



**DECISION
STRATEGIES/FAIRFAX
INTERNATIONAL (UK) LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 1999

Company no 3677656

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

FINANCIAL STATEMENTS

For the period ended 31 December 1999

Company registration number: 3677656

Registered office: 100 New Bridge Street
LONDON
EC4V 6JA

Directors: Mr M J Hershman
Mr J Jaffe
Mr G A Mckay
Mr D A Nardello
Mr B M Schwartz

Secretary: Abogado Nominees Limited

Bankers: NatWest
PO Box 2153
1-4 Berkeley Square House
Berkeley Square
LONDON
W1X 6AX

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

FINANCIAL STATEMENTS

For the period ended 31 December 1999

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DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the period ended 31 December 1999.

Principal activities

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

Business review

The company was incorporated on 2 December 1998 as Grailrealm Limited. Its name was changed to Decision Strategies/Fairfax International (UK) Limited on 4 December 1998.

Directors

The present membership of the Board is set out below. All current directors served from 7 December 1998.

No director was granted or exercised any options during the period.

	Ordinary shares	
	31 December 1999	2 December 1998
Mr M J Hershman	-	-
Mr J Jaffe	-	-
Mr G A McKay	-	-
Mr D A Nardello	-	-
Mr B M Schwartz	-	-

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which 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 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Dan Nardello
Director

Date 14 May 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

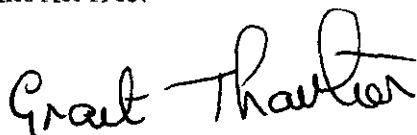
Basis of opinion

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 as at 31 December 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON

Date 15 May 2001

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a small/medium-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company are set out below.

TURNOVER

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Office equipment	20% straight line
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INVESTMENTS

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value. Cost comprises sub contractors fees and staff wages, together with attributable overheads.

Net realisable value is based on estimated selling price.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED**PROFIT AND LOSS ACCOUNT**

For the period ended 31 December 1999

	Note	1999 £
Turnover	1	797,095
Cost of sales		(359,588)
Gross profit		437,507
Administrative expenses		(603,957)
Operating loss		(166,450)
Interest payable and similar charges	2	(149)
Loss on ordinary activities before taxation	1	(166,599)
Tax on loss on ordinary activities	4	-
Loss transferred from reserves	11	(166,599)

There were no recognised gains or losses other than the loss for the financial period.

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

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 £	1999 £
Fixed assets			
Tangible assets	5		10,334
Investments	6		1,998
			<u>12,332</u>
Current assets			
Stocks	7	176,195	
Debtors	8	273,576	
Cash at bank and in hand		27,781	
		<u>477,552</u>	
Creditors: amounts falling due within one year	9	(631,483)	
Net current liabilities			<u>(153,931)</u>
Total assets less current liabilities			<u>(141,599)</u>
Capital and reserves			
Called up share capital	10		25,000
Profit and loss account	11		(166,599)
Shareholders' funds			<u>(141,599)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board of Directors on

14 May 2001

Director

Daniel A. Harkell

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

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 1999

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover attributable to geographical markets outside the United Kingdom amounted to 87%

The loss on ordinary activities is stated after:

	1999 £
Auditors' remuneration	8,000
Depreciation	
Tangible fixed assets, owned	<u>2,641</u>

2 INTEREST PAYABLE

	1999 £
Other interest payable and similar charges	<u>149</u>

3 DIRECTORS

Remuneration in respect of directors was as follows:

	1999 £
Emoluments	<u>51,611</u>

During the period no directors participated in money purchase pension schemes.

4 TAX ON LOSS ON ORDINARY ACTIVITIES

No liability to Corporation Tax is expected to arise on the loss for the period. There are approximately £167,000 of tax losses available to carry forward.

5 TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
Additions	<u>12,975</u>
Depreciation	
Provided in the period	<u>2,641</u>
Net book amount at 31 December 1999	<u>10,334</u>

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 1999

6 FIXED ASSETS INVESTMENTS

	Other investments £
Cost or valuation	
Additions	1,998
Net book amount at 31 December 1999	1,998

At 31 December 1999 the company held more than 20% of the allotted share capital of the following undertakings:

	Country of incorporation /registration	Class of share capital held	Proportion held	Nature of business	Capital and reserves £	Loss for the financial period £
Subsidiaries						
Decisions Italia Srl	Italy	Ordinary	99%	Litigation investigations	£5,120	(£1,304)

7 STOCKS

	1999 £
Short-term work in progress	176,195

8 DEBTORS

	1999 £
Trade debtors	226,736
Amounts owed by group undertakings	938
Other debtors	12,007
Prepayments and accrued income	33,895
	273,576

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 1999

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £
Trade creditors	97,891
Amounts owed to group undertakings	514,246
Social security and other taxes	11,346
Accruals	8,000
	<u>631,483</u>

10 SHARE CAPITAL

	1999 £
Authorised 25,000 ordinary £1 shares	<u>25,000</u>
Allotted and called up 25,000 ordinary £1 shares	<u>25,000</u>

Allotments during the period

The company made an allotments totalling 25,000 ordinary £1 shares at £1 per share during the year for working capital.

11 RESERVES

	Profit and loss account £
2 December 1998	-
Retained loss for the period	(166,599)
At 31 December 1999	<u>(166,599)</u>

12 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1999.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1999.

DECISION STRATEGIES/FAIRFAX INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 1999

14 LEASING COMMITMENTS

£53,677 is due within one year in respect of operating leases for buildings. All leases expire within one year.

15 TRANSACTIONS WITH RELATED PARTIES

There is a balance due to Decision Strategies/Fairfax International (UK) LLC at 31 December 1999 of £504,762. This comprises purchases of £77,642, sales of £95,963, management fee of £78,204 and a loan of £444,879. There is a balance due to Decision Strategies/Fairfax International Asia of £9,484 in respect of purchases and £938 is due from Decision Strategies/Fairfax International Puerto Rico in respect of sales. All trade with related parties is conducted on normal commercial terms.

16 ULTIMATE PARENT UNDERTAKING/CONTROLLING RELATED PARTY

The directors consider that the immediate parent undertaking of this company is Decision Strategies/Fairfax International (UK) LLC and its ultimate parent undertaking is Decision Strategies/Fairfax International LLC, both incorporated in the United States.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Decision Strategies/Fairfax International LLC.

On 14 February 2001 Decision Strategies/Fairfax International LLC was acquired by SPX Corporation.