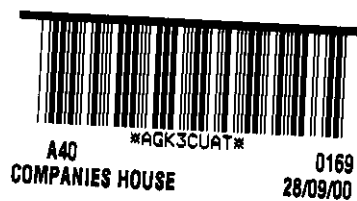


**SAFETELL INTERNATIONAL
LIMITED**

Report and Financial Statements

Period Ended

30 April 2000



BDO Stoy Hayward
Chartered Accountants

SAFETELL INTERNATIONAL LIMITED

Annual report and financial statements for the period ended 30 April 2000

Contents

Page:

1	Report of the directors
3	Report of the auditors
4	Profit and loss account
5	Balance sheet
6	Notes forming part of the financial statements

Directors

J W N Medlam
P Lovell
B G Beecraft
S Rajwan
L J Huntley

Secretary and registered office

B G Beecraft, 21/23 Ormside Way, Redhill, Surrey RH1 2NT

Company number

2421258

Solicitors

Watson Farley & Williams, 15 Appold Street, London, EC2A 2HB

Bankers

Lloyds TSB Bank Plc, 177-179 High Street, Orpington, Kent BR6 0LJ

Auditors

BDO Stoy Hayward, Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA

SAFETELL INTERNATIONAL LIMITED

Report of the directors for the period ended 30 April 2000

The directors present their report together with the audited financial statements for the thirteen months ended 30 April 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the period.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company continued to be acting as a holding company.

Change of Ownership

Newmark Technology Group Plc acquired the whole of the share capital of the company on 25 February 2000.

Year 2000

The company has experienced no problems as a result of the year 2000 date change.

Directors

The directors of the company during the period were:

C J Allan (resigned 25 February 2000)
B G Beecraft (appointed 25 February 2000)
J A Blake (resigned 15 February 2000)
M C Garland (resigned 25 February 2000)
L Huntley (appointed 14 July 2000)
P Lovell
J W N Medlam
M D Perrott (Australian) (resigned 25 February 2000)
S Rajwan (appointed 31 March 2000)

Directors' interests in shares

Mr M D Perrott has a significant interest in the shares of RLM Pty Limited. At 31 March 1999, RLM Pty Limited held 700 "A" ordinary shares of £1 each and 124,000 redeemable preference shares of 25p each in Safetell International Limited. During the period the company redeemed 20,000 of the preference shares at a premium of £1.75 per share. RLM Pty Limited's holdings of "A" ordinary shares and its remaining preference shares were transferred to Newmark Technology Group PLC on 25 February 2000.

SAFETELL INTERNATIONAL LIMITED

Report of the directors for the period ended 30 April 2000

Directors' interests in shares *(Continued)*

Details of share options granted to directors to acquire "A" ordinary share in Safetell International Limited are as follows:

	1 April 1999	Granted in the period	Exercised in the period	30 April 2000	Exercise price	Earliest date exercisable
J W N Medlam	325	-	145	180	£1	24 June 1993
P Lovell	87	-	87	-	£1	24 June 1993

J W N Medlam waived his right to exercise his remaining 180 share options without the consent of Newmark Technology Group plc on 25 February 2000.

Apart from the interests disclosed above, no other director in office at 30 April 2000 had any beneficial interest at any time during the period in the shares of group companies.

Directors' responsibilities

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:

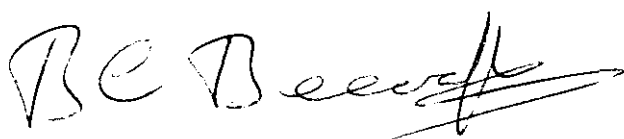
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



B G Beecraft
Secretary

Date 17 August 2000

SAFETELL INTERNATIONAL LIMITED

Report of the auditors

To the shareholders of Safetell International Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. 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 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 30 April 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*

Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

Date 13/9/00

SAFETELL INTERNATIONAL LIMITED**Profit and loss account for the period 1 April 1999 to 30 April 2000**

	Note	13 month period ended 30 April 2000 £	Year ended 31 March 1999 £
Turnover		-	-
Operating costs	2	114,990	64,270
		<hr/>	<hr/>
Operating loss and loss on ordinary activities before interest		(114,990)	(64,270)
Provision against investment		(437,729)	(87,936)
Interest receivable	3	107,253	141,884
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(445,466)	(10,322)
Taxation on loss from ordinary activities	4	(1,417)	(16,299)
		<hr/>	<hr/>
Retained loss for the period/year		<u>(446,883)</u>	<u>(26,621)</u>

All amounts relate to continuing activities.

