

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of

Securities Exchange Act of 1934

For the month of July 2004

HOLMES FINANCING (No 3) PLC
HOLMES FUNDING LIMITED
HOLMES TRUSTEES LIMITED

(Translation of registrant's name into English)

Abbey National House, 2 Triton Square, Regent's
Place, London NW1 3AN, England
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F . . . ☒ . . . Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No . . . ☒ . . .

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

| | Current Period | |
|----------------------|----------------|------------|
| | Number | £000's |
| Brought Forward | 417,772 | 29,994,331 |
| Replenishment | 14,565 | 1,270,653 |
| Repurchased | (7,881) | (532,906) |
| Redemptions | (9,267) | (940,209) |
| Losses | (8) | (16) |
| Capitalised Interest | 0 | 4,369 |
| Other Movements | 0 | 1 |
| Carried Forward | 415,181 | 29,796,223 |

| | Cumulative | |
|----------------------|------------|--------------|
| | Number | £000's |
| Brought Forward | 115,191 | 6,399,214 |
| Replenishment | 828,063 | 61,592,697 |
| Repurchased | (237,756) | (16,724,777) |
| Redemptions | (289,855) | (21,513,333) |
| Losses | (462) | (793) |
| Capitalised Interest | 0 | 43,215 |
| Other Movements | 0 | 0 |
| Carried Forward | 415,181 | 29,796,223 |

| | Period CPR | Annualised CPR | |
|----------|------------|----------------|---|
| 1 Month | 4.94% | 76.51% | **(including redemptions and repurchases) |
| 3 Month | 14.08% | 70.64% | |
| 12 Month | 54.67% | 54.67% | |

** The annualised CPR's are expressed as a percentage of the outstanding balance at the end of the period

Holmes Financing No 3 plc
 Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Asset Profiles

| | | |
|---------------------------------|------------|------------------------------------|
| Weighted Average Seasoning | 32.12 | months |
| Weighted Average Loan size | £71,766.83 | |
| Weighted Average LTV | 71.22% | *** (see below) |
| Weighted Average Indexed LTV | 54.97% | using Halifax House Price Index |
| Weighted Average Indexed LTV | 54.33% | using Nationwide House Price Index |
| Weighted Average Remaining Term | 18.48 | Years |

Product Type Analysis

| | £000's | % |
|---------------|------------|---------|
| Variable Rate | 8,822,662 | 29.61% |
| Fixed Rate | 5,911,571 | 19.84% |
| Tracker Rate | 15,061,991 | 50.55% |
| | 29,796,223 | 100.00% |

As at 08 July 2004 approximately 7.5% of the loans were flexible loans

Repayment Method Analysis

| | £000's | % |
|---------------|------------|---------|
| Endowment | 6,686,272 | 22.44% |
| Interest Only | 4,281,717 | 14.37% |
| Repayment | 18,828,233 | 63.19% |
| | 29,796,223 | 100.00% |

As at 08 July 2004 approximately 14.86% of the loans were written under Abbey's policy of non-income verification

Loan Purpose Analysis

| | £000's | % |
|------------|------------|---------|
| Purchase | 22,665,987 | 76.07% |
| Remortgage | 7,130,236 | 23.93% |
| | 29,796,223 | 100.00% |

Mortgage Standard Variable Rate

| <u>Effective Date</u> | <u>Rate</u> |
|-----------------------|-------------|
| 01 July 2004 | 6.50% |
| 01 June 2004 | 6.25% |
| 01 March 2004 | 6.00% |
| 01 December 2003 | 5.75% |

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Geographic Analysis

| Region | Number | £000's | % |
|--------------------------|----------------|-------------------|----------------|
| East Anglia | 17,043 | 1,141,474 | 3.83% |
| East Midlands | 22,746 | 1,414,925 | 4.75% |
| Greater London | 67,514 | 6,284,834 | 21.09% |
| North | 17,955 | 948,968 | 3.18% |
| North West | 47,085 | 2,682,455 | 9.00% |
| Scotland | 27,597 | 1,520,333 | 5.10% |
| South East | 107,305 | 9,188,753 | 30.84% |
| South West | 32,966 | 2,340,808 | 7.86% |
| Wales | 20,140 | 1,081,283 | 3.63% |
| West Midlands | 28,247 | 1,739,007 | 5.84% |
| Yorkshire and Humberside | 25,949 | 1,412,531 | 4.74% |
| Unknown | 634 | 40,852 | 0.14% |
| Total | 415,181 | 29,796,223 | 100.00% |

