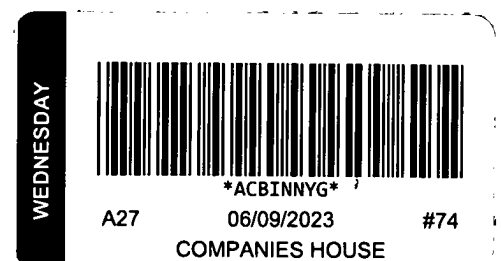


Registration number: 07180292

# **Travis Perkins Financing Company No.3 Limited**

Annual report and financial statements  
for the year ended 31 December 2022



## **Travis Perkins Financing Company No.3 Limited**

### **Annual report and financial statements for the year ended 31 December 2022**

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# **Travis Perkins Financing Company No.3 Limited**

## **Company information**

### **Directors**

A.R. Williams

R.P. Miller

TP Directors Ltd

### **Company secretary**

TPG Management Services Limited

### **Registered office**

Lodge Way House

Lodge Way

Harlestone Road

Northampton

Northamptonshire

NN5 7UG

### **Auditor**

KPMG LLP

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

# **Travis Perkins Financing Company No.3 Limited**

## **Directors' report for the year ended 31 December 2022**

The Directors present the Annual report and the audited financial statements for the year ended 31 December 2022.

### **Principal activities and future developments**

The principal activity of the Company was that of an intermediate holding company.

The Company made a pre-tax profit of £195,000 for the year ended 31 December 2022 (2021: £26,117,000) and has net assets of £5,856,000 (2021: net assets of £5,771,000).

The Directors believe the Company is satisfactorily placed to continue operating as a holding company.

### **Directors of the Company**

The Directors who held office during the year were as follows:

A. R. Williams

R.P. Miller (appointed on 27 June 2023)

TP Directors Ltd

### **Directors' Liabilities**

The Company made qualifying third party indemnity provisions for the benefits of its Directors during the year, which remain in force at the date of this report. This is a qualifying provision for the purposes of the Companies Act 2006.

### **Going concern**

The Directors have a reasonable expectation that the Company has the resources to continue in operational existence for at least twelve months from the date of signing these financial statements. Thus it continues to adopt the going concern assumption in preparing the annual financial statements. Further details regarding the going concern basis can be found in note 2 to the financial statements.

### **Dividends**

An interim dividend of £110,000 (2021: £21,528,000) was paid on ordinary shares during the year. The Directors do not recommend the payment of a final dividend (2021: £nil).

### **Political contributions**

The Company made no political donations nor incurred any political expenditure during the year (2021: none).

## **Travis Perkins Financing Company No.3 Limited**

### **Directors' report for the year ended 31 December 2022 (continued)**

#### **Modern slavery**

The Company will not accept slavery or human trafficking and works with suppliers and colleagues to ensure positive steps are taken to ensure that slavery has no place in the business or supply chain, if issues are identified, investigations and remedial actions will be taken. No instances of slavery or human trafficking have been identified.

The Company's approach to this issue is set out in greater detail in the Travis Perkins plc Annual Report, which does not form part of this report.

#### **Disclosure of information to the auditor**

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

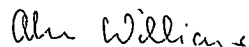
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Reappointment of auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved and signed on behalf of the Board on 18 August 2023



A. R. Williams  
Director

# **Travis Perkins Financing Company No.3 Limited**

## **Strategic report for the year ended 31 December 2022**

The Directors present their Strategic report for the year ended 31 December 2022.

### **Principal activities and business review**

The Company is a wholly owned subsidiary of Travis Perkins plc, the ultimate parent company. The principal activity of the Company was that of an intermediate holding company. The Company recognised profit of £195,000 for the year ended 31 December 2022 (2021: £26,117,000) as a result of dividends received from subsidiary undertakings. It has net assets of £5,586,000 (2021: net assets of £5,771,000).

### **Principal risks and uncertainties**

The Company operates in markets and an industry which by their nature are subject to a number of inherent gross risks. The Company is able to mitigate those risks by adopting different strategies and by maintaining a strong system of internal control. However, regardless of the approach that is taken, the Company has to accept a certain level of risk in order to generate suitable returns for shareholders and for that reason the risk management process is closely aligned to the Company's strategy.

