

Markem Systems Limited

Annual report financial statements
for the year ended 31 December 2006

Registered number 2624582

WEDNESDAY



A9XTRU93

A48

31/10/2007

551

COMPANIES HOUSE

Markem Systems Limited

Annual report and financial statements for the year ended 31 December 2006

	Page
Directors' report for the year ended 31 December 2006	1
Independent auditors' report to the members of Markem Systems Limited.....	3
Profit and loss account for the year ended 31 December 2006.....	4
Statement of total recognised gains and losses for the year ended 31 December 2006.....	5
Balance sheet as at 31 December 2006.....	6
Notes to the financial statements for the year ended 31 December 2006	7

Markem Systems Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006.

Business review and principal activities

The company's principal activity during the year was the marketing of a range of printing imaging and related information technology systems for marking, identification and coding.

The turnover of the period was £24,144,035 (2005: £23,741,659) and the loss for the financial year was £438,372 (2005: profit £152,553). The directors do not recommend payment of a dividend.

On 6th December 2006, Markem Corporation the former ultimate parent of the Company, was acquired by Dover Corporation.

Future outlook

The external commercial environment is expected to remain competitive in 2007 as new competitors enter the market place and existing competitors become more reliable. However, we remain confident that we will maintain our current level of performance in the future, and expect growth in 2007 through our solutions business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the aggressive competition in the market place and employee retention.

The company's operations also expose it to a variety of financial risks that include the effects of credit risk, liquidity risk, and interest rate risk. The directors actively manage these risks by monitoring levels of risk and related costs. No derivatives are used. The company has implemented policies to ensure that appropriate credit checks are carried out on potential customers before credit sales are made.

The company has interest bearing liabilities. When necessary, the company utilises overdraft facilities designed to ensure the company has sufficient available funds for its operations and its required level of working capital. Floating rate interest rates also apply to this. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business..

Directors and their interests

The directors who held office during the year are given below:

R P Hughes	
R Cartade (USA)	
J A Putnam (USA)	– Resigned 6 December 2006
T Putnam (USA)	– Resigned 6 December 2006
J Miller (USA)	– Appointed 6 December 2006

Markem Systems Limited

Directors's report for the year ended 31 December 2006 (continued)

The directors held no interests in the shares of the company.

So far as the above directors in office are aware, there is no relevant audit information of which the auditors are unaware, and they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Charitable and political donations

The company and group contributed £180 (2005: £100) to charities. No political contributions were made.

Statement of directors' responsibilities

Company law requires the directors of the company 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 its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- 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

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the next AGM.

By order of the Board,



Director

31 October 2007

Independent auditors' report to the members of Markem Systems Limited

We have audited the financial statements of Markem Systems Limited for the year ended 31 December 2006 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

~~31 October 2007~~ 31 October 2007

Markem Systems Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	24,144,035	23,741,659
Cost of sales		(18,809,349)	(17,709,705)
Gross profit		5,334,686	6,031,954
Net operating expenses	3	(5,625,412)	(5,535,264)
Operating (loss)/profit	4	(290,726)	496,690
Interest receivable and similar income		20,787	22,765
Interest payable and similar charges		(734)	-
Other finance charge	17	(360,000)	(341,000)
(Loss)/profit on ordinary activities before taxation		(630,673)	178,455
Tax on (loss)/profit on ordinary activities	7	192,301	(25,902)
(Loss)/profit for the financial period	15	(438,372)	152,553

All items dealt with in arriving at operating profit above relate to continuing operations.

There is no difference between the loss on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Markem Systems Limited

Statement of total recognised gains and losses for the year ended 31 December 2006

	Note	2006 £	2005 £
Loss / Profit for the financial year		(438,372)	152,553
Actuarial loss on pension scheme		(1,685,000)	(895,000)
Movement on deferred tax relating to pension scheme		505,500	268,800
Total recognised gains and losses relating to the year		(1,617,872)	(473,647)
Prior year adjustment – FRS17		-	(7,606,996)
Total gains and losses recognised since last annual report		(1,617,872)	(8,080,643)

