Protiviti Limited

Annual Report and Financial Statements

for the year ended 31 December 2011

Registered Number 04482240

DIRECTORS and ADVISORS
for the year ended 31 December 2011

EXECUTIVE DIRECTORS
R W Glass
M K Waddell

SECRETARY
A M Plumbly

REGISTERED OFFICE
Washington House
International Square
Off Starley Way
Birmingham
B37 7GN

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

BANKERS
The Royal Bank of Scotland plc
1 St Phillips Place
Birmingham
B3 2RB

SOLICITORS
Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

DIRECTORS' REPORT
for the year ended 31 December 2011

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the company continues to be the provision of internal audit and business risk consulting services

COMPANY NUMBER

The registered company number is 04482240

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company continues to address the challenges brought about by the adverse economic conditions, closely monitoring and where appropriate realigning the cost base to reflect the reality of today's marketplace Investment continues in key areas to enable the company to maximise market growth opportunities as economic conditions improve Over the course of 2011 the company has continued to develop its business to further reduce its reliance upon business risk services As a result of this continuing development the company made an operating profit of £550,498 (2010 £62,628 loss)

During 2011, the number of staff increased by 31% from an average of 59 in 2010 to 77 The company has continued to develop and diversify its workforce to provide a wider skill base to expand into other areas of risk management and internal audit in order to support sustained growth

PRINCIPAL RISKS AND UNCERTAINTIES

Dependence upon personnel
The company's performance depends largely on the ability to continue to attract, train and retain high calibre individuals The company has focused on improving employee benefits and continuing to offer equity incentives to support the long term retention of valued employees While the company has retained its key personnel to date, there can be no assurance that it will continue to be able to do so

Reputation
The success of the company's performance is highly dependent upon its reputation Any event that adversely impacts the reputation of the business could materially and adversely affect the future results of the company

Demand for services
The company provides services related to Sarbanes-Oxley and other regulatory compliance There can be no assurance that there will be an ongoing demand for these services or that the current regulatory framework will be maintained in its current form

Competition
The company operates in a highly competitive business, where the barriers to entry are quite low

Potential liability
The company consists of providing internal audit and business risk consulting services A liability may arise or litigation could be instituted against the company for claims related to these activities or to prior transactions or activities There can be no assurance that such liability or litigation will not have an adverse impact on the company

DIRECTORS' REPORT
for the year ended 31 December 2011 (continued)

KEY PERFORMANCE INDICATORS (KPIs)

Company performance durıng the year has been measured by management usıng the followıng financıal and non-financıal KPIs The source of the data and calculatıon methods year-on-year are on a consıstent basıs Performance durıng the year together wıth comparatıve data ıs set out ın the table below

KPI	2011	2010	Definition and method of calculation
Growth ın Revenue	41%	23%	Year on year revenue growth expressed as a percentage Source Profit and loss account ın the financıal statements
Gross Margın %	21%	26%	Ratıo of gross profit to revenue expressed as a percentage Gross profit ıs after chargıng dırect employee costs, advertısıng, bad debt and royaltıes Source Profit and loss account ın the financıal statements
Operatıng Profit/(Loss) Margın %	4%	-1%	Ratıo of operatıng profit/(loss) before ınterest and tax to revenue expressed as a percentage Source Profit and loss account ın the financıal statements
Growth ın staff	31%	-9%	Year on year growth/(reductıon) ın staff expressed as a percentage The company ıncreased ıts overall staffing levels from 2010 Source Note 6 of the financıal statements
Debtors Days	28	38	Number of days sales outstandıng calculated usıng the count back method Source Internal data
Current Ratıo	1 09	1 10	The current ratıo ıs derıved by dıvıdıng current assets by current lıabılıtıes, and ıs a good ındicator of the company's abılıty to meet short-term debt oblıgatıons The hıgher the ratıo the more lıquıd the company Source Balance sheet ın the financıal statements

