

Protiviti Limited

Annual Report and Financial Statements

for the year ended 31 December 2008

Registered Number: 04482240

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Protiviti Limited

DIRECTORS and ADVISORS for the year ended 31 December 2008

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 & Registered Auditors
Exchange House
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

BANKERS

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

SOLICITORS

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Protiviti Limited

DIRECTORS' REPORT

for the year ended 31 December 2008

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY OF THE COMPANY

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

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company continues to meet 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 has also been made in key areas to enable the company to maximise its opportunities off the back of economic improvement. Over the course of 2008 the company has continued to develop its business to further reduce its reliance upon business risk services. This has contributed to turnover from continuing activities increasing by £0.9 million to £9.4 million (2007: £8.5 million). The company made an operating loss of £1.5 million (2007: £2.1 million loss).

During 2008, the number of staff decreased by 7% from an average of 83 in 2007 to 77. Whilst the company has seen a lower demand in its services for Sarbanes-Oxley compliance it has continued to develop its workforce to provide them with more diverse skills to expand into other areas of risk management and internal audit. This was reflected in the fact that the Internal Audit division saw particularly strong growth over 2007 levels (26%), whilst both Technology Risk and Business Risk divisions also grew over the prior year.

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 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 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.

Protiviti Limited

DIRECTORS' REPORT

for the year ended 31 December 2008 (continued)

KEY PERFORMANCE INDICATORS (KPIs)

Company performance during the year has been measured by management using the following financial and non-financial KPIs. The source of the data and calculation methods year-on-year are on a consistent basis. Performance during the year together with comparative data is set out in the table below:

KPI	2008	2007	Definition and method of calculation
Growth in Revenue	10%	-11%	Year on year revenue growth expressed as a percentage. The company's results showed a successful year for all three divisions with the internal audit division showing particularly strong growth year on year. Source: Profit and loss account in the financial statements.
Gross Margin %	13%	12%	Ratio of gross profit to revenue expressed as a percentage. Gross profit is after charging direct employee costs, advertising, bad debt and royalties. Source: Profit and loss account in the financial statements.
Operating Loss Margin %	-16%	-25%	Ratio of operating loss before interest and tax to revenue expressed as a percentage. Source: Profit and loss account in the financial statements.
Growth in staff			
Permanent	-8%	-29%	Year on year growth in staff expressed as a percentage. The company reduced its staffing levels from 2007. Source: Note 6 of the financial statements.
Temporary	-8%	-83%	
Total	-8%	15%	
Debtors Days	60	67	Number of days sales outstanding calculated using the count back method. The company successfully reduced its days sales outstanding by 7 days. Source: Internal data.
Current Ratio	0.77	0.96	The current ratio is derived by dividing current assets by current liabilities, and is a good indicator of the company's ability to meet short-term debt obligations. The higher the ratio the more liquid the company is. The current ratio is lower than last year as additional funding has been provided from within the Robert Half International group. Source: Balance sheet in the financial statements.

FINANCIAL RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 December 2008 are set out on pages 7 to 19.

The financial results show a loss for the financial year of £1,299,012 (2007: £1,583,676). No dividends were paid or proposed during the year (2007: £nil).

DIRECTORS

The directors who served during the year and subsequently were as follows:

R W Glass
M K Waddell

Protiviti Limited

DIRECTORS' REPORT

for the year ended 31 December 2008 (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 2008 is 2 (2007: 4 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 loss for the financial year.

Protiviti Limited

DIRECTORS' REPORT

for the year ended 31 December 2008 (continued)

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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 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.

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.

AUDITORS

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

On behalf of the board,


Director

16 October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROTIVITI LIMITED

We have audited the financial statements of Protiviti Limited for the year ended 31 December 2008 which comprise the Profit And Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Directors and Advisors page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

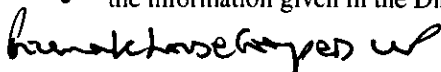
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 31 December 2008 and of its loss 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Milton Keynes

27 October 2009

Protiviti Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

	Note	2008 £	2007 £
TURNOVER	3	9,393,577	8,517,443
Cost of sales		(8,182,523)	(7,497,986)
GROSS PROFIT		1,211,054	1,019,457
Administrative expenses		(2,710,518)	(3,169,349)
OPERATING LOSS	7	(1,499,464)	(2,149,892)
Interest payable and similar charges	8	(165,343)	(33,658)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,664,807)	(2,183,550)
Tax credit on loss on ordinary activities	9	365,795	599,874
LOSS FOR THE FINANCIAL YEAR	16,17	(1,299,012)	(1,583,676)

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 loss on ordinary activities before taxation as stated above and their historical cost equivalents.

