.

The Directors have no beneficial interest in the share capital of the company.



AUTOMATIC DATA PROCESSING LIMITED

DIRECTORS' REPORT

8. POLITICAL AND CHARITABLE DONATIONS

The company made no such donations.

9. CLOSE COMPANY STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to this company.

10. AUDITORS

Touche Ross & Co. have indicated their willingness to continue in office as auditors. A resolution to re-appoint them will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on
behalf of the Board
For and On Behalf Of Legibus Secretaries Limited

For and on behalf of LEGIBUS SECRETARIES LIMITED

[Signature]
Authorized Signatory

Secretary

Authorized Signatory



AUDITOR'S REPORT TO THE MEMBERS

- of -

AUTOMATIC DATA PROCESSING LIMITED

We have audited the financial statements on pages 6 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.
20 November, 1992.

Touche Ross & Co.
Chartered Accountants
and Registered Auditor
Hill House
1 Little New Street
London EC4A 3TR



AUTOMATIC DATA PROCESSING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 1992

	NOTES	1992	1991
		£	£
Turnover	2	6,073,096	5,866,498
Cost of sales		<u>4,073,860</u>	<u>4,205,920</u>
Gross Profit		1,999,236	1,660,578
Distribution costs		379,888	358,285
Administrative expenses		<u>901,552</u>	<u>871,171</u>
Operating Profit		717,796	431,122
Interest receivable		<u>64,490</u>	<u>49,131</u>
Profit on ordinary activities before taxation	5	782,286	480,253
Tax on profit on ordinary activities	6	280,096	205,195
Profit on ordinary activities after taxation		<u>502,190</u>	<u>275,058</u>
Profit and loss account brought forward		<u>2,169,534</u>	<u>1,894,476</u>
Profit and loss account carried forward		<u>£2,671,724</u> *****	<u>£2,169,534</u> *****

AUTOMATIC DATA PROCESSING LIMITED



BALANCE SHEET 30TH JUNE 1992

	NOTES	1992 £	1991 £
FIXED ASSETS			
Tangible assets	9	860,396	1,080,255
CURRENT ASSETS			
Stocks	7	97,270	95,267
Debtors	8	1,882,280	1,752,566
Cash at bank and in hand		1,180,637	781,713
		<u>3,160,195</u>	<u>2,629,546</u>
CREDITORS :			
Amounts falling due within one year			
Trade creditors		151,321	281,816
Other creditors including taxation and social security 10		492,530	502,109
Accruals		<u>213,016</u>	<u>256,342</u>
		<u>856,867</u>	<u>1,040,267</u>
NET CURRENT ASSETS		<u>2,311,328</u>	<u>1,589,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,171,724</u>	<u>2,669,534</u>
		*****	*****
CAPITAL AND RESERVES			
Called up share capital	12	500,000	500,000
Profit and loss account		<u>2,671,724</u>	<u>2,169,534</u>
		<u>3,171,724</u>	<u>2,669,534</u>
		*****	*****

These financial statements were approved by the Board of Directors on 5th November 1992.

Signed on behalf of the Board of Directors


P J Griffiths
Director



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) Accounting Convention

The financial statements are prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value evenly over their expected useful lives.

Computer installation	2 - 3 years
Fixtures and fittings	2 - 10 years

c) Stocks

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

d) Research and Development

Internal research and development costs are written off as incurred.

e) Repairs and Renewals

Expenditure on repairs and renewals is written off in the year in which it is incurred.

f) Deferred Taxation

Deferred taxation is provided at the anticipated rate of tax on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

g) **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

h) **Leases**

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

i) **Pension**

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future payrolls.

2. **TURNOVER**

Turnover is amounts invoiced, excluding VAT, to third parties in the United Kingdom and represents :-

	<u>1992</u> £	<u>1991</u> £
Computer services	6,061,546	5,857,965
Stationery	11,550	8,533
	<u>£6,073,096</u>	<u>£5,866,498</u>
	*****	*****

AUTOMATIC DATA PROCESSING LIMITED



NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

<u>3. STAFF COSTS</u>	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
Wages and salaries	2,075,699	2,175,033
Social security costs	224,175	229,312
Other pension costs	19,029	54,925
	<hr/>	<hr/>
	<u>£2,318,903</u>	<u>£2,459,270</u>
	*****	*****

The average number of employees during the year was 114 (1991:138) split by activity :

	<u>1992</u> <u>No.</u>	<u>1991</u> <u>No.</u>
Systems Program	10	9
Production	54	70
Customer Support	10	10
Administration	9	12
Sales/Marketing	31	37
	<hr/>	<hr/>
	<u>114</u>	<u>138</u>

4. PENSION SCHEME

The company operates a money purchase pension scheme for qualifying employees. The assets of the scheme are held in separate trustee administered funds.



