

Registered number: 3090647

Letchworth Garden City Services Limited

Directors' Report and Financial Statements

For the year ended 30 September 2006



Letchworth Garden City Services Limited

Company information

Directors	S M Kenny A S Howard M J Hands I Webb J A Scouller (Chairman)
Secretary	Chaplin Frobisher Welling
Company number	3090647
Registered office	Suite 401 Spirella Building Bridge Road Letchworth Garden City Hertfordshire SG6 4ET
Auditors	Ernst & Young LLP 400 Capability Green Luton LU1 3LU
Bankers	HSBC Bank Plc Station Place Letchworth Garden City Hertfordshire SG6 3AJ

Letchworth Garden City Services Limited

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Letchworth Garden City Services Limited

**Directors' Report
For the year ended 30 September 2006**

The directors present their report and the financial statements for the year ended 30 September 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that 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. 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal activities and review of business

On 30th September 2004 all assets and trade of the company were transferred to Letchworth Garden City Heritage Foundation. Since this date the company has not traded.

Results

The profit for the year amounted to £nil (2005 - loss of £1,800,000).

Directors

The directors who served during the year were:

S M Kenny
A S Howard
M J Hands
I Webb
J A Scouller (Chairman)

There were no directors interests requiring disclosure under the Companies Act 1985.

Letchworth Garden City Services Limited

Directors' Report
For the year ended 30 September 2006

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 12 January 2007 and signed on its behalf.



J A Scouller
Chairman

Letchworth Garden City Services Limited

Independent Auditors' report to the members of Letchworth Garden City Services Limited

We have audited the company's financial statements for the year ended 30 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

We also 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.

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.

Letchworth Garden City Services Limited

Independent Auditors' report to the members of Letchworth Garden City Services Limited

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 September 2006 and of its profit 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.

Ernst & Young LLP

Ernst & Young LLP

Registered auditor
Luton

12 January 2007

Letchworth Garden City Services Limited

Profit and loss account
For the year ended 30 September 2006

	Note	2006 £000	2005 £000
Turnover	2	-	52
Administrative expenses – normal		(9)	(54)
Administrative expenses – exceptional	3	-	(1,800)
Operating loss:			
Operating loss before gift aid		(2)	(1,801)
Gift aid		(7)	(1)
Operating loss	4	(9)	(1,802)
Interest receivable	6	9	23
Interest payable and similar charges	7	-	(21)
Profit/(loss) on ordinary activities before taxation		-	(1,800)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) on ordinary activities after taxation	12	-	(1,800)

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account.

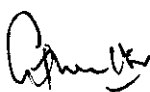
The notes on pages 7 to 10 form part of these financial statements.

Letchworth Garden City Services Limited

Balance Sheet
As at 30 September 2006

	Note	£000	2006 £000	2005 £000
Fixed assets				
Fixed asset investments	8		100	100
Current assets				
Debtors	9	8	8	
Cash at bank		<u>17</u>	<u>36</u>	
		25	44	
Creditors: amounts falling due within one year	10	<u>(25)</u>	<u>(44)</u>	
Net current assets			<u>-</u>	<u>-</u>
Total assets less current liabilities			<u><u>100</u></u>	<u><u>100</u></u>
Capital and Reserves				
Called up share capital	11		2,200	2,200
Profit and loss account	12		<u>(2,100)</u>	<u>(2,100)</u>
Shareholders' funds - All equity	13		<u><u>100</u></u>	<u><u>100</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 January 2007.


J A Scouller
Chairman

The notes on pages 7 to 10 form part of these financial statements.

Letchworth Garden City Services Limited

**Notes to the financial statements
For the year ended 30 September 2006**

1. Accounting policies**Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

The company is wholly owned subsidiary of Letchworth Garden City Heritage Foundation, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Letchworth Garden City Heritage Foundation group.

Investments

All investments are initially recorded at cost then reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to group undertakings and third parties.

An analysis of turnover by geographical market is given below:

	2006 £000	2005 £000
United Kingdom	<u> - </u>	<u> 52 </u>

3. Exceptional item

	2006 £000	2005 £000
Impairment of investment in Broadway Cinema Limited	<u> - </u>	<u> (1,800) </u>

Letchworth Garden City Services Limited

Notes to the financial statements
For the year ended 30 September 2006

4. Operating loss

The operating loss is stated after charging:

	2006 £000	2005 £000
Auditors' remuneration - audit services	1	1
- non-audit services	1	2
Operating lease rentals:		
- plant and machinery	-	48
Gift aid payment to parent undertaking	<u>7</u>	<u>1</u>

5. Staff costs

None of the directors who served during the year received any remuneration for their services as directors to the company.

The company has no employees other than directors. All labour services are provided either by employees of the parent undertaking or by third party supplier contracts.

6. Interest receivable

	2006 £000	2005 £000
Bank interest receivable	1	15
Receivable from subsidiary undertakings	<u>8</u>	<u>8</u>
	<u>9</u>	<u>23</u>

7. Interest payable and similar charges

	2006 £000	2005 £000
Interest on loans	-	5
Interest payable to parent undertaking	<u>-</u>	<u>16</u>
	<u>-</u>	<u>21</u>

Letchworth Garden City Services Limited

Notes to the financial statements
For the year ended 30 September 2006

8. Fixed asset investments

	<i>Shares in subsidiary undertakings £000</i>	<i>Loans to subsidiary undertakings £000</i>	<i>Shares in associated undertakings £000</i>	<i>Total £000</i>
Cost				
At 1 October 2005 and 30 September 2006	<u>1,800</u>	<u>100</u>	<u>20</u>	<u>1,920</u>
Amounts provided				
At 1 October 2005 and 30 September 2006	<u>1,800</u>	<u>-</u>	<u>20</u>	<u>1,820</u>
Net book value				
At 30 September 2006	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
At 30 September 2005	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>

Details of the investments in which the company directly holds 20% or more of the nominal value of any class of share capital are as follows: -

<i>Name of Company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of Business</i>
Broadway Cinema Limited	Shares of value £1	90%	Cinema Operator
Emaginists Limited	Shares of value £1	33%	Property Management

9. Debtors

	<i>2006 £000</i>	<i>2005 £000</i>
Amounts owed by group undertakings	<u>8</u>	<u>8</u>

Letchworth Garden City Services Limited

**Notes to the financial statements
For the year ended 30 September 2006**

**10. Creditors:
Amounts falling due within one year**

	2006 £000	2005 £000
Trade creditors	14	15
Amounts owed to group undertakings	7	22
Accruals and deferred income	4	7
	<u>25</u>	<u>44</u>

11. Share capital

	2006 £000	2005 £000
<i>Authorised, allotted, called up and fully paid</i>		
2,200,000 Ordinary shares of £1 each	<u>2,200</u>	<u>2,200</u>

12. Reserves

	<i>Profit and loss account £000</i>
At 1 October 2005	(2,100)
Profit retained for the year	-
	<u>(2,100)</u>
At 30 September 2006	<u>(2,100)</u>

13. Reconciliation of movement in shareholders' funds

	2006 £000	2005 £000
Opening shareholders' funds	100	100
Profit/(loss) for the year	-	(1,800)
Shares issued during the year	-	1,800
	<u>100</u>	<u>100</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

Letchworth Garden City Services Limited

**Notes to the financial statements
For the year ended 30 September 2006**

14. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

15. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Letchworth Garden City Heritage Foundation, an Industrial and Provident Society with charitable status registered in England and Wales, which owns 100% of the issued share capital. Copies of these group accounts are available from:

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