INDEPENDENT AUDITOR'S REPORT
to the members of Travis Perkins plc

1. Our opinion is unmodified

We have audited the financial statements of Travis Perkins plc ("the Company") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement, and the related notes, including the accounting policies included within the respective note to the financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the shareholders on 28 May 2015. The period of total uninterrupted engagement is for the ten financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole	£9.5m (2023: £10.0m) 4.8% (2023: 4.4%) of adjusted normalised Group profit before tax from continuing operations	
Key audit matters vs 2023		
Recurring risks	Accounting for inventory	◀▶
	Parent Company's key audit matter: Recoverability of parent Company's investment in Travis Perkins Group Holdings Limited	◀▶
New risks	Recoverability of goodwill in respect of the Travis Perkins General Merchant (TPGM) and Toolstation Benelux groups of cash generating units	▲
	General ledger migration	▲

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

	The risk	Our response
General ledger migration *(Included within trade and other payables of £836 million)* *Refer to page 84 (Audit Committee report).*	**Data processing** On 1 July 2024, as part of the groups ongoing Finance Transformation programme certain material components of the group migrated to a new ERP system. Following implementation those businesses experienced a number of challenges associated with the processing of transactions through the system. This primarily impacted the processing of supplier invoices in a timely manner. These issues increase the risk of errors in the completeness and accuracy of the impacted accounts associated with the purchase to pay and related processes, including the direct sales accrual.	We performed the tests below rather than seeking to rely on any of the Group's controls because the inherent nature of the challenges associated with the implementation of the new ERP system indicated that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Tests of detail:** For a risk-based selection of suppliers we obtained reconciliations of the outstanding balance as stated by the supplier to amounts recognised in the general ledger. We corroborated the accuracy of the reconciling items on a sample basis by agreeing to supporting documentation. We verified the accuracy of the year end cash position by obtaining independent confirmation of the balances. We critically assessed the appropriateness of reconciling items and where relevant obtained supporting documentation. We performed a search for unrecorded liabilities test for a sample of items settled by the Group after the year end to validate that they were appropriately accrued in the year end balance sheet. **Our results:** The results of our testing were satisfactory, and we found the supplier liabilities recognised to be acceptable.
Recoverability of goodwill in respect of the Travis Perkins General Merchant (TPGM) and Toolstation Benelux groups of cash generating units (£540 million; 2023: £542million) *Refer to page 86 (Audit Committee report) and page 165 (accounting policy and financial disclosures).*	**Forecast based assessment** The TPGM group of CGUs is at significant risk of impairment due to suppressed demand arising from the challenging economic environment in the UK, including the impact of sustained elevated interest rates and a reduction in the construction of new housing stock. The estimated recoverable amount of TPGM is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. There is also a fraud risk as the directors may be incentivised to overstate the forecast cashflows in order to avoid an impairment given the significance of this CGU to the Group. The recoverable amount is sensitive to changes in key assumptions, principally relating to revenue growth, operating profit margin and discount rates. Changes to these key assumptions could have a material impact on the carrying value of the associated goodwill. The Toolstation Benelux group of CGUs is an immature business and during 2024 was subject to a change in strategy to focus on short term profitability rather than long term growth. The estimated recoverable amount of Toolstation Benelux is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows, particularly in an immature business. The recoverable amount is sensitive to changes in key assumptions, principally relating to revenue growth, and discount rates. Changes to these key assumptions could have a material impact on the carrying value of the associated goodwill. The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of the TPGM and Toolstation Benelux goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 29) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Assessing methodology:** We assessed whether the principles and integrity of the cash flow models used to estimate the recoverable amounts is in accordance with the relevant accounting standards; • **Sensitivity analysis:** We performed sensitivity analysis using reasonably possible downside scenarios on the key assumptions , being those that were most sensitive to a change and assessed the impact on recoverable amount; • **Challenging assumptions:** We challenged the key assumptions for each group of CGUs by benchmarking to third party sources; • **Our valuation experience:** We independently determined an appropriate range of discount rates to be applied to the impairment model using our own valuation specialists; • **Historical comparisons:** We evaluated the track record of historical assumptions used against actual results achieved; and • **Assessing transparency:** We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessments to a reasonably possible change in key assumptions reflected the risks inherent in the recoverable amount of goodwill. **Our results:** We found the Group's conclusion that there is no impairment of the goodwill related to TPGM and Toolstation Benelux to be acceptable (2023: acceptable).

	The risk	Our response
Accounting for inventory (£649 million; 2023: £728 million) *Refer to page 84 (Audit Committee report) and page 148 (accounting policy and financial disclosures).*	**Accounting for inventory (quantities and cost)** The Group holds a significant amount of inventory across its large branch network and a number of warehouses. The Group's inventory is comprised of a very large number of products, typically held in large quantities, with high inventory turnover. The Group conducts periodic inventory counts and updates its inventory records to reflect the results of the counts. Cost is based on a weighted average purchase price. Whilst inventory is not considered to represent a significant risk of material misstatement, it is one of the matters that has the greatest effect on our overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team in order to conclude.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design and implementation of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. Our procedures included: • **Tests of detail:** We counted a sample of inventory lines across a sample of the Group's branches and warehouses and compared the results of our counts to the Group's inventory records. Where our counts were performed prior to or just after the year-end date, we obtained evidence for any significant movements in inventory quantities to the year-end date. We evaluated the results of our count procedures using statistical routines. • **Independent reperformance:** We recalculated the net purchase prices attributed to a sample of individual inventory lines. This procedure included the use of a data and analytics procedure for certain inventory lines and substantive tests of detail for others. **Our results:** We found the accounting for inventory to be acceptable (2023: acceptable).
Recoverability of Parent Company's investment in Travis Perkins Group Holdings Limited (£2,417 million; 2023: £1,922 million) *Refer to page 175 (accounting policy and financial disclosures).*	**Low risk, high value** The parent company holds an investment in Travis Perkins Group Holdings Limited which in turn owns a significant majority of the Group's trading businesses. This balance represents 99.8% (2023: 99.8%) of the parent Company's total assets. The recoverability of the investment is not at a high risk of material misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Comparing valuations:** Comparing the sum of the recoverable amounts prepared for the purposes of goodwill impairment testing to the carrying value of the investment to assess the recoverability; • **Comparing valuations:** Comparing the enterprise value of the group implied by the market capitalisation to the carrying value of the investment to assess the recoverability and considered the possible explanations for the difference; and • **Comparing valuations:** We compared the share price implied by the carrying value of the investment to the forward looking share price forecasts in stock market analyst reports. **Our results:** We found the parent Company's conclusion that there is no impairment of its investment in subsidiaries to be acceptable (2023: acceptable)

We continue to perform procedures over gross defined benefit obligations. However, following changes in our overall assessment of the audit risks, we have not assessed this as one of the areas of most significance to our current year audit and, therefore, it is not separately identified in our report this year.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £9.5m (2023: £10.0m), determined with reference to a benchmark of adjusted normalised Group profit before tax from continuing operations (2023: adjusted normalised Group profit before tax from continuing operations) of £194m (2023: £229m) of which it represents 4.8% (2023: 4.4%). In 2024 we normalised the benchmark by adding back adjusting items that do not represent the normal, continuing operations of the Group, and by averaging the benchmark over 4 years. The items we adjusted for were Administrative expenses- adjusting items disclosed in note 3. We selected 4 years to average the benchmark to account for the fluctuations in the business Group's performance driven by temporary macro economic factors that have had impact on the overall profitability of the Group.

Materiality for the parent Company financial statements as a whole was set at £7.6m (2023: £8.0m), determined with reference to a benchmark of the Parent Company total assets, of which it represents 0.3% (2023: 0.3%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2023: 65%) of materiality for the financial statements as a whole, which equates to £6.2m (2023: £6.5m) for the Group and £4.9m (2023: £5.2m) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements in prior periods and our knowledge of the Group's control environment.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.5m (2023: £0.4m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

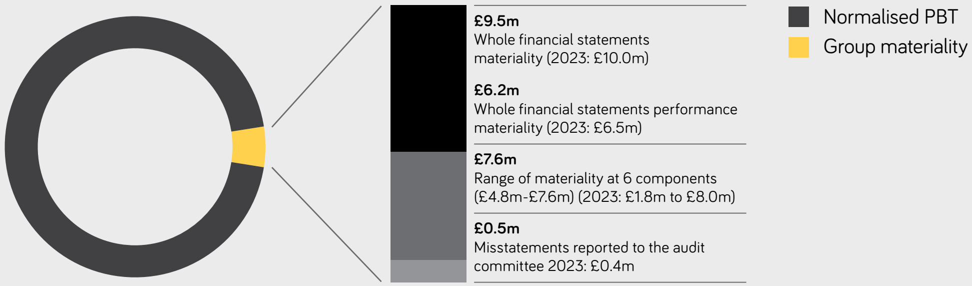
This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

Normalised Group profit before tax
£194m (2023: £229m)

Group materiality
£9.5m (2023: £10.0m)



In total, we identified 6 components, having considered our evaluation of the existence of common risk profile across entities, the presence of key audit matters and our ability to perform audit procedures centrally.

Of those, we identified 5 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected 1 component with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on 6 components, of which we involved component auditors in performing the audit work on 2 components.

We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality.

We set the component materialities, ranging from £4.8m to £7.6m, having regard to the mix of size and risk profile of the Group across the components.

Our audit procedures covered 95% of Group revenue. We performed audit procedures in relation to components that accounted for 97% of Group profit before tax and 94% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 2.7% of Group total revenue, Group profit before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Impact of controls on our group audit

We identified the main Enterprise Resource Planning ('ERP') finance systems as the key IT systems relevant to our Group audit.

The Group has operated four ERP systems during the course of the current year across the in-scope components of the Group, which are managed from a centralised IT function primarily in the UK. With the assistance of our IT auditors, we obtained an understanding of these IT systems.

The ERP that accounts for the majority of the Group's transactions has transitioned from a legacy ERP to a new ERP in the current year as referenced in page 87 of the Audit Committee report. Due to the timing of the transition in the current year and the implementation challenges faced with processing transactions, we did not plan to rely on IT controls for the legacy and new ERP system. Our key audit matter in section 2 on general ledger migration explains the work we performed in response to the implementation challenges.

In addition to the primary ERP, the Group has two further ERPs that are used by smaller components where we performed audit procedures in our Group audit. Due to the relative size of these components, we deemed a fully substantive approach was most efficient and effective for gaining the appropriate audit evidence for in-scope components using these systems.

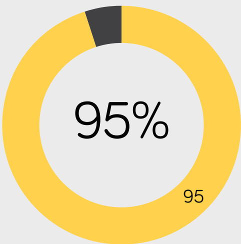
For most areas of the audit, given we did not rely on the related IT controls, we took a predominantly substantive audit approach and accordingly increased the extent of our substantive procedures. We considered this to be the most efficient and effective for gaining the appropriate audit evidence. We adopted a data-oriented approach to testing journals and used data and analytical routines to test revenue across a majority of components and inventory costing in some components.

We planned to rely on the operating effectiveness of manual controls over certain data inputs used in our revenue audit routines, but we were unable to due to certain deficiencies being identified. As a result, and given we did not rely on the related IT controls, a manual testing approach was performe dover the completeness and accuracy of data used in these routines and in respect of system data used in our substantive testing on other transactional areas. Refer to our key audit matter in section 2 in relation to inventory and the impact of controls on our approach.

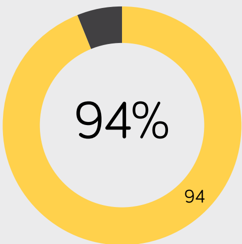
Our audit procedures covered the following percentage of Group revenue:

We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:

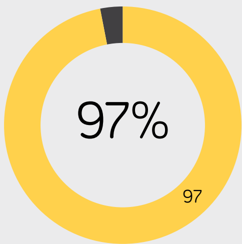
Group revenue



Group total assets



Group profit before tax



Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components including the key audit matter in respect of accounting for inventory with a particular focus on stock costing and branch inventory accounts.

We issued Group audit instructions to component auditors on the scope and nature of their work, including specifying the minimum procedures to perform in their audit of inventory, pensions, cash and purchases.

All in scope components are based in the UK. We have held in- person, video and telephone conference meetings with the component auditors throughout the audit to discuss the results of planning procedures and further audit procedures.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed with a particular focus on stock costing and branch inventory counts.

4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

As the Group has set out on page 46, climate change has the potential to significantly impact the construction sector during the transition to a low carbon environment. The Group has stated their commitment to help the industry to decarbonise and has set out its own commitments to reduce carbon.

The areas of financial statements that are most likely to be potentially affected by climate related changes and initiatives are balances subject to forward looking assessments such as those subject to impairment tests and those being depreciated or amortised over an estimated useful life of assets. The Group considered the impact of climate change and the Group's targets in the preparation of the financial statements, as described on page 146 in relation to the estimated useful economic life of property, plant and equipment and 165 in relation to impairment.

We performed a risk assessment, taking into account climate change risks and the commitments made by the Group. This included enquiries of key personnel and those charged with governance, consideration of the Group's processes for assessing the potential impact of climate change risk on the Group's financial statements, assessing the TCFD scenario analysis performed by the Group and reading the Group's Carbon Disclosure Project submission.

Based on our risk assessment we determined that, taking into account the extent of headroom on goodwill and the nature and estimated useful economic life of property, plant and equipment, there are no significant risks of material misstatement in relation to climate change.

There was limited impact of climate change on our key audit matters included in section 2.

We have read the Group's disclosure of climate related information in the front half of the annual report as set out on pages 43 to 58 and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and 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").

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

5. Going concern continued

We used our knowledge of the Group, its industry, and the uncertain economic environment to identify the inherent risks to the Group's business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources and metrics relevant to debt covenants over this period was adverse macroeconomic conditions resulting in lower than expected trading volumes.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included:

- Evaluating how the Group's risk assessment process identifies business risks relating to events and conditions that may cast significant doubt on the ability to continue as a going concern and evaluating the models the Group uses in its assessment.
- Critically assessing the assumptions in the base case and downside scenarios relevant to liquidity and covenant metrics and the impacts of historical trends in severe economic situations and overlaying knowledge of the entity's plans based on approved budgets and our knowledge of the entity and the sector in which it operates.
- Challenged the reasonableness of the Group's budgets and forecasts and evaluated whether the growth targets are within a reasonable range.
- We considered whether the going concern disclosure in the 'General Information' section in the notes to the financial statements set out on page 136 gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

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 Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in the 'General Information' section on page 136 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 77 is materially consistent with the financial statements and our audit knowledge.

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 Group or the Company will continue in operation.

6. 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, the audit committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, remuneration committee and nomination committee minutes.
- Considering remuneration incentive schemes and performance targets for Directors.
- Our forensic specialists assisting us in identifying key fraud risks. This included holding a discussion with the engagement partner and team and assisting with designing relevant audit procedures to respond to the identified fraud risks.
- 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. This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures, our overall knowledge of the control environment, to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component 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 sales are individually low value (high volume) across a high number of independently managed branches and there is no judgement in applying the revenue recognition criteria.

We identified a fraud risk related to the recoverability of goodwill in response to the weak economic environment within the construction sector and suppressed results of the business. Further detail is set out in section 2.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all quantitatively significant components based on risk criteria and comparing the identified entries components to supporting documentation. These included those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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 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. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, climate change, responsible sourcing and import compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other 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.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report

Based solely on our work on the other information:

- 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.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability assessment on page 25 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability assessment of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability assessment, set out on page 25 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 121, the directors are responsible for: the preparation of the financial statements including 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 Group and parent 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 Group or the parent 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.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. 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
31 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

£m	Notes	2024	2023 (re-presented[1])
Revenue	1	**4,607.4**	4,837.1
Gross profit		**1,203.7**	1,298.8
Charge for impairment losses for trade receivables	14	**(16.7)**	(16.8)
Selling and distribution		**(779.2)**	(823.2)
Administrative expenses – other		**(271.3)**	(284.9)
Profit on disposal of properties		**11.3**	15.1
Other operating income	4	**4.0**	9.1
Adjusted operating profit		**151.8**	198.1
Administrative expenses – adjusting items	3	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets		**(10.4)**	(10.5)
Operating profit	2	**2.3**	160.7
Finance income	6	**11.1**	12.1
Finance costs	6	**(51.8)**	(51.4)
(Loss)/profit before tax		**(38.4)**	121.4
Tax	7	**(2.2)**	(31.9)
(Loss)/profit from continuing operations		**(40.6)**	89.5
Loss from discontinuing operations	8	**(36.8)**	(51.4)
(Loss)/profit for the year		**(77.4)**	38.1

All (loss)/profit for the year is attributable to the owners of the Company.

Earnings per share (note 20):

	2024	2023 (re-presented[1])
Adjusted basic earnings	**36.6p**	54.4p
Basic earnings		
– from continuing operations	**(19.2)p**	42.5p
– total	**(36.6)p**	18.1p
Diluted earnings		
– from continuing operations	**(19.2)p**	41.8p
– total	**(36.6)p**	17.8p

1 Figures for the year ended 31 December 2023 have been re-presented to exclude the results of the Toolstation Europe France business, which is now presented as a discontinued operation.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

£m	Notes	2024	2023
(Loss)/profit for the year		**(77.4)**	38.1
Items that will not be reclassified subsequently to profit and loss:			
Actuarial gain/(loss) on defined benefit pension schemes	18	**35.1**	(41.0)
Deferred tax relating to other comprehensive income	7	**(9.5)**	10.2
Items that may be reclassified subsequently to profit and loss:			
Foreign exchange differences on retranslation of foreign operations		**(2.3)**	(1.2)
Fair value gain/(loss) on cash flow hedges	27	**0.4**	(1.4)
Deferred tax on cash flow hedges	7	**(0.1)**	0.4
Total other comprehensive profit/(loss) for the year net of tax		**23.6**	(33.0)
Total comprehensive (loss)/income for the year		**(53.8)**	5.1
Total comprehensive (loss)/income for the year attributable to the owners of the Company arises from:			
Continuing operations		**(16.9)**	57.0
Discontinued operations		**(36.9)**	(51.9)
		(53.8)	5.1

All other comprehensive income is attributable to the owners of the Company.

