

Registered no: 07180292

Travis Perkins Financing Company No.3 Limited

**Annual report
for the year ended 31 December 2011**

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Travis Perkins Financing Company No.3 Limited

Annual report for the year ended 31 December 2011

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**Directors' report
for the year ended 31 December 2011**

The directors present their report and the audited financial statements for the year ending 31 December 2011, comparative 2010 period 10 months ended 31 December 2010

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006

Principal activities

The principal activity of the Company during the year was the provision of finance to Travis Perkins plc through participation in a syndicated loan

Review of developments and future prospects

The profit and loss account is set out on page 6.

The Company made a pre-tax profit of £1,679,751 for the year ended 31 December 2011 (2010 £1,859,057)

The directors believe the company is satisfactorily placed to enable it to trade profitably in future

Statement of going concern

The Company's business activities, together with the factors likely to affect its future development and position are set out in this report

The Company is a subsidiary of Travis Perkins plc. The Company is reliant on other companies in the Group for financial support. The Company's ability to operate as a going concern is therefore directly linked to the Group's position.

The Board of Travis Perkins plc is currently of the opinion that having reviewed the Group's cash forecasts and revenue projections, and after taking account of reasonably possible changes in trading performance, the Group should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future.

The balance sheet on page 8 shows net current assets of £4,596,775, however excluding the debtor due after more than one year, this represents a net liability due within the next 12 months of £45,994,134. Given this position, the company is reliant on other companies within the Travis Perkins group for financial support.

On the basis of their assessment of the Company's financial position, confirmation of financial support and enquires made of the Directors of Travis Perkins plc, the Company's Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors Report (continued)

Dividends

No dividend has been paid in the current year. The retained profit of £1,234,617 (2010 £1,338,521) has been transferred to reserves.

Directors

The directors of the Company who served during the year and subsequently are listed below.

G I Cooper

P N Hampden Smith

The Company has made qualifying third party indemnity provisions for the benefits of its directors which were made during the period and remain in force at the date of this report.

Auditor

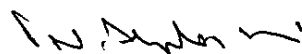
Each of the persons who is a director at the date of approval of this report confirms that

- 1) So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 2) The director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Paul Hampden Smith

Finance Director

29 March 2012

Directors responsibility statement

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). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 auditor's report to the members of
Travis Perkins Financing Company No.3 Limited**

We have audited the financial statements of Travis Perkins Financing Company No 3 Limited for the year ended 31 December 2011 which comprise Profit and Loss Account, the Balance Sheet, Reconciliation of movement in shareholders funds, and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of directors' remuneration specified by law are not made, or
- The directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- We have not received all the information and explanations we require for our audit



Colin Hudson (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 March 2012

**Profit and loss account
for the year ended 31 December 2011**

	Notes	Year to 31 December 2011 £	10 months to 31 December 2010 £
Net finance income	3	1,679,751	1,859,057
Operating profit and profit on ordinary activities before taxation		1,679,751	1,859,057
Tax on profit on ordinary activities	4	(445,134)	(520,536)
Profit after taxation being profit for the period	7	1,234,617	1,338,521

All results relate to continuing activities

There were no recognised gains or losses other than the profit for the period as shown above

Balance sheet
as at 31 December 2011

	Notes	2011 £	2010 £
Current Assets			
Debtors			
- due within one year	5	11,273,541	11,475,549
- due after one year	5	50,590,909	61,833,333
Cash at bank		25,449	-
		<u>61,889,899</u>	<u>73,308,882</u>
Current liabilities			
Amounts falling due within one year	6	(57,293,124)	(69,497,027)
Net current assets		<u>4,596,775</u>	<u>3,811,855</u>
Total assets less current liabilities		<u>4,596,775</u>	<u>3,811,855</u>
Creditors falling due outside one year		(2,023,636)	(2,473,333)
Net assets		<u>2,573,139</u>	<u>1,338,522</u>
Capital and Reserves			
Called up share capital	7	1	1
Profit and loss account	8	2,573,138	1,338,521
Shareholders' funds		<u>2,573,139</u>	<u>1,338,522</u>

The financial statements of Travis Perkins Financing Company No 3 Limited, registered company number 06755439, were approved by the Board of Directors on 29 March 2012 and signed on its behalf by



Paul Hampden Smith

Director

**Reconciliation of movement in shareholders' funds
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Shareholders' funds at start of period		1,338,522	1
Profit attributable to shareholders of the company	8	1,234,617	1,338,521
Shareholders' funds at 31 December		2,573,139	1,338,522

**Notes to the financial statements
for the year ended 31 December 2011**

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies adopted are described below and have been applied consistently during the period.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The Company is a subsidiary of Travis Perkins plc. The Company is reliant on its ultimate parent company for financial support. The Company's ability to operate as a going concern is therefore directly linked to the Group's position.

