

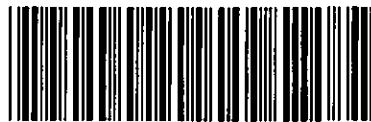
Company Registration No. 949665

Automatic Data Processing Limited

Report and Financial Statements

30 June 2008

THURSDAY



L6VIL9GE

LD6

30/04/2009

229

COMPANIES HOUSE

Automatic Data Processing Limited

Report and financial statements 2008

Contents	Page
Officers and professional advisers	1
Directors' report	3
Statement of directors' responsibilities	7
Independent auditors' report	8
Profit and loss account	10
Statement of total recognised gains and losses	11
Balance sheet	12
Notes to the financial statements	15

Automatic Data Processing Limited

Report and financial statements 2008

Officers and professional advisers

Directors

A J Brennan (resigned 31 August 2007)
D McGuire (appointed 29 August 2007)
J Benson (USA)

Secretary

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

Registered Office

Syward Place
Pycroft Road
Chertsey
Surrey KT16 9JT

Bankers

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

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

Auditors

Deloitte LLP
Chartered Accountants
2 New Street Square
London
EC4A 3BZ

Automatic Data Processing Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2008.

Results and dividends

The results for the year are as follows:

	2008 £'000	2007 £'000
Profit before taxation	7,579	1,197
Profit after taxation	6,391	1,053

The directors do not propose any dividend for the year (2007 – £nil).

Principal activities

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

Review of the business

Turnover for the year was £36,257,276 (2007– £35,665,648). Turnover increased 1.7 % on the previous year (2007– 4.8 %).

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

Automatic Data Processing Limited's ultimate parent company is Automatic Data Processing Inc. ("ADP Inc."), which is incorporated in the United States of America. ADP Inc. is the largest payroll services provider in the world with over 585,000 clients and processes payroll and related services for over 50 million wage earners.

The ultimate parent company, Automatic Data Processing 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.

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

Exceptional Items

The profit on sale of discontinued operations relates to the sale of the travel clearing business. The sale occurred on 6 July 2007 and was based on a transfer of assets valued at 30 June 2007. No trading profit or loss was recognised in the period by Automatic Data Processing Limited in relation to this part 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 (2007 - £nil), but charitable donations of £2,988 (2007 - £2,066) were made.

Employee involvement

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

Disabled employees

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

Auditors

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

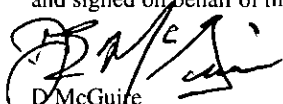
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

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

Deloitte LLP have expressed their willingness to continue in office as auditors.

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


D McGuire
Director

29 APRIL 2009

Automatic Data Processing Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Automatic Data Processing Limited

We have audited the financial statements of Automatic Data Processing Limited for the year ended 30 June 2008 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. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

29 April 2009

Automatic Data Processing Limited

Profit and loss account Year ended 30 June 2008

	Notes	2008 £'000	2007 £'000
Turnover			
Continuing operations		35,880	31,606
Discontinued operations		-	4,059
Other operating income		377	-
		<hr/>	<hr/>
Cost of sales		36,257 (15,667)	35,665 (18,330)
		<hr/>	<hr/>
Gross profit		20,590	17,335
Distribution costs		(1,643)	(1,442)
Administrative expenses		(18,567)	(16,299)
		<hr/>	<hr/>
Operating profit / (loss)	4	380	(325)
Continuing operations		-	(81)
Discontinued operations		4,685	-
Profit on sale of discontinued operations	5		
Interest payable and similar charges	6	(31)	(53)
Interest receivable and similar income	7	2,545	1,656
		<hr/>	<hr/>
Profit on ordinary activities before taxation		7,579	1,197
Tax charge on profit on ordinary activities	8	(1,188)	(144)
		<hr/>	<hr/>
Profit for the financial year	19	6,391	1,053
		<hr/>	<hr/>

Statement of total recognised gains and losses Year ended 30 June 2008

	2008 £'000	2007 £'000
Profit for the financial year	6,391	1,053
Actuarial (loss)/gain relating to the pension scheme	(341)	186
Deferred tax charge/(credit) on actuarial (loss)/gain	95	(59)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	6,145	1,180
	<hr/>	<hr/>