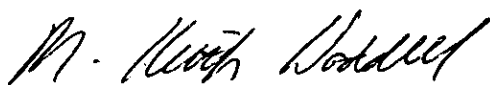
The company has no recognised gains and losses in either year other than the loss for the financial years as stated above and therefore no separate statement of total recognised gains and losses has been presented.

Protiviti Limited

BALANCE SHEET as at 31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	11	38,723	114,186
		<u>38,723</u>	<u>38,723</u>
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	3,730,728	3,408,853
Cash at bank and in hand		704,553	557,879
		<u>4,435,281</u>	<u>3,966,732</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(5,694,827)	(4,129,196)
		<u>(1,259,546)</u>	<u>(162,464)</u>
NET CURRENT LIABILITIES			
		<u>(1,220,823)</u>	<u>(123,741)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISION FOR LIABILITIES AND CHARGES	14	(92,826)	(39,607)
		<u>(1,313,649)</u>	<u>(163,348)</u>
NET LIABILITIES			
		<u>(1,313,649)</u>	<u>(163,348)</u>
CAPITAL AND RESERVES			
Called up share capital	15	1	1
Profit and loss account	17	(1,313,650)	(87,886)
		<u>(1,313,649)</u>	<u>(87,886)</u>
TOTAL SHAREHOLDERS' DEFICIT	16	<u>(1,313,649)</u>	<u>(87,885)</u>

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



Director

16 October 2009

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

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis as the parent company has confirmed its intention to continue to provide financial support to Protiviti Limited for the foreseeable future.

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 1985 and with applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently followed are set out below:

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.

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 2008 (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.

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 22).

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (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:

	2008 £	2007 £
United Kingdom	5,277,460	4,748,443
Rest of Europe	1,210,973	659,209
North America	2,332,851	2,710,731
Other	572,293	399,060
	<u>9,393,577</u>	<u>8,517,443</u>

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 22).

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:

	2008 £	2007 £
Wages and salaries	6,893,407	6,221,564
Social security costs	846,822	741,041
Pension costs (see note 19)	9,085	11,839
Equity settled share-based payments (see note 10,16)	73,248	38,599
	<u>7,822,562</u>	<u>7,013,043</u>

Wages and salaries include £261,354 (2007: £212,065), 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.

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

6. STAFF COSTS (continued)

The average monthly number of employees employed by the company during the year was as follows:

	2008 Number	2007 Number
Sales and administration	75	81
Subcontractors (not employed under a contract of services by the company)	2	2
	<u>77</u>	<u>83</u>

7. OPERATING LOSS

Operating loss is stated after charging:

	2008 £	2007 £
Depreciation of owned tangible fixed assets (see note 11)	63,648	106,785
Operating lease rentals – other	607,010	560,138
Loss on disposal of fixed assets	20,779	-
Services provided by the company's auditor		
Fees payable for the audit	<u>22,775</u>	<u>19,775</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Interest expense on group loans	(165,343)	(33,658)
Total interest payable and similar charges	<u>(165,343)</u>	<u>(33,658)</u>

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of tax credit for the year

	2008 £	2007 £
The tax credit comprises:		
Current tax:		
UK corporation tax	(401,036)	(600,392)
Adjustments in respect of prior years		
- UK corporation tax	19,155	19,945
<i>Total current tax</i>	<u>(381,881)</u>	<u>(580,447)</u>
Deferred tax:		
Current year	3,917	(14,915)
Adjustment in respect of prior years	12,169	(4,512)
<i>Total deferred tax</i>	<u>16,086</u>	<u>(19,427)</u>
Tax credit on loss on ordinary activities	<u><u>(365,795)</u></u>	<u><u>(599,874)</u></u>

b) Factors affecting tax for the year

The tax assessed on the loss on ordinary activities for both years is higher than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The tax charge has been affected by the change in the UK tax rate which was reduced to 28% with effect from 1 April 2008.

