

Company Registration number 00853991

MMF (UK) LIMITED

Abbreviated Financial Statements

For the year ended 30 June 2008

FRIDAY



PFGW5A94

PC2

29/05/2009

312

COMPANIES HOUSE

MMF (UK) LIMITED

Financial statements for the year ended 30 June 2008

Contents	Pages
Directors' report	1-2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8-18

MMF (UK) LIMITED

Directors' report for the year ended 30 June 2008

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

Principal activity

The principal activity of the company is that of credit grantors.

Results and dividends

The results for the year are shown on the profit and loss account on page 4. The loss for the year after taxation was £1,324,938.

The directors do not recommend the payment of a dividend for the year.

Directors

The directors who served during the year were:

Mr H H Pearlman - (resigned 19 February 2008)

Mr S D Pearlman

Dr H A Davis - (resigned 19 February 2008)

Mr M Pearlman

Mr I S Mackenzie - (appointed 14 August 2007)

Directors' responsibilities

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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

MMF (UK) LIMITED

Directors' report for the year ended 30 June 2008 (continued)

Political and charitable contributions

During the year, the company made various charitable contributions totalling £26,330 (2007: £27,833). Of the amount paid, £1,500 (2007: £4,600) was paid to the Joseph and Sarah Pearlman Charitable Trust, £3,000 (2007: £3,000) was paid to the United Jewish Appeal, £19,950 (2007: £17,806) was paid to the JNF Charitable Trust and £1,600 (2007: £nil) was paid to the United Hebrew Congregation.

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the shareholders and external providers of finance.

If the going concern basis proved not to be valid, adjustments would have to be made to restate the value of the assets to their recoverable amount, to provide any further liabilities that may arise and reclassify fixed assets as current and long term liabilities as current liabilities. External providers of finance have indicated their continued support by way of granting extended credit facilities for the following year.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. In addition, the directors have taken all the steps necessary to ensure they are aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the board


.....
Mr S D Pearlman
Director

Approved by the Board on 28.4.09

MMF (UK) LIMITED

Independent auditors' report to MMF (UK) Limited

Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 18, together with the financial statements of the company for the year ended 30 June 2008 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report their opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

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 30 June 2008 and of the loss for the year then ended;
- the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is unqualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,324,938 during the year ended 30 June 2008 and, at that date, the company's current liabilities exceeded its current assets by £488,145. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



RMT
Registered Auditors
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 30.4.09

MMF (UK) LIMITED

Profit and loss account for the year ended 30 June 2008

	Notes	2008 £	2007 £
Gross profit		2,781,102	2,792,881
Distribution costs		(1,067,860)	(1,149,914)
Administration expenses		(2,794,896)	(1,389,213)
		(3,862,756)	(2,539,127)
Other operating income	2	128,475	53,439
Net operating expenses		(3,734,281)	(2,485,688)
Operating (loss)/profit	3	(953,179)	307,193
Income from fixed asset investments	6	45	100,000
Interest payable and similar charges	7	(371,804)	(328,024)
(Loss)/profit on ordinary activities before taxation		(1,324,938)	79,169
Taxation on loss on ordinary activities	8	-	-
(Loss)/profit for the financial year	17	(1,324,938)	79,169

The results derive from continuing operations.

There is no material difference between the result for the period stated above and that prepared on a historical cost basis.

The notes on pages 8 to 18 form part of these financial statements.

MMF (UK) LIMITED

Statement of total recognised gains and losses For the year ended 30 June 2008

	2008	2007
	£	£
(Loss)/profit for the financial year	(1,324,938)	79,169
Actuarial gain on the pension scheme	(264,000)	199,000
Total recognised gains and losses recognised since the last annual report	<u>(1,588,938)</u>	<u>278,169</u>

The notes on pages 8 to 18 form part of these financial statements.