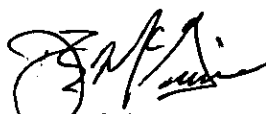
Automatic Data Processing Limited

Balance sheet 30 June 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	9	-	71
Tangible assets	10	1,848	3,084
Investments	11	50	50
		<u>1,898</u>	<u>3,205</u>
Current assets			
Stocks	12	150	141
Debtors: amounts falling due within one year	13	9,259	9,823
Deferred Tax Asset	16	357	722
Cash at bank and in hand		62,557	36,409
		<u>72,323</u>	<u>47,095</u>
Creditors: amounts falling due within one year	14	<u>(28,576)</u>	<u>(10,877)</u>
Net current assets		43,747	36,218
Creditors: amounts falling due after more than one year	14	(2,382)	(2,548)
Provisions for liabilities	15	<u>(251)</u>	<u>(325)</u>
Net assets excluding pension liability		43,012	36,550
Pension liability	21	<u>(1,206)</u>	<u>(1,068)</u>
Total net assets		<u>41,806</u>	<u>35,482</u>
Capital and reserves			
Called up share capital	17	500	500
Profit and loss account	18	40,384	34,239
Other reserves	18	922	743
Total shareholders' funds		<u>41,806</u>	<u>35,482</u>

The Board of Directors approved and authorise for issue these financial statements on 29 APRIL 2009.

Signed on behalf of the Board of Directors


D McGuire
Director

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

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.

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. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Share-based payments

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

Stock options

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

Employee stock purchase plan

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

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

Investments

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

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

1. Accounting policies (continued)

Stock

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

Intangible fixed assets

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

Tangible fixed assets

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:

Land and buildings	30 years
Computer installation	2 – 3 years
Fixtures and fittings (including leasehold improvements)	1 – 10 years

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.

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 2008

1. Accounting policies (continued)

Foreign exchange

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

Leases

Rental charges under operating leases are charged to profit and loss on a straight line basis over the periods of the leases.

Pensions

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

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

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Further information on pension arrangements is set out in note 21.

Turnover

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

Consolidation

In accordance with the exemptions available under s228A of the Companies Act 1985 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 2008

2. Information regarding directors and employees

Directors' emoluments	2008	2007
	£'000	£'000
Salaries	680	177
Pension contributions	21	24
	<u>701</u>	<u>201</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 £442,238 (2007 - £201,365) of which £10,585 relates to pension contributions (2007 - £24,161). One director is a member of a defined contribution pension scheme (2007 - one). No directors are members of the defined benefit scheme (2007 - none). The highest paid director did not exercise any share options in the year (2007 - Nil).

Performance-based restricted stock

The ADP 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 £557,713 and £251,505 in 2008 and 2007. Fair value of the PBUs is determined by the EPS growth over the performance period. The Company recorded total expenses of £306,208 and £251,505 in 2008 and 2007, respectively. The amounts in the table above do not include the accrual for PBU at the end of the year of £59,701 (2007 - £16,288) for the highest paid director.

	2008	2007
	No.	No.
Average number of persons employed (including directors)		
Systems programmers	21	22
Production/operations	34	94
Customer support	333	292
Administration	30	40
Sales/marketing	148	112
	<u>566</u>	<u>560</u>
	2008	2007
	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	16,809	18,585
Social security costs	2,044	2,124
Other pension costs	1,011	922
Share-based payments (including National Insurance Contributions)	111	281
	<u>19,975</u>	<u>21,912</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

3. Share-based payments

The Company charged the following amounts to the profit and loss account in 2008 and 2007 in relation to equity-settled share-based payments.

	2008 £'000	2007 £'000
Approved SAYE	41	31
Unapproved SAYE	8	6
Share options	130	200
	<u>179</u>	<u>237</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 2007 Number	Granted Number	Exercised Number	Lapsed/ transferred Number	Outstanding At 30 June 2008 Number	Exercisable At 30 June 2008 Number
Share options	98,017	21,862	(2,729)	-	117,150	89,917
Weighted-average exercise price (\$)	39.15	39.41	37.20	39.15	40.13	40.17

Outstanding options at 30 June 2008 had a range of exercise prices from \$31.28 to \$42.94.

The weighted average share price of Automatic Data Processing Inc for the year ended 30 June 2008 was \$45.19 (2007: \$46.91).

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 U.S. 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.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

3. Share based payments (continued)

Stock purchase plan

The employee stock purchase plans are open to all employees and provide for a purchase price equal to the daily average market price on the date of grant, less 15 per cent. The shares can be purchased during a two-week period each year. Pursuant to these plans, the discount of £134,237 will be expensed over the vesting period of three years. The ordinary shares had a weighted average share price of \$40.02.