FINANCIAL RESULTS AND DIVIDENDS

The audıted financıal statements for the year ended 31 December 2011 are set out on pages 7 to 19
The financıal results show a profit for the financıal year of £347,432 (2010 £123,463 loss) No dıvıdends were paıd or proposed durıng the year (2010 £nıl)

DIRECTORS

The dırectors of the company who were ın office durıng the year and up to the date of sıgnıng the financıal statements were

R W Glass
M K Waddell

DIRECTORS' REPORT
for the year ended 31 December 2011 (continued)

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The company is committed to an active Equal Opportunities policy to ensure individuals are appointed, promoted, trained and developed, and treated on the basis of their relevant merits and abilities The company's objective is to ensure no applicant or employee receives less favourable treatment, directly or indirectly on the grounds of sex, colour, race, religion, ethnic or national origin, marital status, disability, age or sexual orientation

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the company This information is circulated to employees through a dedicated website and regular email announcements

POLITICAL AND CHARITABLE DONATIONS

There were no political or charitable donations made in either the current or prior year

SUPPLIER PAYMENT POLICY

The company's policy is to abide by the agreed terms of payment with suppliers where the goods and services have been supplied in accordance with the relevant terms and conditions of contract
The number of days purchases outstanding for payment by the company at 31 December 2011 is 4 (2010 11 days)

FINANCIAL RISK MANAGEMENT

The directors have not disclosed the company's financial risk management objectives and policies nor the company's exposure to price risk, credit risk, liquidity risk and cash flow risk as such information is not considered material for the assessment of the company's assets, liabilities, financial position and profit for the financial year

DIRECTORS' REPORT
for the year ended 31 December 2011 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 prepared 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By order of the board,

Robert W. Glass

Director ROBERT GLASS

24 September 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROTIVITI LIMITED

We have audited the financial statements of Protiviti Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 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)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 5 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 and express an opinion on 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 and financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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 year 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.

Jackie Bradshaw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 September 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Note	*2011* £	*2010* £
TURNOVER	3	**12,253,996**	8,687,129
Cost of sales		**(9,639,029)**	(6,454,464)
GROSS PROFIT		**2,614,967**	2,232,665
Administrative expenses		**(2,064,469)**	(2,295,293)
OPERATING PROFIT/(LOSS)	7	**550,498**	(62,628)
Interest payable and similar charges	8	**(67,199)**	(83,962)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**483,299**	(146,590)
Tax on profit/(loss) on ordinary activities	9	**(135,867)**	23,127
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	16,17	**347,432**	(123,463)

The accompanying notes on pages 9 to 19 are an integral part of the financial statements All activities relate to continuing operations for both financial years

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years as stated above and their historical cost equivalents

The company has no recognised gains and losses in either year other than the profit/(loss) for the financial years as stated above and therefore no separate statement of total recognised gains and losses has been presented

BALANCE SHEET
as at 31 December 2011

	Note	2011	2010
FIXED ASSETS		£	£
Tangible assets	11	**292,867**	2,563
CURRENT ASSETS			
Debtors Amounts falling due within one year	12	**3,516,243**	3,267,962
Cash at bank and in hand		**3,836,856**	1,953,893
		7,353,099	5,221,855
CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR	13	**(6,750,311)**	(4,765,541)
NET CURRENT ASSETS		**602,788**	456,314
TOTAL ASSETS LESS CURRENT LIABILITIES		**895,655**	458,877
PROVISION FOR LIABILITIES	14	**(198,912)**	(198,912)
NET ASSETS		**696,743**	259,965
CAPITAL AND RESERVES			
Called up share capital	15	**3,000,001**	3,000,001
Profit and loss account	17	**(2,303,258)**	(2,740,036)
TOTAL SHAREHOLDERS' FUNDS	16	**696,743**	259,965

The financial statements on pages 7 to 19 were approved by the board of directors and signed on its behalf by

Robert V Glass

Director ROBERT GLASS

24 September 2012

The accompanying notes on pages 9 to 19 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies which have been consistently followed for both the current and prior years are set out below