The differences are explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(1,664,807)</u>	<u>(2,183,550)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax of 28.5% (2007:30%)	(474,447)	(655,065)
Effect of:		
Expenses non deductible for tax purposes	63,047	25,542
Short term timing differences	(6,324)	-
Depreciation in excess of capital allowances	2,963	25,076
Timing differences on stock options	13,725	4,055
Adjustments in respect of prior years	19,155	19,945
Current tax credit for the year	<u><u>(381,881)</u></u>	<u><u>(580,447)</u></u>

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

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 08	Granted in Year	Exercised in Year	Forfeited in Year	Outstanding at 31 Dec 08	Exercise Price	Exercise Date From	Exercise Date To
10.02.2003	1,600	-	-	-	1,600	£8.71	Feb-2004	Feb-2013
01.07.2003	1,000	-	-	-	1,000	£11.30	Jul-2004	Jul-2013
No of Shares	2,600	-	-	-	2,600			
Weighted Average Exercise Price	£9.71	-	-	-	£9.71			

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

	<i>10 Feb 2003</i>	<i>1 Jul 2003</i>
Share Price at Grant Date	£8.71	£11.30
Exercise Price	£8.71	£11.30
Interest Price	3.03%	2.48%
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.

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

10. SHARE-BASED PAYMENTS (continued)

Restricted Stock Programs

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

Grant Date	Outstanding at 1 Jan 08	Granted in Year	Transfers out	Vested in Year	Forfeited in Year	Outstanding at 31 Dec 08	Share Price	Vesting Date From	Vesting Date To
01.07.2004	100	-	-	(50)	(50)	-	£15.94	Jul-2005	Jul-2008
18.10.2004	50	-	-	-	(50)	-	£15.04	Jul-2005	Jul-2008
08.04.2005	100	-	-	(100)	-	-	£13.83	Jul-2005	Jul-2008
01.07.2005	120	-	-	(37)	(46)	37	£14.04	Jul-2006	Jul-2009
24.08.2005	257	-	-	(128)	-	129	£18.08	Jul-2006	Jul-2009
24.04.2006	600	-	-	(300)	-	300	£23.86	Jul-2006	Jul-2009
31.07.2006	2,877	-	(38)	(645)	(938)	1,256	£17.37	Jun-2007	Jun-2010
31.01.2007	105	-	(105)	-	-	-	£20.73	Dec-2007	Dec-2010
31.07.2007	5,059	-	(52)	(813)	(1,595)	2,599	£16.79	Jun-2008	Jun-2011
31.01.2008	-	1,440	-	-	-	1,440	£13.96	Dec-2008	Dec-2011
31.07.2008	-	10,593	-	-	-	10,593	£12.77	Jun-2009	Jun-2012
31.10.2008	-	49	-	-	-	49	£11.60	Sep-2009	Sep-2012
No of Shares	9,268	12,082	(195)	(2,073)	(2,679)	16,403			
Weighted Average Price	£17.42	£12.91	£19.02	£17.86	£16.90	£14.11			

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.

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008 (continued)

11. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i>	<i>Fixtures, fittings and computer equipment</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2008	14,934	306,814	321,748
Additions	8,964	-	8,964
Disposals	-	(32,742)	(32,742)
At 31 December 2008	23,898	274,072	297,970
Accumulated depreciation:			
At 1 January 2008	2,043	205,519	207,562
Provided during the year	4,680	58,968	63,648
Disposals	-	(11,963)	(11,963)
At 31 December 2008	6,723	252,524	259,247
Net book value:			
At 31 December 2008	17,175	21,548	38,723
At 31 December 2007	12,891	101,295	114,186

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2008</i>	<i>2007</i>
	£	£
Trade debtors	2,447,360	2,439,001
Amounts owed by other Robert Half International undertakings	514,269	594,548
Corporation tax	414,349	26,271
Prepayments and accrued income	354,750	349,033
	3,730,728	3,408,853

Loan amounts owed by other Robert Half International undertakings have no fixed repayment terms and bear interest at 1% over the UK Base Rate.

