

Registered No: 4337181

FRE Limited (a company limited by guarantee)

Annual Report and Financial Statements

31 March 2008



Registered No: 4337181

Directors

P J Hudson (resigned 27 April 2007)

I Leece

S D McFarlane (appointed 27 April 2007)

Secretary

R C Hill

Independent auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Registered office

Western House

Halifax Road

Bradford

BD6 2SZ

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2008.

Principal activities and review of business developments

The company was incorporated on 10 December 2001. The company has not traded since incorporation.

On 7 January 2002 the company acquired all of the issued share capital of Best Selection Limited. It subsequently disposed of these shares on 23 April 2002.

Limited by guarantee

The company is limited by a guarantee, with a limitation of liability of £1.

Future developments

The company remains a holding company with the group, but has no intention to trade in the foreseeable future.

Principal risks and uncertainties

Due to the nature of the business, there are no material risks or uncertainties which require disclosure.

Key performance indicators

Due to the nature of the business, key performance indicators are not applicable.

Directors

The directors of the company during the year ended 31 March 2008 are as listed on page 1. P J Hudson resigned as director on 27 April 2007. S D McFarlane was subsequently appointed as director on 27 April 2007.

Independent Auditors

PricewaterhouseCoopers LLP were appointed auditors during the year and have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

Directors' statement as to disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken such steps as he or she should have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



R C Hill
Secretary

2 December 2008

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 the 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;
- state whether applicable UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

Independent auditors' report

to the members of FRE Limited

We have audited the company's financial statements for the year ended 31 March 2008 which comprise the Balance Sheet and related notes. 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' responsibilities for preparing the annual report and 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 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.

Independent auditor's report (continued)

to the members of FRE 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 31 March 2008;
- 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
Leeds

2/12/08

Balance sheet

at 31 March 2008

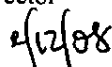
	2008 £	2007 £
Net assets	-	-
	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves	-	-
	<hr/> <hr/>	<hr/> <hr/>

This financial statement was approved by the Board of Directors of FRE Limited and was signed on its behalf by:



S D McFarlane

Director



Notes to the financial statements

at 31 March 2008

1. Basis of accounting

The accounts of the company are prepared under the historical cost convention in compliance with all applicable accounting standards (Financial Reporting Standards 'FRS', Statement of standard Accounting Practice 'SSAP' and Urgent Issues Task Force abstract 'UITF') and the Companies Act 1985, except where otherwise stated in the notes to the accounts.

The accounting policies have been reviewed in accordance with the requirements of FRS 18. The directors consider that the accounting policies adopted remain most appropriate to the company's circumstances, have been consistently applied and are supported by reasonable and prudent estimates and judgements.

2. Profit and loss account

The company has not traded during the year. Therefore, the company has made neither profits or losses and no profit and loss account has been presented. The auditors' remuneration was borne by Kelda Group Limited (formerly Kelda Group plc).

3. Employees and directors

The company has no employees (2007: none) and none of the directors received any emoluments for their services to the company (2007: £nil).

4. Capital structure

The company is limited by guarantee and does not have any share capital.

5. Cash flow statement

The company is a wholly owned subsidiary of Kelda Group Limited and is included in the consolidated financial statements of Kelda Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

6. Related party transactions

The company has taken advantage of the exemption given in FRS 8 in respect of transactions which are with part of the group, as consolidated financial statements of the group are publicly available.

7. Ultimate parent undertaking

The company's immediate parent company is Kelda Group Limited. The company's ultimate parent company and controlling party is Kelda Holdings Limited (formerly Skeldergate Topco Limited), a company registered in Jersey. Kelda Group Limited, a company registered in England and Wales, is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group statements may be obtained from the Company Secretary, Kelda Group Limited, Western House, Halifax Road, Bradford BD6 2SZ.