

Registration number: 09746264

# Travis Perkins (PSL2015) Limited

Annual report and financial statements

for the year ended 31 December 2018



# **Travis Perkins (PSL2015) Limited**

## **Contents**

Company information	1
Directors' report	2
Statement of Directors' responsibilities	4
Independent auditor's report	5
Profit and loss account and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

## **Travis Perkins (PSL2015) Limited**

### **Company information**

<b>Directors</b>	TP Directors Ltd M.R. Meech D. Screen A.R. Williams
<b>Company secretary</b>	TPG Management Services Limited
<b>Registered office</b>	Lodge Way House Lodge Way Harlestone Road Northampton NN5 7UG
<b>Auditors</b>	KPMG LLP Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

## **Travis Perkins (PSL2015) Limited**

### **Directors' report for the year ended 31 December 2018**

The Directors present their Annual report and the audited financial statements for the year ended 31 December 2018.

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

The Company has taken advantage of the exemption under section 414B of the Companies Act 2006 to not prepare a strategic report.

#### **Principal activity**

The principal activity of the Company is the making of an investment in Merchant Properties Limited.

#### **Future developments**

The profit and loss account is set out on page 8.

The Company made a pre-tax profit of £1,273,000 for the year ended 31 December 2018 (2017: £545,000) and has net assets of £1,429,000 (2017: £391,000).

The Directors believe the Company is satisfactorily placed to enable it to trade profitably in future.

#### **Directors of the Company**

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

J.P. Carter (resigned 1 May 2019)

TP Directors Ltd (appointed 14 May 2018)

M.R. Meech

D. Screen

A.R. Williams

#### **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 the 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.

The Directors do not recommend the payment of a dividend (2017: £nil).

#### **Political donations**

During the year the Company made no political donations nor incurred any political expenditure.

**Travis Perkins (PSL2015) Limited**

**Directors' report for the year ended 31 December 2018 (continued)**

**Disclosure of information to the auditors**

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 steps that they ought to have taken as a Director in order to make themselves 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 section 418 of the Companies Act 2006.

**Reappointment of auditors**

The auditors, KPMG LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment was proposed at the Annual General Meeting.

Approved by the Board on 30/6/19 and signed on its behalf by:



A.R. Williams  
Director

## **Travis Perkins (PSL2015) Limited**

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors 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 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 their profit or loss for that period. In preparing these 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;
- 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 company and to prevent and detect fraud and other irregularities.

## **Travis Perkins (PSL2015) Limited**

### **Independent Auditor's Report to the Members of Travis Perkins (PSL2015) Limited**

#### **Opinion**

We have audited the financial statements of Travis Perkins (PSL2015) Limited ('the Company') for the year ended 31 December 2018, which comprise the profit and loss account and other 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 2018 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.

#### **Other Matter**

*The impact of uncertainties due to the UK exiting the European Union on our audit*

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

#### **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 their 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 their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Travis Perkins (PSL2015) Limited**

### **Independent Auditor's Report to the Members of Travis Perkins (PSL2015) Limited (continued)**

#### **Directors' report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, 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.



**Travis Perkins (PSL2015) Limited**

**Independent Auditor's Report to the Members of Travis Perkins (PSL2015) Limited  
(continued)**



.....  
**Greg Watts (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: 30/09/19.....

**Travis Perkins (PSL2015) Limited**

**Profit and loss account and other comprehensive income for the year ended 31  
December 2018**

	Note	2018 £000	2017 £000
Gain on revaluation of fixed asset investments	8	1,104	417
Income from fixed asset investments		80	31
Administrative expenses		<u>(26)</u>	<u>(14)</u>
<b>Operating profit</b>		1,158	434
Interest receivable and similar income	6	<u>115</u>	<u>111</u>
<b>Profit on ordinary activities before taxation</b>		1,273	545
Tax charge on profit on ordinary activities	7	<u>(235)</u>	<u>(69)</u>
<b>Profit and total comprehensive income for the financial year</b>		<u><u>1,038</u></u>	<u><u>476</u></u>

The above results were derived from continuing operations.


# Travis Perkins (PSL2015) Limited

## Balance sheet as at 31 December 2018

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	8	2,395	1,291
<b>Current assets</b>			
Debtors (including £968,000 (2017: £968,000) due in more than one year)	9	1,164	998
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,881)</u>	<u>(1,859)</u>
<b>Net current liabilities</b>		<u>(717)</u>	<u>(861)</u>
<b>Total assets less current liabilities</b>		1,678	430
Provisions	11	<u>(249)</u>	<u>(39)</u>
<b>Net assets</b>		<u>1,429</u>	<u>391</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	<u>1,429</u>	<u>391</u>
<b>Total equity</b>		<u>1,429</u>	<u>391</u>

The notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements of Travis Perkins (PSL2015) Limited, registered number 09746264, were approved and authorised by the Board on 30/01/19 and signed on its behalf by:



A.R. Williams  
Director

**Travis Perkins (PSL2015) Limited**

**Statement of changes in equity for the year ended 31 December 2018**

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2017	-	(85)	(85)
Profit for the financial year and total comprehensive income	-	476	476
At 31 December 2017	-	391	391
Profit for the financial year and total comprehensive income	-	1,038	1,038
At 31 December 2018	-	1,429	1,429

# **Travis Perkins (PSL2015) Limited**

## **Notes to the financial statements for the year ended 31 December 2018**

### **1 General information**

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

The address of its registered office is given on page 1.

### **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 Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (as amended following its Triennial review in 2017).