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

	<i>2008</i>	<i>2007</i>
	£	£
Accelerated capital allowances	11,258	35,082
Timing differences in respect of share-based payments	15,404	7,666
	26,662	42,748

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

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

The movement in the deferred tax asset can be analysed as:

	2008	2007
	£	£
Deferred tax asset at the start of the year	42,748	23,321
Deferred tax credit to the profit and loss account for the year (see note 9)	(16,086)	19,427
Deferred tax asset at the end of the year	26,662	42,748

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	5,991	20,683
Amounts owed to other Robert Half International undertakings	4,707,386	2,806,080
Other taxation and social security	303,360	457,383
Accruals and deferred income	678,090	845,050
	5,694,827	4,129,196

Loan amounts owed to other Robert Half International undertakings have no fixed repayment terms and bear interest at 1% over the UK Base Rate.

Other amounts owed to other Robert Half International undertakings are trading balances and are repayable under the normal terms of business.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Dilapidations</i>
	£
At 1 January 2008	39,607
Charge to profit and loss account	53,219
At 31 December 2008	92,826

Dilapidation provisions

Full provision has been made for leasehold properties which have dilapidation commitments included. The provision is expected to unwind within the next 2 years.

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

15. CALLED UP SHARE CAPITAL

	<i>Authorised</i>	
	<i>2008</i>	<i>2007</i>
	<i>£</i>	<i>£</i>
Ordinary £1 shares	1,000,000	1,000,000
	<u> </u>	<u> </u>
	<i>Allotted, called up and fully paid</i>	
	<i>2008</i>	<i>2007</i>
	<i>£</i>	<i>£</i>
Ordinary £1 shares	1	1
	<u> </u>	<u> </u>

The authorised share capital of the company is 1,000,000 ordinary shares (2007: 1,000,000) of £1 each and the allotted, called up and fully paid share capital is 1 ordinary share (2007: 1) of £1.

16. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS

	<i>2008</i>	<i>2007</i>
	<i>£</i>	<i>£</i>
Opening total shareholders' (deficit)/funds	(87,885)	1,457,192
Loss for the financial year	(1,299,012)	(1,583,676)
Capital contribution in respect of share based payments (see note 6,10)	73,248	38,599
	<u> </u>	<u> </u>
Closing total shareholders' deficit	(1,313,649)	(87,885)
	<u> </u>	<u> </u>

17. RESERVES

	<i>Profit and loss account</i>
	<i>£</i>
At 1 January 2008	(87,886)
Loss for the financial year	(1,299,012)
Share-based payments (see note 6,10)	73,248
	<u> </u>
At 31 December 2008	(1,313,650)
	<u> </u>

Protiviti Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

18. FINANCIAL COMMITMENTS

At 31 December 2008 the company had annual commitments under non cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2008</i>	<i>2007</i>
	£	£
Expiry date:		
In two to five years	766,497	693,707
	<u>766,497</u>	<u>693,707</u>

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 £9,085 (2007: £11,839) and these were fully paid as at 31 December 2008 and 31 December 2007.

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 £10,235 has been made at 31 December 2008 (2007: £5,893) based on the year end share price of \$20.82 (2007: \$27.04) and the elapsed portion of the relevant vesting periods.

Based on the year end share price there is a further contingent liability of approximately £19,057 (2007: £10,446) arising by the end of the vesting period that has not been provided for in the financial statements.

21. POST BALANCE SHEET EVENT

The company continues to meet 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 market place. In response to those challenges the company has undertaken a restructuring exercise during March 2009 at a cost to the business of £470,000.

On 31 March 2009, 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 2009, an ordinary resolution was passed to allot three million £1 shares to Protiviti Inc. The shares were paid for in cash.

22. 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 smallest and largest group to consolidate these financial statements. Copies of the group financial statements are available from 2884 Sand Hill Road, Menlo Park, California, 94025, USA.