There were no other recognised gains and losses other than those included in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

SAFETELL INTERNATIONAL LIMITED

Balance sheet at 30 April 2000

	Note	30 April 2000		31 March 1999	
		£	£	£	£
Fixed assets					
Tangible assets			-		-
Investments	6		1,020,100		1,653,012
			<u>1,020,100</u>		<u>1,653,012</u>
Current assets					
Debtors	7	372,444		81,538	
Cash at bank and in hand		75,528		648,578	
		<u>447,972</u>		<u>730,116</u>	
Creditors: amounts falling due within one period	8	(33,913)		(62,318)	
		<u></u>		<u></u>	
Net current assets			414,059		667,798
			<u></u>		<u></u>
Net assets			1,434,159		2,320,810
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	9	290,132		344,900	
Share premium account	10	1,759,568		1,924,568	
Premium redemption reserve	10	-		51,342	
Profit and loss reserve	10	(615,541)		-	
		<u></u>		<u></u>	
Shareholders' funds	12		1,434,159		2,320,810
			<u></u>		<u></u>
Equity interests	11		-		-
Non-equity interests	11		1,434,159		2,320,810
			<u></u>		<u></u>

The financial statements were approved by the Board on **17 August** 2000.



J W N Medlam
Director



P Lovell
Director

The notes on pages 6 to 10 form part of these financial statements.

SAFETELL INTERNATIONAL LIMITED

Notes forming part of the financial statements for the period ended 30 April 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Newmark Technology Group PLC, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Valuation of investments

Investments are stated at cost less any provision for impairment in value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

All exchange differences are taken to the profit and loss account.

2 Operating costs

	13 month period ended 30 April 2000 £	Year ended 31 March 1999 £
Directors' fees	24,677	27,000
Other operating charges	90,313	37,270
	<hr/>	<hr/>
	114,990	64,270
	<hr/>	<hr/>
Other operating charges include:		
Auditor's remuneration for: Audit	1,531	2,965
Other services	12,660	1,500
	<hr/>	<hr/>

SAFETELL INTERNATIONAL LIMITED

Notes forming part of the financial statements for the period ended 30 April 2000 (*Continued*)

3 Interest receivable	13 month period ended 30 April 2000 £	Year ended 31 March 1999 £
Bank interest receivable	18,175	37,696
Interest receivable from group undertakings	89,078	104,188
	<u>107,253</u>	<u>141,884</u>

4 Taxation on loss on ordinary activities		
UK corporation tax	1,417	16,299
	<u>1,417</u>	<u>16,299</u>

5 Directors' emoluments		
Directors' emoluments consist of:		
Aggregate emoluments	24,677	27,000
	<u>24,677</u>	<u>27,000</u>

Two of the company directors exercised share options during the period.

6 Fixed asset investments - unlisted Interests in group undertakings	Shares £	Loans £	Total £
<i>Cost</i>			
At 1 April 1999	100,100	1,910,000	2,010,100
Conversion	670,000	(670,000)	-
Repaid	-	(320,000)	(320,000)
	<u>770,100</u>	<u>920,000</u>	<u>1,690,100</u>
At 30 April 2000	770,100	920,000	1,690,100
<i>Provision</i>			
At 1 April 1999	-	357,088	357,088
Provision for the period	670,000	-	670,000
Release of provision	-	(357,088)	(357,088)
	<u>670,000</u>	<u>-</u>	<u>670,000</u>
At 30 April 2000	670,000	-	670,000
<i>Net book value</i>			
At 30 April 2000	100,100	920,000	1,020,100
At 31 March 1999	100,100	1,552,912	1,653,012

SAFETELL INTERNATIONAL LIMITED

Notes forming part of the financial statements for the period ended 30 April 2000 (Continued)

6 Fixed asset investments – unlisted (Continued)

The loan of £670,000 to Safetell Security Screens Ltd was converted to 98 ordinary shares in that company on 25 February 2000.

Name of undertaking	Country of Incorporation	Description of Shares held	Proportion of nominal value of Issued Shares Held	Nature of Business
Safetell Ltd	England and Wales	Ordinary Shares	100%	Physical Security
Safetell Security Screens Ltd	England and Wales	Ordinary Shares	100%	Investment Company

The loan of £920,000 carried interest at 2.5% per annum and is repayable other than by instalments in more than 5 years.