The Group has a risk reporting framework that ensures it has visibility of the Company's key risks, the potential impacts on the Company and how and to what extent those risks are mitigated. As part of its risk management process, the principal risks stated in the risk register are reviewed, challenged and updated by the Group Board and monitored throughout the year. The Company maintains a separate risk register. The Group's risk register is used to determine strategies adopted by the Group's various businesses to mitigate the identified risks and are embedded in their operating plans.

In common with most large organisations the Company is subject to general commercial risks; for example, political and economic developments, changes in the cost of goods for resale, increased competition in its markets and the threat of emerging and disruptive competitors, material failures in the supply chain, failure to secure supply of goods for resale on competitive terms, cyber-security breaches and failure of the IT infrastructure.

The risk environment in which the Company operates does not remain static. During the year, the Directors have reviewed the principal risks and made a number of changes.

The nature of risk is that its scope and potential impact will change over time. As such the list below should not be regarded as a comprehensive statement of all potential risks and uncertainties that may manifest themselves in the future. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, could also have an adverse effect on the Company's future operating results, financial condition or prospects.

The Directors are required to undertake a robust assessment of the emerging risks that may impact the Company. The Directors regularly consider the latest risk research alongside views on emerging risks collated from assessments made by the business unit and functional leadership teams.

## **Travis Perkins Financing Company No.3 Limited**

### **Strategic report for the year ended 31 December 2022 (continued)**

The list below sets out, in no particular order, the current principal risks that are considered by the Board to be material. These key risks have been determined for the Group and are considered applicable to the Company.

- Long term market trends and the changing customer and competitor landscape
- Macroeconomic volatility leading to availability challenges and inflation
- Supply chain resilience risks including supplier dependency, relationship, overseas sourcing and disintermediation leading to adverse impacts on ranging and price
- Change management risk: business transformation and improvement projects fail to deliver the expected benefits, cost more or take longer to implement than anticipated
- Growing risks in relation to Environmental, Social and Governance matters require us to regularly identify our most material responsibilities and challenges in order to target investment and manage them well
- Failure of critical IT systems and infrastructure: system failures or outages could disrupt the day-to-day operations and, in turn, impact customer service and financial performance
- Cyber threat & data security: theft and sale of personal data as well as risks of data loss or leakage
- Health, safety & well-being: unsafe practices result in harm to colleagues, customers, suppliers or the public
- Legal compliance: changing regulatory framework increases the risk of non-compliance and fines

#### **Corporate Governance**

Travis Perkins Financing Company No.3 Limited (“Financing Company No.3”) is a wholly owned subsidiary of Travis Perkins plc (the “Group”). Under the The Companies (Miscellaneous Reporting) Regulations 2018 regulation 14, Financing Company No.3 is required to report on its governance arrangements. As a wholly owned subsidiary of a listed Group, Financing Company No.3 does not consider it appropriate to report against the UK Corporate Governance Code or other governance codes. Financing Company No.3 is subject to and abides by the Group policies and procedures of Travis Perkins plc which fully complies with the UK Corporate Governance Code. Details of the Group’s governance arrangements are set out in full in the Travis Perkins plc Annual Report and Accounts 2022.

# **Travis Perkins Financing Company No.3 Limited**

## **Strategic report for the year ended 31 December 2022 (continued)**

### **S172 statement**

The Directors place significant importance on the strength of the Company's relationships with all its stakeholders to promote the sustainable success of the Company. In order to fulfil their duties in a manner that is consistent with the size and complexity of the Company, the Directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Such considerations ensure the business is making decisions with a long-term view and with the sustainable success of the business at its core.

Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken. Directors have an open dialogue with the Company's shareholder and its ultimate parent company through regular one-to-one meetings and reporting to the Group Board. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance, risks and uncertainties and ethical practices.

Decisions and policies affecting colleagues, suppliers, communities and Government and regulators are often made or set at the level of the ultimate parent company. The Directors ensure that they are fulfilling their statutory duties when applying those policies. Further information on how these decisions are made and the ways in which the Group engages with stakeholders is set out in the Group's Annual Report, which does not form part of this report.

