

VANCE INTERNATIONAL LTD

Report and Financial Statements

31 December 2004

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REPORT AND FINANCIAL STATEMENTS 2004

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B Wegner (American)
L Sheppard (American)

SECRETARY

B Wegner

REGISTERED OFFICE

Cloth Hall Court
Infirmary Street
Leeds
Yorkshire
LS1 2JB

PRINCIPAL PLACE OF BUSINESS

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW AND FUTURE PROSPECTS

Our operations in Iraq continued to grow significantly and this has been maintained as the company now has two major oil field sites as well as standard client security. The UK business expanded with a very important hire on the Consulting and Investigations side. The directors consider the Company's development to have been satisfactory and that it will continue to be so.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £259,000 (2003 – profit of £147,000). 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 (resigned 11 April 2005)
P J O'Leary (resigned 18 January 2006)
R Winowiecki (resigned 24 September 2004)
R B Bricker (appointed 11 April 2005, resigned 1 January 2006)
M A Reilly (resigned 18 January 2006)
B Wegner (appointed 18 January 2006)
D Ladau (appointed 18 January 2006, resigned 1 June 2006)
L Sheppard (appointed 1 June 2006)

None of the directors' have interest in the shares of the company, or any disclosable interest under Schedule 7 in any group company.

POST BALANCE SHEET EVENT

On 18 January 2006 SPX Corporation sold Vance International to Garda World Security Corporation, a company registered in Canada. The effective date of the transfer was 31 December 2005. The immediate parent remains the same, however the ultimate parent and controlling entity, and the smallest and largest group for which consolidated accounts are prepared is now Garda Corporation.

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



~~B Wegner~~

L. Sheppard

Director

2006

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

We have audited the financial statements of Vance International Ltd for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

15 December 2006

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
TURNOVER	2	5,485	1,664
Cost of sales		(3,239)	(628)
Gross profit		2,246	1,036
Administrative expenses		(1,824)	(1,145)
OPERATING PROFIT/(LOSS)	3	422	(109)
Interest payable and similar charges		(62)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		360	(109)
Tax on profit/(loss) on ordinary activities	6	(101)	256
Retained profit for the year	14	259	147

All results are derived from continuing operations.

There are no recognised gains or losses other than the profit 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.

BALANCE SHEET
31 December 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	7	88	81
CURRENT ASSETS			
Work in Progress	8	7	46
Debtors	9	2,197	808
Cash at bank and in hand		548	778
		2,752	1,632
CREDITORS: amounts falling due within one year	11	(1,239)	(344)
NET CURRENT ASSETS		1,513	1,288
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		1,601	1,369
CAPITAL AND RESERVES			
Called up share capital	13	25	25
Profit and loss account	14	1,576	1,344
EQUITY SHAREHOLDERS' FUNDS	15	1,601	1,369

These financial statements were approved by the Board of Directors on 11 December 2006.

Signed on behalf of the Board of Directors


~~B. Wegner~~ LeMarque & Sheppard
Director

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

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 at 31 December 2004 it was a wholly owned subsidiary of SPX Inc which prepared 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
Assets held in Iraq	100% 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 2004

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.

	2004 £'000	2003 £'000
United Kingdom	337	152
Rest of Europe	70	572
North America	272	805
Rest of world	4,806	135
	<u>5,485</u>	<u>1,664</u>

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

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2004 £'000	2003 £'000
Depreciation and amounts written off owned tangible fixed assets	137	20
Amounts written off investments	-	7
Operating lease rentals – other	96	92
Auditors remuneration for audit services	15	13
- for non audit services	5	5
Bad debt write offs	<u>127</u>	<u>23</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004

4. STAFF COSTS

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

	2004 Number	2003 Number
Sales and administration	9	8

Their aggregate remuneration comprised:

	2004 £'000	2003 £'000
Wages and salaries	398	342
Social security costs	49	37
Other pension costs (see note 18)	32	27
	479	406

5. DIRECTORS REMUNERATION

Remuneration

The remuneration of the directors was as follows:

	2004 £'000	2003 £'000
Emoluments	-	71

No director (2003: 1) received remuneration from the company. All of the directors received emoluments from various other group companies and it is not practical to allocate their emoluments as directors of the company.