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

£m	Notes	2024	2023
Assets			
Non-current assets			
Goodwill	9	**821.3**	847.9
Other intangible assets	9	**86.9**	99.9
Property, plant and equipment	10	**771.1**	848.4
Right-of-use assets	11	**545.4**	530.4
Non-current prepayments	14	**15.3**	14.2
Deferred tax asset	16	**17.5**	18.0
Derivative financial instruments	28	**3.3**	2.9
Retirement benefit asset	18	**116.9**	100.6
Total non-current assets		**2,377.7**	2,462.3
Current assets			
Inventories	12	**648.6**	727.6
Trade and other receivables	14	**760.5**	689.6
Tax debtor		**–**	14.5
Cash and cash equivalents, excluding bank overdrafts	23	**244.4**	131.5
Total current assets		**1,653.5**	1,563.2
Total assets		**4,031.2**	4,025.5
Equity and liabilities			
Capital and reserves			
Issued share capital		**23.8**	23.8
Share premium account		**545.6**	545.6
Cash flow hedge reserve	27	**2.5**	2.9
Merger reserve		**326.5**	326.5
Revaluation reserve		**9.5**	10.8
Own shares		**(7.2)**	(14.1)
Foreign exchange reserve		**6.1**	8.4
Capital redemption reserve		**1.4**	1.4
Retained earnings		**1,065.9**	1,135.0
Total equity	19	**1,974.1**	2,040.3

£m	Notes	2024	2023
Non-current liabilities			
Interest-bearing loans and borrowings	22	**421.8**	445.1
Lease liabilities	11	**560.1**	518.8
Deferred tax liabilities	16	**68.3**	92.8
Long-term provisions	15	**21.6**	3.8
Total non-current liabilities		**1,071.8**	1,060.5
Current liabilities			
Lease liabilities	11	**94.5**	89.6
Overdraft	22	**13.2**	–
Derivative financial instruments	28	**–**	0.4
Trade and other payables	17	**838.2**	795.4
Short-term provisions	15	**39.4**	39.3
Total current liabilities		**985.3**	924.7
Total liabilities		**2,057.1**	1,985.2
Total equity and liabilities		**4,031.2**	4,025.5

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 31 March 2025 and signed on its behalf by:

Geoff Drabble
Chair

Duncan Cooper
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

£m	Share capital	Share premium	Cash flow hedge reserve	Merger reserve	Revaluation reserve	Own shares	Foreign exchange reserve	Other	Retained earnings	Total equity
At 1 January 2023	23.8	545.6	4.3	326.5	12.1	(34.3)	9.6	1.4	1,213.2	2,102.2
Profit for the year	–	–	–	–	–	–	–	–	38.1	38.1
Other comprehensive income for the year net of tax	–	–	(1.4)	–	–	–	(1.2)	–	(30.4)	(33.0)
Total comprehensive income for the year	–	–	(1.4)	–	–	–	(1.2)	–	7.7	5.1
Dividends paid	–	–	–	–	–	–	–	–	(82.1)	(82.1)
Adjustments in respect of revalued fixed assets net of tax	–	–	–	–	(1.3)	–	–	–	1.8	0.5
Own shares movement	–	–	–	–	–	20.2	–	–	(20.2)	–
Equity-settled share-based payments net of tax	–	–	–	–	–	–	–	–	14.6	14.6
At 1 January 2024	23.8	545.6	2.9	326.5	10.8	(14.1)	8.4	1.4	1,135.0	2,040.3
Loss for the year	–	–	–	–	–	–	–	–	(77.4)	(77.4)
Other comprehensive income for the year net of tax	–	–	0.3	–	–	–	(2.3)	–	25.6	23.6
Total comprehensive loss for the year	–	–	0.3	–	–	–	(2.3)	–	(51.8)	(53.8)
Dividends paid	–	–	–	–	–	–	–	–	(23.2)	(23.2)
Adjustments in respect of revalued fixed assets net of tax	–	–	–	–	(1.3)	–	–	–	1.5	0.2
Sale of own shares	–	–	–	–	–	0.1	–	–	–	0.1
Own shares movement	–	–	–	–	–	6.8	–	–	(6.8)	–
Exercise of options over non-controlling interest	–	–	–	–	–	–	–	–	(1.2)	(1.2)
Equity-settled share-based payments net of tax	–	–	–	–	–	–	–	–	11.7	11.7
Reclassification	–	–	(0.7)	–	–	–	–	–	0.7	–
At 31 December 2024	23.8	545.6	2.5	326.5	9.5	(7.2)	6.1	1.4	1,065.9	1,974.1

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

£m	2024	2023 (re-presented)
Cash flows from operating activities		
Operating profit	**2.3**	160.7
Adjustments for:		
Depreciation of property, plant and equipment	**79.8**	79.1
Depreciation of right-of-use assets	**96.8**	88.9
Amortisation of other intangibles	**3.6**	4.6
Amortisation of acquisition-related intangibles	**10.4**	10.5
Share-based payments	**11.7**	14.6
Gain on disposal of property, plant and equipment	**(11.3)**	(15.1)
Purchase of tool hire assets	**(3.8)**	(7.8)
Decrease / (increase) in inventories	**63.6**	(0.4)
(Increase) / decrease in receivables	**(76.1)**	36.9
Increase / (decrease) in payables	**18.0**	(59.1)
Adjusting items payments less than/(greater than) the charge	**119.2**	16.3
Cash generated from operations	**314.2**	329.2
Interest paid and debt arrangement fees	**(25.3)**	(31.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income taxes paid	**(20.9)**	(40.7)
Net cash inflow from continuing operating activities	**238.4**	231.9
Net cash outflow from discontinued operating activities	**(15.9)**	(14.3)
Net cash from operating activities	**222.5**	217.6

£m	2024	2023 (re-presented)
Cash flows from investing activities		
Interest received	**5.8**	6.0
Proceeds on disposal of property, plant and equipment	**63.0**	69.1
Purchases of land and buildings	**(12.3)**	(33.2)
Purchases of other property, plant and equipment	**(55.8)**	(96.5)
Purchase/development of computer software	**(4.1)**	(2.9)
Net cash outflow from continuing investing activities	**(3.4)**	(57.5)
Net cash outflow from discontinued investing activities	**–**	(1.4)
Net cash outflow from investing activities	**(3.4)**	(58.9)
Cash flows from financing activities		
Sale of own shares	**0.1**	–
Repayment of lease liabilities	**(93.8)**	(82.4)
Payments to pension scheme	**–**	(3.8)
Dividends paid	**(23.2)**	(82.1)
Drawdown of borrowings	**–**	100.0
Repayment of bonds	**–**	(180.0)
Net cash outflow used in continuing financing activities	**(116.9)**	(248.3)
Net cash outflow used in discontinued financing activities	**(2.5)**	(2.1)
Net cash used in financing activities	**(119.4)**	(250.4)
Net increase/(decrease) in cash and cash equivalents	**99.7**	(91.7)
Cash and cash equivalents at 1 January	**131.5**	223.2
Cash and cash equivalents at 31 December (note 22)	**231.2**	131.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

GENERAL INFORMATION

Overview

Travis Perkins plc is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 174. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 6 to 25.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates, and presented rounded to the nearest £100,000 unless otherwise stated.

Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101; these are presented on pages 172 to 180.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except that derivatives, other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and designated financial instruments are stated at fair value through other comprehensive income. The consolidated financial statements include the accounts of the Company and all entities controlled by the Company (its subsidiaries, together referred to as "the Group") from the date control commences until the date that control ceases. Control is achieved where the Company:

- Has power over the investee.
- Is exposed or has rights to a variable return from the involvement with the investee.
- Has the ability to use its power to affect its returns.

As such, the results of subsidiaries acquired are included in the consolidated income statement from the effective date of acquisition.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Going concern

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

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue, removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividend reduction.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and the successful issuance of £125m of new debt in March 2025.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 59 to 69 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements. The going concern assessment is not sensitive to estimates on inflation.

Significant accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

Key judgements and estimates

The preparation of financial statements requires the Directors to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. The Directors frequently re-evaluate these significant factors and make adjustments as facts and circumstances dictate. During the year the Group implemented Oracle as its new finance system in three of its Merchanting businesses. This will reduce the level of estimation previously necessitated by these businesses' use of finance systems first implemented by the Group over 30 years ago. The anticipated challenges of implementing a new finance system means that there is a greater amount of estimation in the preparation of the 2025 financial statements than is anticipated to be the case in future reporting periods, particularly in respect of accrued revenue and related liabilities. None of these areas are considered to have a significant risk of a material adjustment to the carrying value of assets and liabilities within the next financial year.

Key judgements and estimates, including those that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, are found in the following notes:

Page	Note	Description
144	8	Classification of Toolstation France as a discontinued operation
154	18	Pension liability assumptions
166	29	Impairment reviews

The notes are organised into the following sections:

Income and expenses: Provides a breakdown of individual line items in the income statement and summarises the accounting policies, judgements and estimates relevant to understanding these items.

Assets and liabilities: Provides a breakdown of individual line items in the balance sheet and summarises the accounting policies, judgements and estimates relevant to understanding these items.

Capital: Provides information about the capital management practices of the Group and shareholder returns for the year.

Risks: Discusses the Group's impairment testing and the exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks.

Group structure: Explains aspects of the Group structure and how changes have affected the financial position and performance of the Group.

People: Provides information about the number of people employed by the Group and associated costs.

Other: Provides information on items which require disclosure, but are not considered critical in understanding the financial performance or position of the Group.

INCOME AND EXPENSES

1. Revenue

Accounting policy

Revenue recognition

Revenue is recognised when the Group has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Performance obligations to the customer in respect of sales of goods are satisfied on delivery or collection by customer. Payments are typically due from credit customers not later than the last day of the month following the month of delivery. Revenue is measured at the transaction price received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax. For the Group sale of services revenue comprises tool hire. Tool hire revenue is recognised on a straight-line basis over the period of hire.

Customer rebates

Where the Group has rebate agreements with its customers, the value of variable income with respect to customer rebates is calculated in accordance with the agreements in place so that the amount recognised as revenue in the year is based on the amount which is highly probable not to reverse.

a. Revenue

£m	2024	2023 (re-presented)
Sale of goods	**4,439.9**	4,668.3
Sale of services	**167.5**	168.8
	4,607.4	4,837.1

All revenue arose in the UK except for £109.1m (2023: £107.3m) arising in Europe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

1. Revenue continued
b. Revenue reconciliation and like-for-like sales

£m	Merchanting	Toolstation	Total
2023 revenue (re-presented)	4,035.8	801.3	4,837.1
Network change	(62.5)	(12.7)	(75.2)
Trading days	49.5	2.4	51.9
2023 like-for-like revenue (re-presented)	4,022.8	791.0	4,813.8
Like-for-like change	(271.9)	15.3	(256.6)
2024 like-for-like revenue	3,750.9	806.3	4,557.2
Network change	35.4	14.8	50.2
2024 revenue	3,786.3	821.1	4,607.4
Like-for-like revenue growth	(6.8%)	1.9%	(5.3%)
Total revenue growth	(6.2%)	2.5%	(4.7%)

Like-for-like sales are a measure of underlying sales performance for two successive periods. Branches and stores contribute to like-for-like sales once they have been trading for more than 12 months. Revenue included in like-for-like is for the equivalent times in both years being compared. When branches close, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year.

2. Profit
a. Operating profit

£m	2024	2023 (re-presented)
Revenue	**4,607.4**	4,837.1
Cost of sales	**(3,403.7)**	(3,538.3)
Gross profit	**1,203.7**	1,298.8
Charge for impairment losses for trade receivables	**(16.7)**	(16.8)
Selling and distribution	**(779.2)**	(823.2)
Administrative expenses – other	**(271.3)**	(284.9)
Profit on disposal of properties	**11.3**	15.1
Other operating income	**4.0**	9.1
Adjusted operating profit	**151.8**	198.1
Administrative expenses – adjusting items	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets	**(10.4)**	(10.5)
Operating profit	**2.3**	160.7
Adjusted operating profit before property disposals	**140.5**	183.0

During the year the Group recognised a gain on the disposal of plant and equipment of £0.8m (2023: nil).

b. Adjusted profit

£m	2024	2023 (re-presented)
(Loss)/profit before tax	**(38.4)**	121.4
Adjusting items (note 3)	**139.1**	26.9
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusted profit before tax	**111.1**	158.8
Total tax	**(2.2)**	(31.9)
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquired intangible assets	**(2.6)**	(2.6)
Adjusted profit after tax	**77.3**	114.6

Adjusted profit excludes adjusting items and amortisation of acquired intangible assets.

3. Adjusting items

Accounting policy

Adjusting items are those items of income and expenditure that, individually or in aggregate, by reference to the Group, are material in size and unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements (or in the notes in the case of a segment) to ensure both that the reader has a clear understanding of the Group's underlying financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant one-year or multi-year restructuring programmes, onerous contracts, write-downs or impairments of assets, the costs of acquiring and integrating businesses, gains or losses on disposals of businesses and investments, re-measurement gains or losses arising from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective, pension scheme curtailment gains and the effect of changes in corporation tax rates on deferred tax balances.

£m	2024	2023 (re-presented)
Restructuring	**37.0**	16.8
Staircraft impairment (note 29)	**32.7**	–
Branch impairments (note 29)	**62.7**	–
Benchmarx branch closures	**6.7**	10.1
	139.1	26.9

Restructuring

In the second half of 2023, in response to the continued weakness in the construction market, the Group commenced a restructuring of its support functions and its supply chain. This programme concluded in 2024.

The 2024 costs associated with this programme are:

- £26.2m of costs from the consolidation of the Group's supply chain, including £9.3m of dilapidations costs and other property-related items, £12.9m of stock impairments and £4.0m of other associated costs. Of these items, £4.7m of stock impairments, £1.4m property costs and £1.3m of other associated costs relate to the Toolstation UK business.
- Redundancy and other associated costs of £10.8m in respect of central and regional restructuring.

Costs of £16.8m were incurred in 2023 in respect of this restructuring activity.

Impairment

A full branch-level impairment review was conducted and identified 209 Merchanting branches where the carrying value of the branch assets was above the value of the discounted future cash flows generated from these assets. The total impairment recognised in respect of Travis Perkins General Merchant and CCF branches is £57.0m and reflects the under-utilisation of these assets within the review period as a result of cyclically depressed market volumes. A charge of £5.7m has been recognised in respect of other branch assets. Additionally, an impairment of £32.7m has been recognised in respect of the annual impairment review of the Staircraft business. Refer to note 29 for more details on the Group's impairment reviews.

Benchmarx branch closures

In 2023 a charge of £10.1m was recognised in respect of the impairment of tangible fixed assets and right-of-use assets and the recognition of property-related provisions for 39 standalone Benchmarx branches. These branches were closed in 2024 and an additional charge of £6.7m recognised in respect of closure costs.

4. Other operating income and auditor's remuneration

a. Other operating income

£m	2024	2023 (re-presented)
Rental income	**3.8**	4.4
Transitional Service Agreement income	**0.2**	4.7
	4.0	9.1

The Transition Service Agreement income represented amounts received in respect of specific services provided to businesses the Group had sold or demerged in order to maintain business continuity in those businesses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

4. Other operating income and auditor's remuneration continued

b. Auditor's remuneration

During the year the Group incurred the following costs for services provided by the Company's auditor:

£m	2024	2023
Fees payable to the Company's auditor for audit services:		
Audit of the Company's annual accounts	**0.5**	0.3
Auditor for the audit of the Company's subsidiaries	**2.2**	1.7
Additional fees payable for the prior period audit	**0.4**	0.1
Fees paid to the Company's auditor for other services:		
Audit-related assurance services	**0.1**	0.1
	3.2	2.2

A description of the work of the Audit Committee is set out in the Audit Committee report on pages 84 to 89 and includes an explanation of how auditor objectivity and independence is safeguarded when the auditor provides non-audit services.

5. Business segments

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), which is considered to be the Board, to assess performance and allocate capital.

Segmental operating profit represents the result of each segment without allocation of certain central costs, finance costs and tax. Segmental adjusted operating profit is the result of each segment before adjusting items, the amortisation of acquired intangible assets and property profits. Unallocated segment assets and liabilities comprise financial instruments, current and deferred tax, cash, borrowings and pension scheme assets and liabilities.

Both operating segments sell building materials to a wide range of customers, none of which are dominant, and operate predominantly in the United Kingdom. The Toolstation segment sells building materials at a fixed price, with a fixed range in each store. The Merchanting segment sells building materials at prices specifically negotiated with customers, with variation in the products offered in each branch.

a. Segment information

	2024			
£m	Merchanting	Toolstation	Unallocated	Consolidated
Revenue	3,786.3	821.1	–	4,607.4
Operating profit	19.5	12.0	(29.2)	2.3
Amortisation of acquired intangible assets	7.6	2.8	–	10.4
Adjusting items	132.6	6.5	–	139.1
Less property profits	(11.3)	–	–	(11.3)
Segmental adjusted operating profit	148.4	21.3	(29.2)	140.5
Adjusted operating margin	3.9%	2.6%	–	3.0%
Average capital employed	2,232.5	564.3	12.4	2,809.2
Segment assets	2,888.0	726.6	416.6	4,031.2
Segment liabilities	(1,165.3)	(380.9)	(510.9)	(2,057.1)
Consolidated net assets	1,722.7	345.7	(94.3)	1,974.1
Capital expenditure excluding property	51.4	12.6	–	64.0
Depreciation of fixed assets and software amortisation	75.3	18.5	–	93.8
Depreciation of right-of-use assets	67.4	29.4	–	96.8

	2023 (re-presented)			
£m	Merchanting	Toolstation	Unallocated	Consolidated
Revenue	4,035.8	801.3	–	4,837.1
Operating profit	198.9	(4.8)	(33.4)	160.7
Amortisation of acquired intangible assets	7.6	2.9	–	10.5
Adjusting items	20.9	5.2	0.8	26.9
Less property profits	(15.1)	–	–	(15.1)
Adjusted operating profit excluding property profits	212.3	3.3	(32.6)	183.0
Adjusted operating margin	5.3%	0.4%	–	3.8%
Average capital employed	2,250.7	596.0	6.1	2,852.8
Segment assets	2,943.4	764.6	317.5	4,025.5
Segment liabilities	(1,070.6)	(375.1)	(539.5)	(1,985.2)
Consolidated net assets	1,872.8	389.5	(222.0)	2,040.3
Capital expenditure excluding property	89.5	17.8	–	107.3
Depreciation of fixed assets and software amortisation	67.8	15.9	–	83.7
Depreciation of right-of-use assets	56.8	32.1	–	88.9

b. Unallocated segment assets and liabilities

Unallocated segment assets and liabilities comprise the following:

£m	2024	2023
Assets		
Financial instruments	**3.3**	2.9
Property, plant and equipment	**16.5**	17.5
Cash and cash equivalents	**244.4**	131.5
Retirement benefit surplus	**116.9**	118.7
Unallocated corporate assets	**18.0**	14.4
Tax asset	**–**	14.5
Deferred tax asset	**17.5**	18.0
	416.6	317.5
Liabilities		
Deferred tax liabilities	**(68.3)**	(92.8)
Interest-bearing loans, borrowings and loan notes	**(435.0)**	(445.1)
Unallocated corporate liabilities	**(7.6)**	(1.6)
	(510.9)	(539.5)

Non-current assets with a carrying value of £101.8m (2023: £111.7m) owned by the Toolstation Europe businesses are located in foreign countries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

6. Net finance costs

£m	2024	2023 (re-presented)
Items in the nature of interest:		
Interest on bonds and other loans	**(17.1)**	(20.6)
Interest on bank facilities and overdrafts	**(2.0)**	(1.5)
Pension scheme SPV interest	**(1.8)**	(1.7)
Other finance costs:		
Amortisation of issue costs of bank loans	**(1.3)**	(1.5)
Unwinding of discounts – property provisions	**–**	(0.1)
Remeasurement:		
Net loss on remeasurement of derivatives at fair value	**–**	(0.2)
Loss on remeasurement of foreign exchange	**–**	(0.2)
Lease interest:		
Interest on lease liabilities – property	**(26.5)**	(24.7)
Interest on lease liabilities – equipment	**(3.1)**	(0.9)
Finance costs	**(51.8)**	(51.4)
Items in the nature of interest:		
Interest receivable	**6.0**	5.7
Remeasurement:		
Net gain on remeasurement of derivatives at fair value	**0.8**	–
Other finance income – pension scheme	**4.3**	6.4
Finance income	**11.1**	12.1
Net finance costs	**(40.7)**	(39.3)

The Group's interest cover covenants are calculated using those items of finance income and finance cost that are in the nature of interest, including interest on lease liabilities. In 2024 these were in total £44.5m (2023: £43.7m).