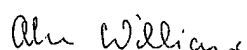
### **Corporate responsibility**

#### **Environmental matters**

The Travis Perkins plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities.

The Company operates in accordance with group policies, which are described in the Group's Annual Report, which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include improving energy use efficiency, reducing the amount of CO2 emissions and minimising the consumption of water and the production of waste (both hazardous and non-hazardous).

Approved and signed on behalf of the Board on 18 August 2023



A.R. Williams  
Director



## **Travis Perkins Financing Company No.3 Limited**

### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' report, strategic 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. 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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# **Independent auditor's report to the members of Travis Perkins Financing Company No.3 Limited**

## **Opinion**

We have audited the financial statements of Travis Perkins Financing Company No.3 Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and total comprehensive income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

# **Independent auditor's report to the members of Travis Perkins Financing Company No.3 Limited**

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company does not trade and therefore has no revenue.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included material post-closing entries.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other

## **Independent auditor's report to the members of Travis Perkins Financing Company No.3 Limited**

management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

# **Independent auditor's report to the members of Travis Perkins Financing Company No.3 Limited**

## **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**James Tracey (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

18 August 2023

## Travis Perkins Financing Company No.3 Limited

### Profit and loss account and total comprehensive income for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Dividend income net of impairment	7	195	26,117
<b>Profit before taxation</b>		<b>195</b>	<b>26,117</b>
Tax charge on profit on ordinary activities	6	-	-
<b>Profit and total comprehensive income for the financial year</b>		<b>195</b>	<b>26,117</b>

The notes on page 17 to 24 form an integral part of these financial statements.

# **Travis Perkins Financing Company No.3 Limited** **Balance sheet as at 31 December 2022**

	Note	2022 £000	2021 £000
<b>Fixed Assets</b>			
Investments	7	-	12,710
<b>Current assets</b>			
Debtors (including £5,382,000 (2021: £5,382,000) due after one year)	8	5,856	5,900
<b>Creditors: amounts falling due within one year</b>	9	-	(12,839)
<b>Net current assets/(liabilities)</b>		<b>5,856</b>	<b>(6,939)</b>
<b>Total assets less current liabilities</b>		<b>5,856</b>	<b>5,771</b>
<b>Net assets</b>		<b>5,856</b>	<b>5,771</b>
<b>Capital and reserves</b>			
Called-up share capital	10	-	-
Profit and loss account	10	5,856	5,771
<b>Total equity</b>		<b>5,856</b>	<b>5,771</b>

The notes on pages 17 to 24 form an integral part of these financial statements.

The financial statements of Travis Perkins Financing Company No.3 Limited, registered number 07180292, were approved by the Board of Directors and authorised for issue on 18 August 2023. They were signed on its behalf by:

*A. R. Williams*

A. R. Williams  
 Director

**Travis Perkins Financing Company No.3 Limited**  
**Statement of changes in equity**  
**for the year ended 31 December 2022**

	<b>Called-up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 January 2021	-	1,182	<b>1,182</b>
Profit and total comprehensive income	-	26,117	<b>26,117</b>
Dividends paid on equity shares	-	(21,528)	<b>(21,528)</b>
<b>At 31 December 2021</b>	<b>-</b>	<b>5,771</b>	<b>5,771</b>
Profit and total comprehensive income	-	195	<b>195</b>
Dividends paid on equity shares	-	(110)	<b>(110)</b>
<b>At 31 December 2022</b>	<b>-</b>	<b>5,856</b>	<b>5,856</b>

The notes on page 17 to 24 form an integral part of these financial statements.



# **Travis Perkins Financing Company No.3 Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General information**

The Company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006.

### **2 Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial reporting Standing 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

#### **Summary of disclosure exemptions**

The Company's parent undertaking, Travis Perkins PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Travis Perkins PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes;
- Key management personnel compensation; and
- Intra-group transactions.