4. Operating profit / (loss)

	2008 £'000	2007 £'000
Operating profit / (loss) is after charging:		
Rentals under operating leases		
Plant and machinery	165	165
Other operating leases	1,235	1,241
Depreciation (note 10)	686	720
Amortisation (note 9)	-	71
Restructuring cost - Employer Services division	175	119
Employee severance costs - Clearing division	-	(6)
Provisions for dilapidation (note 15)	66	66
Fees payable to the Company's auditors for the audit of the company's annual accounts	55	88
Fees payable to the Company's auditors and their associates for other services: Tax	88	68
	<u>88</u>	<u>68</u>

5. Exceptional items reported after profit

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

6. Interest payable and similar charges

	2008 £'000	2007 £'000
Other interest payable	-	30
Other finance charge (see pension note 21)	31	23
	<u>31</u>	<u>53</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

7. Interest receivable and similar income

	2008 £'000	2007 £'000
Interest receivable on cash at bank	2,545	1,656
	<u>2,545</u>	<u>1,656</u>

8. Tax charge on profit on ordinary activities

	2008 £'000	2007 £'000
Current tax		
UK corporation tax at 29.5% (2007: 30%)	(782)	-
Adjustments in respect of previous years	1	(208)
	<u>(781)</u>	<u>(208)</u>
Deferred tax		
Origination and reversal of timing differences	(360)	107
Adjustments in respect of previous years	(47)	(43)
	<u>(407)</u>	<u>64</u>
	<u>(1,188)</u>	<u>(144)</u>

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

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	7,579	1,197
Tax at standard rate	(2,236)	(359)
Non taxable profit on sale of subsidiary	1,382	-
Non-tax deductible expenses	(140)	(21)
Capital allowances in excess of depreciation	23	85
Movement in short-term timing differences	150	(92)
Group relief received for nil consideration	39	387
Adjustments in respect of previous years	1	(208)
Current tax charge for the year	<u>(781)</u>	<u>(208)</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

9. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 July 2007	711
Disposal	(711)
	<hr/>
At 30 June 2008	<hr/> -
Amortisation	
At 1 July 2007	640
Disposal	(640)
	<hr/>
At 30 June 2008	<hr/> -
Net book value	
At 30 June 2007	<hr/> 71
	<hr/>
At 30 June 2008	<hr/> -
	<hr/>

Goodwill derives from the purchase of the business of GSI Travel & Transportation (UK) Limited on 30 June 1998. This business was part of the Clearing division which was disposed of on 6 July 2007.

10. Tangible fixed assets

	Freehold land and buildings £'000	Computer installation £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 July 2007	2,387	3,218	1,754	7,359
Additions	-	530	98	628
Disposals	(2,387)	(583)	(324)	(3,294)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	<hr/> -	<hr/> 3,165	<hr/> 1,528	<hr/> 4,693
Depreciation				
At 1 July 2007	1,255	2,295	725	4,275
Charge for the year	-	521	165	686
Disposals	(1,255)	(549)	(312)	(2,116)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	<hr/> -	<hr/> 2,267	<hr/> 578	<hr/> 2,845
Net book value				
At 30 June 2007	<hr/> 1,132	<hr/> 923	<hr/> 1,029	<hr/> 3,084
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	<hr/> -	<hr/> 898	<hr/> 950	<hr/> 1,848
	<hr/>	<hr/>	<hr/>	<hr/>

Recognised in the disposal of assets is the sale of the Clearing division. This resulted in a net book value on disposal of £1,171,820.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

11. Fixed asset investments

	Shares in subsidiary undertaking £'000
Cost and net book value at 30 June 2007 and at 30 June 2008	50

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

Bondgreene Limited was incorporated on 22 May 2007 to facilitate the sale of the Clearing division. This company was sold on 6 July 2007.

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.

12. Stocks

	2008 £'000	2007 £'000
Paper and computer consumables	150	141

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

13. Debtors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade debtors	6,126	6,208
Amounts due from fellow subsidiary undertakings	1,113	790
Corporation tax debtor	617	1,439
Other debtors	288	188
Prepayments	1,115	1,198
	9,259	9,823

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

14. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	1,090	1,162
Amounts owed to fellow subsidiary undertakings for a loan	2,123	2,123
Amounts due to fellow subsidiary undertakings	866	1,819
Client obligations	18,184	-
Other taxes and social security	1,367	1,238
Other creditors	19	300
Accruals and deferred income	4,927	4,235
	<u>28,576</u>	<u>10,877</u>

The Client obligations relate to amounts owed to third parties on behalf of clients.

Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Accruals and deferred income	<u>2,382</u>	<u>2,548</u>

15. Provision for liabilities

	Dilapidations £'000	NIC on share options £'000	Total £'000
At 1 July 2007	222	103	325
Utilised during the year	(73)	-	(73)
Charged to the profit and loss account	66	(67)	(1)
	<u>215</u>	<u>36</u>	<u>251</u>
At 30 June 2008			

Included in the dilapidations provision is an amount of £214,813 which relates to the dilapidations provision on a lease expiring 23 March 2015, it is expected that the provision will be utilised after this time.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

16. Deferred taxation

	2008 £'000	2007 £'000
Deferred tax assets		
Short-term timing differences	256	458
Capital allowances in excess of depreciation	101	264
	<u>357</u>	<u>722</u>
Total	<u>357</u>	<u>722</u>
Opening balance	722	584
Credit / (charge) to profit and loss account	(365)	138
Closing balance	<u>357</u>	<u>722</u>

