

VANCE INTERNATIONAL LTD (FORMERLY DECISION STRATEGIES LTD)

Report and Financial Statements

31 December 2003



Vance International Ltd (formerly Decision Strategies Ltd)

REPORT AND FINANCIAL STATEMENTS 2003

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Vance International Ltd (formerly Decision Strategies Ltd)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C J Kearney (American)
P J O'Leary (American)
M A Reilly (American, appointed 18 February 2005)

SECRETARY

C J Kearney

REGISTERED OFFICE

31 Old Burlington Street
London
W1S 3AS

BANKERS

Natwest
Berkeley Square and Mayfair
PO Box 2153
114 Berkeley Square HSE
Berkeley Square
London
W14 1SN

SOLICITORS

Eversheds
Cloth Hall Court
Infirmary Street
Leeds
LS 2JB

AUDITORS

Deloitte & Touche LLP
Birmingham

Vance International Ltd (formerly Decision Strategies Ltd)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The Company is engaged in investigations, business intelligence and litigation support.

BUSINESS REVIEW

The directors' expect the general level of activity to continue to increase in 2004 following the appointment of a new senior managing director experienced in developing business opportunities in a global arena.

CHANGE OF NAME

On 28 February 2005 Decision Strategies Ltd changed its name to Vance International Ltd.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £147,000 (2002 – profit of £747,000). This has been transferred (from)/ to reserves.

The directors do not recommend the payment of a dividend.

DIRECTORS

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

C J Kearney (American)

P J O'Leary (American)

R Winowiecki (American, resigned 24 September 2004)

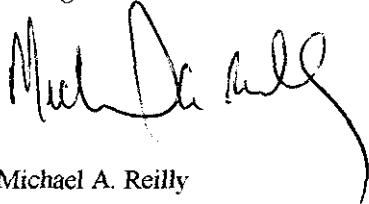
M A Reilly (American, appointed 18 February 2005)

None of the directors' have interest in the shares of the company.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to remain in office as auditors, and a resolution to re-appoint them as the company's audit will be proposed at the forthcoming AGM.

Approved by the Board of Directors
and signed on behalf of the Board



Michael A. Reilly

Director

5/17/05

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Vance International Ltd (formerly Decision Strategies Ltd)

We have audited the financial statements of Vance International Ltd (formerly Decision Strategies Ltd) for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 also report if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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 of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

19 May 2005

Vance International Ltd (formerly Decision Strategies Ltd)

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
TURNOVER	2	1,664	3,240
Cost of sales		(628)	(1,040)
Gross profit		1,036	2,200
Administrative expenses		(1,145)	(1,410)
OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(109)	790
Tax on (loss)/profit on ordinary activities	6	256	(43)
Retained (loss)/profit for the year	15	147	747

All results are derived from continuing operations.

There are no recognised gains or losses other than the result for the current and preceding financial years. Accordingly no statement of total recognised gains and losses has been prepared.

The accompanying notes are an integral part of these financial statements.

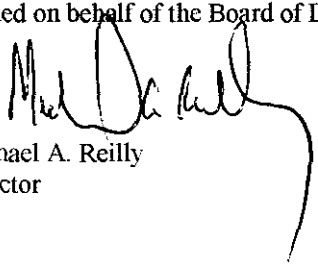
Vance International Ltd (formerly Decision Strategies Ltd)

BALANCE SHEET
31 December 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Tangible assets	7	81	50
Investments	8	-	7
		<u>81</u>	<u>57</u>
CURRENT ASSETS			
Work in Progress	9	46	45
Debtors	10	808	1,320
Cash at bank and in hand		778	529
		<u>1,632</u>	<u>1,894</u>
CREDITORS: amounts falling due within one year	12	<u>(344)</u>	<u>(729)</u>
NET CURRENT ASSETS		<u>1,288</u>	<u>1,165</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>1,369</u>	<u>1,222</u>
CAPITAL AND RESERVES			
Called up share capital	14	25	25
Profit and loss account	15	1,344	1,197
EQUITY SHAREHOLDERS' FUNDS	16	<u>1,369</u>	<u>1,222</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


Michael A. Reilly
Director

5/17/05

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

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

The company is exempt from the requirement of FRS 1 to present cash flow statement, because it is a wholly owned subsidiary of SPX Corporation which prepares consolidated financial statements which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	term of lease
Equipment	20% per annum
Motor vehicles	20% per annum

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes sub-contractor fees, staff wages and an attributable proportion of overheads. Net realisable value is based on estimated selling price.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods 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 and expenses incurred in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

For defined contribution schemes 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 contribution payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

2. TURNOVER

Turnover by geographical destination is analysed as follows. All turnover originates in the UK, from the company's principal activity.