MMF (UK) LIMITED

Abbreviated balance sheet as at 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	9	315,806	245,339
Investments	10	1,333,412	1,333,412
		<u>1,649,218</u>	<u>1,578,751</u>
Current assets			
Stock	11	14,411	10,753
Debtors	12	4,067,554	5,305,685
Cash at bank and in hand		4,066	4,689
		<u>4,086,031</u>	<u>5,321,127</u>
Creditors: amounts falling due within one year	13	(4,896,176)	(4,733,508)
Net current (liabilities)/assets		<u>(810,145)</u>	<u>587,619</u>
Total assets less current liabilities		<u>839,073</u>	<u>2,166,370</u>
Creditors: amounts falling due after more than one year	14	(246,189)	(231,548)
Pension (liability)/asset	20	(221,000)	26,000
		<u>371,884</u>	<u>1,960,822</u>
Capital and reserves			
Called up share capital	16	1,076	1,076
Deficit on profit and loss account	17	(737,377)	604,561
Pension reserve	17	(221,000)	26,000
Merger reserve account	17	1,329,185	1,329,185
Shareholders' funds	18	<u>371,884</u>	<u>1,960,822</u>

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies in the preparation of the financial statements.

Approved by the board of directors on 28.4.09 and signed on its behalf.

Mr S D Pearlman - Director

The notes on pages 8 to 18 form part of these financial statements.

MMF (UK) LIMITED

Cash flow statement for the year ended 30 June 2008

	Notes	2008 £	2007 £
Operating activities			
Net cash inflow from operating activities	19a	256,797	152,516
Returns on investments and servicing of finance			
Interest and similar income received		45	100,000
Interest and similar charges paid		(355,989)	(313,635)
Interest element of finance lease payments		(15,815)	(14,389)
Net cash outflow from returns on investments and servicing of finance		(371,759)	(228,024)
Taxation			
Corporation tax paid		(477)	-
Capital expenditure			
Payments to acquire tangible fixed assets		(80,927)	(43,079)
Receipts from sale of tangible fixed assets		122,833	255,000
Net cash inflow from investing activities		41,906	211,921
		(73,533)	136,413
Financing			
Capital repayments on finance lease and HP contracts		(171,178)	(106,663)
Net cash outflow from financing		(171,178)	(106,663)
(Decrease)/increase in cash	19c	(244,711)	29,750

The notes on pages 8 to 18 form part of these financial statements.

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008

1 Accounting policies

a) Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the shareholders and external providers of finance.

If the going concern basis proved not to be valid, adjustments would have to be made to restate the value of the assets to their recoverable amount, to provide any further liabilities that may arise and reclassify fixed assets as current and long term liabilities as current liabilities. External providers of finance have indicated their continued support by way of granting extended credit facilities for the following year.

b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

c) Turnover

Turnover represents sales in relation to credit services granted to third parties. Turnover is attributable to the company's principal activity and all sales were made in the United Kingdom.

d) Consolidation

The company and its subsidiaries form a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

e) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Land and buildings	not depreciated
Motor vehicles	25% reducing balance
Office furniture and equipment	25% reducing balance
Computer equipment	100% straight line

In the opinion of the directors the estimated residual value of the freehold and leasehold properties are such that the annual charge for depreciation and accumulated depreciation are immaterial. Consequently, no depreciation is provided on the properties.

f) Deferred taxation

Deferred taxation is accounted for in respect of all material timing differences that have originated but not reversed at the balance sheet date. Timing differences 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 calculated at the rate at which it is anticipated the timing differences will reverse and is measured on a non-discounted basis. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

g) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

1 Accounting policies (continued)

h) Pension scheme

The company operates a money purchase (defined contribution) pension scheme and a final salary (defined benefit) pension scheme. Contributions payable to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2 Other operating income

	2008	2007
	£	£
Bad debts recovered	128,475	53,439

3 Operating (loss)/profit

This is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation of owned assets	24,002	21,192
Depreciation of assets under hire purchase	44,993	38,002
Loss/(profit) on sale of fixed asset	13,195	(19,602)
Auditors' remuneration	9,500	9,000
Non-audit service remuneration paid to auditors	9,065	10,225
Operating lease rentals - motor vehicles	73,636	103,022

4 Employee information

	2008	2007
	£	£
Staff costs:		
Wages and salaries	1,096,797	1,164,085
Social security costs	123,155	126,952
Other pension costs	109,691	103,508
	1,329,643	1,394,545

The average number of persons employed during the year, including executive directors, was made up as follows:

	2008	2007
	Number	Number
Office and management	55	64
Collectors	3	2
	58	66

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

5 Directors' emoluments

	2008	2007
	£	£
Emoluments	297,366	263,967
Company contributions to pension schemes	75,122	74,100
	<u>372,488</u>	<u>338,067</u>