17. Called up share capital

	2008 £'000	2007 £'000
Authorised, called up, allotted and fully paid: 500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

18. Reserves

	Other reserves £'000	Profit and loss account £'000
At 1 July 2007	743	34,239
Retained profit for the year	-	6,391
Actuarial loss	-	(341)
Deferred tax on actuarial loss	-	95
Expense-share-based payments (note 3)	179	-
At 30 June 2008	<u>922</u>	<u>40,384</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

19. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit for the year	6,391	1,053
Capital contribution from ultimate parent company following adoption of FRS20 (note 3)	179	237
Actuarial loss relating to pension scheme	(341)	186
Deferred tax on actuarial loss	95	(59)
Net Increase in shareholders' funds	6,324	1,417
Opening shareholders' funds	35,482	34,065
Closing shareholders' funds	41,806	35,482

20. Operating lease commitments

At 30 June 2008 the Company was committed to making the following payments during the next year in respect of operating leases:

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	-	7	-	3
Within two to five years	-	16	-	8
After five years	1,270	-	1,177	-
	1,270	23	1,177	11

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

21. Pension scheme

Defined contribution scheme

The Company currently operates a money purchase defined contribution scheme.

The pension cost for the current year totalled £1,010,804 (2007 – £955,004). As at the balance sheet date, there were outstanding pension contributions totalling £120,519 (2007 – £92,338).

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 2008	At 30 June 2007
Present value of funded obligations	6,699	6,769
Fair value of plan assets	(5,024)	(5,286)
	<hr/>	<hr/>
	1,675	1,483
Present value of unfunded obligations	-	-
Unrecognised past service costs	-	-
	<hr/>	<hr/>
Deficit	1,675	1,483
Related deferred tax asset	(469)	(415)
	<hr/>	<hr/>
Net liability	1,206	1,068
Amounts in balance sheet		
Liabilities	1,206	1,068
Assets	-	-
	<hr/>	<hr/>
Net liabilities	<u>1,206</u>	<u>1,068</u>

Amounts recognised in the profit and loss are as follows:

	At 30 June 2008	At 30 June 2007
Interest costs	370	341
Return on assets	(339)	(318)
	<hr/>	<hr/>
Net periodic benefit cost	31	23
	<hr/>	<hr/>
Total expense	<u>31</u>	<u>23</u>

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

21. Pension scheme (continued)

Change in the present value of scheme liabilities:

	At 30 June 2008	At 30 June 2007
At 1 July	6,769	6,556
Interest cost	370	341
Actuarial (gain)/loss	(369)	(18)
Gross benefits paid	(71)	(110)
	<hr/>	<hr/>
At 30 June	6,699	6,769
	<hr/>	<hr/>

Change in the fair value of assets:

	At 30 June 2008	At 30 June 2007
At 1 July	5,286	4,731
Employer contributions	180	180
Expected return on assets	339	318
Assets (loss) / gain	(710)	167
Gross benefits paid	(71)	(110)
	<hr/>	<hr/>
At 30 June	5,024	5,286
	<hr/>	<hr/>

The Company expects to contribute £180,000 to the ADP Limited Pension & Life Assurance Plan in the year to 30 June 2008.

Assets as a proportion of total scheme assets	At 30 June 2008	At 30 June 2007
Equities	54%	59%
Fixed Income Bonds	37%	32%
Property	4%	4%
Cash	5%	5%

Property amounts to £204,000 (2007 - £204,000) of the total fair value of scheme assets.

Automatic Data Processing Limited

Notes to the financial statements Year ended 30 June 2008

21. Pension scheme (continued)

Principal actuarial assumptions at the balance sheet date

	At 30 June 2008	At 30 June 2007
Rate of increase in salaries	3.75%	3.25%
Rate of increase in pensions in payment	3.75%	3.25%
Discount rate	6.25%	5.50%
Inflation assumptions	3.75%	3.25%
Rate of return on scheme assets	6.33%	6.68%
Mortality – PA92 projected to 2010 for existing pensioners and 2020 for future pensioners in both 2008 and 2007.		

Amounts for the current and previous four periods are as follows:

	At 30 June 2008	At 30 June 2007	At 30 June 2006	At 30 June 2005	At 30 June 2004
Defined Benefit Obligations	6,699	6,769	6,556	4,700	3,965
Scheme assets	5,024	5,286	4,731	3,257	2,603
Deficit	(1,675)	(1,483)	(1,825)	(1,443)	(1,362)
Experience adjustments on scheme liabilities	(61)	3	(257)	(17)	-
Experience adjustments on scheme assets	(710)	167	34	446	(16)

22. Related party disclosures

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

23. 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.