Original LTV Bands

| Range | Number | £000's | % |
|---------------|----------------|-------------------|----------------|
| 0.00 - 25.00 | 13,962 | 595,000 | 2.00% |
| 25.01 - 50.00 | 70,665 | 4,270,609 | 14.33% |
| 50.01 - 75.00 | 146,879 | 11,593,247 | 38.91% |
| 75.01 - 80.00 | 22,348 | 1,781,828 | 5.98% |
| 80.01 - 85.00 | 27,583 | 2,274,162 | 7.63% |
| 85.01 - 90.00 | 51,477 | 4,238,599 | 14.23% |
| 90.01 - 95.00 | 82,267 | 5,042,778 | 16.92% |
| Total | 415,181 | 29,796,223 | 100.00% |

*** The balance is the current outstanding balance on the account including accrued interest. The LTV is that at origination and excludes any capitalised high loan to value fees, valuation fees or booking fees.

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Arrears

| Band | Number | Principal | Overdue | % |
|--------------------------|---------|------------|---------|---------|
| Current | 406,563 | 29,236,674 | (2,970) | 98.14% |
| 1.00 - 1.99 months | 5,175 | 337,853 | 3,055 | 1.13% |
| 2.00 - 2.99 months | 1,614 | 102,603 | 1,635 | 0.34% |
| 3.00 - 3.99 months | 748 | 47,515 | 1,093 | 0.16% |
| 4.00 - 4.99 months | 391 | 24,298 | 732 | 0.08% |
| 5.00 - 5.99 months | 223 | 14,029 | 515 | 0.05% |
| 6.00 - 11.99 months | 354 | 21,352 | 1,107 | 0.07% |
| 12 months and over | 35 | 1,895 | 223 | 0.01% |
| Properties in Possession | 78 | 4,264 | 350 | 0.01% |
| Total | 415,181 | 29,790,483 | 5,740 | 100.00% |

Definition of Arrears

This arrears multiplier is calculated as the arrears amount (which is the difference between the expected monthly repayments and the amount that has actually been paid, i.e. a total of under and/or over payments) divided by the monthly amount repayable. It is recalculated every time the arrears amount changes, i.e. on the date when a payment is due.

Movement in Shares of Trust

| | Funding | Seller |
|------------------------------------|------------|------------|
| | £000's | £000's |
| Balance Brought Forward | 16,083,915 | 13,910,416 |
| Replenishment of Assets | 0 | 1,270,653 |
| Acquisition by Funding | 0 | 0 |
| Distribution of Principal Receipts | (947,865) | (525,249) |
| Allocation of Losses | (8) | (8) |
| Share of Capitalised Interest | 2,343 | 2,026 |
| Payment Re Capitalised Interest | (2,343) | 2,343 |
| Balance Carried Forward | 15,136,042 | 14,660,181 |

| | | |
|----------------------------|-----------|-----------|
| Carried Forward Percentage | 50.79853% | 49.20147% |
|----------------------------|-----------|-----------|

| | | |
|----------------------|-----------|-------|
| Minimum Seller Share | 1,275,372 | 4.28% |
|----------------------|-----------|-------|

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Cash Accumulation Ledger

| | £000's |
|--------------------------------|-----------|
| Brought Forward | 656,435 |
| Additional Amounts Accumulated | 947,865 |
| Payment of Notes | 0 |
| Carried Forward | 1,604,300 |

| | | |
|----------------|-----------|------------------------------|
| Target Balance | 406,070 | payable on 15th July 2004 |
| | 947,865 | payable on 15th October 2004 |
| | 250,365 | payable on 15th April 2005 |
| | 1,604,300 | |

