Protiviti Limited

Annual Report and Financial Statements

for the year ended 31 December 2013

Registered Number: 04482240

DIRECTORS and ADVISORS
for the year ended 31 December 2013

EXECUTIVE DIRECTORS
R W Glass
M K Waddell

SECRETARY
A M Plumbly

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

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
DE73 AN

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

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

STRATEGIC REPORT
for the year ended 31 December 2013

The directors present strategic report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES 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 2013 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 £32,459 (2012: £57,464 loss).

During 2013, the number of staff increased by 24.1% from an average of 79 in 2012 to 98. 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.

STRATEGIC REPORT
for the year ended 31 December 2013 (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	2013	2012	Definition and method of calculation
Growth in Revenue	19%	3%	Year on year revenue growth expressed as a percentage. Source: Profit and loss account in the financial statements.
Gross Margin %	17%	17%	Ratio of gross profit to revenue expressed as a percentage. Gross profit is after charging direct employee costs,, bad debt and royalties. Source: Profit and loss account in the financial statements.
Operating Profit /(Loss) Profit Margin %	0.2%	(0.5)%	Ratio of operating profit/(loss) before interest and tax to revenue expressed as a percentage. Source: Profit and loss account in the financial statements.
Growth in Staff	24.1%	3%	Year on year growth in staff expressed as a percentage. The company increased its overall staffing levels from 2012. Source: Note 6 of the financial statements.
Debtors Days	45	53	Number of days sales outstanding calculated using the count back method. Source: Internal data.
Current Ratio	1.10	1.10	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. Source Balance sheet in the financial statements.

On behalf of the board,

M. Keith Waddell
M. Keith Waddell
Director

18.. September 2014

DIRECTORS' REPORT
for the year ended 31 December 2013 (continued)

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

FINANCIAL RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 December 2013 are set out on pages 8 to 20.
The financial results show a loss for the financial year of £30,031 (2012: £95,295 loss). No dividends were paid or proposed during the year (2012: £nil).

The expected future developments of the company are disclosed in the strategic report.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R W Glass
M K Waddell

DIRECTORS' INDEMNITIES

A qualifying third party indemnity provision is in place for the company's directors. This covers liability for the actions of directors and officers of the company and associated costs including legal costs.

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 2013 is 7 (2012: 9 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.

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;
- 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 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.

On behalf of the board,

M. Keith Waddell

M. Keith Waddell
Director

18.. September 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROTIVITI LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Protiviti Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).
In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROTIVITI LIMITED (CONTINUED)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the statement of directors' responsibilities 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 ISAs (UK & 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.

Katharine Warrington

Katharine Warrington (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
18 September 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Note	*2013* £	*2012* £
TURNOVER	3	**15,014,981**	12,640,993
Cost of sales		**(12,531,058)**	(10,519,240)
GROSS PROFIT		**2,483,923**	2,121,753
Administrative expenses		**(2,451,464)**	(2,179,217)
OPERATING PROFIT/(LOSS)	7	**32,459**	(57,464)
Interest payable and similar charges	8	**(75,896)**	(83,647)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(43,437)**	(141,111)
Tax on loss on ordinary activities	9	**13,406**	45,816
LOSS FOR THE FINANCIAL YEAR	16,17	**(30,031)**	(95,295)

The accompanying notes on pages 10 to 20 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 and the 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 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 2013

	Note	2013	2012
FIXED ASSETS		£	£
Tangible assets	11	**218,600**	265,987
CURRENT ASSETS			
Debtors	12	**6,015,496**	5,802,042
Cash at bank and in hand		**3,032,506**	1,762,443
		9,048,002	7,564,485
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	**(8,199,608)**	(6,914,190)
NET CURRENT ASSETS		**848,394**	650,295
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,066,994**	916,282
PROVISIONS FOR LIABILITIES	14	**(198,912)**	(198,912)
NET ASSETS		**868,082**	717,370
CAPITAL AND RESERVES			
Called up share capital	15	**3,000,001**	3,000,001
Profit and loss account	17	**(2,131,919)**	(2,282,631)
TOTAL SHAREHOLDERS' FUNDS	16	**868,082**	717,370

The financial statements on pages 8 to 20 were approved by the board of directors and signed on its behalf by:

M. Keith Waddell
M. Keith Waddell
Director
18 September 2014

The accompanying notes on pages 10 to 20 are an integral part of these financial statements.