Net finance costs relating to discontinued operations are £0.4m (2023: £0.6m).

7. Tax

Accounting policy

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. This is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

a. Tax charge in the income statement

£m	2024	2023 (re-presented)
Current tax:		
Current year	**34.9**	33.0
Prior year	**0.6**	(6.1)
Total current tax	**35.5**	26.9
Deferred tax:		
Current year	**(32.8)**	(1.4)
Prior year	**(0.5)**	6.4
Total deferred tax	**(33.3)**	5.0
Total tax charge	**2.2**	31.9

The total tax charge in 2024 includes a credit of £29.0m relating to costs recognised as adjusting items (2023: £9.7m).

The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax for the Group is as follows:

	2024		2023 (re-presented)	
	£m	%	£m	%
(Loss)/profit before tax	**(38.4)**		121.4	
Tax at the UK corporation tax rate	**(9.6)**	**25.0**	28.6	23.5
Tax effect of expenses/credits that are not deductible/taxable	**1.2**		(2.1)	
Depreciation of non-qualifying property	**3.4**		3.3	
Share-based payments	**2.7**		2.0	
Losses	**1.8**		1.1	
Property profits	**(3.0)**		(1.2)	
Current period deferred tax rate differential	**–**		(0.1)	
Impairment	**5.6**		–	
Prior period adjustment	**0.1**		0.3	
Tax expense and effective tax rate for the year	**2.2**	**(5.7)**	31.9	26.3

For accounting periods beginning after 31 December 2024 the Group will be required to comply with the OECD Pillar Two model rules which will require the Group to pay a minimum level of tax on income arising in the jurisdictions in which it operates. The Group's current analysis of these rules and their application in jurisdictions relevant to the Group indicate that no material additional tax liability will arise. The Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules.

b. Tax charge in the statement of comprehensive income

The following amounts relating to tax have been recognised in other comprehensive income:

£m	2024	2023
Items that may be reclassified:		
Deferred tax (credit)/charge on cash flow hedge	**(0.1)**	0.4
Items that may not be reclassified:		
Deferred tax (credit)/charge on actuarial movement	**(9.5)**	10.2
Income tax relating to other comprehensive income	**(9.6)**	10.6

c. Tax credited directly to equity

The following amounts of tax have been recognised in equity:

£m	2024	2023
Deferred tax:		
Revaluation reserve	**0.2**	0.5
Share-based payments	**0.1**	0.1
	0.3	0.6

8. Discontinued operations

Key judgement on the classification of Toolstation France as a discontinued operation

During the year ended 31 December 2024 the Group ceased the operations of its Toolstation France business. As this business represented a separate geographical area of operation and was a major proportion of the Group's loss for the year of £77.4m in 2024 and its profit for the year of £38.1m in 2023, the Group concluded that it met the definition of a discontinued operation in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Accordingly its results are presented as those of discontinued operations and the results for the year ended 31 December 2023 have been re-presented.

a. Results of discontinued operations

£m	2024	2023 (re-presented)
Revenue	**16.3**	24.8
Gross profit	**8.2**	6.3
Operating expenses	**(44.6)**	(57.1)
Net finance costs	**(0.4)**	(0.6)
Loss before tax	**(36.8)**	(51.4)
Tax	**–**	–
Loss from discontinuing operations	**(36.8)**	(51.4)

The loss before tax of £36.8m includes costs of £22.2m relating to the closure of the business. The loss for the year ended 31 December 2023 from discontinued operations includes £33.1m which was previously presented as an adjusting item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

8. Discontinued operations continued

b. Cash flows relating to discontinued operations

£m	Year ended 31 December 2024	Year ended 31 December 2023 (re-presented)
Net cash outflow from operating activities	**(15.9)**	(14.3)
Net cash outflow from investing activities	**–**	(1.4)
Net cash used in financing activities	**(2.5)**	(2.1)
Net cash flows for the year for discontinued operations	**(18.4)**	(17.8)

ASSETS AND LIABILITIES

9. Goodwill and other intangible assets

Accounting policy

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. All material intangible fixed assets obtained on acquisition have been recognised separately in the financial statements. Goodwill is initially recognised as an asset and allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination and is then reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement and is not reversed. Goodwill is accordingly stated in the balance sheet at cost less any provisions for impairment in value. Intangible assets identified as part of the assets of an acquired business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Goodwill arising on acquisitions before the date of transition to IFRS (1 January 2004) has been retained at the previous UK GAAP carrying value subject to being tested for impairment at that date. Goodwill written off to reserves prior to 1998 under UK GAAP has not been reinstated and would not be included in determining any subsequent profit or loss on disposal.

a. Goodwill by reportable segment

£m	Merchanting	Toolstation	Total
At 1 January 2023	684.8	174.2	859.0
Impairment	–	(9.6)	(9.6)
Effect on movement in exchange rates	–	(1.5)	(1.5)
At 1 January 2024	**684.8**	**163.1**	**847.9**
Impairment	**(23.8)**	**–**	**(23.8)**
Effect on movement in exchange rates	**–**	**(2.8)**	**(2.8)**
At 31 December 2024	**661.0**	**160.3**	**821.3**

b. Other intangible assets

Accounting policy

Intangible assets are amortised to the income statement on a straight-line basis over a maximum of 20 years except where they are considered to have an indefinite useful life. In the latter instance, they are reviewed annually for impairment.

The directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off over their estimated useful life, which ranges from three to ten years. Interfaces are amortised over the lower of the remaining estimated useful lives of the systems they operate between. Costs relating to research, maintenance and training are expensed as they are incurred.

Amounts paid to third parties in respect of the development of software and other intangible assets not controlled by the Group are expensed over the period where the Group receives the service. The cost of configuring and customising software is treated as a prepayment and recognised over the period the Group benefits from the implemented software only if the configuration and customisation service is not distinct from the provision of the software itself. Licence fees for using third-party software are expensed over the period the software is in use.

Acquired customer relationships are amortised over their estimated useful lives, which range from 5 to 15 years. The remaining lives of amortised customer relationships range from one to seven years. No amortisation is charged on computer software under construction.

£m	Brand	Computer software	Customer relationships	Assets under construction	Total
Cost or valuation					
At 1 January 2023	150.4	110.7	151.6	0.7	413.4
Additions	–	1.1	–	2.0	3.1
Impairments	(1.9)	–	–	–	(1.9)
Derecognition	–	–	–	(2.1)	(2.1)
At 1 January 2024	148.5	111.8	151.6	0.6	412.5
Additions	–	3.9	–	0.2	4.1
Transfers from property, plant & equipment	–	0.6	–	–	0.6
Reclassification	–	0.5	–	(0.5)	–
Disposals	–	(0.5)	–	–	(0.5)
At 31 December 2024	**148.5**	**116.3**	**151.6**	**0.3**	**416.7**
Amortisation					
At 1 January 2023	73.7	98.1	125.7	–	297.5
Charged on acquired intangibles	2.3	–	8.2	–	10.5
Charged on internally generated intangibles	–	4.6	–	–	4.6
At 1 January 2024	76.0	102.7	133.9	–	312.6
Charged on acquired intangibles	2.3	–	8.1	–	10.4
Charged on internally generated intangibles	–	3.6	–	–	3.6
Impairment	–	–	3.4	–	3.4
Disposals	–	(0.2)	–	–	(0.2)
At 31 December 2024	**78.3**	**106.1**	**145.4**	**–**	**329.8**
Net book value					
At 31 December 2023	72.5	9.1	17.7	0.6	99.9
At 31 December 2024	**70.2**	**10.2**	**6.2**	**0.3**	**86.9**

Where a brand has not been established for a significant period of time the Directors do not have sufficient evidence to support a contention that it will have an indefinite useful life. Accordingly for Toolstation and certain product-related brands the Directors have decided it is appropriate to amortise their brand costs over their estimated useful lives. The useful lives of those brands being amortised range from 10 to 20 years.

The Directors consider that the BSS brand, which is a leading brand in its sector with significant history and significant growth prospects, has an indefinite useful life. It is reviewed annually for impairment; details of impairment tests are shown in note 29.

c. Cash-generating units

The Directors consider that each branch or distribution network in the Group is an individual cash-generating unit ("CGU"). Goodwill and intangible fixed assets with indefinite useful lives have been allocated for impairment testing purposes to groups of individual CGUs within the same brand. The following table analyses goodwill and intangible fixed assets with indefinite useful lives by CGU grouping.

£m	**2024**			2023		
CGU grouping	**Intangibles**	**Goodwill**	**Total**	Intangibles	Goodwill	Total
Merchanting						
Travis Perkins	**–**	**482.6**	**482.6**	–	482.6	482.6
Keyline	**–**	**100.2**	**100.2**	–	100.2	100.2
CCF	**–**	**43.6**	**43.6**	–	43.6	43.6
BSS Industrial	**49.3**	**26.8**	**76.1**	49.3	26.8	76.1
Staircraft	**–**	**–**	**–**	–	23.8	23.8
TF Solutions	**–**	**7.8**	**7.8**	–	7.8	7.8
Toolstation						
Toolstation UK	**–**	**103.4**	**103.4**	–	103.4	103.4
Toolstation Benelux	**–**	**56.9**	**56.9**	–	59.7	59.7
	49.3	**821.3**	**870.6**	49.3	847.9	897.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

10. Property, plant and equipment

Accounting policy

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any impairment in value. Assets are depreciated to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

- Buildings – 50 years or, if lower, the estimated useful life of the building or the life of the lease
- Leasehold improvements – the life of the lease
- Plant and equipment – 4 to 10 years
- Freehold land is not depreciated

The estimated useful lives are estimated taking into consideration the potential impact of climate change.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds net of expenses and the carrying amount of the asset in the balance sheet and is recognised in the income statement. Where appropriate, the attributable revaluation reserve remaining in respect of properties revalued prior to the adoption of IFRS is transferred directly to retained earnings.

£m	Freehold	Long leasehold	Leasehold improvements	Plant and equipment	Total
Cost or deemed cost					
At 1 January 2023	531.3	29.6	215.0	732.9	1,508.8
Additions	4.7	22.1	35.0	80.7	142.5
Disposals	(46.6)	(0.5)	(6.0)	(74.0)	(127.1)
Impairments	–	–	(12.5)	(10.5)	(23.0)
Reclassifications	(2.4)	–	(10.0)	12.4	–
Effect of movements in exchange rates	–	–	–	(0.6)	(0.6)
At 1 January 2024	**487.0**	**51.2**	**221.5**	**740.9**	**1,500.6**
Additions	9.6	–	32.5	28.4	70.5
Disposals	(15.8)	(4.7)	(11.4)	(45.4)	(77.3)
Reclassifications	30.5	2.2	(45.1)	18.4	6.0
Effect of movements in exchange rates	–	–	–	(0.7)	(0.7)
At 31 December 2024	**511.3**	**48.7**	**197.5**	**741.6**	**1,499.1**

£m	Freehold	Long leasehold	Leasehold improvements	Plant and equipment	Total
Accumulated depreciation					
At 1 January 2023	61.0	12.6	82.2	505.7	661.5
Charged in the year	7.0	0.8	14.6	57.9	80.3
Disposals	(6.4)	–	(6.6)	(63.2)	(76.2)
Impairments	–	–	(5.2)	(8.0)	(13.2)
Reclassifications	0.3	–	(0.3)	–	–
Effect of movements in exchange rates	–	–	–	(0.2)	(0.2)
At 1 January 2024	**61.9**	**13.4**	**84.7**	**492.2**	**652.2**
Charged in the year	6.7	1.0	12.6	59.5	79.8
Disposals	(5.1)	(1.4)	(1.9)	(42.1)	(50.5)
Impairments	–	–	11.9	27.7	39.6
Reclassifications	14.8	0.3	5.5	(14.6)	6.0
Write offs	–	–	1.5	–	1.5
Effect of movements in exchange rates	–	–	–	(0.6)	(0.6)
At 31 December 2024	**78.3**	**13.3**	**114.3**	**522.1**	**728.0**
Net book value					
At 31 December 2023	425.1	37.8	136.8	248.7	848.4
At 31 December 2024	**433.0**	**35.4**	**83.2**	**219.5**	**771.1**

Included within freehold property is land with a value of £227.5m (2023: £215.6m) which is not depreciated. No assets are pledged as security for the Group's liabilities. Included within leasehold improvements is £17.5m (2023: £21.4m) in respect of assets under construction which are not depreciated.

11. Leases

Accounting policy

Identifying a lease

At the inception of a contract, the Group assesses whether a contract contains a lease. At inception the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices except for fleet leases for which the Group does not separate non-lease components and accounts for the lease and non-lease components as a single lease component.

Recognition exceptions

The Group takes the lease recognition exemption for leases with a lease term of 12 months or less and containing no purchase options and leases where the underlying asset has a low value when new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT equipment, vending machines and paint-mixing machines.

Lease terms

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility. The Group has applied judgement to determine the lease term for some lease contracts that includes renewal options and break clauses. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For property leases the most relevant is normally the profitability of the leased branch or warehouse and future plans for the business. If there are significant penalties to terminate or not extend, the Group is typically reasonably certain to not terminate or extend.

Lessee accounting

Initial measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct costs incurred, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined and otherwise at the incremental borrowing rate.

Subsequent measurement

After lease commencement, the Group measures right-of-use assets at cost less accumulated depreciation and accumulated impairment.

The lease liability is subsequently remeasured to reflect changes in the lease term, the assessment of a purchase option and future lease payments resulting from a change in an index or a rate used to determine those payments. The remeasurements are matched by adjustments to the right-of-use asset. Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. Estimated useful lives are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Sale and leaseback transactions

If an asset transfer satisfies the requirements of IFRS 15 – Revenue from Contracts with Customers to be accounted for as a sale, the Group measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right-of-use retained. Accordingly, the Group only recognises the amount of gain or loss that relates to the rights transferred to the buyer.

a. Amounts recognised in the balance sheet

All right-of-use assets relate to land and buildings except for £58.4m in respect of plant and equipment (2023: £29.6m). Additions to right-of-use assets in 2024 were £152.1m (2023: £182.4m).

Lease liability maturity analysis – contractual undiscounted cash flows:

£m	2024	2023
Less than one year	**119.9**	106.9
One to five years	**369.3**	337.8
More than five years	**336.2**	316.5
Total undiscounted lease liabilities at 31 December	**825.4**	761.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

11. Leases continued

b. Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

£m	2024	2023 (re-presented)
Expense relating to short-term leases	**4.4**	4.9
Expense relating to leases of low-value assets	**3.5**	3.1
Impairment/(reversal of impairment) of right-of-use assets	**31.2**	(1.7)
Gains on lease terminations	**–**	(2.5)

An impairment right-of-use assets has been recognised with respect to land and buildings of £17.9m and plant and equipment of £13.3m. Total depreciation of right-of-use assets of £96.8m (2023: £91.1m) represents £83.6m in respect of land and buildings (2023: £79.8m) and £13.2m in respect of plant and equipment (2023: £11.3m). The total cash outflow for leases in 2024 was £131.3m (2023: £116.2m).

c. The Group's leasing activities

The Group leases various properties, motor vehicles and equipment. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of property and equipment leases across the Group and are used to provide operational flexibility.

The Group routinely enters into sale and leaseback transactions as part of its property management and investment strategy. The requirement of IFRS 16 – Leases to, in transfers that are accounted for as a sale, only recognise the amount of any gain or loss that relates to the rights transferred to the buyer-lessor, results in differences between the recognition of cash proceeds from the disposal of property, plant and equipment and the recognition of profit from these disposals.

d. The Group as lessor

The Group leases a number of ex-trading properties and surplus units in trade parks owned by the Group to third parties. Property rental income earned during the year in respect of these properties was £3.8m (2023: £4.4m). At the balance sheet date, the Group had contracts with lessees for the following undiscounted future minimum lease payments:

£m	2024	2023
Within one year	**4.7**	4.6
One to five years	**21.4**	22.8
After five years	**5.0**	5.0
	31.1	32.4

12. Inventories

Accounting policy

Inventories, which consist of goods for resale, are stated at the lower of average weighted cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of disposal.

£m	2024	2023
Inventories	**648.6**	727.6

The cost of inventories recognised as an expense in 2024 was £3,328.9m (2023: £3,381.4m). A charge of £5.2m (2023: £2.0m) was recognised as a result of the movement of provisions against inventory.

13. Supplier income

Accounting policy

Supplier income comprises fixed price discounts, volume rebates and customer sales support.

Fixed price discounts and volume rebates received and receivable in respect of goods which have been sold are initially deducted from the cost of inventory and therefore reduce cost of sales in the income statement when the goods are sold. Where goods on which the fixed price discount or volume rebate has been earned remain in inventory at the year end, the cost of that inventory reflects those discounts and rebates.

The Group receives customer sales support payments that are made entirely at the supplier's option, that are requested by the Group when a specific product is about to be sold to a specific customer and for which payment is only received after the sale has been completed. All customer sales support receipts received and receivable are deducted from cost of sales when the sale to the third party has been completed, i.e. when the customer sales support payment has been earned.

Supplier income receivable is netted off against trade payables when there is a legally binding arrangement in place and it is management's intention to do so, otherwise amounts are included in other receivables in the balance sheet.

Supplier income balances included within the Group balance sheet are as follows:

£m	2024	2023
Other receivables	**99.0**	104.0
Trade payables	**73.0**	82.0
Inventories	**(53.0)**	(52.0)
Net balance sheet position	**119.0**	134.0

14. Trade and other receivables

Accounting policy

Trade and other receivables

The Group's trade and other receivables at the balance sheet date comprise principally amounts receivable from the sale of goods, amounts due in respect of rebates in relation to unbilled work in progress and sundry prepayments.

Impairment of financial assets

Trade receivables are subject to the expected credit loss model in IFRS 9 – Financial Instruments. The Group applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and the commencement of legal proceedings.