7 Debtors	30 April 2000 £	31 March 1999 £
Amounts owed by group undertakings	372,444	79,576
Other debtors	-	1,962
	<u>372,444</u>	<u>81,538</u>

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

Trade creditors	5,995	810
Due to group undertakings	23,001	33,109
Corporation tax payable	1,417	16,299
Accruals and deferred income	3,500	12,100
	<u>33,913</u>	<u>62,318</u>

9 Called up share capital	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
“A” ordinary shares of £1 each	1,833	1,833	1,632	1,400
“B” ordinary, shares of £1 each	2,500	2,500	2,500	2,500
Redeemable preference shares of 25p each	550,000	550,000	286,000	341,000
	<u>554,333</u>	<u>554,333</u>	<u>290,132</u>	<u>344,900</u>

SAFETELL INTERNATIONAL LIMITED

Notes forming part of the financial statements for the period ended 30 April 2000 (*Continued*)

9 Called up share capital (*Continued*)

The company issued 232 "A" £1 ordinary shares for cash at par, increasing the number allotted from 1,400 to 1,632, the number of "B" ordinary shares allotted remained at 2,500. The company also redeemed 220,000 of the preference shares reducing the number allotted from 1,364,000 to 1,144,000.

"A" and "B" ordinary shares

The "A" and "B" ordinary shares rank *pari passu* and are not redeemable. They have unlimited rights to share in the surplus remaining on a winding up after the preference shares have been redeemed and their rights satisfied. The ordinary shareholders have resolved not to receive dividends until such time that all redeemable preference shares have been redeemed.

Both "A" and "B" ordinary shares carry 1 vote per share on a show of hands and 11 votes per share on a poll.

Redeemable preference shares do not confer the right to receive any dividend whether preferential or otherwise. On a winding up, they should receive, in priority to payments to the holders of any other class of shares, first, the total amounts paid on the shares held including the premium of 75p on issue of the shares, and secondly, a premium of £1 in cash on each share held. The shares do not confer any further right of participation in the profits or assets of the company.

The shares carry no voting rights at the General Meeting unless the company has failed to make a lawful payment of redemption monies due on a redemption of the shares. When entitled to vote, each share carries 1 vote on a show of hands or on a poll.

The redeemable preference shares were to be redeemed on the following dates:

30 September 1991	366,667 shares
30 September 1992	733,333 shares
30 September 1993	1,100,000 shares

The amount to be paid on redemption of each share includes the premium of 75p paid on the issue of the shares, plus a premium of £1 in cash.

10 Share premium account and reserves

Company

	Share Premium Reserve £	Premium Redemption Reserve £	Profit and Loss Account £
At 1 April 1999	1,924,568	51,342	-
Loss for the period	-	-	(446,883)
Redemption 220,000 shares at 1.75	(165,000)	(51,342)	(168,658)
At 30 April 2000	1,759,568	-	(615,541)

SAFETELL INTERNATIONAL LIMITED

Notes forming part of the financial statements for the period ended 30 April 2000 (*Continued*)

11 Equity and non-equity interests

The non-equity interests of the company are shown below their true interests of £2,288,000 (1999 - £2,728,000) due to a shortfall in shareholders' funds. The shortfall of the non-equity interests of £853,841 (1999 - £407,190) in the company will be made good out of any future increases in shareholders' funds. Where a shortfall occurs in the non-equity interests, the equity interests are shown at £Nil.

12 Reconciliation of movements in shareholders' funds

	£
Opening shareholders' funds	2,320,810
Loss for the financial period	(446,883)
Redemption of preference shares	(440,000)
New share capital issued	232
	<hr/>
Closing shareholders' funds	1,434,159
	<hr/>

13 Contingent liabilities

The company has given an unlimited cross guarantee in favour of Newmark Technology Group PLC in respect of group bank facilities, secured by a fixed and floating charge over the assets of the company.

As at 30 April 2000 the total borrowings covered by this guarantee were £1,500,000 (31 March 1999 - Nil).

14 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No. 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Newmark Technology Group PLC.

15 Cash flow statements

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements" not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

16 Ultimate parent company

The directors regard Newmark Technology Group PLC, a company registered in England and Wales, as the ultimate parent company. Copies of the parent company's consolidated financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.