Liquidity Facilities

| | Drawn £000's | Undrawn £000's |
|--------------------|--------------|----------------|
| Holmes Funding | £0 | £25,000 |
| Holmes Financing 1 | £0 | £25,000 |
| Holmes Financing 2 | £0 | £25,000 |
| Holmes Financing 3 | £0 | £25,000 |
| Holmes Financing 4 | £0 | £25,000 |
| Holmes Financing 5 | £0 | £25,000 |
| Holmes Financing 6 | £0 | £25,000 |

Excess Spread *

| | |
|----------------------------------|---------|
| Quarter to 15/04/04 | 0.3687% |
| Quarter to 15/01/04 | 0.4098% |
| Quarter to 15/10/03 (Restated)** | 0.3433% |
| Quarter to 15/07/03 (Restated)** | 0.3852% |

*Excess spread is calculated by reference to deferred consideration (determined according to relevant accounting policies) for the period, adjusted for non-cash related items and items relating to amounts falling due after transfers to the first and second reserve funds in the Funding Revenue Priority of Payments, expressed as a percentage of the average note balance over that period.

**The figures for excess spread in prior periods have been restated to incorporate the cumulative effects of accounting adjustments. This restatement does not affect the past or current cash value of amounts standing to the credit of either the first or the second reserve funds.

Reserve Funds

| | First Reserve | Second Reserve | Funding Reserve |
|----------------------------------|-----------------|----------------|-----------------|
| Balance as at 15/04/2004 | £338,000,000.00 | £7,977,968.00 | £67,722,808.72 |
| Required Amount as at 15/04/2004 | £338,000,000.00 | £7,977,968.00 | £70,000,000.00 |
| Percentage of Notes | 2.02% | 0.05% | 0.40% |

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Properties in Possession

Stock

| Current Period | |
|-----------------------|---------|
| Number | £000's |
| Brought Forward | 78 |
| Repossessed in Period | 11 |
| Sold in Period | (11) |
| Carried Forward | 78 |
| | 4,499 |
| | 1,202 |
| | (1,437) |
| | 4,264 |

| Cumulative | |
|---------------------|----------|
| Number | £000's |
| Repossessed to date | 571 |
| Sold to date | (493) |
| Carried Forward | 78 |
| | 37,309 |
| | (33,045) |
| | 4,264 |

Repossession Sales Information

| | | |
|----------------------------------|--------|------|
| Average time Posses sion to Sale | 82 | Days |
| Average arrears at time of Sale | £3,444 | |

MIG Claim Status

| | Number | £000's |
|------------------------|--------|--------|
| MIG Claims made | 195 | 1,382 |
| MIG Claims outstanding | 1 | 7 |

| | |
|-------------------------------|----|
| Average time claim to payment | 36 |
|-------------------------------|----|

Trigger Events

There has been no debit to the AAA Principal Deficiency Ledger
The Seller has not suffered an Insolvency Event
The Seller is still the Servicer
The Outstanding Principal balance is in excess of £25 billion

Proposed Changes

Abbey has requested Fitch Ratings to confirm the impact on the rating of the issued securities if the minimum required short term rating of Abbey as sterling account bank / GIC provider is changed to F1 from F1+. Once Fitch has completed its review of the appropriate documentation amendments, it expects to confirm that this change will have no effect on the rating of any of the securities issued by any of the Issuers. In addition, it has indicated that in the event that Abbey is downgraded below F1 then Abbey's obligations will either need to be guaranteed by a third party rated at least F1 or transferred to a counterparty rated at least F1, within 30 days of the downgrade, to prevent a downgrade by Fitch of any of the issued securities

