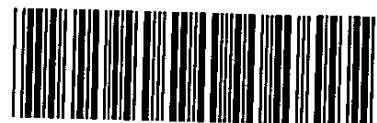


Registered Number: 01228379

REL CONSULTANCY GROUP LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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REL CONSULTANCY GROUP LIMITED

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REL CONSULTANCY GROUP LIMITED

Company Information

Directors

George Hadley
Robert Ramirez

Secretary

Frank A Zomerfeld

Company Number

01228379

Registered Office

Martin House
5 Martin Lane
London
EC4R 0DP

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

REL CONSULTANCY GROUP LIMITED

Directors' Report for the year ended 31 December 2012

The Directors present their report and the audited financial statements for the year ended 31 December 2012

Principal Activities and Future Developments

The principal activity of the Company is that of a holding company. The principal activity of the Company's subsidiaries is the provision of management consultancy services. This will continue for the foreseeable future.

Business Review

The Profit and Loss Account on page 6 shows the loss for the year. The loss on ordinary activities after taxation of £339k (2011 - 'loss' of £216k) relates to foreign exchange movement.

The Hackett group manages its operations on a group basis. For this reason, the Company's directors believe that no further key performance indicators for the Company are necessary or appropriate for an understanding of the development, performance or position of the Company. The performance of Hackett group is discussed in the financial statements of The Hackett Group Inc.

Directors

The Directors who held office during the year are set out below:

George Hadley
Robert Ramirez

Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011 – £nil).

Financial Risk Management

The main financial risks of the Company are liquidity risk and foreign currency risk. In respect of liquidity risk, this risk is reduced as this is managed through the ultimate parent company The Hackett Group Inc. The Company faces some currency risk from its consulting activities in Europe and North America. These currency risks are actively managed by the matching of same currency cashflows. The Company continues to monitor the appropriateness of hedging to manage these exposures.

The Company does not ordinarily enter into derivative transactions, such as currency or interest rate swaps, as the Directors consider that interest risk and currency risks are adequately managed without the use of such instruments. However, the Directors will continue to monitor these risks and the appropriateness of such instruments.

REL CONSULTANCY GROUP LIMITED

Directors' Report for the year ended 31 December 2012 (continued)

Directors' responsibility statement in respect of the preparation of financial statements

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 elected to prepare 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO LLP as auditors was proposed at the 2012 Annual General Meeting.

On behalf of the Board


George Hadley
Director

27 September 2013

REL CONSULTANCY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REL CONSULTANCY GROUP LIMITED

We have audited the financial statements of REL Consultancy Group Limited for the year ended 31 December 2012 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matters 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.

REL CONSULTANCY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REL CONSULTANCY GROUP LIMITED (continued)

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



*Iain Henderson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

27 September 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

REL CONSULTANCY GROUP LIMITED

Profit and Loss Account for the year ended 31 December 2012

		2012	2011
	Note	£000	£000
Operating credits		-	41
Operating profit	2	-	41
Interest payable and similar charges	4	(339)	(257)
Loss on ordinary activities before taxation		(339)	(216)
Tax on ordinary activities	5	-	-
Loss on ordinary activities after taxation and transferred from/to reserves	11	(339)	(216)

All recognised gains and losses have been included in the profit and loss account

All amounts relate to continuing operations

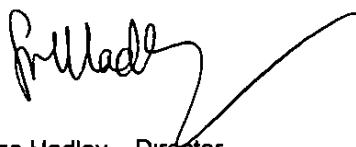
The notes on pages 8 to 13 form part of these financial statements

REL CONSULTANCY GROUP LIMITED

Balance Sheet as at 31 December 2012

Company Number 01228379	Note	2012 £000	2011 £000
Fixed Assets			
Investments	6	1,178	1,178
Current assets			
Debtors	7	10,026	10,365
Cash at bank and in hand		<u>9</u>	<u>5</u>
		10,035	10,370
Creditors: amounts falling due within one year	8	(1,434)	(1,430)
Net current assets		<u>8,601</u>	<u>8,940</u>
Total assets less current liabilities		9,779	10,118
Creditors: amounts falling due after more than one year	9	(3,807)	(3,807)
		<u>5,972</u>	<u>6,311</u>
Capital and reserves			
Called up share capital	10	105	105
Other equity reserve	11	(3,049)	(3,049)
Capital redemption reserve	11	138	138
Share premium account	11	251	251
Profit and loss account	11	8,527	8,866
Shareholders' funds	11	<u>5,972</u>	<u>6,311</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 27 September 2013