£m	2024	2023
Current:		
Trade receivables	**598.1**	547.1
Allowance for doubtful debts	**(29.8)**	(21.5)
	568.3	525.6
Other receivables	**111.8**	129.2
Prepayments and accrued income	**80.4**	34.8
Total current trade and other receivables	**760.5**	689.6
Non-current:		
Prepayments	**15.3**	14.2
Total non-current trade and other receivables	**15.3**	14.2

The Directors consider that the only class of asset containing material credit risk is trade receivables. The average credit term taken for sales of goods is 59 days (2023: 56 days). No interest is charged on the trade receivable from the date of the invoice until the date the invoice is classified as overdue according to the trading terms agreed between the Group and the customer. Thereafter, the Group retains the right to charge interest at 4% p.a. (2023: 4%) above the clearing bank base rate on the outstanding balance.

The increase in the non-current prepayments balance reflects supplier licence fees and implementation costs incurred in respect of the Group's technology upgrade programmes.

Movement in the allowance for doubtful debts

£m	2024	2023
At 1 January	**21.5**	17.7
Amounts written off and adjusted for during the year	**(8.4)**	(13.0)
Charge for impairment losses for trade receivables	**16.7**	16.8
At 31 December	**29.8**	21.5

Expected credit loss assessment

Loss rates are based on actual credit loss experience over the past seven years and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2024.

£m	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
Current (not past due)	**530.7**	**0.8%**	**(3.7)**	**No**
Days overdue:				
1–30	**24.2**	**7.2%**	**(1.5)**	**No**
31–60	**8.5**	**19.7%**	**(1.4)**	**No**
61–90	**3.9**	**28.0%**	**(0.9)**	**No**
91–120	**1.4**	**53.3%**	**(0.6)**	**No**
More than 120	**29.4**	**88.6%**	**(21.7)**	**Yes**
	598.1		**(29.8)**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

14. Trade and other receivables continued

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2023.

£m	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
Current (not past due)	506.8	0.8%	(3.5)	No
Days overdue:				
1–30	10.6	6.8%	(0.6)	No
31–60	3.5	15.0%	(0.4)	No
61–90	1.5	25.0%	(0.3)	No
91–120	0.7	48.3%	(0.3)	No
More than 120	24.0	85.7%	(16.4)	Yes
	547.1		(21.5)	

15. Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet dates, and are discounted to present value.

Should a provision ultimately prove to be unnecessary then it is credited back into the income statement. Where the provision was originally established as an adjusting item, any significant release is shown as an adjusting credit.

The Group has a number of vacant and partly sublet leased properties. Where necessary a provision has been made for the residual commitments, after taking into account existing and anticipated subtenant arrangements. The Group recognises provisions for the cost of reinstating certain Group properties at the end of their lease term, based on the conditions set out in the terms of the individual leases. The timing of the outflows will match the ends of the relevant leases, which range from two to 25 years.

It is Group policy to self-insure using policies with a high excess against claims arising in respect of damage to third party assets, or due to employers or public liability claims. Whilst the Group does not have a contractual right to defer payment, the nature of insurance claims means they may take some time to be settled. The insurance claims provision represents management's best estimate, based upon external advice of the value of outstanding claims against it where the final settlement date is uncertain, in line with IAS 37.

£m	Property	Insurance	Restructuring	Total
At 1 January 2023	12.4	19.0	–	31.4
Charge to income statement	8.3	7.7	4.9	20.9
Utilisation of provision	(3.6)	(5.6)	–	(9.2)
At 31 December 2023	17.1	21.1	4.9	43.1
Charge to income statement	17.5	3.1	17.2	37.8
Utilisation of provision	(6.4)	(4.3)	(9.2)	(19.9)
At 31 December 2024	**28.2**	**19.9**	**12.9**	**61.0**
Included in current liabilities	6.6	19.9	12.9	39.4
Included in non-current liabilities	21.6	–	–	21.6
	28.2	19.9	12.9	61.0

The restructuring provision relates to the support functions and supply chain restructuring activities treated as adjusting items and discussed note 3. It excludes property-related provisions and inventory amounts which are separately classified.

The following table details the Group's liquidity analysis of its provisions, based on the undiscounted net cash outflows. The impact of discounting is not material for the Group's provisions.

£m	0–1 year	1–2 years	2–5 years	5+ years	Total
2024:					
Property	**6.6**	**7.5**	**5.9**	**8.2**	**28.2**
Insurance	**19.9**	**–**	**–**	**–**	**19.9**
Restructuring	**12.9**	**–**	**–**	**–**	**12.9**
	39.4	**7.5**	**5.9**	**8.2**	**61.0**
2023:					
Property	13.3	1.4	1.2	1.2	17.1
Insurance	21.1	–	–	–	21.1
Restructuring	4.9	–	–	–	4.9
	39.3	1.4	1.2	1.2	43.1

16. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting periods.

£m (Asset)/liability:	At 1 January 2024	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 December 2024
Trading losses	**(18.0)**	**0.5**	**–**	**–**	**(17.5)**
Deferred tax asset	**(18.0)**	**0.5**	**–**	**–**	**(17.5)**
Capital allowances	**21.1**	**(9.7)**	**–**	**–**	**11.4**
Revaluation of property	**2.9**	**–**	**(0.2)**	**–**	**2.7**
Share-based payments	**(2.9)**	**0.8**	**(0.1)**	**–**	**(2.2)**
Provisions	**4.4**	**0.3**	**–**	**–**	**4.7**
Property assets acquired in business combinations	**8.8**	**(0.8)**	**–**	**–**	**8.0**
Brand	**21.8**	**(6.5)**	**–**	**–**	**15.3**
Pension scheme asset	**25.1**	**(5.4)**	**–**	**9.5**	**29.2**
Deferred gains on property disposals	**29.3**	**(0.7)**	**–**	**–**	**28.6**
IFRS 16 lease liability	**(151.0)**	**(12.7)**	**–**	**–**	**(163.7)**
IFRS 16 right-of-use asset	**132.6**	**0.9**	**–**	**–**	**133.5**
Cash flow hedge	**0.7**	**–**	**–**	**0.1**	**0.8**
Deferred tax liability	**92.8**	**(33.8)**	**(0.3)**	**9.6**	**68.3**
Net deferred tax	**74.8**	**(33.3)**	**(0.3)**	**9.6**	**50.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

16. Deferred tax continued

£m (Asset)/liability:	At 1 January 2023	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 December 2023
Trading losses	(15.0)	(3.0)	–	–	(18.0)
Deferred tax asset	(15.0)	(3.0)	–	–	(18.0)
Capital allowances	8.5	12.6	–	–	21.1
Revaluation of property	3.4	–	(0.5)	–	2.9
Share-based payments	(3.5)	0.7	(0.1)	–	(2.9)
Provisions	4.8	(0.4)	–	–	4.4
Property assets acquired in business combinations	9.3	(0.5)	–	–	8.8
Brand	25.0	(3.2)	–	–	21.8
Pension scheme asset	33.9	1.4	–	(10.2)	25.1
Deferred gains on property disposals	31.1	(1.8)	–	–	29.3
IFRS 16 – Lease Liability	(130.5)	(20.5)	–	–	(151.0)
IFRS 16 – Right-of-Use Asset	112.9	19.7	–	–	132.6
Cash flow hedge	1.1	–	–	(0.4)	0.7
Deferred tax liability	96.0	8.0	(0.6)	(10.6)	92.8
Net deferred tax	81.0	5.0	(0.6)	(10.6)	74.8

The deferred tax asset in respect of trading losses primarily relates to the Toolstation Netherlands business. An element of the deferred tax asset is recognised in respect of losses of £3.0m (2023: £7.0m) in the Group's other European Toolstation businesses to offset a deferred tax liability of the same value arising in these businesses. No deferred tax asset has been recognised on the remaining losses of £21.7m (2023: £76.5m) in the Group's other European Toolstation businesses as there is currently insufficient evidence that these losses would be utilised. The value of unrecognised losses has decreased from the position as at 31 December 2023 following the cessation of the operations of the Group's Toolstation France business.

The Group considers it is appropriate to recognise a deferred tax asset on unused trading losses in Toolstation Netherlands as forecasts, based on the existing Netherlands store network and the store maturity profile of Toolstation stores in the UK and the Netherlands, indicate that the business will be able to fully utilise these losses against future profits within a measurable time frame.

17. Trade and other payables

Accounting policy

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

£m	**2024**	2023
Trade payables	**532.9**	576.3
Other taxation and social security	**79.0**	48.6
Other payables	**92.8**	76.9
Accruals and deferred income	**133.5**	93.6
Trade and other payables	**838.2**	795.4

Included in trade payables at 31 December 2024 are amounts of £88.4m (2023: £91.3m) which are due for settlement under supplier financing arrangements with third-party banks, of which suppliers had received payments for £57.5m (2023: £55.3m). Suppliers choose to enter into these arrangements which provide access to the option of early settlement of invoices at interest rates based on Travis Perkins' credit rating. If suppliers do not elect for early payment, invoices are settled on the date agreed in the existing payment terms. In some cases, Travis Perkins has agreed extensions to payment terms with suppliers who regularly access the scheme, with the longest payment terms 107 days (2023: 107 days), an extension of 45 days (2023: 45 days). The total net amount outstanding where terms have been extended at 31 December 2024 was £9.7m (2023: £10.1m). Liabilities that are part of the arrangement had a range of payment dates of 52 – 107 days with trade payables that are not part of an arrangement having a range of 45 – 75 days (2023: 52 – 107 days compared to 45 – 75 days). These arrangements do not provide the Group with a significant benefit of additional financing and have been put in place for the benefit of the Group's suppliers, providing them with access to cost-efficient third-party funding. As such, outstanding balances are classified as trade payables and form part of the operating cash flows movement in the consolidated cash flow statement. There were no non-cash transfers from trade payables to finance payables in 2024 (2023: none). There are no significant judgements applied in the calculation of supplier finance balances.

18. Pension arrangements

The Group has a number of historical defined benefit pension schemes, all of which are closed to new members and future accruals. The Group operates four final salary schemes being The Travis Perkins Pensions and Dependants' Benefit Scheme ("the TP DB scheme"), the BSS Defined Benefit Scheme ("the BSS DB Scheme"), the immaterial Platinum pension scheme and the immaterial BSS Ireland Defined Benefit Scheme. The reconciliations and disclosures are presented as an aggregation of all schemes as each scheme is subject to similar risk characteristics.

Accounting policy

The cost of providing benefits under defined benefit pension schemes is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effects of asset ceilings and minimum funding payments and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income. Remeasurement recorded in the statement of comprehensive income is not recycled. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Net interest expense or income is recognised within finance costs.

a. Expected future cash flows

The Directors have agreed with the BSS DB Scheme's Trustees and the TP DB Scheme's Trustees that, following the elimination of the deficits in these schemes, no further contributions from the Group are currently required. Both schemes fund their management and administrative expenses.

b. Balance sheet position and movements during the year

The amount included in the balance sheet arising from the Group's obligations in respect of all of its defined benefit schemes and the movements during the year:

	2024			2023		
£m	**Gross assets**	**Gross obligations**	**Net**	Gross assets	Gross obligations	Net
Gross pension asset as at 1 January	**1,096.9**	**(996.3)**	**100.6**	1,097.4	(961.5)	135.9
Amounts recognised in income:						
Current service costs and administration expenses	**(3.0)**	**(0.1)**	**(3.1)**	(2.3)	–	(2.3)
Interest income/(interest cost)	**48.7**	**(44.2)**	**4.5**	51.5	(45.1)	6.4
Other movements:						
Contributions from sponsoring companies	**0.4**	**–**	**0.4**	1.4	–	1.4
Foreign exchange	**(0.5)**	**0.4**	**(0.1)**	0.2	(0.1)	0.1
Withdrawal of assets	**(23.2)**	**–**	**(23.2)**	–	–	–
Benefits paid	**(49.8)**	**49.8**	**–**	(44.1)	44.1	–
Balance sheet reclassifications	**–**	**2.7**	**2.7**	–	–	–
Amounts recognised in other comprehensive income:						
Return on plan assets (excluding amounts in net interest)	**(98.4)**	**–**	**(98.4)**	(7.2)	–	(7.2)
Actuarial loss from changes in demographic assumptions	**–**	**(4.7)**	**(4.7)**	–	8.6	8.6
Actuarial gain from changes in financial assumptions	**–**	**100.4**	**100.4**	–	(20.4)	(20.4)
Actuarial gain from experience adjustments	**–**	**37.8**	**37.8**	–	(21.9)	(21.9)
Gross pension asset as at 31 December	**971.1**	**(854.2)**	**116.9**	1,096.9	(996.3)	100.6

The asset valuation of £971.1m (2023: £1,096.9m) at 31 December 2024 consists of the TP DB Scheme £738.2m (2023: £843.1m) and the BSS DB Scheme £232.9m (2023: £253.8m). The obligation valuation of £854.2m (2023: £996.3m) consists of the TP DB Scheme £645.1m (2023: £755.8m) and the BSS DB

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

Scheme £209.1m (2023: £240.5m).

ASSETS AND LIABILITIES CONTINUED

18. Pension arrangements continued

b. Balance sheet position and movements during the year continued

The actual loss on scheme assets of £49.7m (2023: gain of £44.3m) is represented by the interest income and 'return on plan assets (excluding amounts net interest)' figures above.

The withdrawal of assets represents the unwind of a Group-controlled special purpose vehicle ("SPV") used to fund the historical deficit in the TP DB Scheme. See note 18(d)(i) for more information.

The deferred tax liability of £29.2m (2023: £25.1m) has been recognised at the standard rate of corporation tax, as this rate best reflects the rate at which the liability will unwind. The pension surplus, net of deferred tax, as at 31 December 2024 is £87.7m (2024: £75.5m).

There are no restrictions on the current realisability of the pension surplus. The Group has an explicit right to a surplus in respect of the TP DB Scheme and, based on the operation of trust law in a winding up of the BSS DB Scheme following a gradual settlement, has an unconditional right to receive any surplus in the BSS DB Scheme.

c. Defined benefit scheme obligations

i. Valuation of scheme obligations

Full actuarial valuations of the TP DB scheme and the BSS DB scheme have been carried out as at 30 September 2023. The IAS 19 valuations have been based upon the results of the 30 September 2023 valuations, updated to 31 December 2024 by a qualified actuary.

The defined benefit pension schemes expose the Group to actuarial risks such as investment risk, interest rate risk and longevity risk. A summary of the risks and the management of those risks is given below and continued overleaf.

Investment risk	The present value of the defined benefit liabilities of the schemes is calculated using a discount rate predetermined by reference to high-quality corporate bond yields. If the return on scheme assets is below this rate it may create a plan deficit.
Interest risk	A decrease in corporate bond yields will increase the schemes' liabilities, but the effect will be partially offset by an increase in the return on the schemes' bond and gilt assets.
Longevity risk	The present value of the liabilities of the schemes is calculated by reference to the best estimate of mortality of pension scheme members both during and after their employment. An increase in the life expectancy of the schemes' members will increase the schemes' liabilities.

ii. Major actuarial assumptions

	At 31 December 2024	At 31 December 2023
Rate of increase of pensions in payment (post 2006 entitlement)	**2.95%**	2.85%
Discount rate	**5.50%**	4.55%
Inflation assumption – RPI	**3.05%**	2.95%
Inflation assumption – CPI	**2.55%**	2.45%

The yield curve used in setting the discount rate, which includes bonds with an average AA rating and excludes bonds which are sub-sovereign or issued by universities to reflect the credit risk of the defined benefit schemes. In respect of longevity, the valuation adopts the S3PA year of birth tables with improvements in life expectancy to continue in the medium term, with base year appropriate to the member's date of birth.

The weighted average life expectancy of 65-year-old members for the mortality tables used to determine pension liabilities at 31 December 2024 was 21.6 years for men and 23.8 years for women (2023: 21.1 years for men and 23.2 years for women).

iii. Maturity profile of obligations

The weighted average duration of the obligations of the defined benefit pension schemes is 12.5 years, with approximately 90% of the obligations expected to mature by 2060 and the benefits to be paid on a broadly straight-line basis over the period to 2060.

iv. Sensitivities

Key estimate over pension assumptions

The Group has chosen to adopt assumptions that the Directors believe are generally in line with comparable companies. If the difference between actual inflation is greater than assumed, or if long-term interest rates are lower than assumed, or if the average life expectancy of pensioners increases, then the pension surplus could be materially greater/lower than currently stated in the balance sheet.

The estimated effects of changing the key assumptions (discount rate, inflation and life expectancy) on the IAS 19 – Employee Benefits balance sheet position as at 31 December 2024 is given below.

£m Assumption		TP & BSS Schemes Consolidated
Discount rate	Increase of 0.25%	(24.7)
	Decrease of 0.25%	25.6
Inflation	Increase of 0.25%	14.8
	Decrease of 0.25%	(15.0)
Longevity	Increase of 1 year	27.0
	Decrease of 1 year	(27.7)

d. Scheme assets

i. Scheme assets and investment strategy

The assets of the TP DB Scheme and the BSS DB Scheme are held separately from those of the Group in funds under the control of the schemes' Trustees.

In June 2010, an agreement was reached with the Trustees of the TP DB scheme to fund £34.7m of the funding deficit using a Group-controlled special purpose vehicle ("SPV"). The pension scheme is no longer in a funding deficit so in December 2024 the Trustees agreed to remove the SPV structure. The asset previously recognised as part of the TP DB scheme's assets and the Group's liability have both been derecognised as a result of this. The pension scheme continues to hold charges over certain of the properties previously held in the SPV structure.

The investment strategy for the UK schemes are controlled by the Trustee in consultation with the Company. The scheme assets do not include any of the Group's own financial instruments. In accordance with the schemes' derisked investment strategy, a high proportion of the largest two pension schemes' assets are invested in gilts and corporate bonds ("liability-driven investments").

All fair values are provided by the fund managers. Where available, the fair values are quoted prices (e.g. listed equity, sovereign debt and corporate bonds). Unlisted investments are included at values provided by the fund manager in accordance with relevant guidance. Other significant assets are valued based on observable inputs such as yield curves. The liability-driven investments, which comprise fixed-interest and index-linked gilts, futures, interest and inflation rate swaps, repurchase agreements and liquidity funds, are all daily priced and traded.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and pension trustees are currently considering the implications of the case for the TP DB Scheme and the BSS DB scheme. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

ii. Fair value of scheme assets

The major categories and fair values of scheme assets at the end of the reporting period for each category are as follows:

£m	**At 31 December 2024**	At 31 December 2023
Level 1:		
Cash	**71.8**	36.3
Level 2:		
Equities	**0.9**	0.8
Secured finance	**34.1**	37.9
Corporate bonds	**522.6**	510.5
Diversified growth fund	**1.4**	1.5
Liability driven investments	**876.6**	870.4
Repurchase agreements	**(633.8)**	(500.7)
Level 3:		
SPV asset	**–**	23.2
Secured finance income fund	**97.5**	117.0
	971.1	1,096.9

e. Defined contribution schemes

The Group operates two defined contribution schemes for all qualifying colleagues. The pension cost, which represents contributions payable by the Group, amounted to £19.0m in the year (2023: £19.9m).

f. Pension scheme contributions for the year

The total charge to the income statement disclosed in note 32 of £22.1m (2023: £21.9m) comprises defined benefit scheme current service costs of £3.1m (2023: £2.3m) and £19.0m (2023: £19.9m) of contributions payable to the defined contribution schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

CAPITAL

19. Share capital and reserves

Accounting policy

Equity instruments represent the ordinary share capital of the Group and are recorded at the proceeds received, net of directly attributable incremental issue costs.