The remuneration of the highest paid director was:

Emoluments	<u>228,092</u>	<u>235,531</u>
------------	----------------	----------------

The number of directors who were accruing benefits under company pension schemes were as follows:

Defined benefit schemes	1	1
Defined contribution schemes	1	2
	<u>2</u>	<u>3</u>

6 Income from fixed asset investments

	2008	2007
	£	£
Dividends received	<u>45</u>	<u>100,000</u>

7 Interest payable and similar charges

	2008	2007
	£	£
On bank overdrafts	348,782	305,083
On hire purchase contracts	15,815	14,389
Other interest	7,207	8,552
	<u>371,804</u>	<u>328,024</u>
Pension scheme net service costs	(17,000)	(42,000)
	<u>354,804</u>	<u>286,024</u>

8 Tax on (loss)/profit on ordinary activities

At the year end the company had taxable losses carried forward of £2,061,641 (2007: £762,335).

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

9 Tangible fixed assets

	Land and buildings	Motor vehicles	Office furniture and equipment	Computer equipment	Total
	£	£	£	£	£
Cost:					
At 1 July 2007	22,228	291,493	64,148	278,668	656,537
Additions	-	212,108	-	63,382	275,490
Disposals	-	(193,400)	-	-	(193,400)
At 30 June 2008	22,228	310,201	64,148	342,050	738,627
Depreciation:					
At 1 July 2007	14,257	100,260	61,201	235,480	411,198
Provision for the year	-	50,866	736	17,393	68,995
Adjustments for disposals	-	(57,372)	-	-	(57,372)
At 30 June 2008	14,257	93,754	61,937	252,873	422,821
Net book value:					
At 30 June 2008	7,971	216,447	2,211	89,177	315,806
At 1 July 2007	7,971	191,233	2,947	43,188	245,339

The net book value of land and buildings at 30 June 2008 is made up as follows:

	2008	2007
	£	£
Long-term leasehold premises	7,971	7,971

Included within fixed assets are assets under finance leases and hire purchase contracts with a net book value of £207,813 (2007: £184,726).

The depreciation charge for the year includes £44,993 (2007: £38,002) in respect of assets held under finance leases or under hire purchase contracts.

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

10 Investments

	Shares in subsidiary undertakings	Total
	£	£
Cost or valuation:		
At 1 July 2007 and 30 June 2008	<u>1,333,412</u>	<u>1,333,412</u>

On 31 March 2003 the company acquired the entire ordinary share capital of J Pearlman (Ashington) Limited, J Pearlman and Sons Limited and RD&P (Warehouses) Limited via a share for share exchange. On that date the entire trade and net assets of J Pearlman (Ashington) Limited and J Pearlman and Sons Limited were transferred to the company at net book value. The cost of the investment reflected the underlying fair value of the respective net assets at the time of acquisitions.

No adjustment has been made to the carrying value of the company's investment in the subsidiaries in these accounts. This represents a departure from the accounting principles, which requires net assets to be written down to the lower of cost and net realisable value. If an adjustment had been made, it would require a write-off through the company profit and loss account. As there has been no overall loss to the group because the trade and assets are still held within the group, the directors consider that the policy is necessary in order that the financial statements give a true and fair view.

Financial information summary:

Name and country of incorporation	Type of shareholding	Proportion held
RD&P (Warehouses) Limited - (England)	Ordinary shares	100%
J Pearlman and Sons Limited - (England)	Ordinary shares	100%
J Pearlman (Ashington) Limited - (England)	Ordinary shares	100%
	Capital and reserves £	Results for the year £
RD&P (Warehouses) Limited	£nil	non-trading
J Pearlman and Sons Limited	£nil	non-trading
J Pearlman (Ashington) Limited	£nil	dissolved

11 Stocks

	2008	2007
	£	£
Finished goods and goods for resale	<u>14,411</u>	<u>10,753</u>

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

12 Debtors

	2008	2007
	£	£
Trade debtors	3,666,732	5,004,699
Other debtors	198,801	121,676
Prepaid expenses and accrued income	63,472	66,967
Directors' current accounts	138,549	112,343
	<u>4,067,554</u>	<u>5,305,685</u>

Included in directors' current accounts are amounts totalling £134,041 (2007: £109,627) due from S D Pearlman, £4,538 (2007: £2,746) due from M Pearlman and £(30) (2007: £(30)) due to Dr H A Davis, all of whom are directors of the company.