	2003 £'000	2002 £'000
United Kingdom	152	308
Rest of Europe	572	974
North America	805	1,958
Rest of world	135	-
	<u>1,664</u>	<u>3,240</u>

3. OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Depreciation and amounts written off owned tangible fixed assets	20	15
Amounts written off investments	7	-
Operating lease rentals – other	92	119
Auditors remuneration for audit services	13	12
- for non audit services	5	8
Bad debt write offs	23	337
	<u>237</u>	<u>471</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

4. STAFF COSTS

The average monthly number of employees (including executive directors) was:

	2003 Number	2002 Number
Sales and administration	8	10

Their aggregate remuneration comprised:

	2003 £'000	2002 £'000
Wages and salaries	342	459
Social security costs	37	31
Other pension costs (see note 19)	27	11
	406	501

5. DIRECTORS REMUNERATION

Remuneration

The remuneration of the directors was as follows:

	2003 £'000	2002 £'000
Emoluments	-	165
Pension contribution	-	-
	-	165

All of the directors (2002: 1) received emoluments from various other group companies and it is not practical to allocate their emoluments as directors of the company.

During the year the quasi loan of £8,960 to Dan Nardello, a previous director of the Company who resigned on 23 December 2002, was written off to the profit and loss account.

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2003 £'000	2002 £'000
UK corporation tax	-	256
Adjustment in respect of prior periods		
- Group relief	(256)	(215)
Total current tax	(256)	41
Adjustment in respect of prior periods		
- Deferred tax	-	2
Total tax credit/(charge)	(256)	43

NOTES TO THE FINANCIAL STATEMENTS
31 December 2003

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2003 £'000	2002 £'000
(Loss)/profit on ordinary activities before tax	(109)	790
Tax on profit on ordinary activities at 30%	(33)	237
Effects of:		
Expenses not deductible for tax purpose	61	19
Reversal of short term timing differences	(108)	-
Tax losses accrued but not recognised	80	-
Adjustment in respect of prior years	256	(215)
Current tax credit/(charge) for the period	256	(+1)

7. TANGIBLE FIXED ASSETS

	Short Leasehold improvements £'000	Office equipment £'000	Vehicles £'000	Total £'000
Cost				
At 1 January 2003	3	92	-	95
Additions	12	-	41	53
Disposals	-	(2)	-	(2)
At 31 December 2003	15	90	41	140
Depreciation				
At 1 January 2003	3	42	-	45
Charge for the year	2	17	1	20
At 31 December 2003	5	59	1	65
Net book value				
At 31 December 2003	10	31	40	81
At 31 December 2002	-	50	-	50

NOTES TO THE FINANCIAL STATEMENTS
31 December 2003

8. FIXED ASSETS INVESTMENTS

	Subsidiary undertakings £'000
Cost	
At 1 January 2003 and 31 December 2003	7
Provision	
At 1 January 2003	-
Provided in the year	7
	<u>7</u>
At 31 December 2003	<u>7</u>
Net book value	
At 31 December 2003	-
	<u>-</u>
At 31 December 2002	<u>7</u>

The Company directly owns 99% of the ordinary share capital of Decisions Italia s.r.l, a dormant company incorporated in Italy. Vance International Limited is exempt under s248 of the Companies Act 1985 from preparing group accounts.

9. WORK IN PROGRESS

	2003 £'000	2002 £'000
Work in progress	<u>46</u>	<u>45</u>

10. DEBTORS

Amounts falling due within one year:

	2003 £'000	2002 £'000
Trade debtors	245	495
Amounts owed by group undertakings	485	754
Other debtors	5	39
Prepayments and accrued income	40	32
VAT recoverable	33	-
	<u>808</u>	<u>1,320</u>

11. BANKING FACILITIES

SPX Corporation have guaranteed any potential overdraft for Vance International Ltd up to £24,600,000.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2003

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Trade creditors	169	157
Amounts owed to group undertakings	91	8
Corporation tax	-	181
Other taxation and social security	11	19
Accruals and deferred income	73	364
	<u>344</u>	<u>729</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax

The company has an unprovided deferred tax asset of £80,000 (2002 - £Nil) in relation to tax losses. There is also an unprovided deferred tax asset in relation to short term timing differences of £52,000 (2002: £163,000). They will only become recoverable on the basis of future taxable profits.

14. SHARE CAPITAL

	2003 £'000	2002 £'000
<i>Authorised</i>		
25,000 ordinary £1 shares	<u>25</u>	<u>25</u>
<i>Allotted, called-up and fully paid</i>		
25,000 ordinary £1 shares	<u>25</u>	<u>25</u>

15. RESERVES

	Profit and loss account £'000
At 1 January 2003	1.197
Retained loss for the year	<u>147</u>
At 31 December 2003	<u>1,344</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
(Loss)/profit for the financial year	<u>147</u>	<u>747</u>
Net (reduction)/additions to shareholders funds	147	747
Opening shareholders' funds	<u>1,222</u>	<u>475</u>
Closing shareholders' funds	<u>1,369</u>	<u>1,222</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2003

17. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2003 (2002 - £nil).

18. LEASING COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	<u>Land and buildings</u>	
	<u>2003</u>	<u>2002</u>
	<u>£'000</u>	<u>£'000</u>
Expire within		
- between two and five years	<u>56</u>	<u>56</u>

19. PENSION ARRANGEMENTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £27,000 (2002 - £11,000).

20. ULTIMATE CONTROLLING PARTY

The directors regard SPX Corporation, a company incorporated in the United States of America, as the immediate and ultimate parent company and the ultimate controlling party.

SPX Corporation is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from 100 New Bridge Street, London, EC45 6JA.

As a subsidiary undertaking of SPX Corporation, the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' from disclosing transactions with other member of the group headed by SPX Corporation.