Consideration paid by the Group for its own shares is deducted from total shareholders' equity. Where such shares vest to colleagues under the terms of the Group's share incentive schemes or the Group's Sharesave schemes or are sold, any consideration received is included in shareholders' equity.

a. Share capital

	Authorised, issued and fully paid	
Ordinary shares	No.	£m
At 1 January and 31 December 2024	212,509,334	23.8

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

b. Own shares

No.	2024	2023
At 1 January	**1,668,682**	2,596,684
Reissued	**(476,499)**	(928,002)
At 31 December	**1,192,183**	1,668,682

The own shares are held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The revaluation reserve represents the revaluation surplus that arose from property revaluations in 1999 and prior years.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- The foreign exchange reserve represents the exchange differences recognised on translation of the assets and liabilities of the operations that have a functional currency different from the Group.
- Other reserves relates to a capital redemption reserve arising as a result of the share buybacks and the subsequent cancellation of shares.
- Retained earnings represents cumulative results for the Group less cumulative dividends paid.

20. Earnings per share

a. Basic and diluted earnings per share

£m	2024	2023 (re-presented)
Profit/(loss) attributable to the owners of the parent		
– from continuing operations	**(40.6)**	89.5
– from discontinued operations	**(36.8)**	(51.4)
Weighted average number of shares for the purposes of basic earnings per share	**211,106,493**	210,530,726
Dilutive effect of share options on potential ordinary shares	**3,794,915**	3,616,786
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**214,901,408**	214,147,512
Earnings/(loss) per share		
– from continuing operations	**(19.2)p**	42.5p
– from discontinued operations	**(17.4)p**	(24.4)p
– total	**(36.6)p**	18.1p
Diluted earnings/(loss) per share		
– from continuing operations	**(19.2)p**	41.8p
– from discontinued operations	**(17.4)p**	(24.0)p
– total	**(36.6)p**	17.8p

A total of 159,768 share options (2023: 620,310 share options) had an exercise price in excess of the average market value of the shares during the year. As a result, these share options were excluded from the calculation of diluted earnings per share.

b. Adjusted earnings per share

Adjusted earnings per share is calculated by excluding the effect of adjusting items, the amortisation of acquired intangible assets from earnings and the loss from discontinued operations.

£m	2024	2023 (re-presented)
(Loss)/earnings for the purposes of earnings per share	**(77.4)**	38.1
Adjusting items	**139.1**	26.9
Amortisation of acquired intangible assets	**10.4**	10.5
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquired intangible assets	**(2.6)**	(2.6)
Loss from discontinued operations	**36.8**	51.4
Earnings for adjusted earnings per share	**77.3**	114.6
Adjusted earnings per share	**36.6p**	54.4p

21. Dividends

Accounting policy

Dividends proposed by the Board of Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting.

Amounts were recognised in the financial statements as distributions to equity shareholders as follows:

£m	2024	2023
Final dividend for the year ended 31 December 2023 of 5.5 pence (2022: 26.5 pence) per ordinary share	**11.6**	55.8
Interim dividend for the year ended 31 December 2024 of 5.5 pence (2023: 12.5 pence) per ordinary share	**11.6**	26.3
Total dividend recognised during the year	**23.2**	82.1

The Directors are recommending a final dividend of 9.0 pence in respect of the year ended 31 December 2024. The anticipated cash payment in respect of the proposed final dividend is £19.1m (2023: £11.7m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

CAPITAL continued

22. Borrowings

Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

A summary of the Group's objectives, policies, procedures and strategies with regard to financial instruments and capital management can be found in the Strategic Report on page 24. At 31 December 2024, all borrowings were denominated in sterling (2023: sterling).

a. Summary

£m	2024	2023
Liability to pension scheme	–	24.6
Bonds	250.0	250.0
Term loan	75.0	75.0
Senior unsecured notes	100.0	100.0
Overdraft	13.2	–
Finance charges netted off borrowings	(3.2)	(4.5)
	435.0	445.1
Current liabilities	13.2	–
Non-current liabilities	421.8	445.1
	435.0	445.1

The Group's term loan, senior unsecured notes and committed revolving credit facility are subject to two financial covenants:

- Leverage: Net debt/Adjusted EBITDA < 4.0x.
- Interest cover: Adjusted operating profit/Net interest payable > 2.0x.

b. Analysis of other borrowings

£m	2024	2023
Borrowings repayable:		
On demand or within one year	13.2	–
More than one year, but not more than five years	325.0	325.0
More than five years	100.0	124.6
Gross borrowings	438.2	449.6
Unamortised fees	(3.2)	(4.5)
	435.0	445.1

c. Facilities

At 31 December 2024, the following facilities were available:

£m	2024	2023
Drawn facilities:		
£250m bond	250.0	250.0
£75m term loan	75.0	75.0
£100m senior unsecured notes	100.0	100.0
	425.0	425.0
Undrawn facilities:		
Five-year committed revolving credit facility	375.0	375.0
Bank overdrafts	15.0	15.0
	390.0	390.0

The disclosures in note 22(c) do not include leases or the effect of finance charges netted off bank debt.

The overdraft balance of £13.2m on 31 December 2024 formed part of the Group's notional cash pool and its aggregate cash position of £231.2m. The Group's £15.0m overdraft facility and the Group's £375.0m revolving credit facility were undrawn as at 31 December 2024.

d. Interest

The weighted average interest rates received on assets and paid on liabilities were as follows:

%	2024	2023
Assets:		
Short-term deposits	**5.0**	4.7
Liabilities:		
2026 £250m bond	**3.8**	3.8
£75m term loan	**4.6**	4.6
£100m senior unsecured notes	**6.2**	6.2
Bank loans and overdrafts	**6.0**	8.7

In respect of income earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date:

	2024		2023	
	Effective interest rate	£m	Effective interest rate	£m
Assets:				
Short-term deposits	**4.4%**	**200.0**	5.2%	101.5
Liabilities:				
2026 £250m bond	**3.8%**	**250.0**	3.8%	250.0
Term loan	**4.6%**	**75.0**	4.6%	75.0
Senior unsecured notes	**6.2%**	**100.0**	6.2%	100.0
		425.0		425.0

e. Fair values

The book values of financial assets and liabilities have been determined based on amortised cost. For the majority of these, the fair values are not materially different from their carrying amounts. Significant differences were identified for the Group's £250m of bonds as at 31 December 2024, where the assessed fair value based on quoted mid-market prices was £244.8m (2023: £250m of bonds with an assessed fair value of £236.9m).

Details of the fair values of derivatives are given in notes 27 and 28.

f. Guarantees and security

There are cross guarantees on the overdrafts between Group companies.

Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, TP Property Company Limited, CCF Limited, Keyline Civils Specialist Limited, Toolstation Limited and The BSS Group Limited are guarantors of the following facilities advanced to Travis Perkins plc:

- £250m bond.
- £75m term loan.
- £100m senior unsecured notes.
- £375m revolving credit facility (2023: £375m).
- Currency derivatives (note 28).

The Group companies have entered into other guarantee and counter-indemnity arrangements in respect of guarantees issued in favour of Group companies by several banks amounting to approximately £31.8m (2023: £31.8m).

The interest rate swap is guaranteed by Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, CCF Limited and Keyline Civils Specialist Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

CAPITAL CONTINUED

23. Net debt

Accounting policy

Cash and cash equivalents comprise cash balances and cash deposits with an original maturity of three months or less held by the Group and Company, net of overdrafts. The carrying amount of these assets approximates to their fair value.

Movement in net debt

Net debt is defined as the sum of current and non-current debt, less cash and cash equivalents.

£m	Cash and cash equivalents, including overdraft	Leases	Term loan	Senior unsecured notes	Liability to pension scheme	Total
At 1 January 2023	(223.2)	512.6	73.4	429.0	26.7	818.5
Additions to leases	–	185.5	–	–	–	185.5
Disposals of leases	–	(5.2)	–	–	–	(5.2)
Cash flow	91.7	(110.7)	–	(80.0)	(3.7)	(102.7)
Finance charges and fees	–	–	(1.9)	–	–	(1.9)
Discount unwind on liability to pension scheme	–	–	–	–	1.6	1.6
Discount unwind on lease liabilities	–	26.2	–	–	–	26.2
At 1 January 2024	**(131.5)**	**608.4**	**71.5**	**349.0**	**24.6**	**922.0**
Additions to leases	–	152.1	–	–	–	152.1
Disposals of leases	–	(8.6)	–	–	–	(8.6)
Cash flow	(99.7)	(127.4)	–	–	–	(227.1)
Finance charges and fees	–	–	0.9	0.4	–	1.3
Loan Settlement	–	–	–	–	(24.6)	(24.6)
Discount unwind on lease liabilities	–	30.1	–	–	–	30.1
31 December 2024	**(231.2)**	**654.6**	**72.4**	**349.4**	**-**	**845.2**

Cash and cash equivalents comprises short-term deposits of £200.0m (2023: £101.5m), cash of £44.4m (2023: £30.0m) and overdraft of £13.2m (2023: £nil). Net debt before lease liability was £190.6m (2023: £313.6m).

24. Cash flow metrics

a. Free cash flow

£m	2024	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Less: Profit on disposal of properties	**(11.3)**	(15.1)
Adjusted operating profit excluding property profit	**140.5**	183.0
Share-based payments	**11.7**	14.6
Other net interest paid	**(19.5)**	(25.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income tax paid	**(20.9)**	(40.7)
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
Disposal of plant and equipment	**1.2**	2.0
Free cash flow	**108.5**	62.2

b. Cash conversion

£m	2024	2023 (re-presented)
Adjusted operating profit excluding property profit	**140.5**	183.0
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Share-based payments	**11.7**	14.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
	177.3	151.5
Cash conversion	**126%**	83%

25. Net debt to adjusted EBITDA

Net debt to adjusted EBITDA is defined as the ratio of net debt (note 23) to earnings before interest, tax, depreciation, amortisation and adjusting items ("adjusted EBITDA") and is used in one of the Group's debt covenants.

£m	2024	2023
Operating profit	**2.3**	109.9
Depreciation and amortisation	**190.5**	186.5
Adjusting items	**139.1**	60.0
Adjusted EBITDA	**331.9**	356.4
Net debt	**845.2**	922.0
Net debt to adjusted EBITDA	**2.5x**	2.6x

In accordance with the Group's debt covenant definitions, the comparative year ended 31 December 2023 has not been re-presented for this APM to exclude the result of the Toolstation France business.

26. Return on capital ratios

Group return on capital employed is calculated as follows:

£m	2024	2023 (re-presented)
Operating profit	**2.3**	160.7
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusting items	**139.1**	26.9
Adjusted operating profit	**151.8**	198.1
Opening net assets	**2,040.3**	2,102.2
Net pension surplus	**(75.5)**	(102.0)
Net debt	**922.0**	818.5
Opening capital employed	**2,886.8**	2,818.7
Closing net assets	**1,974.1**	2,040.3
Net pension surplus	**(87.7)**	(75.5)
Net debt	**845.2**	922.0
Closing capital employed	**2,731.6**	2,886.8
Average capital employed	**2,809.2**	2,852.8

Group return on capital employed is calculated as follows:

£m	2024	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Average capital employed	**2,809.2**	2,852.8
Return on capital employed	**5.4%**	6.9%

RISK

27. Financial risk management

The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets. The Group manages the principal financial and treasury risks within a framework of policies and operating parameters reviewed and approved annually by the Board of Directors. The Group does not enter into speculative transactions. The Group's risk management policy is further discussed on page 24. The Group's accounting policy for its cash flow hedges is set out in note 28.

a. Derivatives

During 2022 the Group obtained a 5-year term loan facility for £75m and at the same time entered into an equal interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument. The risk management objective is to hedge against the fair value of the variable interest rate element of the loan facility. The interest rate swap is a derivative measured at fair value and is designated in the hedging relationship in its entirety, therefore the hedging instrument is eligible for hedge accounting.

The Group has the following derivative financial instruments in the balance sheet:

£m	2024	2023
Non-current assets		
Interest rate swap – cash flow hedge	**3.3**	2.9
Total non-current derivative financial instrument assets	**3.3**	2.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK continued

27. Financial risk management continued

a. Derivatives continued

The Group's hedging reserve relates to the following hedge instrument:

£m	Interest rate swaps
At 1 January 2023.	3.2
Change in fair value of hedging instrument recognised in OCI	(1.4)
Deferred tax	0.4
At 1 January 2024	2.2
Change in fair value of hedging instrument recognised in OCI	0.4
Deferred tax	(0.1)
At 31 December 2024	2.5

A net gain of £0.8m (2023: loss £0.2m) on foreign currency forwards not qualifying as hedges was recognised in the Group's profit and loss and included in other losses. Hedge effectiveness was determined at the inception of the swap arrangement and through prospective effectiveness assessments, to ensure that an economic relationship exists between the loan facility and the interest rate swap. As both the loan and interest rate swap have the same critical terms, with the value, term and payment timings aligned, there is no portion of the hedge which is considered to be ineffective.

Swaps currently in place cover 100% of the variable term loan principal outstanding. The fixed interest rate of the swap is 2.673%. The interest rate of the term loan consists of a variable element based on the Sterling Overnight Index Average ('SONIA') and a margin between 1.8% – 2.4%. The swap contracts require settlement of the net interest receivable or payable every 6 months and coincides with the dates on which payment is due on the underlying term loan.

The effects of the interest rate swaps of the Group's financial position and performance are as follows:

£m	2024	2023
Carrying amount (non-current assets)	**3.3**	2.9
Notional amount	**75.0**	75.0
Maturity date	**15 August 2027**	15 August 2027
Hedge ratio	**1:1**	1:1
Change in fair value of hedging instruments for the year	**0.4**	(1.4)
Weighted average hedged rate for the year	**5.1%**	4.6%

28. Financial instruments

Accounting policy

Investments and other financial assets classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income "FVOCI", or through profit or loss "FVTPL")
- Those to be measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTPL or at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income or finance costs, together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains and losses in the period in which it arises.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in finance income or finance costs in the income statement as applicable. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from financing activities. The Group does not enter into speculative financial instruments. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for derivative trading purposes.

Derivative financial instruments are stated at fair value. The fair value of derivative financial instruments is the estimated amount the Group would receive or pay to transfer to a market participant the derivative at the balance sheet date, taking into account current interest and exchange rates and the current creditworthiness of the counterparties.

Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in the Statement of Comprehensive Income. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the items being hedged.

In order to qualify for hedge accounting, the Company is required to document from inception, the relationship between the item being hedged and the hedging instrument. The Company is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an on-going basis. This effectiveness testing is performed at each reporting date to ensure that the hedge remains highly effective.

Derivative financial instruments are classified as cash flow hedges when they hedge the Company's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from re-measuring the derivative instrument is recognised directly in equity.

The associated cumulative gain or loss is removed from equity and recognised in the Statement of Comprehensive Income in the same period during which the hedged transaction affects the Statement of Comprehensive Income. The classification of the effective portion when recognised in the Statement of Comprehensive Income is the same as the classification of the hedged transaction. Any element of the re-measurement criteria of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the Statement of Comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting or is de-designated. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs or the original hedged item affects the Statement of Comprehensive Income. If a forecasted hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Statement of Comprehensive Income.

Foreign currency forward contracts are marked-to-market at the balance sheet date, with any gains or losses being taken through the income statement. Derivatives embedded in commercial contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the underlying contracts, with unrealised gains or losses being reported in the income statement.

a. The carrying value of categories of financial instruments

£m	**2024**	2023
Financial assets:		
Mandatorily at FVTPL	**0.5**	–
Loans and receivables (including cash and cash equivalents) at amortised cost	**911.3**	786.3
Designated instrument-by-instrument as either FVTPL or FVOCI	**3.3**	2.9
	915.1	789.2
Financial liabilities:		
Mandatorily at FVTPL	**–**	0.4
Borrowings at amortised cost	**435.0**	445.1
Trade and other payables (including overdrafts) at amortised cost	**625.7**	653.2
	1,060.7	1,098.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK CONTINUED

28. Financial instruments continued

a. The carrying value of categories of financial instruments continued

Loans and receivables exclude prepayments of £80.4m (2023: £34.8m). Trade and other payables exclude taxation and social security and accruals and deferred income totalling £212.5m (2023: £142.2m). The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group has considered the impact of credit risk on its financial instruments and because the counterparties are banks with strong credit ratings considers its impact to be immaterial. The issuer credit ratings of the banks where the Group's deposits are held ranges from A to AA- (S&P), A1 to Aa2 (Moody's), and A to AA- (Fitch).

b. Fair value of financial instruments

Financial assets and financial liabilities designated as FVTPL comprise foreign currency forward contracts and are measured using quoted forward exchange rates.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

£m	2024	2023
Included in assets:		
Level 2: Foreign currency forward contracts at fair value through profit and loss	**0.5**	–
Level 2: Interest rate swap	**3.3**	2.9
Included in liabilities:		
Level 2: Foreign currency forward contracts at fair value through profit and loss	**–**	(0.4)

c. Interest risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts and forward interest rate contracts when appropriate. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

In 2022 the Group entered into an interest rate swap arrangement to hedge the variable interest rate risk on a £75m 5-year loan facility. The risk management objective is to hedge against the fair value of the variable interest rate element of the loan facility. The interest rate swap is a derivative measured at fair value and is designated in the hedging relationship in its entirety.

d. Currency forward contracts

The Group acquires goods for sale from overseas which, when not denominated in sterling, are paid for principally in US dollars and euros. The Group has entered into forward foreign exchange contracts (all of which are less than one year in duration) to buy US dollars and euros to hedge the exchange rate risk arising from these anticipated future purchases. At the balance sheet date the total notional value of contracts to which the Group was committed was €nil and US$24.0m (2023: €6.0m and US$21.5m). The fair value of these derivatives was £0.5m asset (2023: £0.4m liability). These contracts are not designated cash flow hedges and accordingly the fair value movement has been reflected in the income statement.

e. Interest rate sensitivity analysis

A sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming that the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 1.0% increase or decrease is used when reporting interest rate risk internally to key management personnel.