The year end balances represent the maximum outstanding balances during the year. There are no fixed terms as to interest or repayment of these amounts.

S D Pearlman has made payments totalling £100,000 against his current account balance since the year end.

13 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank overdraft	4,716,689	4,473,078
Trade creditors	881	138,107
Other creditors	50,000	8,736
Other tax and social security	36,845	32,602
Obligations under hire purchase contracts (note 15)	36,952	28,208
Accruals and deferred income	54,809	52,777
	<u>4,896,176</u>	<u>4,733,508</u>

Bank overdrafts amounting to £4,716,689 (2007: £4,473,078) are secured by a floating charge over the company's assets and undertakings.

Also included within creditors falling due within one year are secured amounts under hire purchase contracts amounting to £36,952 (2007: £28,208).

14 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Obligations under hire purchase contracts (note 15)	151,189	136,548
Loan	95,000	95,000
	<u>246,189</u>	<u>231,548</u>

The loan is from J Pearlman and Sons Limited Retirement Benefit Scheme and is renewable in 2011. Interest is payable at the rate of 9% per annum.

Also included within creditors falling due after more than one year are secured amounts under hire purchase contracts amounting to £151,189 (2007: £136,548).

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

14 Creditors: amounts falling due after more than one year (continued)

Analysis of loan repayments

	2008	2007
	£	£
Bank overdraft		
Within one year or on demand	4,716,689	4,473,078
Other loans		
Within one year or on demand	36,952	28,208
Between two and five years	246,189	231,548
	<u>4,999,830</u>	<u>4,732,834</u>
Less: amounts included in current liabilities (note 13)	<u>(4,753,641)</u>	<u>(4,501,286)</u>
	<u>246,189</u>	<u>231,548</u>

15 Commitments under hire purchase agreements

	2008	2007
	£	£
Amounts payable within 1 year (note 13)	36,952	28,208
Amounts payable between 2 to 5 years (note 14)	151,189	136,548
	<u>188,141</u>	<u>164,756</u>

16 Called-up share capital

	2008	2007
	£	£
Authorised		
Equity shares:		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	<u>1,076</u>	<u>1,076</u>

17 Reserves

	Pension reserve account	Merger reserve account	Profit and loss account
	£	£	£
At 1 July 2007	26,000	1,329,185	604,561
Loss for the year	-	-	(1,324,938)
Pension fund charged to profit and loss account	17,000	-	(17,000)
Other gains and losses during the year	(264,000)	-	-
At 30 June 2008	<u>(221,000)</u>	<u>1,329,185</u>	<u>(737,377)</u>

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

18 Reconciliation of movement in shareholders' funds

	2008	2007
	£	£
(Loss)/profit for the year	(1,324,938)	79,169
Net pension fund charge to profit and loss account	(17,000)	(42,000)
Movement in pension reserve	(247,000)	250,000
Net (reduction in)/addition to shareholders' funds	(1,588,938)	287,169
Shareholders' funds at 1 July 2007	1,960,822	1,673,653
Shareholders' funds at 30 June 2008	371,884	1,960,822
Shareholders' funds may be analysed as follows:		
Attributable to equity interests	371,884	1,960,822

19 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash flow from operating activities

	2008	2007
	£	£
Operating (loss)/profit (including pension service costs)	(970,179)	265,193
Depreciation charges	68,995	59,194
Loss/(profit) on sale of fixed assets	13,195	(19,602)
Increase in stock	(3,658)	(9)
Decrease/(increase) in debtors	1,238,131	(10,462)
Decrease in creditors	(89,687)	(141,798)
Net cash inflow from operating activities	256,797	152,516

b) Analysis of change in net debt

	Brought forward	Cash flows	Other changes	Carried forward
Cash at bank and in hand	4,689	(623)	-	4,066
Bank overdraft	(4,473,078)	(243,611)	-	(4,716,689)
	(4,468,389)	(244,234)	-	(4,712,623)
Debt due within one year	(28,208)	185,819	(194,563)	(36,952)
Debt due after more than one year	(231,548)	(14,641)	-	(246,189)
	(4,728,145)	(73,056)	(194,563)	(4,995,764)

c) Reconciliation of net cash flow to movement in debt

	2008	2007
	£	£
Net (decrease)/increase in cash	(244,711)	29,750
Increase in finance lease and HP contracts	(23,385)	(100,032)
Changes in net debt	(268,096)	(70,282)
Net debt at 1 July 2007	(4,728,145)	(4,657,863)
Net debt at 30 June 2008	(4,996,241)	(4,728,145)

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

20 Pension commitments and other post-retirement benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £75,122 (2007: £74,100).