Basis of accounting
The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom

Tangible fixed assets
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation The cost of fixed assets is their purchase cost and any costs directly attributable to bringing them into working condition for their intended use Depreciation is calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on the following bases

Fixtures, fittings and computer equipment	-	20% to 50% per annum straight line
Leasehold improvements	-	the shorter of 20% per annum straight line, or to the first break date

Profits or losses on disposal of tangible fixed assets are included within operating profit/loss

Taxation
UK corporation tax is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Turnover
Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes

Revenue recognition
Risk consulting and internal audit services are generally provided on a time-and-material basis or fixed-fee basis Revenues earned under the time-and-material arrangements are recognised as services are provided Revenues on a fixed-fee basis are recognised using a proportional performance method as the hours are incurred relative to total estimated hours for the engagement

The company periodically evaluates the need to provide for any losses on these projects, and losses are recognised when it is probable that a loss will be incurred Reimbursements, including those relating to travel and out-of-pocket expenses are included in revenues and equivalent amounts of reimbursable expenses are included in direct costs of services The company occasionally acts as an agent by arranging the provision of services on behalf of a principal Where this is the case only the commission received in return for its performance under the agency agreement is included in turnover

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Pension costs
The company operates a defined contribution scheme for certain employees The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet

Foreign currency
Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date All exchange differences are included in the profit and loss account

Leases
Rentals under operating leases are charged on a straight-line basis to the profit and loss account over the lease term, even if the payments are not made on such a basis Benefits received or receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

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 January 2006

The company issues equity-settled share-based payments to certain employees The fair value of equity-settled share-based payments is determined at the date of grant and is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares or options that will eventually vest

Fair value is measured by use of the Black-Scholes pricing model The expected life used in the model has been based on the company's historical share data The fair value of restricted shares is based on the share price at close of business on the date of grant Further details are set out in note 10

Provisions
Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

2. CASH FLOW STATEMENT

The company has taken advantage of the exemption of Financial Reporting Standard 1 (revised 1996) for wholly owned subsidiaries and has not prepared a cash flow statement as its cash flows are incorporated in the consolidated financial statements of the ultimate parent company whose financial statements are publicly available (see note 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

3. TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is stated net of value added tax, is generated from the company's principal activity of the provision of internal audit and business risk consulting services, for both financial years
An analysis of turnover by geographical market is given below

	2011 £	*2010* £
United Kingdom	**9,561,315**	6,487,005
Rest of Europe	**308,627**	42,908
North America	**2,143,730**	1,789,511
Other	**240,324**	367,705
	12,253,996	8,687,129

4. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Financial Reporting Standard 8 – 'Related Party Disclosures', not to disclose details of its transactions with related parties This exemption is available as the transactions are with entities that are part of the same group and the consolidated financial statements of the ultimate parent company are publicly available (see note 21)

5. DIRECTORS' EMOLUMENTS

The directors are also directors/officers of Robert Half International Inc and their emoluments are included in the financial statements of that company It is not possible for the company to apportion any of their emoluments in respect of services rendered to the company during either the current or prior year

6. STAFF COSTS

The aggregate staff costs comprise

	2011 £	*2010* £
Wages and salaries	**8,166,141**	5,635,483
Social security costs	**875,434**	620,927
Pension costs (see note 19)	**6,600**	6,000
Equity settled share-based payments (see note 10,16)	**89,346**	59,095
	9,137,521	6,321,505

Wages and salaries include £1,343,632 (2010 £506,953), which represents the cost of subcontractors who are not employed under a contract of services by the company These subcontractors are hired through other group companies and third party companies and provide services on which the company may recognise revenue and these costs have been included within cost of sales Although these subcontractors do not have a contract of service from the company, for completeness these costs have been included in the above disclosure

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

6. STAFF COSTS (continued)

The average monthly number of employees (including executive directors) employed by the company during the year was as follows

	2011 Number	2010 Number
Sales and administration	**69**	53
Subcontractors (not employed under a contract of services by Protiviti Limited)	**8**	6
	77	59

7. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of owned tangible fixed assets (see note 11)	**46,603**	13,304
Operating lease rentals – other	**380,507**	572,693
Services provided by the company's auditors		
Fees payable for the audit	**23,500**	23,344

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest expense on group loans	**(67,199)**	(83,962)
Total interest payable and similar charges	**(67,199)**	(83,962)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

9 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

a) Analysis of tax charge/(credit) for the year

	2011 £	*2010* £
The tax charge/(credit) comprises		
Current tax:		
UK corporation tax	**115,332**	-
Adjustments in respect of prior years		
- UK corporation tax	-	(282)
Total current tax	**115,332**	(282)
Deferred tax: origination and reversal of timing		
Current year	**28,108**	(11,834)
Adjustment in respect of prior years	**(14,088)**	(11,011)
Impact of change in tax rate	**6,515**	-
Total deferred tax	**20,535**	(22,845)
Tax on profit/(loss) on ordinary activities	**135,867**	(23,127)

b) Factors affecting tax for the year

The tax assessed on the profit/(loss) on ordinary activities is lower (2010 higher) than the standard rate of corporation tax in the UK of 26 5% (2010 28 %)

The differences are explained below

	2011 £	*2010* £
Profit/(loss) on ordinary activities before taxation	**483,299**	(146,590)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 26 5% (2010 28 %)	**128,074**	(41,045)
Effect of:		
Expenses non deductible for tax purposes	**34,375**	29,818
Depreciation in excess of capital allowances	**(7,024)**	6,193
Short term timing differences	**(252)**	-
Timing differences on stock options	**(9,412)**	(12,465)
Adjustments in respect of prior years	-	(282)
Utilisation of tax losses	**(30,429)**	17,499
Current tax charge/(credit) for the year	**115,332**	(282)

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

The main rate of UK corporate taxation for the year to March 31, 2012 is 26% The Finance Act (No 2) 2011 was substantively enacted July 2011 and included legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 The deferred tax asset at 31 December 2011 has been re-measured accordingly

Further reductions to the UK corporation tax rate were announced in the March 2012 UK Budget Statement These changes, which were expected to be enacted separately each year, proposed to reduce the rate by 1% per annum to 22% by 1 April 2014 The Budget also included measures to reduce the rate of writing-down allowances on the main pool of plant and machinery expenditure to 18% and on the special rate pool to 8%, both with effect from 1 April 2012

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement A resolution passed by Parliament March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012 Legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012 is expected to be included in the Finance Act 2012 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014

The effect of the changes enacted by Parliament in March 2012 is to reduce the deferred tax asset provided at the balance sheet date The reduction is not expected to be material for the purposes of these financial statements This decrease in the deferred tax asset is due to the additional reduction in the corporation tax rate to 24 per cent with effect from 1 April 2012

The proposed reductions of the main rate of corporation tax by 1% per year to 22% by 1 April 2014 are expected to be enacted separately each year The overall effect of the further changes from 25% to 22%, if applied to the deferred tax balance at the balance sheet date, are not expected to be material for the purposes of these financial statements

10. SHARE-BASED PAYMENTS

The company's equity-settled share-based payments comprise both stock options and restricted stock programs The last grant under the stock option plan was made in July 2003 Only certain employees were eligible for options which are valued using the Black-Scholes stock option valuation method The grants vest at 25% per annum in years one through four and the options expire 10 years after the grant date Furthermore, options are forfeited within 30 days of the employee leaving the company Effective from 1 July 2006, the company replaced its employee stock option plan with a discretionary restricted stock program At the vesting date, ownership of the shares will transfer to the employee, with no exercise or purchase requirements The grants will vest 25% on each anniversary of the grant date All unvested units will be forfeited upon termination The company has in the past made discretionary awards of restricted shares to individuals for their contribution based on US Senior Management decisions