A detailed consideration of the Group's going concern position, and the risks and uncertainties to which it is exposed is provided in the statement of going concern within the Directors Report.

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The company has taken advantage of the exemption permitted by Financial Reporting Standard No 1 (revised) not to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Travis Perkins plc, which produces a consolidated cash flow statement in its group accounts.

Loans

Loans are accounted for at amortised cost. The loans are valued at inception at the amount of the initial advance. Subsequently the loan balances are then reduced where necessary by a provision for balances which are considered to be impaired.

Loans and receivables are reviewed for indications of possible impairment throughout the period and at each balance sheet date. Where loans exhibit objective evidence of impairment, the carrying value of the loans is reduced to the net present value of the expected cash flows, discounted at the original effective interest rate.

Notes to the financial statements for the year ended 31 December 2011 (continued)

2 Directors' emoluments, employee information and auditor's remuneration

The directors are paid by other group companies and received total emoluments of £2,145,000 (2010 £2,190,000) for the year but it is not practicable to allocate their remuneration from other group companies for services rendered. In addition, one director is accruing benefits under the Travis Perkins Pensions and Dependents' Benefit Scheme which is a defined benefit pension scheme, in respect of their service to other group companies.

The Company had no employees.

Fees payable to the Company's auditors for the audit of the Company's annual accounts were borne by another Group company. Audit fees of £1,500 (2010 £1,500) were payable for the period ended 31 December 2011.

3 Net finance income

	Year to 31 December 2011 £	10 months to 31 December 2010 £
Interest payable	-	(8,594)
	-	(8,594)
Interest receivable	1,679,751	1,474,166
Waiver fee receivable	-	393,485
	1,679,751	1,867,651
Net finance income	1,679,751	1,859,057

4 Tax on profit on ordinary activities

	Year to 31 December 2011 £	10 months to 31 December 2010 £
Current tax		
UK corporation tax on profits for the period	445,134	520,536
Total tax charge on profit on ordinary activities	445,134	520,536

Notes to the financial statements for the year ended 31 December 2011 (continued)

4 Tax on profit on ordinary activities (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year to 31 December 2011 £	10 months to 31 December 2010 £
Profit before tax	1,679,751	1,859,057
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010 28%)	445,134	520,536
Current tax charge for the period	445,134	520,536

The tax rate for the year of 26.5% is a blended rate of 28% up to 1 April 2011 and 26% thereafter

The Budget 2011 introduced a reduction in the rate of corporation tax to 25% from 1 April 2012. This legislation was substantively enacted on 19 July 2011 and as such the deferred tax recorded at the balance sheet date has been recalculated at 25% on the basis that it will materially reverse after 1 April 2012.

In the 2012 Budget, issued on 21 March 2012, the Chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012, with further annual 1% rate reductions down to 22% by 1 April 2014. As these future rate reductions had not been enacted at the balance sheet date, they have not been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

5 Debtors

	2011 £	2010 £
Loans to group undertakings	11,242,424	11,242,424
Prepayments and accrued income	31,117	233,125
	11,273,541	11,475,549

The company participates in a syndicated loan facility provided to the ultimate parent company Travis Perkins plc. The loan is repayable in semi annual instalments with £11,242,424 falling due within one year and £50,590,909 falling due outside one year. The loan is repayable in full by April 2013. Interest receivable is calculated at LIBOR plus a variable margin.

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	56,843,427	69,047,330
Accruals and deferred income	449,697	449,697
	<u>57,293,124</u>	<u>69,497,027</u>

Amounts owed to group undertakings represents a loan payable to Travis Perkins plc
The loan is repayable on demand and no interest is payable

7 Called-up share capital

	2011 £	2010 £
Called up, allotted and fully paid		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

8 Profit and loss account

	2011 £	2010 £
Brought forward	1,338,521	-
Profit attributable to shareholders of the company	1,234,617	1,338,521
At 31 December	<u>2,573,138</u>	<u>1,338,521</u>

9 Related party transactions

The company has a related party relationship with its fellow group companies and with its directors

The Company has taken advantage of the exemption permitted by Financial Reporting Standard No 8 not to disclose transactions between group companies 100% of the voting rights over the company's shares are controlled within the group

The remuneration, and details of interests in the share capital of the company, of the directors are provided in note 2 Directors' emoluments and within the Directors' report

There have been no material related party transactions with directors

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

10 Ultimate holding company

The ultimate parent and controlling company is Travis Perkins plc, a company incorporated in England and Wales. Copies of the Travis Perkins plc group financial statements are available from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ. The largest and smallest group into which the company's results are consolidated is Travis Perkins plc.