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention, except that as disclosed in the accounting policies certain items are shown at fair value.

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 meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### **Going concern**

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 financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £717,000 which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Travis Perkins plc, the Company's ultimate parent undertaking. 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 in particular 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 (PSL2015) Limited**

### **Notes to the financial statements for the year ended 31 December 2018 (continued)**

## **2 Accounting policies (continued)**

### **Financial instruments**

#### ***Recognition and measurement***

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.

#### **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 and loss account 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.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge, including UK corporation tax and foreign tax, is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

## **Travis Perkins (PSL2015) Limited**

### **Notes to the financial statements for the year ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. 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 periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference. Deferred tax relating to tangible fixed assets measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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: the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and 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 period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Finance income and costs policy**

Interest income is recognised using the effective interest method.

#### **Share capital**

Equity instruments represent the ordinary share capital of the Company and are recorded at the proceeds received, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Travis Perkins (PSL2015) Limited**

### **Notes to the financial statements for the year ended 31 December 2018 (continued)**

#### **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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Valuation of investments
- Recoverability of amounts due from group undertakings



## Travis Perkins (PSL2015) Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 4 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2018 £000	2017 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>3</u>	<u>3</u>

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.

#### 5 Directors' remuneration

Four (2017: five) of the Directors are paid by other group companies and received total emoluments (including non-performance related bonuses) of £2,638,000 (2017: £4,089,000), pensions contribution of £387,000 (2017: £21,000) and performance-related bonus of £nil (2017: £nil) during the year, but it is not practicable to allocate their remuneration from other group companies for services rendered. In addition, of these Directors, none (2017: none) are accruing benefits under the Travis Perkins Pensions and Dependents' Benefit Scheme, which is a defined benefit pension scheme, and one (2017: three) are contributing towards the Travis Perkins Pension Plan, which is a defined contribution scheme, in respect of their service to other group companies.

Three Directors paid by another group company exercised share options during the year (2017: five)

No staff were directly employed by Travis Perkins (PSL2015) Limited in either financial period.

#### 6 Net interest income

	2018 £000	2017 £000
<b>Interest receivable and similar income</b>		
Interest income on financial assets	<u>115</u>	<u>111</u>
<b>Net interest income</b>	<u>115</u>	<u>111</u>

## Travis Perkins (PSL2015) Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 7 Tax

Tax charged in the income statement

	2018 £000	2017 £000
<b>Current taxation</b>		
UK corporation tax	32	30
UK corporation tax adjustment to prior periods	(7)	-
	25	30
<b>Deferred taxation</b>		
Origination and reversal of timing differences	210	39
Tax expense in the income statement	235	69

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017: lower than the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The differences are reconciled below:

	2018 £000	2017 £000
Profit before tax	1,273	545
Corporation tax at standard rate	242	105
Deferred tax credit from unrecognised tax loss or credit	(7)	(36)
Total tax charge	235	69

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017.

This reduction to the UK Corporation tax rate was substantively enacted as part of the Summer Finance Bill 2015 on 26 October 2015 and the 2016 Finance Bill on 15 September 2016. A further reduction will reduce the main rate to 17% from 1 April 2020. The deferred tax assets and liabilities at the balance sheet date have been measured using these enacted rates in these financial statements.

#### 8 Fixed asset investments

	2018 £000	2017 £000
At 1 January	1,291	874
Gain in fair value	1,104	417
At 31 December	2,395	1,291

## Travis Perkins (PSL2015) Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 8 Fixed asset investments (continued)

The carrying value of the investments in subsidiary undertakings is supported by their underlying net assets or trading.

The company holds 15% of the nominal value of ordinary shares issued by Merchant Property Limited, a property owning entity incorporated in Guernsey that acquired properties from the Travis Perkins Group in 2015. This investment presents the Company with opportunities to generate returns through both income and capital gains.

The fixed asset investment is measured at fair value through profit or loss. No adjustment has been recognised in relation to credit risk, which is not material.

Merchant Property Limited is not accounted for as an associated undertaking because the Company is not in a position to exercise significant influence.

#### 9 Debtors

	2018 £000	2017 £000
Loans receivable	968	968
Prepayments and accrued income	32	30
Amounts owed by group undertakings	164	-
	<u>1,164</u>	<u>998</u>

Amounts owed by group undertakings include loans and trade balances. The loans receivable are at an interest rate of 11% per annum and are repayable by 2030.

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

	2018 £000	2017 £000
<b>Due within one year</b>		
Amounts due to group undertakings	1,849	1,829
Corporation tax liability	32	30
	<u>1,881</u>	<u>1,859</u>

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

## Travis Perkins (PSL2015) Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 11 Deferred tax

	Provided		Unprovided	
	2018	2017	2018	2017
	£000	£000	£000	£000
Revaluation of fixed asset investment	(249)	(39)	-	-

There are no unprovided amounts of deferred tax.

There are no unused tax losses or unused tax credits.

#### 12 Share capital

##### Allotted, called up and fully paid shares

	No.	2018 £000	No.	2017 £000
Ordinary shares of £1 each	2	-	2	-

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.

#### 13 Reserves

The profit and loss reserve represents cumulative profits or losses.

#### 14 Related party transactions

The Company has taken advantage of the exemption contained within FRS 102 and not disclosed transactions or balances with companies that are fellow wholly-owned subsidiaries of Travis Perkins plc.

At the end of the year the Company was owed £967,500 by Merchant Property Limited, an investment of the company. The amount represents two loans which incur an average interest of 11% per annum and are repayable by 2030.

#### 15 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.