Share Option Program

Details of outstanding share options are set out below

Grant Date	Outstanding at 1 Jan 11	Transfers Out	Exercised in Year	Forfeited in Year	Outstanding at 31 Dec 11	Exercise Price	Exercise Date From	Exercise Date To
10 02 2003	1,200	-	-	-	1,200	£8 71	Feb-04	Feb-13
01 07 2003	500	-	-	-	500	£11 30	Jul-04	Jul-13
No of Shares	1,700	-	-	-	1,700			
Weighted Average Exercise Price	£9 47				£9 47			

10. SHARE-BASED PAYMENTS (continued)

The fair value of share options has been estimated using a Black-Scholes pricing model with the following assumptions

	10 Feb 2003	*1 Jul 2003*
Share Price at Grant Date	£8 71	£11 30
Exercise Price	£8 71	£11 30
Interest rate	3 03%	2 48%
Expected Dividend Yield	0%	0%
Expected Volatility	51%	51%
Expected Life	6 Years	6 Years
Valuation per Share	£4 40	£5 65

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous 5-6 years The expected life used in the model has been based on management's best estimate based on historical activity over the previous 5-6 years

Restricted Stock Programs

Details of unvested restricted stocks awarded to employees are set out below

Grant Date	Outstanding at 1 Jan 11	Granted in Year	Transfers in/(out)	Exercised in Year	Forfeited in Year	Outstanding at 31 Dec 11	Share Price	Vesting Date From	Vesting Date To
31/07/2006	-	-	-	-	-	-	17 37	Jun-2007	Jun-2010
31/07/2007	800	-	97	(897)	-	-	16.79	Jun-2008	Jun-2011
31/07/2008	5,359	-	(1,913)	(2,744)	-	702	12.77	Jun-2009	Jun-2012
31/10/2008	-	-	-	-	-	-	11 60	Sep-2009	Sep-2012
02/03/2009	2,276	-	(2,276)	-	-	-	10 15	Dec-2009	Dec-2012
31/07/2009	51	-	106	(51)	-	106	15 07	Jun-2010	Jun-2013
30/10/2009	-	-	-	-	-	-	14 10	Jun-2010	Jun-2013
31/01/2010	3,109	-	(2,359)	(250)	-	500	16 62	Dec-2010	Dec-2013
31/01/2011	-	6,557	(4,201)	(588)	-	1 768	20 27	Dec-2011	Dec-2014
No of Shares	11 595	6,557	(10,546)	(4 530)	-	3,076			
Average Price	13.58	20 27	16 00	14 78	-	17 79			

Shares are awarded over the ultimate parent company and therefore there will be no impact on the share capital of Protiviti Limited The company has not paid any money to the ultimate parent company in respect of shares granted to the company's employees during the current or prior years

11. TANGIBLE FIXED ASSETS

	Leasehold improvements	*Fixtures, fittings and computer equipment*	*Total*
	£	£	£
Cost:			
At 1 January 2011	23,898	274,722	298,620
Additions	183,768	153,139	336,907
Disposals	(8,964)	(75,684)	(84,648)
At 31 December 2011	**198,702**	**352,177**	**550,879**
Accumulated depreciation:			
At 1 January 2011	23,898	272,159	296,057
Provided during the year	20,206	26,397	46,603
Disposals	(8,964)	(75,684)	(84,648)
At 31 December 2011	**35,140**	**222,872**	**258,012**
Net book value.			
At 31 December 2011	**163,562**	**129,305**	**292,867**
At 31 December 2010	-	2,563	2,563

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	*2010*
	£	£
Trade debtors	**2,404,682**	2,900,748
Amounts owed by group undertakings	**775,314**	191,636
Prepayments and accrued income	**336,247**	175,578
	3,516,243	3,267,962

Loan amounts owed by group undertakings have no fixed repayment terms and bear interest at 2% over the UK Libor Rate

Included within prepayments and accrued income above is a deferred tax asset comprising

	2011	*2010*
	£	£
Accelerated capital allowances	**30,633**	55,375
Short term timing differences	**238**	-
Timing differences in respect of share-based payments	**10,352**	6,383
	41,223	61,758

