



AUTOMATIC DATA PROCESSING LIMITED

REPORT AND FINANCIAL STATEMENTS

30TH JUNE 1993

Company No: 949665





AUTOMATIC DATA PROCESSING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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

SECRETARY : Legibus Secretariorum Limited
Royex 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
TW6 2AH

The Royal Bank of Scotland PLC
Drummond's Branch
49 Charing Cross
Admiralty Arch
London
SW1A 2DX

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 1993.

1. RESULTS AND DIVIDENDS

The results for the year ended 30th June 1993 are as follows :-

	<u>1993</u>	<u>1992</u>
Profit before taxation	£934,705	£782,286
Profit after taxation	£598,979	£502,190

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 £6,489,434, an increase on the previous year of 6.9%.

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 £187,245 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 1993/94 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 2. 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 a charitable donation of £250 in the year.

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 reappoint 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

IN WITNESS WHEREOF LEGIBUS SECRETARIES LIMITED

Secretary

Authorised Signatory

27 September 1993



AUDITOR'S REPORT TO THE MEMBERS

- of -

AUTOMATIC DATA PROCESSING LIMITED

We have audited the financial statements on pages 7 to 16 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 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

28/9/93

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 1993

	NOTES	1993	1992
		£	£
Turnover	2	6,489,434	6,073,096
Cost of sales		<u>4,453,703</u>	<u>4,073,860</u>
Gross Profit		2,035,731	1,999,236
Distribution costs		389,038	379,888
Administrative expenses		<u>769,876</u>	<u>901,552</u>
Operating Profit		876,817	717,796
Interest receivable		<u>57,888</u>	<u>64,490</u>
Profit on ordinary activities before taxation	5	934,705	782,286
Tax on profit on ordinary activities	6	<u>335,726</u>	<u>280,096</u>
Profit on ordinary activities after taxation		598,979	502,190
Profit and loss account brought forward		<u>2,671,724</u>	<u>2,169,534</u>
Profit and loss account carried forward		<u>£3,270,703</u>	<u>£2,671,724</u>

There are no recognised gains or losses, nor movements on shareholder funds, apart from the profit on ordinary activities after taxation.

AUTOMATIC DATA PROCESSING LIMITED



BALANCE SHEET 30TH JUNE 1993

	NOTES	1993 £	1992 £
FIXED ASSETS			
Tangible assets	9	626,155	860,396
CURRENT ASSETS			
Stocks	7	65,266	97,270
Debtors	8	3,714,485	1,882,280
Cash at bank and in hand		507,530	1,188,637
		4,287,281	3,168,195
CREDITORS :			
Amounts falling due within one year			
Trade creditors		361,696	151,321
Other creditors including taxation and social security 10		552,407	492,530
Accruals		228,630	213,016
		1,142,733	856,867
NET CURRENT ASSETS		3,144,548	2,311,328
TOTAL ASSETS LESS CURRENT LIABILITIES		3,770,703	3,171,724
		*****	*****
CAPITAL AND RESERVES			
Called up share capital	12	500,000	500,000
Profit and loss account		3,270,703	2,671,724
		£3,770,703	£3,171,724
		*****	*****

These financial statements were approved by the Board of Directors on 27 September 1993.

Signed on behalf of the Board of Directors


P J Griffiths
Director

AUTOMATIC DATA PROCESSING LIMITED



NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1993

1. ACCOUNTING POLICIES

The financial statements are 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 rates 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 1993

continued/....

g) Foreign Currencies

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 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 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 expected cost of providing pensions for the defined benefit scheme, 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 pensionable payroll.

2. TURNOVER

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

	<u>1993</u> £	<u>1992</u> £
Computer services	6,481,267	6,061,546
Stationery	8,167	11,550
	<hr/>	<hr/>
	£6,489,434	£6,073,096

AUTOMATIC DATA PROCESSING LIMITED



NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1993

continued/....

3. <u>STAFF COSTS</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Wages and salaries	2,095,846	2,075,699
Social security costs	221,089	224,175
Other pension costs	36,207	19,029
	<hr/>	<hr/>
	£2,353,142	£2,318,903
	*****	*****

The average number of employees during the year was 111 (1992:114) split by activity :

	<u>1993</u> <u>No.</u>	<u>1992</u> <u>No.</u>
Systems Program	12	10
Production	37	42
Customer Support	22	22
Administration	9	9
Sales/Marketing	31	31
	<hr/>	<hr/>
	111	114

4. PENSION SCHEME

At the end of December 1991 the company decided to wind down its defined benefit scheme and the majority of employees have now been transferred out of it.