Defined benefit scheme

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

An independent actuary carried out a full valuation of the scheme at 28 June 2005. Contributions to the scheme were £nil (2007: £9,000). Future contributions are reviewed at each actuarial valuation. This scheme was closed to new members as of 28 June 2003 and a defined contribution scheme has been set up to provide ongoing retirement benefits for the members of the old scheme and for new employees.

The net pension service charge for the period was £nil (2007: £(30,000)).

Composition of the schemes

The company operates a defined benefit scheme. A full actuarial valuation was carried out at 28 June 2005 and updated to 28 June 2008 by a qualified independent actuary. The major assumptions used by the actuary were:

	2008	2007	2006
	%	%	%
Rate of increase in salaries	-	-	4.0
Rate of increase in pension in payment	4.2	3.4	3.0
Discount rate	6.6	5.8	5.2
Inflation assumption	4.2	3.4	3.0

The assets in the scheme and the expected rate of return were:

	Long-term rate of ret expected at	Value at 2008	Long term rate of ret expected at	Value at 2007	Long term rate of ret expected at	Value at 2006
	2008	£	2007	£	2006	£
Equities	8.0	857,000	7.5	1,043,000	7.5	1,118,000
Bonds	5.0	19,000	5.2	25,000	4.6	202,000
Property	6.5	133,000	5.2	173,000	-	-
Other	5.0	188,000	5.2	192,000	-	-
Total market value of assets		1,197,000		1,433,000		1,320,000
Present value of scheme liabilities		(1,418,000)		(1,407,000)		(1,544,000)
Deficit in scheme		(221,000)		26,000		(224,000)

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

20 Pension commitments and other post-retirement benefits (continued)

Analysis of the amount charged to operating profit

	2008	2007
	£	£
Current service costs	-	10,000
Gains and losses on settlements or curtailments	-	(40,000)
Total operating charge	-	(30,000)

Analysis of the amount credited to other financial income

	2008	2007
	£	£
Expected return on pension scheme assets	97,000	90,000
Interest on pension scheme liabilities	(80,000)	(78,000)
Net return	17,000	12,000

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(276,000)	109,000
Experience gains and losses arising on the scheme liabilities	(93,000)	19,000
Changes in assumptions underlying the present value of the scheme liabilities	105,000	71,000
Actual (loss)/gain recognised in STRGL	(264,000)	199,000

Movement in deficit during the year

	2008	2007
	£	£
Surplus in the scheme at beginning of the year	26,000	(224,000)
Movement in year:		
Service costs	-	30,000
Contributions	-	9,000
Other financial income	17,000	12,000
Actuarial loss	(264,000)	199,000
Deficit in scheme at end of the year	(221,000)	26,000

MMF (UK) LIMITED

Notes to the abbreviated accounts for the year ended 30 June 2008 (continued)

21 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 30 June 2008 were as set out below:

	2008	2007
	£	£
Operating leases which expire:		
Within one year	17,653	72,642
Within two to five years	88,789	58,286
Over five years	23,500	23,500
	<u>129,942</u>	<u>154,428</u>

22 Related party disclosures

At the year end the company had creditor balances with the following entities of which the directors have a controlling interest:

J Pearlman and Sons Retirement Benefit Scheme	£145,000	(2007: £95,000)
---	----------	-----------------

At the year end the company had debtor balances with the following entities of which the directors have a controlling interest:

JPS 1902 Limited	£152,471	(2007: £75,284)
J Pearlman and Sons Retirement Benefit Scheme - No.2	£7,538	(2007: £8,538)

Since the year end payments totalling £70,000 have been made by JPS 1902 Limited in relation to the above debtor balance.

23 Controlling party

In the opinion of the directors, there is no controlling party of the company.