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

The tax charge comprises:

	2004 £'000	2003 £'000
UK corporation tax	(132)	-
Adjustment in respect of prior periods		
- Group relief	-	256
- UK Corporation tax	31	-
Total current tax	(101)	256
Adjustment in respect of prior periods		
- Deferred tax	-	-
Total tax (charge)/ credit	(101)	256

NOTES TO THE FINANCIAL STATEMENTS **31 December 2004**

6. TAX ON PROFIT/(LOSS) 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/(loss) before tax is as follows:

	2004 £'000	2003 £'000
Profit/(loss) on ordinary activities before tax	360	(109)
Tax on profit on ordinary activities at 30%	108	(33)
Effects of:		
Expenses not deductible for tax purpose	13	61
Reversal of short term timing differences	(7)	(108)
Tax losses accrued but not recognised	18	80
Adjustment in respect of prior years	(31)	(256)
Current tax charge /(credit) for the period	101	(256)

7. TANGIBLE FIXED ASSETS

	Short Leasehold improvements £'000	Office equipment £'000	Vehicles £'000	Total £'000
Cost				
At 1 January 2004	15	90	41	146
Additions	-	43	127	170
Disposals	-	-	(45)	(45)
At 31 December 2004	15	133	123	271
Depreciation				
At 1 January 2004	5	59	1	65
Charge for the year	2	30	105	137
On disposals	-	-	(19)	(19)
At 31 December 2004	7	89	87	183
Net book value				
At 31 December 2004	8	44	36	88
At 31 December 2003	10	31	40	81

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004

8. WORK IN PROGRESS

	2004 £'000	2003 £'000
Work in progress	7	46

9. DEBTORS

Amounts falling due within one year:

	2004 £'000	2003 £'000
Trade debtors	1,506	245
Amounts owed by group undertakings	601	485
Other debtors	13	5
Prepayments and accrued income	77	40
VAT recoverable	-	33
	2,197	808

10. BANKING FACILITIES

SPX Corporation have guaranteed any potential overdraft for Vance International Ltd up to £nil (2003: £24,600,000).

NOTES TO THE FINANCIAL STATEMENTS 31 December 2004

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £'000	2003 £'000
Trade creditors	34	169
Amounts owed to group undertakings	9	91
Corporation tax	132	-
Other taxation and social security	13	11
Accruals and deferred income	1,024	73
	<u>1,212</u>	<u>344</u>

12. DEFERRED TAX

Deferred tax

The company has an unprovided deferred tax asset of £nil (2003 - £80,000) in relation to tax losses. There is also an unprovided deferred tax asset in relation to short term timing differences of £42,000 (2003: £52,000). They will only become recoverable on the basis of future taxable profits.

13. SHARE CAPITAL

	2004 £'000	2003 £'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>

14. RESERVES

	Profit and loss account £'000
At 1 January 2004	1,344
Retained profit for the year	<u>259</u>
At 31 December 2004	<u>1,603</u>

15. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £'000	2003 £'000
Profit for the financial year	<u>259</u>	<u>147</u>
Net additions to shareholders funds	259	147
Opening shareholders' funds	<u>1,369</u>	<u>1,222</u>
Closing shareholders' funds	<u>1,628</u>	<u>1,369</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004

16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2004 (2003 - £nil).

17. LEASING COMMITMENTS

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

	<u>Land and buildings</u>	
	<u>2004</u>	<u>2003</u>
	<u>£'000</u>	<u>£'000</u>
Expire within		
- between two and five years	56	56

18. PENSION ARRANGEMENTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £32,000 (2003 - £27,000).

19. ULTIMATE CONTROLLING PARTY

At the year end the directors regarded SPX Corporation, a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party. The immediate parent company is Decision Strategies-Fairfax International (UK) LLC.

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.

On 18 January 2006 SPX Corporation sold Vance International to Garda World Security Corporation, a company registered in Canada. The effective date of the transfer was 31 December 2005. The immediate parent remains the same, however the ultimate parent and controlling entity, and the smallest and largest group for which consolidated accounts are prepared is now Garda Corporation.

As a subsidiary undertaking of SPX Corporation and Garda, 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 and Garda Corporation.