A few employees remain in the defined benefit scheme and at 30 June 1993 the company has provided £22,520 against the contributions due during the year in respect of these employees.

The company now 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 1993

continued/....

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1993 £	1992 £
This is stated after charging :-		
Rentals under operating leases		
Hire of plant and machinery	-	17,661
Other operating leases	321,874	291,157
Vehicle contract hire	237,877	258,107
	<hr/>	<hr/>
	£559,751	£566,925
	=====	=====
Depreciation	£409,431	£454,530
Auditors' remuneration	£ 12,000	£ 11,200
	=====	=====
Directors' remuneration :-		
Fees	£ -	£ -
Other emoluments (including pension contributions)	£137,351	£ 91,136
	=====	=====
Highest paid director	£132,280	£ 86,839
	=====	=====
	No.	No.
Other directors : £0-5,000	2	2
	=====	=====



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1993

continued/....

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year is comprised as follows :-

	<u>1993</u> £	<u>1992</u> £
UK Corporation tax at 33% on the profit for the year (1992 : 34%)	372,871	295,449
Adjustment in respect of prior years :		
- Corporation tax	(2,125)	(15,353)
- Group relief	(35,020)	-
	<u>£335,726</u>	<u>£280,096</u>

7. STOCKS

	<u>1993</u>	<u>1992</u>
Paper and computer consumables	£ 65,266	£ 97,270

8. DEBTORS

	<u>1993</u> £	<u>1992</u> £
Trade debtors	1,188,808	1,280,847
Amounts owed by ultimate parent company	167,997	59,166
Amounts owed by parent company	922,773	-
Amounts owed by fellow subsidiary	1,000,283	150,000
Prepayments	399,604	392,275
Corporation tax recoverable	35,020	-
	<u>£3,714,485</u>	<u>£1,882,288</u>



AUTOMATIC DATA PROCESSING LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1993

continued/....

9. TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Computer</u>	<u>Fixtures and</u>
	<u>£</u>	<u>Installation</u>	<u>Fittings</u>
		<u>£</u>	<u>£</u>
COST			
At 1st July 1992	2,159,554	1,157,091	1,002,463
Additions	187,245	164,135	23,110
Disposals	(123,587)	(38,547)	(85,040)
	<u> </u>	<u> </u>	<u> </u>
At 30th June 1993	2,223,212	1,282,679	940,533
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1st July 1992	1,299,158	788,646	510,512
Charge for Year	409,431	271,712	137,719
Disposals	(111,532)	(37,259)	(74,273)
	<u> </u>	<u> </u>	<u> </u>
At 30th June 1993	1,597,057	1,023,099	573,958
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
at 30th June 1993	626,155	259,580	366,575
	<u> </u>	<u> </u>	<u> </u>
at 30th June 1992	860,396	368,445	491,951
	<u> </u>	<u> </u>	<u> </u>

Computer equipment and furniture costing £782,999 was fully depreciated at 30th June 1993.

10. OTHER CREDITORS INCLUDING
TAXATION AND SOCIAL SECURITY

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Taxation	486,235	449,638
Social security	43,652	37,892
Pension contributions (Note 4)	22,520	5,000
	<u> </u>	<u> </u>
	£552,407	£492,530
	<u> </u>	<u> </u>

AUTOMATIC DATA PROCESSING LIMITED



NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1993

continued/....

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation
£

At 1st July 1992 and 30th June 1993

-

12. CALLED UP SHARE CAPITAL

	1993	1992
Authorised 500,000 Ordinary Shares of £1 each	£500,000	£500,000
Allotted and Fully Paid 500,000 Ordinary Shares of £1 each	£500,000 *****	£500,000 *****

13. CAPITAL COMMITMENTS

	1993	1992
Contracted but not provided for in the financial statements	£276,428 *****	£ 37,450 *****

14. OPERATING LEASE COMMITMENTS

At 30th June 1993 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>Land and Building</u> £	<u>Other</u> £
Leases which expire		
Within one year	550	28,855
Within 2-5 years	8,500	158,796
After 5 Years	295,000	-
	£304,050 *****	£187,561 *****

15. ULTIMATE PARENT COMPANY AND PARENT COMPANY



In the opinion of the directors 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.