As the consolidated financial statements of Travis Perkins PLC include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

# **Travis Perkins Financing Company No.3 Limited**

## **Notes to the financial statements (continued)**

### **Group accounts not prepared**

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

### **Going concern**

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report & Accounts. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- that the Company is part of the Travis Perkins plc Group (the "Group") and the Company's ability to operate as a going concern is directly linked to the Group's position
- that the company has produced cash flow forecasts which are included in those of the Group
- the Group's cash flow forecasts and revenue projections
- reasonable potential changes in trading performance
- the committed facilities available to the Group and the covenants thereon
- the Group's robust policy towards liquidity and cash flow management
- the Group management's ability to successfully manage the principal risks and uncertainties during periods of uncertain economic outlook and challenging macro-economic conditions

The Group going concern assessment was completed for the Group accounts published in February. The Directors have made appropriate inquiries of the Group subsequent to the date of that assessment and up to the date of signing these financial statements and have not identified any matters which impact their conclusion regarding the ability of the Group to continue as a going concern. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Travis Perkins plc has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

# **Travis Perkins Financing Company No.3 Limited**

## **Notes to the financial statements (continued)**

### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Investments in subsidiary undertakings are stated at cost less provision for impairment where appropriate. Investments held as current assets are stated at the lower of cost and net realisable value.

### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in operating profit in the profit or loss as a charge to administrative expenses.

#### **a) Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in a previously recognised impairment loss, the prior impairment loss is tested to determine whether a reversal is required. An impairment loss is reversed on an individual impaired asset (other than goodwill) to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **b) Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

### **Taxation**

Current tax, including UK corporation tax and foreign 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, adjusted for prior year items.

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 Company'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 years different from those in which they are recognised in the financial statements.

# Travis Perkins Financing Company No.3 Limited

## Notes to the financial statements (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

### 4 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2022 £000	2022 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	21	20

These fees were borne by another group company. Auditor's remuneration for non-audit services is disclosed within the Travis Perkins plc Annual Report. No non-audit services were provided by the auditor directly to the Company in either the current or prior year.

# Travis Perkins Financing Company No.3 Limited

## Notes to the financial statements (continued)

### 5 Directors' remuneration

One (2021: One) Director was paid by another group company and received total emoluments (including non-performance related bonus) of £651,498 (2021: £1,544,000), pension contributions of £nil (2021: £nil) and performance related bonus of £nil (2021: £nil) during the year. No allocation of emoluments in respect of qualifying services to the Company has been made as the Company is of the opinion that any allocation would be trivial. In addition, none of the Directors (2021: none) are contributing towards the Travis Perkins Pension Plan, which is a defined contribution scheme, in respect of their service to other group companies.

One Director paid by another group company exercised share options during the year (2021: one).

The company had no employees during 2022 (2021: nil).

### 6 Tax charge on profit on ordinary activities

No tax charge arose on the result for the year and there are no deferred tax balances.

The tax on profit before tax for the year is less than the standard rate of corporation tax in the UK (2021: less than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	<b>2022</b>	2021
	<b>£000</b>	£000
Profit before tax	<b>195</b>	26,117
Corporation tax at standard rate	<b>37</b>	4,962
Tax decrease from effect of dividends from UK companies	<b>(37)</b>	(4,962)
Total tax charge	<b>-</b>	-

### 7 Investments

	<b>2022</b>	2021
	<b>£000</b>	£000
At 1 January	<b>12,710</b>	92,713
Impairments	<b>(12,710)</b>	(80,003)
At 31 December	<b>-</b>	12,710

As a result of ongoing simplification of the Travis Perkins Group, there has been a reduction to the net asset value in the year of Wickes Properties Limited & Hunter Estates Limited following distributions from these entities. As a result of this the company recognised an impairment of £12,710,000.

Dividend income from subsidiary undertakings for the year was £12,905,000 (2021: £106,120,000). The 'direct credit' method has been applied to this income where the effect of the distribution has resulted in the impairment of the subsidiary.