George Hadley – Director

The notes on pages 8 to 13 form part of these financial statements

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2012

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable UK accounting standards

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of The Hackett Group Inc and its results for the year are included in the statements of the parent company

The Company has taken advantage of the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated accounts as it is a wholly owned subsidiary of The Hackett Group Inc. Copies of the group accounts are available from The Hackett Group Inc, 1001 Brickell Bay Drive, Suite 3000, Miami, Florida 33131, USA. These accounts therefore present the results of the Company only

(b) Going concern

The ultimate parent company has undertaken to continue to provide such financial support as the company requires for its continued operations for the foreseeable future and as seen the directors consider it appropriate to prepare the company's financial statements on a going concern basis

(c) Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by temporary timing differences between the treatment of certain items for taxation and accounting purposes at rates enacted or substantially enacted at the balance sheet date. The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. The deferred tax balance has not been discounted

(d) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange, which approximates to that ruling at the date of the transaction. Balances denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Any difference is taken to the profit and loss account

(e) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Where none of the contractual terms of share capital meet the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Compound instruments

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument without the equity feature. The liability component is accounted for as a financial liability. The residual is the difference between the net proceeds of issue and the liability component (at time of issue). The residual is the equity component, which is accounted for as an equity instrument

(f) Valuation of investments

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

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2012 (continued)

2. OPERATING LOSS

Audit remuneration for the current and prior year has been borne by subsidiary undertaking Hackett-REL Limited

3 EMPLOYEES

The Company did not employ any employees during the year (2011 – Nil) and none of the directors received any remuneration in respect of their services

4. INTEREST PAYABLE & SIMILAR CHARGES

	2012 £000	2011 £000
Foreign exchange loss	(339)	(257)
	<u>(339)</u>	<u>(257)</u>

5. TAXATION

The taxation charge comprises	2012 £000	2011 £000
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Current year tax

UK corporation tax at 24.5% (2011 26.5%)	-	-
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	2012 £000	2011 £000
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Factors affecting the tax charge for the year

(Loss) on ordinary activities before tax	(339)	(216)
--	-------	-------

(Loss) on ordinary activities before tax multiplied by UK rate of tax at 24.5% (2011 26.5%)	(83)	(60)
--	------	------

Effects of Tax losses carried forward not recognised	83	60
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Total current tax	-	-
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The value of the tax losses carried forward at 31 December 2012 is £680k (2011 - £341k). There is a potential deferred tax asset of approximately £156k (2011 - £85k) which has not been recognised due to the uncertainty concerning the timescale as to its recoverability.

Factors affecting tax charge for future periods

The main corporation tax rate was reduced to 24% with effect from 1 April 2012. A further reduction to 23% was substantively enacted on 3 July 2012 and will be effective 1 April 2013.

A further reduction to the UK corporation tax was announced in the 2012 Autumn statement. The charge, which is expected to be enacted separately, proposes to reduce the rate to 21% on 1 April 2014. Since this had not been substantively enacted at the balance sheet date it is not reflected in these financial statements.

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2012 (continued)

6. INVESTMENTS

Cost:	£000
At 1 January and 31 December 2012	1,275
	1,275
Provisions:	
At 1 January and 31 December 2012	(97)
Net book value:	
At 1 January and 31 December 2012	1,178

The company owns 100% of the share capital of the following subsidiaries

Name	Country of incorporation	Principal Activity
Hackett-REL Ltd	England & Wales	Management Consultancy
Resource Evaluation Ltd	England & Wales	Dormant
Resource Evaluation SAS	France	Management Consultancy
REL Consultancy Group SL	Spain	Management Consultancy
REL Consultancy Group GmbH	Germany	Dormant
REL Consultancy Group SRL	Italy	Dormant
REL de Mexico, SA de Cv	Mexico	Dormant
REL Consultores Internacionais S/C Ltda	Brazil	Dormant
REL Consultancy South Africa (Proprietary) Ltd	South Africa	Dormant
REL Consultancy PTE Limited	Singapore	Dormant
The Hackett Group Kft*	Hungary	Management Consultancy

*held indirectly

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2012 (continued)

7. DEBTORS

Amounts due within one year	2012 £000	2011 £000
Amounts owed from group companies	<u>10,026</u>	<u>10,365</u>
	<u>10,026</u>	<u>10,365</u>

Included within this balance the Company has a loan due from its parent company of \$13m (£8.1m) which is repayable on demand. In the event that this sum is not paid in full on demand any unpaid amounts carries interest at 5% until paid in full.

