

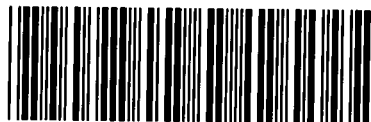
Registered Number: 01228379

REL CONSULTANCY GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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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	Cannon Green 27 Bush Lane London EC4R 0AN
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

REL CONSULTANCY GROUP LIMITED

Directors' report for the year ended 31 December 2017

The directors present their annual report together with the audited financial statements for the year ended 31 December 2017.

Principal activities

The Company is the holding company for Hackett-REL Ltd and its subsidiaries, the principal activity of which is the provision of management consultancy services. This will continue for the foreseeable future.

Dividends

The directors do not recommend the payment of dividend for the year ended 31 December 2017 (2016 - £Nil).

Directors

The directors of the company during the year were:

George Hadley

Robert Ramirez

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 elected to prepare the company 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;
- 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.

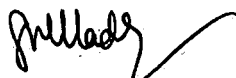
Auditors

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 purposes 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 RSM UK Audit LLP as auditors will be proposed at the 2018 Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board



George Hadley
Director

Date: 14 December 2018

REL CONSULTANCY GROUP LIMITED

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

Opinion

We have audited the financial statements of REL Consultancy Group Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

REL CONSULTANCY GROUP LIMITED

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

David Clark (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 14 December 2018

REL CONSULTANCY GROUP LIMITED

Statement of Income and Retained Earnings for the year ended 31 December 2017

		2017	2016
	Note	£000	£000
Operating expenses		-	-
Operating profit		-	-
Interest receivable and similar income	3	-	2,056
Interest payable and similar charges	4	(960)	-
(Loss)/profit on ordinary activities before taxation		(960)	2,056
Taxation	5	-	-
(Loss)/profit on ordinary activities after taxation		(960)	2,056
Retained earnings at 1 January		11,243	9,187
Retained earnings at 31 December		10,283	11,243

There were no recognised gains and losses for either year other than the (loss)/profit for the year as shown above. Accordingly, no Statement of Comprehensive Income has been presented.

All amounts relate to continuing operations

The notes on pages 7 to 14 form part of these financial statements.

REL CONSULTANCY GROUP LIMITED

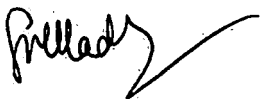
Statement of Financial Position as at 31 December 2017

Company number 01228379

	Note	2017 £000	2016 £000
Fixed assets			
Investments	6	1,178	1,178
Current assets			
Debtor due within one year	7	11,782	12,742
Cash at bank and in hand		5	5
		<u>11,787</u>	<u>12,747</u>
Creditors: amounts falling due within one year	8	<u>(1,430)</u>	<u>(1,430)</u>
Net current assets		<u>10,357</u>	<u>11,317</u>
Total assets less current liabilities		11,535	12,495
Creditors: amounts falling due after more than one year	9	<u>(3,807)</u>	<u>(3,807)</u>
Net assets		<u>7,728</u>	<u>8,688</u>
Capital and reserves			
Called up share capital	10	105	105
Other equity reserve		(3,049)	(3,049)
Capital redemption reserve		138	138
Share premium account		251	251
Profit and loss account		<u>10,283</u>	<u>11,243</u>
Total equity		<u>7,728</u>	<u>8,688</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements were approved by the Board and authorised for issue on 14 December 2018.



George Hadley
Director

The notes on pages 7 to 14 form part of these financial statements.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017

1. ACCOUNTING POLICIES

(a) General Information

REL Consultancy Group Limited (the "company") is a private company limited by shares, domiciled and incorporated in England and Wales (01228379). The address of the Company's registered office and principal place of business is Cannon Green, 27 Bush Lane, London EC4R 0AN. The company's principal activities are given in the Directors' Report.

(b) Basis of accounting

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

(c) Consolidated financial statements

The company has taken advantage of the exemption in section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it is a wholly owned subsidiary of The Hackett Group Inc, a company incorporated in USA. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

(d) 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 such the directors consider it appropriate to prepare the company's financial statements on a going concern basis.

(e) Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

(f) Foreign exchange

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss.

Exchange differences arising from foreign currency borrowing are presented as interest payable and similar charges to the extent that they are regarded as an adjustment to interest costs.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (continued)

(g) Fixed asset Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date, being the higher of fair value less costs to sell and value in use. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

(h) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (continued)

(i) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (continued)

2. Employees

The Company did not employ any employees during the year (2016 - Nil) and none of the directors received any remuneration from the company in respect of their services.

3. Interest receivable and similar income

	2017 £000	2016 £000
Foreign exchange gain on group balances	-	2,056

4. Interest payable and similar charges

	2017 £000	2016 £000
Foreign exchange loss on group balances	960	-

5. Taxation

The taxation charge comprises:	2017 £000	2016 £000
Current year tax		
UK corporation tax at 19.75% (2016 - 20%)	-	-

The value of the tax losses carried forward at 31 December 2017 is £1,113k (2016 - £84k). There is a potential deferred tax asset of approximately £189k (2016: £17k) which has not been recognised due to the uncertainty concerning the timescale as to its recoverability.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (continued)

6. Investments

	£000
Cost:	
At 1 January and 31 December 2017	1,275
Provisions:	
At 1 January and 31 December 2017	(97)
Net book value:	
At 1 January and 31 December 2017	1,178

The company owns 100% of the ordinary 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 Consultancy PTE Limited	Singapore	Dormant
The Hackett Group Kft*	Hungary	Management Consultancy
Aecus Ltd*	England & Wales	Management Consultancy

*held indirectly

7. Debtors

Amounts due within one year	2017 £000	2016 £000
Amounts owed from group companies	11,782	12,742

Included within this balance, the Company has a loan to its parent company of \$13m (£9.6m) (2016 \$13m (£10.5m)), which is interest free and 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

	2017 £000	2016 £000
Amounts owed to group companies	1,430	1,430

Amounts due to group companies are interest free, unsecured and repayable on demand.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 *(continued)*

9. Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Preference shares classified as financial liabilities	<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 102 section 11: 'Basic Financial Instruments', 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.

As there is no intention to wind up the entity or its subsidiaries in the foreseeable future, the fair value of the financial liability cannot be reliably determined. Therefore, in accordance with the requirements of FRS 102 section 12, the preference shares liability are held at the fair value at the last date the instrument was reliably measured.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (*continued*)

10. Share capital and reserves

	2017 £000	2016 £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.

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.

Reserves

Reserves of the company represent the following:

Other equity reserve

Preference shares classified as financial liabilities.

Capital redemption reserve

Own shares purchased.

Share premium account

Premium on shares issued.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

REL CONSULTANCY GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2017 (*continued*)

11. Contingent liabilities

The Company is liable, as a member of a Group VAT registration with Hackett-REL Limited 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 2017 the outstanding VAT liability for the Group was £887,745 (2016 - £854,120). The amount is reimbursable from Hackett-REL Limited.

12. Ultimate parent company 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 and ultimate controlling party 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.