# Travis Perkins Financing Company No.3 Limited

## Notes to the financial statements (continued)

### Interest in subsidiary undertakings

The Company has the following wholly-owned subsidiaries:

Name of subsidiary	Country of incorporation	Type and percentage of shares held	Nature of business
Builders Mate Limited	England and Wales	100% ordinary shares	Dormant
E. East & Son Limited	England and Wales	100% ordinary shares	Dormant
HT (1995) Limited	England and Wales	100% ordinary shares	Dormant
MD-DOR3 Limited	England and Wales	100% ordinary shares	Dormant
MD-DOR4 Limited	England and Wales	100% ordinary shares	Dormant
Travis & Arnold Limited	England and Wales	100% ordinary shares	Dormant
Travis Perkins (PSL 2015) Limited	England and Wales	100% ordinary shares	Dormant
Wickes Properties Limited	England and Wales	100% ordinary shares	Property Management
Benchmark Kitchen and Joinery Limited	England and Wales	100% ordinary shares	Dormant
B. & G. (Heating & Plumbing) Limited*	England and Wales	100% ordinary shares	In Liquidation
BMSS Limited*	England and Wales	100% ordinary shares	In Liquidation
Burt Boulton (Timber) Limited*	England and Wales	100% ordinary shares	In Liquidation
Fry & Pollard Limited*	England and Wales	100% ordinary shares	In Liquidation
Harrison Trenery Limited	England and Wales	100% ordinary shares	In Liquidation
Hunter Estates Limited	England and Wales	100% ordinary shares	In Liquidation
IJM Holdings Limited*	England and Wales	100% ordinary shares	In Liquidation
JS Towell Limited	England and Wales	100% ordinary shares	In Liquidation
Monteith Building Services Limited	England and Wales	100% ordinary shares	In Liquidation
Property Newco Two Limited*	England and Wales	100% ordinary shares	In Liquidation
Rudridge Limited*	England and Wales	100% ordinary shares	In Liquidation
TFS Holdings Limited*	England and Wales	100% ordinary shares	In Liquidation
TP Newco 2 Limited*	England and Wales	100% ordinary shares	In Liquidation
Tile It All (UK) Limited	England and Wales	100% ordinary shares	In Liquidation
Travis Perkins Acquisitions Company Limited*	England and Wales	100% ordinary shares	In Liquidation
Travis Perkins Financing Company No.2 Limited*	England and Wales	100% ordinary shares	In Liquidation
Travis Perkins Installation Services Limited*	England and Wales	100% ordinary shares	In Liquidation
Travis Perkins P&H Partner Limited*	England and Wales	100% ordinary shares	In Liquidation
Travis Perkins Plumbing & Heating LLP*	England and Wales	100% ordinary shares	In Liquidation
Tricom Supplies Limited*	England and Wales	100% ordinary shares	In Liquidation
Wickes Developments Limited	England and Wales	100% ordinary shares	In Liquidation

\*As part of the ongoing group simplification these investments were transferred from other group companies prior to being placed into liquidation:

In the opinion of the Directors the value of the Company's investments are not less than the amount at which they are stated in the balance sheet.

Registered office of the above subsidiaries is Lodge Way House Lodge Way, Harlestone Road, Northampton, NN5 7UG.

# Travis Perkins Financing Company No.3 Limited

## Notes to the financial statements (continued)

### 8 Debtors

	2022 £000	2021 £000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings (including £5,382,000 (2021: £5,382,000) due after one year)	5,856	5,900

Amounts owed by group undertakings are loans. The loans are interest-free and have no fixed date for repayment.

### 9 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	-	12,839

Amounts owed to group undertakings consists of loans. The loans are interest-free and have no fixed date for repayment.

### 10 Share capital and reserves

#### a) Share capital

	No.	£
Allotted and fully paid ordinary shares of £1 each		
At 1 January 2022 and at 31 December 2022	1	1

There were no changes to share capital during the year.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### b) Reserves

The profit and loss reserve represents cumulative profits or losses.

#### c) Dividends

	2022 £000	2021 £000
Interim dividend of 110,000 (2021: 2,152,800,000p) per each ordinary share	110	21,528

# **Travis Perkins Financing Company No.3 Limited**

## **Notes to the financial statements (continued)**

### **11 Related party transactions**

The company has related party relationships with its fellow group companies and with its directors. It has not disclosed transactions between group companies however, as permitted under section 33 of FRS 102.

There have been no related party transactions with directors.

### **12 Parent and ultimate parent undertaking**

The immediate and ultimate parent undertaking, controlling party and smallest and largest group to consolidate these financial statements is Travis Perkins plc, a company registered in England and Wales. Copies of the Travis Perkins plc group financial statements are available from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.