Markem Systems Limited

Balance sheet as at 31 December 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	8	40,862	78,963
Current assets			
Stock	9	1,210,953	1,317,798
Debtors	10	6,711,812	5,849,262
Cash at bank and in hand		1,339,699	1,613
		9,262,464	7,168,673
Creditors: amounts falling due within one year	11	(4,561,238)	(2,600,693)
Net current assets		4,701,226	4,567,980
Total assets less current liabilities		4,742,088	4,646,943
Provisions for liabilities and charges	12	(289,917)	-
Net assets excluding pension liability		4,452,171	4,646,943
Pension liability	17	(9,308,600)	(7,885,500)
Net liabilities including pension liability		(4,856,429)	(3,238,557)
Capital and reserves			
Called up share capital	14	60,002	60,002
Share premium account	15	5,478,807	5,478,807
Profit and loss account	15	(10,395,238)	(8,777,366)
Total shareholders' funds	16	(4,856,429)	(3,238,557)

The financial statements on pages 4 to 25 were approved by the board of directors on
and were signed on its behalf by:

31/10/07

Director

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, which have been applied consistently. Where a choice of accounting treatment is available then directors apply the most appropriate accounting policy and estimation technique in accordance with FRS18.

Research and development

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Machinery	10%-20% per annum on a straight line basis
Computer equipment	20%-33% per annum on a straight line basis

Residual value is calculated on prices prevailing at the date of acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value. Raw materials are stated at average purchase cost. For work-in-progress and finished goods, the cost includes materials, direct labour and an attributable proportion of *manufacturing* overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

1 Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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 group'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.

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.

Pension costs

The group maintains a pension scheme covering substantially all its employees providing defined benefits relating to final salary. The assets of the scheme are held outside the group by an independent trust. This scheme is now closed to new entrants and the company has set up a new scheme for new employees in 2006.

Under FRS 17 pension scheme assets are measured using fair values. Pension scheme liabilities are valued using the projected unit method and discounted at the current rate of return on a high quality corporate bond or equivalent term to the liability.

Each pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financial items in the profit & loss account and the statement of total recognised gains and losses.

The full service cost of the pension provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme assets is charged/credited to other finance costs.

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses (STRGL). Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

Foreign currency

Transactions denominated 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 the year end (or, where appropriate at the forward contract rate). Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

1 Accounting policies (continued)

Turnover

Turnover comprises the value of sales (excluding VAT, similar taxes and trade discounts) of goods and services in the normal course of business.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis.

Cash flow statement

The Company is a wholly owned subsidiary of Dover Corporation and is included in the consolidated financial statements of Dover Corporation. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

2 Segmental reporting

The analysis of turnover and profit on ordinary activities before taxation has been omitted as the directors consider that it would be prejudicial to the interests of the group.

3 Other operating expenses

	2006	2005
	£	£
Selling and distribution costs	2,813,126	2,270,415
Administrative expenses - other	2,812,286	3,264,849
	5,625,412	5,535,264

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

4 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of owned tangible fixed assets	44,051	58,475
Operating lease rentals		
- plant and machinery	244,143	220,026
- land and buildings	229,261	206,195
Auditors remuneration:		
- audit services	35,050	21,761
- non-audit services	24,500	20,531

5 Directors' emoluments

	2006	2005
	£	£
Aggregate emoluments	189,742	194,076
Highest paid director		
	2006	2005
	£	£
Total emoluments	189,742	194,076
	189,742	194,076

The number of directors who were members of the pension scheme was as follows:

	Number	Number
Defined benefit scheme	1	1

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

6 Employee information

	2006	2005
	£	£
Wages and salaries	3,787,776	3,443,033
Social security costs	347,627	318,947
Other pensions costs	803,000	596,000
Staff costs	4,938,403	4,357,980

Contained in the above staff costs are £729,537 (2005 £829,857) which have been recharged to other group countries under the Pan Euro scheme.