At 31 December 2024 the Group had no floating rate liabilities except for its £75m 5-year term loan facility for which the Group entered into an interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument. There was £200m on short-term deposit at 31 December 2024 (2023: £101.5m). A 1.0% increase or decrease in interest rates, with all other variables held constant, would have the following impact on:

- Profit before taxation for the year ended 31 December 2024 would have increased or decreased by £2.0m (2023: increased or decreased by £1.0m) due to the short-term deposits.
- Net equity would have increased or decreased by £1.5m (2023: increased or decreased by £0.8m).

f. Liquidity analysis

The following table details the Group's liquidity analysis for its derivative financial instruments and other financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis and the undiscounted gross cash flows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

	2024				
£m	**0–1 year**	**1–2 years**	**2–5 years**	**5+ years**	**Total**
Total gross settled: Foreign exchange forward contracts	**(18.7)**	**–**	**–**	**–**	**(18.7)**
Total net settled: Interest rate swap – cash flow hedge	**1.1**	**0.9**	**0.7**	**–**	**2.7**
Total derivative financial instruments	**(17.6)**	**0.9**	**0.7**	**–**	**(16.0)**
Net settled:					
Borrowings	**(30.6)**	**(270.6)**	**(132.7)**	**(72.2)**	**(506.1)**
Trade and other payables at amortised cost	**(625.7)**	**–**	**–**	**–**	**(625.7)**
Leases	**(119.9)**	**(208.0)**	**(161.3)**	**(336.2)**	**(825.4)**
Total financial instruments	**(776.2)**	**(478.6)**	**(294.0)**	**(408.4)**	**(1,957.2)**

	2023				
£m	0–1 year	1–2 years	2–5 years	5+ years	Total
Total gross settled: Foreign exchange forward contracts	(22.9)	–	–	–	(22.9)
Total net settled: Interest rate swap – cash flow hedge	1.9	1.9	3.1	–	6.9
Total derivative financial instruments	(21.0)	1.9	3.1	–	(16.0)
Net settled:					
Borrowings	(24.9)	(24.9)	(366.2)	(143.9)	(559.9)
Trade and other payables at amortised cost	(653.2)	–	–	–	(653.2)
Leases	(108.9)	(101.1)	(237.8)	(316.6)	(764.4)
Total financial instruments	(787.0)	(126.0)	(604.0)	(460.5)	(1,977.5)

29. Impairment

Accounting policy

Impairment of tangible and intangible assets

The carrying amounts of the Group's tangible and intangible assets with a definite useful life are reviewed at each balance sheet date to determine whether there is any indication of impairment to their value. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. The Group's CGUs are the branches of its Merchanting and Toolstation businesses and the Staircraft business. The recoverable amount of an asset is the greater of its fair value less disposal cost and its value-in-use (the present value of the future cash flows that the asset is expected to generate). In determining value in use the present value of future cash flows is discounted using a pre-tax discount rate that reflects current market assessments of the time-value of money in relation to the period of the investment and the risks specific to the asset concerned.

Where the carrying value exceeds the recoverable amount a provision for the impairment loss is established with a charge being made to the income statement. When the reasons for an impairment no longer exist the impairment is reversed in the income statement up to the net book value that the relevant asset would have had if it had not been impaired and if it had been depreciated, except in respect of goodwill for which impairments are not reversed.

For intangible assets that have an indefinite useful life the recoverable amount is estimated on an annual basis.

a. Measuring recoverable amounts

The recoverable amounts of the goodwill and other non-monetary assets with indefinite useful lives are determined for all CGUs and CGU groupings from value-in-use calculations, except for the Toolstation Benelux CGU grouping and the Staircraft CGU, where fair value less cost of disposal ("FVLCD") calculations have been used. The Toolstation Benelux FVLCD model is a discounted cash flow model and the Staircraft FVLCD model is an EBITDA multiple model. The different FVLCD methods for Toolstation Benelux and Staircraft reflect Toolstation Benelux being a high-growth loss-making business and Staircraft being a relatively mature business. The valuations are considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

The key financial assumptions for the value-in-use models and the Toolstation Benelux discounted cash flow model are those regarding the discount rate and the terminal growth rate. The key operating assumptions for these models are sales growth and operating margin percentage. The key assumption for the Staircraft CGU calculation is that a market participant would use an EBITDA multiple of 8x. Management estimates pre-tax discount rates that reflect current market assessments of the time-value of money and the risks specific to the CGU groupings that are not reflected in the cash flow projections.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

RISK CONTINUED

29. Impairment continued
In developing these assumptions, management has considered the possible impacts of climate risks. This has included consideration of the impact of climate risks on the Group's required capital expenditure, on energy costs directly in the business and the supply chain and the impact of the changes on the Group's markets and customers.

Key financial assumptions
The key financial assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key financial assumptions represent management's assessment of current market conditions and future trends and have been based on historical data from both external and internal sources.

	2024	2023
Pre-tax discount rate	**11.7% – 12.9%**	12.1% – 13.3%
Terminal growth rate	**1.6% – 2.0%**	2.0%

The pre-tax discount rate used in the estimation of the recoverable amount for the Travis Perkins General Merchant and CCF CGU groupings was 12.9% and for the Toolstation Benelux CGU grouping was 11.7%.

Management determined the values assigned to these financial assumptions as follows:

- Pre-tax discount rates: These are calculated by reference to the weighted average cost of capital ("WACC") of the Group and reflect specific risks relating to the Group's industries and the countries in which the Group operates. The pre-tax discount rate is adjusted for risks not adjusted for in the cash flow forecasts, including risks related to the industry of each CGU.
- Terminal growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. For the UK CGUs, this represents the forecast inflation growth for the final year considered in the Bank of England's long-term inflation target. For Toolstation Benelux, this represents the GDP growth forecast for the Netherlands in the final available forecast year in the IMF's World Economic Outlook Database.

Key operating assumptions
Cash flow forecasts are derived from the most recent Board-approved strategic plans, updated for changes in current trading conditions and adjusted for risks relevant to the cash flows. The key operating assumptions used in the estimation of future cash flows for the UK CGUs and CGU groupings are:

- Sales growth rates on which the approved corporate plans are based and which are derived from a variety of sources that provide market volume forecasts, including construction and consumer outlook reports, current and forecast housing-market transaction numbers and mortgage-approval levels. The Directors consider this to be the principal operating assumption as it determines management's approach to the interlinked factors underlying the operating margin percentage.
- Operating margin percentages are forecast in the context of the sales growth assumptions and are based on historical experience of operating margins, adjusted for the impact of changes to product costs and cost-saving initiatives.

For the less-mature Toolstation Benelux CGU grouping, the key operating assumption is future sales growth. This assumption is set in the context of the store opening profile and historical data from the Toolstation UK and Toolstation Benelux businesses on the store maturity profile.

Cash flows beyond the strategic plan periods (2029 and beyond for the UK CGUs and 2030 and beyond for the Toolstation Benelux CGU) have been determined using the terminal growth rate. The longer period used in the FVLCD model for the Toolstation Benelux CGU is consistent with market practice for valuing high-growth loss-making businesses. Corporate costs are allocated to CGUs on a pro-rata basis per each CGU's sales.

Results
The recoverable amount of goodwill and intangible assets with indefinite useful lives was in excess of their book value in all CGUs and CGU groupings and therefore no impairments have been recognised in respect of these CGUs and CGU groupings, except for the Staircraft CGU in respect of which a £32.7m impairment charge has been recognised.

Indications of impairment were identified for some Merchanting branches, each of which is a CGU, and as a result of the impairment reviews performed for these branches an impairment charge of £62.7m has been recognised, principally in respect of certain Travis Perkins General Merchant and CCF branches. All these impairments relate to the Merchanting segment. The annual impairment reviews for branches in the Group's other businesses did not result in any impairments.

In 2023 an impairment charge of £33.1m was recognised in respect of the Toolstation France CGU grouping and of £7.6m in respect of certain Benchmarx branches.

There are no reasonably possible changes in the key assumptions used in the impairment reviews that would cause the recoverable amounts to be lower than the carrying amounts except in respect of the Toolstation Benelux, Travis Perkins General Merchant and CCF CGU groupings. Sensitivity disclosures are provided for these CGU groupings.

Staircraft impairment
Following the annual impairment review of goodwill and intangible assets, an impairment of £32.7m has been recognised in respect of the Staircraft CGU. Trading conditions in its market have been challenging and as a consequence a lower EBITDA figure has been used in the FVLCD calculation. This impairment charge relates to £1.9m of right-of-use assets, £3.6m of tangible fixed assets, £23.8m of goodwill and £3.4m of other acquisition-related intangible fixed assets. The recoverable amount of these fixed assets relating to the Staircraft business is now £22.0m. There are no reasonably possible changes in the assumptions used in this impairment review that would result in a materially different impairment charge.

Branch impairments

The impairment reviews for branches in the Merchanting businesses have resulted in an impairment charge of £62.7m being recognised. This charge consists of £49.5m in respect of Travis Perkins General Merchant branches, £7.5m in respect of CCF branches and £5.7m in respect of other Merchanting CGUs. It reflects the challenging trading conditions and extended period of low market volumes in the UK construction sector. The impairment charge relates to £26.7m of right-of-use assets and £36.0m of tangible fixed assets. The remaining carrying value of assets related to the branches subject to an impairment charge is £308.7m.

Sensitivity disclosures

The recoverable amounts calculated in the impairment reviews of the Travis Perkins General Merchant, CCF and Toolstation Benelux CGU groupings exceeded the carrying amounts as below.

	Carrying amount	Headroom
Travis Perkins General Merchant	**1,188.4**	**182.5**
CCF	**113.1**	**46.8**
Toolstation Benelux	**126.1**	**25.4**

Whilst the Directors believe the assumptions are realistic, there are reasonably possible changes in the key assumptions that would cause the recoverable amounts of these CGUs to be lower than the carrying amounts. The key variables applied to the value-in-use calculations for Travis Perkins General Merchant and CCF and the fair value less cost of disposal calculation for Toolstation Benelux, and the value at which the recoverable amount would be equal to the carrying amount for each CGU, were:

	Travis Perkins General Merchant		CCF		Toolstation Benelux	
	Assumption	Sensitivity	Assumption	Sensitivity	Assumption	Sensitivity
Pre-tax discount rate	12.9%	14.5%	12.9%	16.7%	11.7%	13.2%
Average sales growth	3.5%	3.3%	7.4%	7.2%	13.8%	12.4%
Operating margin	6.0%	4.9%	3.3%	2.3%	n/a	n/a

The average sales growth assumptions, which are compound annual growth rates, reflect an expectation that the significant reduction in construction market volumes in the UK and in the Netherlands since 2021 will be partially reversed over the forecast period. The operating margin figure disclosed is for the terminal year of the relevant model. The models are not sensitive to reasonably possible changes to the operating margin in years other than the terminal year. These impairment reviews are not sensitive to reasonably possible changes to the terminal growth rate. All other variables have been held equal.

There are no reasonably possible changes in the assumptions used in the impairment reviews of Staircraft and the Merchanting branches that would result in a materially different impairment charge.

Key estimates over assumptions used in value-in-use calculations

In testing for impairment, the recoverable amount of the Toolstation Benelux CGU has been determined by reference to the FVLCD of the CGU grouping. The recoverable amounts of the Travis Perkins General Merchant and CCF CGU groupings have been determined by reference to their value-in-use. In producing these estimates, the Directors have made certain estimates concerning discount rates, future cash flows and the future development of the businesses that are consistent with the 2024 strategic plans and the businesses' 2025 budgets. Whilst the Directors consider the assumptions to be realistic, should actual results, including those for future sales growth, be different from expectations, for instance due to a worsening of the British economy (or the Dutch or Belgian economy in the case of the Toolstation Benelux CGU), then it is possible that the value of goodwill and other intangible and tangible assets included in the balance sheet could become impaired or the impairment charge could be different. The range of reasonably possible outcomes includes the impairment charges detailed in the scenarios in the table below.

CGU or CGU grouping	Carrying value of assets (£m)	Reasonably possible scenario	Impairment charge in the scenario (£m)
Toolstation Benelux	126.1	Pre-tax discount rate is 100bps higher and sales are cumulatively 10% lower over the period of the modelled cash flows	18.2
Travis Perkins General Merchant	1,188.4	Post-tax discount rate is 100bps higher, sales are up to 5% lower during the period of the modelled cash flows and the operating margin in the terminal year is 50bps lower	99.3
CCF	113.1		1.0

30. Capital commitments

£m	2024	2023
Contracted for but not provided in the accounts	**26.4**	9.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK CONTINUED

31. Business combinations and disposals

Accounting policy

All business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group
- Fair value of any asset or liability resulting from a contingent consideration arrangement
- Fair value of any pre-existing equity interest in the subsidiary

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business Combinations are recognised at their fair value at the acquisition date except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 – Income Taxes and IAS 19 – Employee Benefits respectively
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 – Share-based Payments

Liabilities for contingent consideration are classified as fair value through profit and loss.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred. Where a business combination is achieved in stages, the Group's previously-held interest in the acquired entity is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in the income statement.

PEOPLE

32. Staff costs

a. Average number of persons employed

The average monthly number of persons employed (including Executive Directors):

No.	2024	2023
Sales and distribution	**16,243**	17,703
Administration	**1,351**	1,469
	17,594	19,172

The average monthly number of persons employed (including Executive Directors) in 2023 excluding the discontinued operations was 18,831.

b. Aggregate remuneration

£m	2024	2023 (re-presented)
Wages and salaries	**565.1**	576.5
Social security costs	**52.5**	55.5
Pension costs (note 18)	**22.1**	21.9
Share-based payments (note 33)	**11.7**	14.6
	651.4	668.5

Director's remuneration, including pension contributions and Long-Term Incentive plan awards, is set out in the Single Total Figure of Remuneration table in the Directors' Remuneration report on pages 101 to 102.

The total amounts received or receivable by Directors under long-term incentive schemes in respect of qualifying service in the year is £1,000 (2023: £81,000). The aggregate of gains made by the Directors in the year on the exercise of share options equated to £nil (2023: £nil). Details with respect to share options exercised in the year are set out on page 109.

33. Share-based payments

Accounting policy

The Group issues equity-settled share-based payments to colleagues: long-term incentives, executive share options and Save As You Earn ("SAYE"). These payments are measured at fair value at the date of grant using the Black-Scholes option-pricing model taking into account the terms and conditions upon which the options were granted. The cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

a. Fair value of options

The Black-Scholes option-pricing model is used to calculate the fair value of the options and the amount to be expensed. The probability of the performance conditions being achieved was included in the fair-value calculations. The inputs into the model for options granted in the year expressed as weighted averages are as follows:

	2024		2023	
	SAYE	**Nil-price options**	SAYE	Nil-price options
Share price at grant date (pence)	**729.0**	**729.0**	828.6	828.6
Option exercise price (pence)	**724.0**	**–**	690.0	–
Volatility (%)	**32.4%**	**37.7%**	35.6%	40.4%
Option life (years)	**3.3**	**2.6**	3.4	3.0
Risk-free interest rate (%)	**4.0%**	**4.4%**	4.4%	3.4%
Expected dividends as a dividend yield (%)	**2.1%**	**3.3%**	4.4%	4.0%

Volatility is based on historic share prices over a period equal to the vesting period. Option life used in the model has been based on options being exercised in accordance with historical patterns. For executive share options the vesting period is three years.

If options remain unexercised after a period of ten years from the date of grant, these options expire. Options are forfeited if the colleague leaves the Group before options vest. SAYE options vest after three or five years and expire three and a half or five and a half years after the date of grant.

The risk-free interest rate of return is the yield on zero-coupon UK Government bonds on a term consistent with the vesting period. Dividends used are based on actual dividends where data is known and future dividends estimated using a dividend cover of three times (within the Board's target range).

The expected life of options used in the model has been adjusted, based upon management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

There are no cash-settled share schemes. All share schemes are equity-settled.

b. Income statement charge and shares granted

A description of the share schemes operated by the Group is contained in the remuneration report on page 90. The estimated fair values of the shares under option granted under the Group's share schemes in 2024 are as follows:

Share scheme	Grant date	Fair value for the Group £m
Restricted Share Plan (nil-price options)	16 April 2024	5.5
Buyout Award	25 April 2024	1.0
Restricted Share Plan (nil-price options)	16 September 2024	1.4
Save As You Earn	26 September 2024	3.6

c. Share options for the Group

The number and weighted average exercise price of share options is as follows:

	The Group					
	2024			2023		
In thousands of options	**Weighted average exercise price (pence)**	**Number of options**	**Number of nil price options**	Weighted average exercise price (pence)	Number of options	Number of nil price options
Outstanding at the beginning of the year	**527**	**5,132**	**2,229**	823	5,276	2,568
Forfeited during the year	**542**	**(1,644)**	**(481)**	652	(2,649)	(279)
Exercised during the year	**706**	**(19)**	**(458)**	747	(4)	(925)
Granted during the year	**724**	**1,040**	**1,066**	690	2,509	865
Outstanding at the end of the year	**474**	**4,509**	**2,356**	527	5,132	2,229
Exercisable at the end of the year	**547**	**39**	**75**	352	201	417

The weighted-average share price on the date of exercise of options exercised in the period was 896 pence (2023: 921 pence).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

PEOPLE continued

33. Share-based payment continued

Details of the options outstanding at 31 December are as follows:

	2024			2023		
	Executive options	**SAYE**	**Nil price options**	Executive options	SAYE	Nil price options
Range of exercise prices (pence)	**898 – 1,958.0**	**690 – 1,411.0**	**–**	898 – 1,958	690 – 1,411	–
Weighted average exercise price (pence)	**1,304**	**717**	**–**	1,328	749	–
Number of shares (thousands)	**14**	**4,530**	**2,349**	3	5,132	2,226
Weighted average expected remaining life (years)	**–**	**2.1**	**1.6**	–	2.7	1.8
Weighted average contractual remaining life (years)	**–**	**2.6**	**11.6**	–	3.2	8.6

d. Impact of vesting and exercise

If all SAYE shares are acquired on the first possible day, 4.5m of shares will be issued for a consideration of £32.1m in the years below:

	2025		2026		2027		2028		2029	
	No. m	£m	No. m	£m	No. m	£m	No. m	£m	No. m	£m
Options	0.5	0.0	0.6	0.0	0.8	0.0	0.1	0.0	0.0	0.0
SAYE	1.5	10.5	1.4	9.9	1.1	8.2	0.4	2.6	0.1	0.9

The table above shows theoretical amounts. For the Group to receive the cash indicated in the periods shown, the following must occur:

- All performance conditions on executive share options must be fully met.
- Options must be exercised on the day they vest (option holders generally have a seven year period post vesting to exercise the option).
- The share price at the exercise date for SAYE options must exceed the exercise price and every holder must exercise.
- All option/SAYE holders must remain with the Group, or leave on good terms.

If none of the requirements are met then the Group will receive no consideration.

34. Key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures.

£m	**2024**	2023
Short-term employee benefits	**10.9**	9.9
Post-employment benefits	**0.5**	0.5
Share-based payments	**3.8**	5.2
	15.2	15.6

35. Related party transactions

The Group has a related party relationship with its subsidiaries, its Directors and with its pension schemes (note 18). Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

OTHER

36. Impact of new standards and interpretations

A number of new or amended standards became applicable for the current reporting period and as a result the Group has applied the following standards:

- Classification of liabilities as current or non-current, and non-current Liabilities with covenants (amendments to IAS 1 – presentation of Financial Statements).
- Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases).
- Supplier finance arrangements (amendment to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures).