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 33% 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.

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).

3. TURNOVER

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:

	2013 £	*2012* £
United Kingdom	**12,153,425**	9,060,223
Rest of Europe	**495,295**	674,058
North America	**2,124,725**	2,749,433
Other	**241,536**	157,279
	15,014,981	12,640,993

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:

	2013 £	*2012* £
Wages and salaries	**11,113,295**	9,482,928
Social security costs	**1,170,139**	992,956
Other pension costs (see note 19)	**7,260**	7,020
Equity settled share-based payments (see note 10,16)	**180,743**	115,922
	12,471,437	10,598,826

Wages and salaries include £2,539,960 (2012: £2,118,995), 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.

6. STAFF COSTS (continued)

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

	2013 Number	*2012 Number*
Sales and administration	**83**	68
Subcontractors (not employed under a contract of services by Protiviti Limited)	**15**	11
	98	79

7. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2013 £	*2012 £*
Depreciation of owned tangible fixed assets (see note 11)	**113,564**	94,105
Operating lease rentals – other	**380,128**	282,796
Services provided by the company's auditors		
Fees payable for the audit	**25,250**	24,000

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	*2012 £*
Interest expense on group loans	**(75,896)**	(83,647)
Total interest payable and similar charges	**(75,896)**	(83,647)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013 (continued)

9. TAX ON LOSS ON ORDINARY ACTIVITIES

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

	2013	*2012*
	£	*£*
The tax charge/(credit) comprises:		
Current tax:		
UK corporation tax	**389**	(30,171)
Adjustments in respect of prior years	**972**	(19,540)
Total current tax	**1,361**	(49,711)
Deferred tax: origination and reversal of timing		
Current year	**(26,903)**	(679)
Adjustment in respect of prior years	**8,891**	1,276
Impact of change in tax rate	**3,245**	3,298
Total deferred tax	**(14,767)**	3,895
Tax on loss on ordinary activities	**(13,406)**	(45,816)

b) Factors affecting tax for the year

The tax assessed on the loss on ordinary activities is higher (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5 %).

The differences are explained below:

	2013	*2012*
	£	*£*
Loss on ordinary activities before taxation	**(43,437)**	(141,111)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 23.25% (2012:24.5 %)	**(10,099)**	(34,572)
Effect of:		
Expenses non deductible for tax purposes	**10,695**	11,270
Depreciation in excess of capital allowances	**13,326**	7,726
Short term timing differences	-	-
Timing differences on stock options	**(13,533)**	(14,595)
Adjustments in respect of prior years	**972**	(19,540)
Utilisation of tax losses	-	-
Current tax charge/(credit) for the year	**1,361**	(49,711)

9. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

During the year the UK corporation tax rate reduced from 24% to 23% being substantially enacted on 26 March 2012 and effective from 1 April 2013; a further reduction to 21% was substantially enacted on 2 July 2013 and is effective from 1 April 2014, and therefore the relevant deferred tax balances have been re-measured.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 20% from 1 April 2015.

As the changes had been substantively enacted at the balance sheet date their effects are included in 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 13	Transfers Out	Exercised in Year	Forfeited in Year	Outstanding at 31 Dec 13	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:

Restricted Stock Unit Program RHUK									
Grant Date	Outstanding at 1 Jan 13	Granted in Year	Transfers in/(out)	Exercised in Year	Forfeited in Year	Outstanding at 31 Dec 13	Share Price	Vesting Date From	Vesting Date To
31/07/2006	-	-	-	-	-	-	17.37	Jun-2007	Jun-2010
31/07/2007	-	-	-	-	-	-	16.79	Jun-2008	Jun-2011
31/07/2008	31	-	(31)	-	-	-	12.77	Jun-2009	Jun-2012
31/10/2008	-	-	-	-	-	-	11.60	Sep-2009	Sep-2012
02/03/2009	-	-	-	-	-	-	10.15	Dec-2009	Dec-2012
31/07/2009	70	-	(50)	(20)	-	-	15.07	Jun-2010	Jun-2013
30/10/2009	-	-	-	-	-	-	14.10	Jun-2010	Jun-2013
31/01/2010	1,037	-	-	(1,037)	-	-	16.62	Dec-2010	Dec-2013
31/01/2011	2,761	-	-	(1,380)	-	1,381	20.27	Dec-2011	Dec-2014
31/01/2012	9,750	-	-	(3,250)	-	6,500	18.07	Dec-2012	Dec-2015
31/01/2013		13,551	-	(3,385)	-	10,166	21.70	Dec-2013	Dec-2016
	13,649	13,551	(81)	(9,072)	-	18,047			
Weigted Average Price	18.38	21.70	14.19	19.59	-	20.28			