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2006	2005
	No	No
Production	35	33
Selling and distribution	59	60
Administration	11	12
	105	105

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

12 Provisions for liabilities and charges - warranty

	2006
	£
At 1 January 2006	-
Reclassified from accruals and deferred income	70,000
Charged to profit and loss account	219,917
Utilised in the year	-
At 31 December 2006	289,917

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

8 Tangible assets

	Machinery and computer equipment
	£
Cost or valuation	
At 1 January 2006	542,644
Additions	5,950
Disposals	-
At 31 December 2006	548,594
Accumulated depreciation	
At 1 January 2006	463,681
Charge for the year	44,051
Disposals	-
At 31 December 2006	507,732
Net book amount	
At 31 December 2006	40,862
At 31 December 2005	78,963

9 Stocks

	2006	2005
	£	£
Raw materials and consumables	416,973	665,238
Finished goods	793,980	652,560
	1,210,953	1,317,798

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

10 Debtors

	2006	2005
	£	£
Trade debtors	4,576,654	4,694,132
Amounts owed by group undertakings	927,105	41,791
Amounts owed by fellow subsidiary undertakings	401,191	383,182
Prepayments and accrued income	193,847	205,044
UK corporation tax	400,774	400,773
Deferred tax asset (note 13)	212,241	124,340
	6,711,812	5,849,262

11 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	-	305,172
Trade creditors	426,013	368,177
Amounts owed to fellow subsidiary undertakings	2,591,626	759,344
Amounts owed to parent company	205,541	161,064
Corporation tax	-	-
- VAT	634,032	521,237
- social security and PAYE	104,417	156,900
- other	34,850	11,100
Accruals and deferred income	564,759	317,699
	4,561,238	2,600,693

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

12 Provisions for liabilities and charges

	2006
	£
At 1 January 2006	-
Reclassified from accruals and deferred income	70,000
Charged to profit and loss account	219,917
Utilised in the year	-
At 31 December 2006	289,917

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

13 Deferred tax asset

	Deferred taxation excluding pension asset
	£
At 1 January 2006	124,340
Credited to profit and loss account in the period	87,901
At 31 December 2006	212,241

The deferred tax asset (excluding that relating to pension deficit) may be analysed as follows:

	2006	2005
	£	£
Accelerated capital allowances	27,486	20,840
Other timing differences	184,755	103,500
Total deferred tax asset excluding that relating to pension liability	212,241	124,340

Deferred tax asset relating to pension deficit

	2006	2005
	£	£
At 1 January	3,379,500	3,071,700
Deferred tax credited in profit and loss account	104,400	39,000
Deferred tax credited in statement of total recognised gains and losses	505,500	268,800
At 31 December	3,989,400	3,379,500

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

14 Called up share capital

	2006	2005
	£	£
Authorised		
64,000 ordinary shares of £1 each	64,000	64,000
Allotted, called up and fully paid		
60,000 ordinary shares of £1 each	64,000	60,000
Allotted and called up		
2 ordinary shares of £1 each	2	2
	60,002	60,002

15 Reserves

	Share premium account	Profit and loss account	Total
	£	£	£
At 1 January 2006	5,478,807	(8,777,366)	(3,298,559)
Retained profit for the financial year	-	(438,372)	(438,372)
Actuarial loss on pension scheme	-	(1,685,000)	(1,685,000)
Movement on deferred tax relating to pension scheme	-	505,500	505,500
At 31 December 2006	5,478,807	(10,395,238)	(4,916,431)
Pension liability	-	9,308,600	9,308,600
Profit and loss reserve excluding pension liability	5,478,807	(1,086,628)	4,392,169

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

16 Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
(Loss)/profit for the year	(438,872)	152,553
	(438,872)	152,553
Actuarial loss on pension scheme	(1,685,000)	(895,000)
Movement on deferred tax relating to pension scheme	505,500	268,800
Net reduction in shareholder's funds	(1,618,372)	(473,647)
Opening shareholder's funds as previously reported	(3,238,557)	4,842,086
Prior year adjustment – FRS17	-	(7,606,996)
Opening shareholder's funds as restated	-	(2,764,910)
Closing shareholder's funds	(4,856,929)	(3,238,557)

17 Pension commitments

i) The company operates a defined benefit scheme for the majority of full-time employees, operated by Heath Lambert Consulting with assets held in a separately administered fund.

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation of the scheme was performed as at 31 December 2005 using the attained age method. The principal assumptions adopted in the valuation were that, over the long term, the investment return would be 6.5% per annum, the rate of salary increase would be 3.75% per annum and the rate of pension increase would be in accordance with the Rules of the scheme with Limited Price Indexation taken as 2.75% per annum.

Contributions by the company were at the rate of 20.0% of pensionable salaries during 2006. In addition employees in the staff category paid 5.0% of pensionable salaries and employees in the executive category paid 7.5% of pensionable salaries. There were no outstanding pensions contributions at the period end (2005: Nil).