The above requirements did not have a material impact on the Group and have been adopted without restating comparatives.

At the date of the approval of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue, but not yet effective:

- IFRS 18 – Presentation and disclosure in financial statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.
- Amendments to IAS 21 – Lack of exchangeability.
- Annual improvements to IFRS – Volume 11
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments and contracts referencing nature-dependent electricity

Based on their initial assessment, the Directors anticipate that adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group.

COMPANY BALANCE SHEET

As at 31 December 2024

£m	Notes	2024	2023
Assets			
Non-current assets			
Tangible assets		**–**	0.1
Investment in subsidiaries	2	**2,416.7**	1,921.9
Derivative financial instruments	9	**3.8**	2.9
Total non-current assets		**2,420.5**	1,924.9
Current assets			
Debtors	4	**200.5**	644.0
Cash and cash equivalents, excluding bank overdrafts		**201.1**	108.9
Total current assets		**401.6**	752.9
Total assets		**2,822.1**	2,677.8
Equity and liabilities			
Capital and reserves			
Issued capital		**23.8**	23.8
Share premium account		**545.6**	545.6
Cash flow hedge reserve		**2.5**	2.9
Merger reserve		**326.5**	326.5
Own shares		**(7.2)**	(14.1)
Other reserves		**1.4**	1.4
Accumulated profits		**1,269.6**	1,317.2
Total equity	5	**2,162.2**	2,203.3
Non-current liabilities			
Interest-bearing loans and borrowings	6	**421.8**	420.5
Total non-current liabilities		**421.8**	420.5

£m	Notes	2024	2023
Current liabilities			
Interest-bearing loans and borrowings	6	**13.2**	–
Derivative financial instruments	9	**–**	0.4
Amounts due to subsidiaries	7	**209.2**	36.1
Other creditors	10	**15.7**	17.5
Total current liabilities		**238.1**	54.0
Total liabilities		**659.9**	474.5
Total equity and liabilities		**2,822.1**	2,677.8

The Company's profit for the year was £28.8m (2023: £297.1m), and total comprehensive income for the year was £28.5m (2023: £295.7m).

The accompanying notes form an integral part of these financial statements.

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 31 March 2025 and signed on its behalf by:

Geoff Drabble
Chair

Duncan Cooper
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

£m	Share capital	Share premium	Merger reserve	Hedging reserve	Own shares	Other	Retained earnings	Total equity
At 1 January 2023	23.8	545.6	326.5	4.3	(34.3)	1.4	1,107.8	1,975.1
Profit and total comprehensive income for the year	–	–	–	(1.4)	–	–	297.1	295.7
Dividends	–	–	–	–	–	–	(82.1)	(82.1)
Own shares movement	–	–	–	–	20.2	–	(20.2)	–
Equity-settled share-based payments net of tax	–	–	–	–	–	–	14.6	14.6
At 31 December 2023	**23.8**	**545.6**	**326.5**	**2.9**	**(14.1)**	**1.4**	**1,317.2**	**2,203.3**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**0.3**	**–**	**–**	**(28.8)**	**(28.5)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(23.2)**	**(23.2)**
Sale of own shares	**–**	**–**	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Own shares movement	**–**	**–**	**–**	**–**	**6.8**	**–**	**(6.8)**	**–**
Equity-settled share-based payments net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**11.7**	**11.7**
Exercise of options over non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Reclassifications	**–**	**–**	**–**	**(0.7)**	**–**	**–**	**0.7**	**–**
At 31 December 2024	**23.8**	**545.6**	**326.5**	**2.5**	**(7.2)**	**1.4**	**1,269.6**	**2,162.2**

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
For the year ended 31 December 2024

GENERAL INFORMATION

Overview
Travis Perkins plc is the ultimate parent of the Travis Perkins plc Group ("the Group"). The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 2 to 70. The Company is incorporated and is domiciled in the United Kingdom as a public limited company under the Companies Act 2006. The address of the registered office is Lodge Way House, Lodge Way, Harlestone Road, Northampton NN5 7UG.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates.

Basis of accounting
The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company has not been presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 2 "Share-based Payment" in respect of Group settled share-based payments;
- The requirements of IFRS 7 "Financial Instruments: Disclosures".
- The requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements".
- The requirements of IAS 7 "Statement of Cash Flows".
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Error".
- The requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures".
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 - Impairment of Assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Travis Perkins plc.

Basis of preparation
The financial statements have been prepared on the historical cost basis, except that derivative and other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and also designated financial instruments are stated at fair value through other comprehensive income.

Foreign currencies
Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

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

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue, removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividend suspension.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and the successful issuance of £125m of new debt in March 2025.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 59 to 69 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements.

Significant accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

Standards issued but not yet effective

New standards, amendments and interpretations which are in issue but not yet effective are not expected to have a material impact on the Company's financial statements.

1. Income statements disclosures

The audit fee for the Company and the consolidated financial statements is disclosed in note 4(b) of the Group consolidated financial statements. Fees payable to KPMG LLP for audit and non-audit services to the Company are not required to be disclosed because the Group financial statements disclose such fees on a consolidated basis. Details of the Company's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee Report

Staff costs (including Directors):

£m	2024	2023
Wages and salaries	**5.7**	6.5
Social security costs	**0.7**	0.9
Other pension costs	**0.2**	0.2
Share-based payments (note 12)	**4.3**	5.4
	10.9	13.0

The average monthly number of persons employed including Directors during the year was 50 (2023: 51).

2. Investments in subsidiaries

Accounting policy
Investments in subsidiaries are carried at cost less impairment.

£m	2024	2023
Cost		
At 1 January	**3,147.8**	3,003.6
Additions	**494.8**	144.2
At 31 December	**3,642.6**	3,147.8
Provision for impairment		
At 1 January	**(1,225.9)**	(1,135.0)
Impairment charge	**–**	(90.9)
At 31 December	**(1,225.9)**	(1,225.9)
Net book value at 31 December	**2,416.7**	1,921.9

The additions to investments in 2024 represent the capitalisation of intercompany loans as part of the Group's ongoing project to simplify its legal structure.

The impairment charge in 2023 relates to the Company's investment in Travis Perkins Finance Company Limited and followed the payment of intercompany dividends in 2023 which resulted in a reduction in the subsidiary's net assets below the carrying amount of the investment held by the Company. Accordingly an impairment loss was recognised.

As the carrying amount of the net assets of the Company was more than its market capitalisation as at 31 December 2024, the Directors have carried out an impairment review of the Company's investments and concluded that the investments are not impaired. The investment balance principally relates to the Company's investment in Travis Perkins Group Holdings Limited, which indirectly holds all of the Group's operating businesses.

A full listing of all related undertakings is provided in note 11.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

3. Deferred tax

£m (Asset)/liability:	At 1 Jan 2024	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 Dec 2024
Share-based payments	**(2.0)**	**0.6**	**(0.1)**	**–**	**(1.5)**
Cash flow hedge	**0.7**	**–**	**–**	**0.1**	**0.8**
Other timing differences	**(0.2)**	**–**	**–**	**–**	**(0.2)**
	(1.5)	**0.6**	**(0.1)**	**0.1**	**(0.9)**

£m (Asset)/liability:	At 1 Jan 2023	Recognised in income	Recognised in equity	Recognised in other comprehensive income
Share-based payments	(0.7)	(1.3)	–	–
Cash flow hedge	1.1	–	–	(0.4)
Other timing differences	(0.3)	0.1	–	–
	0.1	(1.2)	–	(0.4)

4. Debtors

Accounting policy

Debtors are originally recognised at fair value. Subsequent to the initial recognition they are measured at amortised cost using the effective interest rate method.

£m	2024	2023
Current:		
Amounts owed by subsidiaries	**155.9**	572.4
Other financial assets – loan notes	**1.7**	1.7
Other debtors	**42.9**	69.9
	200.5	644.0

Amounts owed by subsidiaries include loans and other balances. The loans are interest-free and repayable on demand.

5. Share capital and reserves

Accounting policy

Equity instruments represent the ordinary share capital of the Company and are recorded at the proceeds received, net of directly attributable incremental issue costs.

a. Share capital

Ordinary shares of 11.2p (authorised, issued and fully paid)	No.	£m
At 1 January and December 2024	212,509,334	23.8

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. See Group note 19 for the explanation of movements in share capital and own shares.

b. Own shares

	2024	2023
At 1 January	**1,668,682**	2,596,684
Reissued	**(476,499)**	(928,002)
At 31 December	**1,192,183**	1,668,682

The own shares held by the Employee Share Ownership Trust are to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- Retained earnings represents cumulative results for the Company.

Distributable reserves

The distributable reserves accessible to the Company broadly approximate its accumulated profits. When required the Company can receive dividends from its subsidiaries to increase the available distributable reserves.

6. Interest bearing loans and borrowings

Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

£m	2024	2023
Bonds	**250.0**	250.0
Finance charges netted off borrowings	**(3.2)**	(4.5)
Term loan	**75.0**	75.0
Senior unsecured notes	**100.0**	100.0
Overdrafts	**13.2**	–
	435.0	420.5
Current liabilities	**13.2**	–
Non-current liabilities	**421.8**	420.5
	435.0	420.5

£m	2024	2023
Borrowings repayable:		
On demand or within one year	**13.2**	–
More than one year, but not more than five years	**325.0**	325.0
More than five years	**100.0**	100.0
Gross borrowings	**438.2**	425.0
Unamortised fees	**(3.2)**	(4.5)
	435.0	420.5

At 31 December 2024 all borrowings were denominated in sterling (2023: sterling).

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date.

	2024		2023	
	Effective interest rate	£m	Effective interest rate	£m
Assets:				
Short-term deposits	**4.4%**	**200.0**	5.2%	101.5
Liabilities:				
2026 £250m bond	**3.8%**	**250.0**	3.8%	250.0
£75m term loan	**4.6%**	**75.0**	4.6%	75.0
£100m senior unsecured notes	**6.2%**	**100.0**	6.2%	100.0
		425.0		425.0

Details of the bonds, term loan and senior unsecured notes are given in note 22 to the consolidated financial statements.

7. Amounts due to subsidiary undertakings

£m	2024	2023
Amounts due to subsidiary undertakings – current	**209.2**	36.1
	209.2	36.1

Amounts due to subsidiary undertakings relate to loans and other balances. These loans are interest-free.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

8. Financial risk management

For more details of the Group's hedging instruments see notes 27 and 28 of the Group financial statements.

£m	2024	2023
Non-current assets		
Interest rate swap – cash flow hedge	**3.3**	2.9
Total non-current derivative financial instrument assets	**3.3**	2.9

The Company's hedging reserve relates to the following hedge instrument:

£m	Interest rate swaps
At 1 January 2023	3.2
Change in fair value of hedging instrument recognised in OCI	(1.4)
Deferred tax	0.4
At 1 January 2024	**2.2**
Change in fair value of hedging instrument recognised in OCI	**0.4**
Deferred tax	**(0.1)**
At 31 December 2024	**2.5**

The following amounts were recognised in the Group's profit and loss:

£m	2024	2023
Net loss on foreign currency forwards not qualifying as hedges included in other gains	**0.8**	–

£m	2024	2023
Carrying amount (non-current assets)	**3.3**	2.9
Notional amount	**75.0**	75.0
Maturity date	**15 August 2027**	15 August 2027
Hedge ratio	**1:1**	1:1
Change in fair value of hedging instruments for the year	**0.4**	4.3
Weighted average hedged rate for the year	**5.1%**	4.6%

9. Financial instruments

For the full details of the cash flow hedging instrument and the resulting accounting policy, see notes 27 and 28 of the Group accounts.

a. The carrying value of categories of financial instruments

£m	2024	2023
Financial assets:		
Mandatorily at FVTPL	**0.5**	–
Loans and receivables (including cash and cash equivalents) at amortised cost	**399.9**	686.1
Designated instrument-by-instrument as either FVTPL or FVOCI	**3.3**	2.9
	403.7	689.0
Financial liabilities:		
Mandatorily at FVTPL	**–**	0.4
Borrowings (note 6)	**435.0**	420.5
Trade and other payables at amortised cost	**220.2**	44.2
	655.2	465.1

b. Liquidity analysis

The following table details the Company's liquidity analysis for its derivative financial instruments and other external financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis and the undiscounted gross cash flows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

	2024				
£m	0–1 year	1–2 years	2–5 years	5+ years	Total
Total gross settled: Foreign exchange forward contracts	(18.7)	–	–	–	(18.7)
Total net settled: Interest rate swap – cash flow hedge	1.1	0.9	0.7	–	2.7
Total derivative financial instruments	(17.6)	0.9	0.7	–	(16.0)
Net settled:					
Borrowings	(30.6)	(270.6)	(132.7)	(72.2)	(506.1)
Trade and other payables at amortised cost	(220.2)	–	–	–	(220.2)
Total financial instruments	(250.8)	(270.6)	(132.7)	(72.2)	(726.3)

	2023				
£m	0–1 year	1–2 years	2–5 years	5+ years	Total
Total gross settled: Foreign exchange forward contracts	(22.9)	–	–	–	(22.9)
Total net settled: Interest rate swap – cash flow hedge	1.9	1.9	3.1	–	6.9
Total derivative financial instruments	(21.0)	1.9	3.1	–	(16.0)
Net settled:					
Borrowings	(20.9)	(20.8)	(353.5)	(143.9)	(539.1)
Trade and other payables at amortised cost	(47.4)	–	–	–	(47.4)
Total financial instruments	(68.3)	(20.8)	(353.5)	(143.9)	(586.5)

10. Other creditors

Accounting policy

Other creditors are measured at amortised cost. The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

£m	2024	2023
Other creditors	11.0	8.1
Accruals	4.7	9.4
	15.7	17.5

11. Related undertakings

The registered office of all subsidiary undertakings is Lodge Way House, Lodge Way, Harlestone Road, Northampton NN5 7UG except for companies with a superscript where the registered office is given after the list of subsidiary companies and investments.

Active subsidiary companies (100% ownership and UK registered)

CCF Limited
Independent Construction Technologies Limited[*3]
Keyline Civils Specialist Limited[2]
Staircraft Group Limited[1]
The BSS Group Limited
The Cobtree Scottish Limited Partnership[1]
Tools & Fasteners Solutions Limited
Toolstation Holdings Limited
Toolstation Limited[1]
TP Property Company Limited
Travis Perkins Group Holdings Limited
Travis Perkins (Properties) Limited
Travis Perkins Finance Company Limited[*3]
Travis Perkins Leasing Company Limited[*3]
Travis Perkins P&H Group Holdings Limited
Travis Perkins Trading Company Limited
Wickes Properties Limited[*3]

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

11. Related undertakings continued

Dormant & non-trading subsidiary companies (100% ownership and UK registered)

Benchmarx Kitchens and Joinery Limited
British Steam Specialties (International) Limited (The)
BSS (UK) Limited
BSS GPS Trustee Limited
Builders Mate Limited
Cobtree Nominees Limited
E. East & Son Limited
JS Towell Limited[*3]
MD-DOR3 Limited[*3]
MD-DOR4 Limited
Monteith Building Services Limited[*4]
P. H. Properties Limited[*3]
P.T.S. Plumbing Trade Supplies Limited[*3]
Terant Supplies Limited
Tile It All (UK) Limited[*3]
The BSS EBT Company Limited[*3]
Tile Giant Holdings Limited
TP Directors Ltd
TP General Partner (Scotland) Limited[1]
TPG Management Services Limited
Travis Group Limited
Travis & Arnold Limited
Travis Perkins Capital Partner Limited
Travis Perkins Financing Company No.3 Limited
Travis Perkins Merchant Holdings Limited
Tricom Group Limited[*3]

* companies in voluntary liquidation.

Other subsidiary companies (100% ownership and non-UK registered)

Company Name	Registered	% Ownership	Status
BSS (Ireland) Limited[5]	Ireland	100	Active
Toolexpert Benelux BV[6]	Netherlands	97	Active
Toolstation BV[6]	Netherlands	97	Active
Toolstation NV/SA[7]	Belgium	97	Active
Toolstation Europe BV[6]	Netherlands	97	Active
Toolstation Europe Limited	United Kingdom	97	Active
Toolstation Netherlands BV[8]	Germany	97	Dormant
Toolstation SAS[9]	Netherlands	97	Active
Travis Perkins Hong Kong Limited[10]	France	97	Active
Travis Perkins Sourcing (Shanghai) Ltd[11]	Hong Kong	100	Active

Investments

Company Name	Registered	% ownership	Status
Hermitage Park Management Company Limited[12]	United Kingdom	25	Active

Registered offices (not Lodge Way House)

1 Ryehill House, Ryehill Close, Lodge Farm Industrial Estate, Northampton, England, NN5 7UA, United Kingdom
2 50 Mauchline Street, Glasgow, G5 8HQ, United Kingdom
3 C/O Forvis Mazars LLP, 1st Floor Two Chamberlain Square, Birmingham, B3 3AX, United Kingdom
4 C/O Forvis Mazars LLP, Restructuring Services Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD, United Kingdom
5 White Heather Industrial Estate, South Circular Road, Dublin, 8, Ireland
6 Brandpuntlaan Zuid 12, 2665NZ, Bleiswijk, Netherlands
7 Boomsesteenweg 58, 2630 Aarlselaar, Belgium
8 Regus Building, Kranhaus 1, Business Centre GmbH Co KG, Im Zollhafen 18, 50678 Koln, Germany
9 61 Route de Grenoble, 69800 Saint Priest, Lyon, France
10 Suite 2401, 24/F, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong
11 Building No.17, No. 800 Changde Road, JingAn District, Shanghai 200040, China
12 C/O Bruton Knowles LLP, 2 Paris Parklands, Railton Road, Guildford, Surrey, GU2 9JX, United Kingdom

12. Share-based payments

The Company operates a number of share incentive plans. A description of the share schemes operated by the Group, including that of the Company, is contained in the remuneration report on pages 90 to 93 and page 106 to 110 and in note 33 to the consolidated financial statements.

13. Related party transactions

The Company has a related party relationship with its subsidiaries, its Directors and with its pension schemes. In addition the remuneration of the Directors, and the details of their interests in the share capital of the Company are provided in the audited part of the remuneration report on pages 102 to 110. Other than the payment of remuneration there have been no related party transactions with Directors.

Details of balances outstanding with subsidiary companies are shown in notes 4 and 7 and in the balance sheet on page 172.