8 CREDITORS: amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group companies	1,430	1,430
Accruals	<u>4</u>	<u>-</u>
	<u>1,434</u>	<u>1,430</u>

9 CREDITORS: amounts falling due after more than one year

	2012 £000	2011 £000
Preference shares classified as financial liabilities	<u>3,807</u>	<u>3,807</u>
	<u>3,807</u>	<u>3,807</u>

Shares classified as financial liabilities

The fair value of preference shares classified as financial liabilities has been determined in accordance with FRS 25 Financial Instruments 'Disclosure and Presentation', representing the present value of the fixed cumulative dividends payable by the Company in respect of the New Preference "A" shares, at a discount rate determined by the weighted average cost of capital of a similar quoted entity at the time of issue of the instrument.

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2012 (continued)

10. SHARE CAPITAL

	2012 £000	2011 £000
Authorised		
10,000,000 New Preference "A" Shares of £0 10 each	1,000	1,000
15,000,000 New Ordinary "B" Shares of £0 01 each	150	150
100,000,000 New Ordinary "C" Shares of £0 01 each	1,000	1,000
	<u>2,150</u>	<u>2,150</u>
Allotted and fully paid		
7,584,598 (2010 7,584,598) New Preference "A" Shares of £0 10 each	759	759
10,584,210 (2010 10,584,210) New Ordinary "B" Shares of £0 01 each	105	105
	<u>864</u>	<u>864</u>
Equity shares		
10,584,210 (2010 10,584,210) New Ordinary "B" Shares of £0 01 each	105	105
Shares classified as financial liabilities		
7,584,598 (2010 7,584,598) New Preference "A" Shares of £0 10 each	759	759
	<u>864</u>	<u>864</u>

The preference 'A' shares of 10p each entitle the holder to receive, out of distributable profits, a fixed cumulative preference dividend at the rate of 6 75p each year and the right to a return of £1 33 per share on winding up. In addition, each preference 'A' share will be entitled to a very small participation in the distributable reserves if these exceed £100m.

All 'A' shareholders waived their rights to receiving any dividends from 31 December 2005.

Preference 'A' shareholders had the option to convert their 'A' shares into 'B' shares on 31 December in any year between 31 December 2002 and 2010 at the rate of 1 ordinary 'B' shares for every existing 5 ordinary 'A' shares. Following any Conversion Date, if more than 75% of the issued 'A' shares have been converted, the Company is entitled to give notice that the remaining 'A' shares be converted into 'B' shares. The option was not exercised and has since lapsed.

The preference 'A' shares and the ordinary 'B' shares are each entitled to one vote per share. The ordinary 'C' shares carry no voting rights.

REL CONSULTANCY GROUP LIMITED

Notes to the Financial Statements for the year ending 31 December 2012 (continued)

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Other equity reserve	Capital redemption reserve	Share premium account	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000	£000
At 1 January 2012	105	(3,049)	138	251	8,866	6,311
Loss for the financial year	-	-	-	-	(339)	(339)
At 31 December 2012	105	(3,049)	138	251	8,527	5,972

12 CONTINGENT LIABILITIES

Group and Company

The Company is liable, as a member of a Group VAT registration, to pay any amounts due to HM Customs & Excise not paid by subsidiary undertaking Hackett-REL Limited, the Company's UK subsidiary. At 31 December 2012 the outstanding VAT liability for the Group was £650,448 (2011: £51,045). The amount is reimbursable from Hackett-REL Limited.

13. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate parent company is The Hackett Group Limited, incorporated in England & Wales. The Directors consider that the ultimate parent undertaking of this Company is The Hackett Group, Inc., incorporated in Florida, USA.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by The Hackett Group, Inc., incorporated in Florida, USA.

Copies of the group accounts can be obtained from The Hackett Group, Inc., 1001, Brickell Bay Drive, Suite 3000, Miami, Florida 33131, USA.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption of Financial Reporting Standard No. 8 'Related Party Disclosures' not to disclose transactions with other wholly owned subsidiaries in the Hackett group.