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

4. Pension Scheme (continued/....)

The company commenced winding up its defined benefit scheme at the end of December 1991 and has provided £5,000 against the cost of winding up.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1992</u> £	<u>1991</u> £
This is stated after charging :-		
Rentals under operating leases		
Hire of plant and machinery	17,661	195,571
Other operating leases	18,157	17,125
Vehicle contract hire	258,107	277,344
	<u>£293,925</u>	<u>£490,040</u>
	*****	*****
Depreciation	£454,530	£347,859
Auditors' remuneration	£ 11,200	£ 11,200
	*****	*****
Directors' remuneration :-		
Fees	£ -	£ -
Other emoluments (including pension contributions)	£ 91,136	£ 73,139
	*****	*****
Highest paid director	£ 86,839	£ 70,400
	*****	*****
	No.	No.
Other directors : £0-5,000	2	3
	*****	*****



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year is comprised as follows :-

	<u>1992</u> £	<u>1991</u> £
UK Corporation tax at 33% on the profit for the year (1990 : 34%)	295,449	204,599
Deferred taxation	-	(10,251)
Adjustment in respect of prior years :		
- Corporation tax	(15,353)	4,021
- Deferred taxation	-	6,026
	<u>£280,096</u> *****	<u>£205,195</u> *****

7. STOCKS

	<u>1992</u>	<u>1991</u>
Paper and computer consumables	£ 97,270 *****	£ 95,267 *****

8. DEBTORS

	<u>1992</u> £	<u>1991</u> £
Trade debtors	1,280,847	1,389,734
Amounts owed by ultimate parent company	59,166	61,804
Amounts owed by parent company	-	37,583
Amounts owed by fellow subsidiary	150,000	-
Prepayments	392,275	263,445
	<u>£1,882,288</u> *****	<u>£1,752,566</u> *****



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

9. TANGIBLE FIXED ASSETS

	<u>Total</u> £	<u>Computer Installation</u> £	<u>Fixtures and Fittings</u> £
COST			
At 1st July 1991	2,045,326	1,066,077	979,249
Additions	234,671	211,457	23,214
Disposals	(120,443)	(120,443)	-
	-----	-----	-----
At 30th June 1992	2,159,554	1,157,091	1,002,463
	-----	-----	-----
DEPRECIATION			
At 1st July 1991	965,071	566,199	398,872
Charge for Year	454,530	342,890	111,640
Disposals	(120,443)	(120,443)	-
	-----	-----	-----
At 30th June 1992	1,299,158	788,646	510,512
	-----	-----	-----
NET BOOK VALUE			
at 30th June 1992	860,396	368,445	491,951
	-----	-----	-----
at 30th June 1991	1,080,255	499,878	580,377
	-----	-----	-----

Computer equipment and furniture costing £308,171 was fully depreciated at 30th June 1992.

10. OTHER CREDITORS INCLUDING
TAXATION AND SOCIAL SECURITY

	<u>1992</u> £	<u>1991</u> £
Taxation	449,638	339,360
Social security	37,892	26,449
Pension contributions (Note 4)	5,000	136,300
	-----	-----
	£492,530	£502,109
	-----	-----



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation
£

At 1st July 1991 and 30th June 1992

-

The amount of deferred tax provided in the financial statements and the potential amount not provided are :-

	<u>Provided</u>		<u>Unprovided</u>	
	1992	1991	1992	1991
	£	£	£	£
Capital allowances in excess of depreciation	-	27,537	-	-
Other timing differences	-	(27,537)	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
	*****	*****	*****	*****

12. CALLED UP SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
Authorized 500,000 Ordinary Shares of £1 each	£500,000	£500,000
Allotted and Fully Paid 500,000 Ordinary Shares of £1 each	<u>£500,000</u>	<u>£500,000</u>
	*****	*****



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1992

continued/....

13. CAPITAL COMMITMENTS

	<u>1992</u>	<u>1991</u>
Contracted but not provided for in the financial statements	£ 37,450	£ 1,500
	*****	*****

14. OPERATING LEASE COMMITMENTS

At 30th June 1992 the company was committed to making the following payments during the next year in respect of operating leases on motor vehicles and computer installations :-

	<u>1992</u>	<u>1991</u>
Leases which expire	£	£
Within one year	134,103	198,089
Within 2-5 years	77,048	140,939
	*****	*****

15. ULTIMATE PARENT COMPANY AND PARENT COMPANY

The ultimate parent company is Automatic Data Processing Inc. which is incorporated in the United States of America. The parent company is ADP Network Services Limited, a company registered in England and Wales. Copies of the group financial statements of Automatic Data Processing Inc. may be obtained from One ADP Boulevard, Roseland, New Jersey, USA. Copies of the group financial statements of ADP Network Services Limited may be obtained from The Registrar of Companies, Crown Way, Maindy, Cardiff, CF4 3UZ.