FIVE-YEAR SUMMARY

CONSOLIDATED INCOME STATEMENT

	2024 £m	2023 (re-presented)* £m	2022 £m	2021 £m	2020 £m
Revenue	**4,607.4**	4,837.1	4,994.8	4,568.7	3,697.5
Operating profit before amortisation and adjusting items	**151.8**	198.1	295.3	352.8	128.3
Amortisation	**(10.4)**	(10.5)	(10.5)	(11.1)	(8.6)
Adjusting items – operating	**(139.1)**	(26.9)	–	6.8	(92.7)
Operating profit	**2.3**	160.7	284.8	348.5	27.0
Share of associates' results	**–**	–	–	–	0.1
Net finance costs	**(40.7)**	(39.3)	(39.8)	(42.9)	(47.4)
(Loss)/profit before tax	**(38.4)**	121.4	245.0	305.6	(20.3)
Adjusting items – deferred tax	**–**	–	–	(4.7)	(9.0)
Income tax expense	**(2.2)**	(31.9)	(52.8)	(60.1)	(5.8)
Net (loss)/profit from continuing operations	**(40.6)**	89.5	192.2	240.8	(35.1)
Net (loss)/profit from discontinued operations	**(36.8)**	(51.4)	–	38.1	13.2
(Loss)/profit for the period	**(77.4)**	38.1	192.2	278.9	(21.9)
Basic (loss)/earnings per share from continuing operations	**(19.2)p**	42.5p	90.8p	103.9p	(14.3p)
Basis (loss)/earnings per share from discontinued operations	**(17.4)p**	(24.4)p	–	16.4p	5.3p
Adjusted earnings per share	**36.6p**	54.4p	94.6p	107.3p	21.0p
Dividend declared per ordinary share	**14.5p**	18.0p	39.0p	73.0p	–
Number of branches at 31 December (includes branches of associates)	**1,421**	1,507	1,484	1,513	1,389
Average number of colleagues	**17,594**	18,831	19,956	18,833	17,512

* The comparative numbers prior to 2023 are not re-presented for discontinued operations related to Toolstation Europe France.

FIVE-YEAR SUMMARY CONTINUED

CONSOLIDATED FREE CASH FLOW STATEMENT

£m	2024 £m	2023 (re-presented)* £m	2022 £m	2021 £m	2020 £m
Adjusted operating profit	**151.8**	198.1	295.3	352.8	128.3
Less: Profit on disposal of properties	**(11.3)**	(15.1)	(25.3)	(48.9)	(9.2)
Adjusted operating profit excluding property profit	**140.5**	183.0	270.0	303.9	119.1
Depreciation of property, plant and equipment	**79.8**	79.1	73.6	69.2	60.0
Amortisation of internally generated intangibles	**3.6**	4.6	6.5	9.7	11.5
Share-based payments	**11.7**	14.6	17.0	19.1	12.2
Movement on working capital	**5.5**	(22.6)	(76.5)	(151.8)	197.4
Other net interest paid	**(19.5)**	(25.0)	(16.9)	(13.6)	(28.3)
Interest on lease liabilities	**(29.6)**	(25.6)	(21.5)	(21.2)	(21.3)
Income tax paid	**(20.9)**	(40.7)	(57.6)	(59.9)	(27.6)
Capital expenditure excluding freehold purchase	**(63.8)**	(107.2)	(110.0)	(95.0)	(87.1)
Disposal of plant and equipment	**1.2**	2.0	10.1	4.4	5.4
Free cash flow	**108.5**	62.2	94.7	64.8	241.3

* The comparative numbers prior to 2023 are not re-presented for discontinued operations related to Toolstation Europe France.

CONSOLIDATED BALANCE SHEET

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Assets					
Non-current assets					
Property, plant and equipment	**771.1**	848.4	847.3	800.1	830.4
Goodwill and other intangible assets	**908.2**	947.8	974.9	978.7	1,670.5
Right-of-use assets	**545.4**	530.4	451.7	439.8	1,145.5
Other receivables	**15.3**	14.2	17.2	0.7	–
Retirement benefit asset	**116.9**	100.6	135.9	275.8	178.4
Other investments	**–**	–	–	–	9.2
Derivative financial instruments	**3.3**	2.9	4.3	–	–
Deferred tax asset	**17.5**	18.0	15.0	13.9	–
Current assets					
Inventories	**648.6**	727.6	727.8	724.4	840.7
Trade and other receivables	**760.5**	689.6	725.9	706.7	892.7
Tax debtor	**–**	14.5	0.7	–	6.5
Derivative financial instruments	**–**	–	–	0.2	–
Cash and cash equivalents	**244.4**	131.5	235.7	459.8	505.6
Total assets	**4,031.2**	4,025.5	4,136.4	4,400.1	6,079.5
Capital and reserves					
Issued capital	**23.8**	23.8	23.8	25.2	25.2
Share premium account	**545.6**	545.6	545.6	545.6	545.6
Merger reserve	**326.5**	326.5	326.5	326.5	326.5
Own shares	**(7.2)**	(14.1)	(34.3)	(61.4)	(39.5)
Other reserves	**19.5**	23.5	27.4	14.6	15.5
Accumulated profits	**1,065.9**	1,135.0	1,213.2	1,387.3	1,840.5
Total equity	**1,974.1**	2,040.3	2,102.2	2,237.8	2,713.8

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Non-current liabilities					
Interest-bearing loans and borrowings	**421.8**	445.1	349.1	575.2	575.7
Lease liability	**560.1**	518.8	438.3	414.7	1,168.3
Long-term provisions and other payables	**21.6**	3.8	4.9	6.8	21.9
Deferred tax liabilities	**68.3**	92.8	96.0	140.4	77.2
Current liabilities					
Interest-bearing loans and borrowings		–	192.5	–	–
Lease liability	**94.5**	89.6	74.3	74.5	158.8
Overdraft	**13.2**	–	–	–	–
Derivative financial instruments	**–**	0.4	0.2	–	1.6
Trade and other payables	**838.2**	795.4	852.4	921.1	1,304.2
Tax liabilities	**–**	–	–	0.4	–
Short-term provisions	**39.4**	39.3	26.5	29.2	58.0
Total liabilities	**2,057.1**	1,985.2	2,034.2	2,162.3	3,365.7
Total equity and liabilities	**4,031.2**	4,025.5	4,136.4	4,400.1	6,079.5

OTHER INFORMATION

Contents

185 ESG data report (including SASB data)
188 Other shareholder information

ESG DATA REPORT (INCLUDING SASB DATA)

	Unit of Measure	SASB reference	**2024**	2023	2022	2021	2020
Energy and fuel							
Total energy consumed	kWh	N/A (SECR compliance)	**276,611,054**	311,809,636	322,116,912	364,826,976	339,716,233
Total UK energy consumed	kWh		**267,508,323**	306,260,839	313,744,004	358,494,358	334,383,277
Total Non-UK energy consumed	kWh		**9,102,731**	5,548,797	8,372,908	6,332,618	5,332,957
Total energy consumed	Gigajoules (GJ)	CG-MR-1.30a.1	**995,792**	1,122,515	1,080,095	1,313,377	1,222,978
Grid energy	%	CG-MR-1.30a.1	**35.98**	34.58	34.67	28.35	33.35
Renewable energy	%	CG-MR-1.30a.1	**23.84**	21.85	23.50	5.83	0
Fuel consumption	Litres	N/A	**17,054,583**	19,600,396	20,680,219	22,650,200	21,430,651
Waste							
Non-hazardous waste	Tonnes	N/A	**26,624**	28,149	27,238	28,175	18,946
Hazardous waste	Tonnes	N/A	**143**	252	297	229.0	236
Landfilled waste	Tonnes	N/A	**508**	1,075	1,622	1,492	1,353
Recycled waste	Tonnes	N/A	**10,290**	10,837	8,656	10,084	9,614
Incinerated waste	Tonnes	N/A	**15,969**	16,237	16,960	16,829	8,216
Total waste	Tonnes	N/A	**26,767**	28,401	27,535	28,404	19,182
Data Security							
Data breaches	#	CG-MR-230a.2	**0**	0	0	0	1
Involving Personally Identifiable Information ("PII")	%	CG-MR-230a.2	**0**	0	0	0	100
Customers affected	#	CG-MR-230a.2	**0**	0	0	0	9
Description of approach to identifying and addressing data security risks	Text	CG-MR-230a.1	"See text on page 187"				
Labour practices							
Average hourly wage	£	CG-MR-310a.1	**13.81**	13.21	13.54	12.8	12.4
In-branch colleagues earning minimum wage by region	%	CG-MR-310a.1	**0.0%**	0.0%	0.0%	0.7%	7.4%
Voluntary turnover rate for in-branch colleagues	Rate	CG-MR-310a.2	**15.60%**	17.3%	20.6%	19.6%	10.7%
Involuntary turnover rate for in-branch colleagues	Rate	CG-MR-310a.2	**6.10%**	7.1%	5.7%	4.2%	9.9%
Total amount of monetary losses as a results of legal proceedings associated with labour law violations	£m	CG-MR-310a.3	**0.0**	0.0	0.0	0.0	0.0

ESG DATA REPORT (INCLUDING SASB DATA) CONTINUED

	Unit of Measure	SASB reference	2024	2023	2022	2021	2020
Workforce diversity and inclusion							
Gender							
Management							
Female	%	CG-MR-330a.1	**22.6%**	21.6%	23.6%	20.6%	18.3%
Male	%	CG-MR-330a.1	**77.4%**	78.4%	76.4%	79.4%	81.7%
Not available or Not disclosed	%	CG-MR-330a.1	**–**	0%	0%	0%	0%
All other employees							
Female	%	CG-MR-330a.1	**25.1%**	25.0%	25.6%	25.7%	20.7%
Male	%	CG-MR-330a.1	**74.9%**	75.0%	74.4%	74.3%	79.3%
Not available or Not disclosed	%	CG-MR-330a.1	**–**	0%	0%	0%	0%
Ethnic group							
Management							
Asian	%	CG-MR-330a.1	**2.3%**	2.4%	2.5%	1.9%	2.0%
Black or African American	%	CG-MR-330a.1	**0.5%**	0.7%	0.7%	0.5%	0.3%
Hispanic or Latino	%	CG-MR-330a.1	**0.9%**	0.9%	0.8%	0.9%	0.7%
White	%	CG-MR-330a.1	**76.2%**	80.0%	80.1%	82.5%	85.9%
Other	%	CG-MR-330a.1	**0.2%**	0.3%	0.3%	0.4%	0.5%
Not available or Not disclosed	%	CG-MR-330a.1	**19.9%**	15.7%	15.7%	13.7%	10.7%
All other employees							
Asian	%	CG-MR-330a.1	**3.2%**	2.7%	2.5%	2.6%	2.0%
Black or African American	%	CG-MR-330a.1	**1.8%**	1.3%	1.2%	1.0%	0.7%
Hispanic or Latino	%	CG-MR-330a.1	**1.8%**	1.5%	1.5%	1.6%	1.4%
White	%	CG-MR-330a.1	**62.7%**	64.0%	65.1%	64.3%	67.8%
Other	%	CG-MR-330a.1	**5.8%**	2.5%	0.5%	0.7%	0.7%
Not available or Not disclosed	%	CG-MR-330a.1	**24.7%**	28%	29.3%	29.8%	27.4%
Total amount of monetary losses as a result of legal proceedings associated with employee discrimination	£m	CG-MR-330a.2	**0**	0.01	0	0	–
Product sourcing, packaging and marketing							
Revenue from products third-party certified to environmental and/or social sustainability standards	£m	CG-MR-410a.1	**399**	407	538	555	386
Description of processes to assess and manage risks and/or hazards associated with chemicals in product	Text	CG-MR-410a.2	See text on page 187				
Discussion of strategies to reduce the environmental impact of packaging	Text	CG-MR-410a.3	See text on page 187				
Water consumption							
Water consumption	m3	N/A	**270,146**	277,610	258,321	316,852	281,050

CG-MR-230a.1: Description of approach to identifying and addressing data security risks

Travis Perkins Group identifies vulnerabilities in its information systems using a combination of people, processes and technology while following the NIST Cybersecurity Framework to measure its maturity and alignment with ISO 27001.

The processes of building, procuring, deploying, operating, and managing IT systems some of which are ongoing are governed by established policies and standards, which are regularly reviewed to ensure they remain current. Any exceptions to these policies or standards undergo a rigorous risk assessment and management process, including approval from system and data owners. The Group allocates specific funding to undertake security-related projects aimed at enhancing security maturity and managing risks within acceptable limits.

Every colleague's learning plan includes regular data protection training, and cyber awareness training throughout the Group. Additionally, colleagues are frequently targeted with phishing simulation campaigns using a leading industry approach.

Technology is implemented across the IT infrastructure to protect against and detect cyber threats and attacks. This includes tools such as firewalls, proxies, data loss prevention systems, extended detection and response (XDR), as well as continuous monitoring and logging into a Security Information and Event Management (SIEM) system. Security events were monitored 24/7/365 to ensure timely detection and response.

From a testing perspective, regular penetration tests and vulnerability scans are conducted on various components of the IT infrastructure and systems to identify exploitable vulnerabilities. When vulnerabilities are discovered, the Information Security Team evaluates, addresses, and tracks them.

The Group also regularly tests its incident response capabilities through tabletop exercises to assess the effectiveness of its incident response plans and playbooks.

This comprehensive approach is part of the Group's internal control and assurance framework and will be reviewed as outlined in the Internal Audit Plan to ensure that risks are adequately mitigated.

CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in product

The Group requires its suppliers to adhere to its published 'Supplier Commitments' (https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/). Suppliers are required to notify immediately where any product supplied contains substances of very high concern (SVHCs), explosives precursors or poisons or has other restrictions on sale and to take steps to replace any products that contain restricted substances or SVHCs with suitable alternatives. For such products, suppliers are required to provide a Safety Data Sheet (SDS). The business undertakes supplier assessments either via an Online Risk Assessment or via factory audits, based on risk, to assess adherence to the Supplier Commitments. The supplier assessment programme covers both private label and branded product suppliers. Restricted products are flagged within the business systems, triggering processes at point of sale to ensure they're not sold to underage customers (i.e. solvents). This includes, for example:

- corrosive products, under the Offensive Weapons Act 2019, including acids and chemicals which may burn the skin but not normal strength household bleach and cleaners); and
- solvents, under the Psychoactive Substances Act 2016, including glues and adhesives, flammable products such as fire lighter fluid, solvent cement, paint stripper, thinners, essentially any substances which are capable of producing a psychoactive effect in a person who consumes it and it is not an exempted substance; and
- spray paint and aerosols; under the Anti-Social Behaviour Act 2003.

There is a requirement in the Group Supplier Manual (https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/) for suppliers delivering to the Group's sites to provide a safety data sheet for all substances delivered which are harmful to health.

CG-MR-410a3: Description of strategies to reduce the environmental impact of packaging

The Group is committed to reducing its environmental impact relating to packaging. For more information on objectives and progress, please refer to page 34. Throughout 2024 the Group continued to work with the direct sourcing team to optimise the amount of material used, achieving packaging reductions and improvements. The Group continued to work with Ecosurety its packaging compliance partner, to ensure smooth transition to the Extend Producer Regulations, and obtain packaging data from its suppliers which is differentiated by packaging levels; primary, secondary and tertiary, and by material type. In late 2024, the Group began a competitive tendering process to consolidate the supply of packaging materials used across the business. This process is due to complete in Q1 2025.

With regards to influencing others, the Group will continue its work with the Supply Chain Sustainability School (SCSS) to raise awareness and share best practice on packaging reductions and transitioning to more sustainable packaging solutions. Travis Perkins and BSS branches continue to backhaul cardboard, plastic and wood packaging to their distribution centres where it is processed and sent for reprocessing.

OTHER SHAREHOLDER INFORMATION

Financial diary

Ex-dividend date	17 April 2025
Record date	22 April 2025
Trading statement	29 April 2025
Annual General Meeting	14 May 2025
Payment of final dividend	29 May 2025

Annual General Meeting ("AGM")

The AGM will be held on 14 May 2025 at 9.30am.

Registrars

For information about shareholdings and dividends and to report changes to your address, bank details or any other account information please contact the Company's registrars ("MUFG"):

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholder portal provided by MUFG: www.travisperkins-shares.com
Email: shareholderenquiries@cm.mpms.mufg.com
Telephone: +44 (0) 371 664 0300*

Shareholder portal

You can view and manage your shareholder account online via the shareholder portal provided by MUFG (www.travisperkins-shares.com). You will need to register to use this service and to do so you will require your unique investor code which can be found on your share certificate or dividend confirmation (and which you may see abbreviated as "IVC").

Dividends

It is more secure to have your dividends paid directly into your bank account than by cheque. If you do not already have your dividends paid directly into your account and would like to do so, you can do this on the MUFG shareholder portal or you can contact MUFG, who will send you the relevant form to complete. Shareholders outside the United Kingdom may be able to make use of MUFG's International Payment Service facility to have dividends converted into your chosen currency. For further details please contact MUFG or visit https://www.mpms.mufg.com/en/for-individuals/uk/shareholders/international-payment-service/.

Shareholder communications

Travis Perkins plc Annual Reports and other information pertinent to investors, including results, other reports and presentations and regulatory news, are available on the Investors section of our Company website (www.travisperkinsplc.co.uk).

Annual Report

The Annual Report is published on our Company website and a hard copy will be posted to shareholders who have requested it. All other shareholders will be notified by letter or email when the Annual Report is available on our website. A hard copy of the Annual Report can be requested by writing to:

The Company Secretary
Travis Perkins plc
Ryehill House
Rye Hill Close
Lodge Farm Industrial Estate
Northampton
NN5 7UA

or by email to: cosec@travisperkins.co.uk

Electronic shareholder communications

The Company encourages you to consider if receiving your shareholder communications by email would work best for you. This is a faster, more environmentally friendly and more effective way to communicate with you. If you have received a paper copy of this report or notification of its availability by post and would like to receive fully electronic communication, please register your preference on the MUFG shareholder portal.

Other shareholder services provided by our registrars

MUFG provide a number of other services that, as a shareholder, might be useful to you:

Duplicate share register accounts

If you are receiving more than one copy of our report, or notification by post of its availability online, it may be that your shares are registered in two or more accounts on our register of members. If that is not your intention you may wish to consider merging the accounts into one single entry. Please contact MUFG who will be pleased to help you.

Dividend Re-Investment Plan ("DRIP")

This is a facility provided by MUFG which allows shareholders resident in the United Kingdom, Channel Islands and Isle of Man to use their dividends to buy further shares in the Company. Full details are available by calling MUFG on +44 (0) 371 664 0381, or you can sign up for this service on the MUFG shareholder portal (by clicking on "Manage your account" followed by "Dividend payments" and following the on-screen instructions).

Share-dealing services

Share-dealing services are available to shareholders resident in the UK, Channel Islands and Isle of Man from MUFG:
On-line dealing: https://sharedeal.cm.mpms.mufg.com/
Telephone dealing: +44 (0) 371 664 0445*

These services are only available to private shareholders resident in the UK.

* Calls will be charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate; lines are open 9.00am to 5.30pm, Monday to Friday with the exception of share-dealing lines which are open from 8.00am to 4.30pm.