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

17 Pension commitments (continued)

The actuarial valuation described above has been updated at 31 December 2006 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the actuarial valuation were:

	2006	2005	2004
	%	%	%
Rate of increase in salaries	4.05	3.75	3.5
Rate of increase in pensions in payment			
- accrued prior to April 1997	3 to 5	3 to 5	3 to 5
- accrued after 6 April 1997	3.05	2.75	2.5
Discount rate	5.10	5.0	5.25
Inflation assumption	3.3	2.75	2.5

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the weighted average expected rate of return at each balance sheet date were:

	2006	2006	2005	2005	2004	2004
	%	£'000	%	£'000	%	£'000
Equities	7.75	9,927	7.25	8,879	7.75	7,071
Bonds	4.6	5,835	5.0	5,853	5.25	4,612
Property	6.75	-	6.25	-	6.75	275
Cash	5.0	2	4.53	101	4.75	357
Total fair value of assets		15,764		14,833		12,315
Present value of scheme liabilities		(29,062)		(26,098)		(22,554)
Deficit in the scheme		(13,298)		(11,265)		(10,239)
Deferred tax asset		3,989		3,380		3,072
Net liability		(9,309)		(7,885)		(7,167)

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

17 Pension commitments (continued)

The company's contribution rate for 2006 was 20% of pensionable salaries.

Analysis of amount charged to operating profit in respect of schemes

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Current service cost	443	255
Past service cost	-	-
Total operating charge	443	255

Analysis of the amount credited to other finance income

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Expected return on pension scheme assets	930	833
Interest on pension scheme liabilities	(1,290)	(1,174)
Net return	(360)	(341)

Analysis of amount recognised in statement of total recognised gains and losses

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Actual return less expected return on pension Scheme assets	368	1,471
Experience gains and losses arising on Scheme liabilities	(1,410)	2,365
Changes in assumptions underlying the present value of Scheme liabilities	(643)	(4,731)
Actuarial loss recognised in statement of total recognised gains and losses	(1,685)	(895)

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

17 Pension commitments (continued)

Movements in the surplus during the year ended 31 December 2006

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Deficit in Scheme at beginning of year	(11,265)	(10,239)
Movement in year:		
Current service cost	(443)	(255)
Past service costs	-	-
Contributions	455	465
Other finance income	(360)	(341)
Actuarial loss	(1,685)	(895)
Deficit in Scheme at end of year	(13,298)	(11,265)

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

17 Pension commitments (continued)

History of experience gains and losses for the year ended 31 December 2006:

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Difference between the expected and actual return on Scheme assets		
Amount (£'000)	368	1,471
Percentage of Scheme assets	2%	10%
Experience gains and losses on Scheme liabilities		
Amount (£'000)	(1,410)	2,365
Percentage of the present value of the Scheme liabilities	(5%)	9%
Total amount recognised in statement of total recognised gains and losses		
Amount (£'000)	(1,685)	(895)
Percentage of the present value of the Scheme liabilities	(6%)	(3%)

18 Capital and other commitments

	2006 £	2005 £
Contracts placed for future capital expenditure not provided in the financial statements	-	-

Markem Systems Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

19 Guarantees and financial commitments

a) Lease commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property		Vehicles, plant and equipment	
	2006	2005	2006	2005
	£	£	£	£
Within one year	19,450	79,776	53,749	26,011
Within two to five years	227,033	23,340	176,527	181,186
After five years	-	-	-	-
	246,483	103,116	230,276	207,197

b) VAT

The company is registered for VAT purposes in a group of related undertakings which share a common registration number. As a result, the company jointly guaranteed the VAT liability of the VAT group, and failure by other members of the VAT group would give rise to additional liabilities for the company and the group. The directors are of the opinion that no liability is likely to arise from the failure of those companies.

20 Ultimate controlling party

The immediate parent undertaking is Markem UK Holdings 2 Limited, incorporated in the United Kingdom.

The directors regard Dover Corporation, a company incorporated in the State of New York, USA, as the ultimate parent company and the ultimate controlling party.

The results of the company are consolidated in the accounts of Dover Corporation.

As a subsidiary undertaking of Dover Corporation, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Dover Corporation.