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 2013	230,481	387,622	618,103
Additions	721	65,456	66,177
At 31 December 2013	**231,202**	**453,078**	**684,280**
Accumulated depreciation:			
At 1 January 2013	74,301	277,815	352,116
Provided during the year	42,501	71,063	113,564
At 31 December 2013	**116,802**	**348,878**	**465,680**
Net book value:			
At 31 December 2013	**114,400**	**104,200**	**218,600**
At 31 December 2012	156,180	109,807	265,987

12. DEBTORS

	2013	*Restated 2012*
	£	*£*
Trade debtors	**3,425,040**	3,789,763
Amounts owed by group undertakings	**946,215**	392,666
Prepayments and accrued income	**1,630,079**	1,507,128
Tax Receivable	**14,162**	112,485
	6,015,496	5,802,042

The 2012 amounts have been restated to more approximately reflect the nature of debtors balances as accrued income rather than trade debtors

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

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

	2013	*2012*
	£	*£*
Accelerated capital allowances	**30,052**	30,511
Short term timing differences	**122**	232
Timing differences in respect of share-based payments	**21,921**	6,585
	52,095	37,328

12. DEBTORS (continued)

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

	2013	*2012*
	£	**£**
Deferred tax asset at the start of the year	**37,328**	41,223
Deferred tax credit to the profit and loss account for the year (see note 9)	**14,767**	(3,895)
Deferred tax asset at the end of the year	**52,095**	37,328

Deferred tax rate: 21% (2012: 23%)

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	*2012*
	£	**£**
Trade creditors	**36,396**	57,606
Amounts owed to group undertakings	**4,786,422**	3,820,304
Corporation Tax	-	-
Other taxation and social security	**1,402,529**	1,056,074
Accruals and deferred income	**1,974,261**	1,980,206
	8,199,608	6,914,190

Loan amounts owed to other group undertakings have no fixed repayment terms, bear interest at 2% over the UK Libor Rate and are unsecured.
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 2013	198,912
Charge to profit and loss account	-
At 31 December 2013	**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 2 years.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013 (continued)

15. CALLED UP SHARE CAPITAL

	Allotted and fully paid	
	2013	*2012*
	£	*£*
Ordinary £1 shares	**3,000,001**	3,000,001

The authorised share capital of the company is 5,000,001 ordinary shares (2012: 5,000,001) of £1 each and the allotted and fully paid share capital is 3,000,001 ordinary shares (2012: 3,000,001) of £1.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	*2012*
	£	*£*
Loss for the financial year	**(30,031)**	(95,295)
Capital contribution in respect of share-based payments (see note 6,10)	**180,743**	115,922
Net movement in shareholders' funds	**150,712**	20,627
Opening shareholders' funds	**717,370**	696,743
Closing shareholders' funds	**868,082**	717,370

17. PROFIT AND LOSS ACCOUNT

	£
At 1 January 2013	(2,282,631)
Loss for the financial year	(30,031)
Share-based payments (see note 6,10)	180,743
At 31 December 2013	**(2,131,919)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013 (continued)

18. FINANCIAL COMMITMENTS

At 31 December 2013 the company had annual commitments under non cancellable operating leases as set out below:

	Land and buildings	
	2013	*2012*
	£	*£*
Expiry date:		
In two to five years	**954,409**	954,409

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 £7,260 (2012: £7,020) and these were fully paid as at 31 December 2013 and 31 December 2012.

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 £27,335 has been made at 31 December 2013 (2012: £17,209) based on the year end share price of $41.99 (2012: $31.82) and the elapsed portion of the relevant vesting periods.

Based on the year end share price there is a further contingent liability of approximately £35,975 (2012: £5,070) 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.