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The movement in the deferred tax asset can be analysed as

	2011	2010
	£	£
Deferred tax asset at the start of the year	**61,758**	38,913
Deferred tax credit to the profit and loss account for the year (see note 9)	**(20,535)**	22,845
Deferred tax asset at the end of the year	**41,223**	61,758

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	**29,909**	57,545
Amounts owed to group undertakings	**2,868,392**	3,161,233
Corporation Tax	**7,227**	-
Other taxation and social security	**1,830,231**	764,070
Accruals and deferred income	**2,014,552**	782,693
	6,750,311	4,765,541

Loan amounts owed to other group undertakings have no fixed repayment terms and bear interest at 2% over the Libor Rate

Other amounts owed to other group undertakings are trading balances and are repayable under the normal terms of business

14. PROVISIONS FOR LIABILITIES

	Dilapidations
	£
At 1 January 2011	198,912
Charge to profit and loss account	-
At 31 December 2011	**198,912**

Dilapidation provisions

Full provision has been made for leasehold properties which have dilapidation commitments included The provision is expected to unwind within the next 5 years

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

15. CALLED UP SHARE CAPITAL

	Allotted, called up and fully paid	
	2011	*2010*
	£	£
Ordinary £1 shares	**3,000,001**	3,000,001

On 31 March 2010, an ordinary resolution was passed to increase the authorised share capital of the Company from £1,000,000 to £5,000,001 by the creation of a further 4,000,001 ordinary shares of £1 each to rank pari passu with the existing ordinary shares of the Company On 31 March 2010, an ordinary resolution was passed to allot 3,000,000 £1 shares to Protiviti Inc The shares were paid for in cash

The authorised share capital of the company is 5,000,001 ordinary shares (2010 5,000,001) of £1 each and the allotted, called up and fully paid share capital is 3,000,001 ordinary shares (2010 3,000,001) of £1

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	*2010*
	£	£
Profit/(loss) for the financial year	**347,432**	(123,463)
Capital contribution in respect of share-based payments (see note 6,10)	**89,346**	59,095
Net movement in shareholders' funds	**436,778**	(64,368)
Opening shareholders' funds	**259,965**	324,333
Closing shareholders' funds	**696,743**	259,965

17. RESERVES

	Profit and loss account
	£
At 1 January 2011	(2,740,036)
Profit for the financial year	347,432
Share-based payments (see note 6,10)	89,346
At 31 December 2011	**(2,303,258)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)

18. FINANCIAL COMMITMENTS

At 31 December 2011 the company had annual commitments under non cancellable operating leases as set out below

	Land and buildings	
	2011	*2010*
	£	*£*
Expiry date		
In two to five years	**982,964**	809,856

There were no capital commitments at either year end

19. PENSION COMMITMENTS

The company pays into a defined contribution pension scheme in respect of certain employees Pension costs for the year were £6,600 (2010 £6,000) and these were fully paid as at 31 December 2011 and 31 December 2010

20 CONTINGENT LIABILITIES

Robert Half International Inc issues stock options to employees and directors of the company as an integral part of its compensation programs

Share options granted subsequent to 5 April 1999 in the UK under unapproved schemes are subject to national insurance contributions on the gain made on the exercise of such options by employees

An accrual of £24,413 has been made at 31 December 2011 (2010 £19,500) based on the year end share price of $28 46 (2010 $30 60) and the elapsed portion of the relevant vesting periods

Based on the year end share price there is a further contingent liability of approximately £13,719 (2010 £11,637) arising by the end of the vesting period that has not been provided for in the financial statements

21 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Protiviti Inc , a company incorporated in the USA, as the immediate parent company and Robert Half International Inc , a company incorporated in the USA, as the ultimate parent company and the ultimate controlling party Robert Half International Inc heads the largest and smallest group to consolidate these financial statements Copies of the group financial statements are available from 2884 Sand Hill Road, Menlo Park, California, 94025, USA