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated

Retired Class A Notes

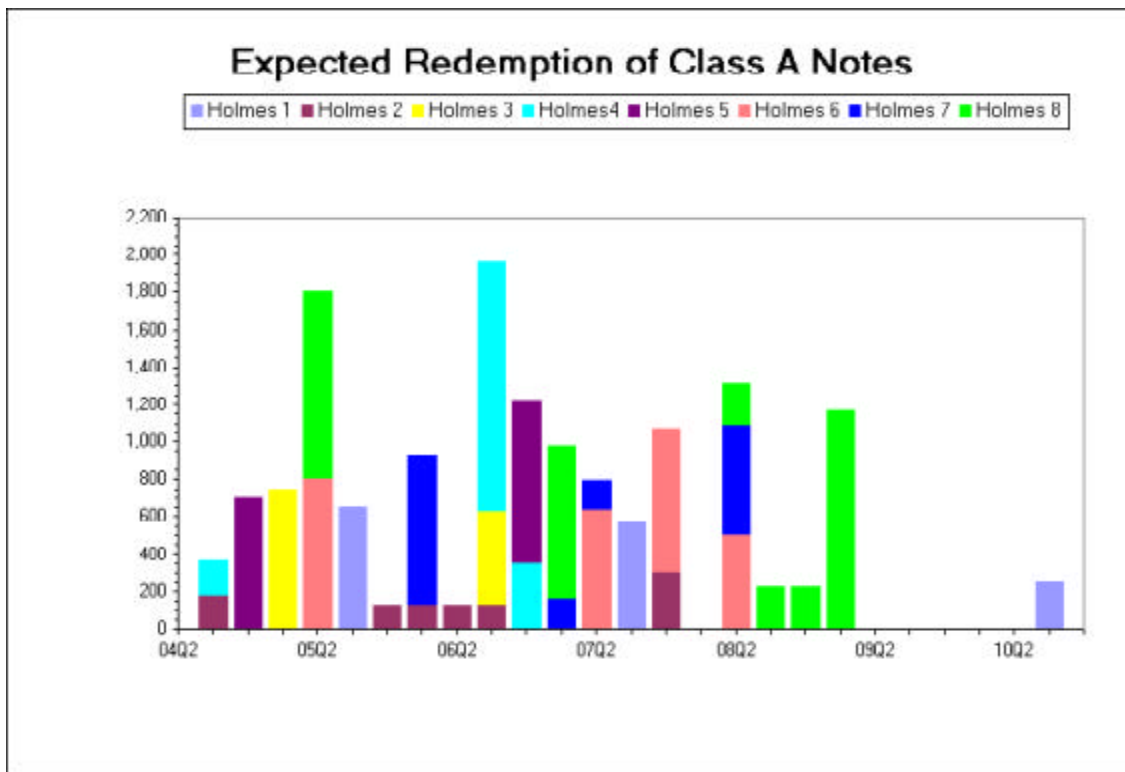
| Date Retired | Holmes 1 | Holmes 2 | Holmes 3 | Holmes 4 | Holmes 5 | Holmes 6 | Holmes 7 | Holmes 8 |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 02Q3 | - | 703 | - | - | 352 | - | - | - |
| 02Q4 | - | - | - | - | 352 | - | - | - |
| 03Q1 | - | - | 750 | - | - | - | - | - |
| 03Q2 | - | - | - | - | - | - | - | - |
| 03Q3 | 600 | - | - | - | - | 481 | - | - |
| 03Q4 | - | 176 | - | 191 | - | 481 | - | - |
| 04Q1 | - | 176 | - | 191 | - | - | 241 | - |
| 04Q2 | - | 176 | - | 191 | - | - | 241 | - |

Outstanding Class A Notes

| Expected Redemption | Holmes 1 | Holmes 2 | Holmes 3 | Holmes 4 | Holmes 5 | Holmes 6 | Holmes 7 | Holmes 8 |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 04Q2 | - | - | - | - | - | - | - | - |
| 04Q3 | - | 176 | - | 191 | - | - | - | - |
| 04Q4 | - | - | - | - | 698 | - | - | - |
| 05Q1 | - | - | 750 | - | - | - | - | - |
| 05Q2 | - | - | - | - | - | 801 | - | 1,001 |
| 05Q3 | 650 | - | - | - | - | - | - | - |
| 05Q4 | - | 125 | - | - | - | - | - | - |
| 06Q1 | - | 125 | - | - | - | - | 803 | - |
| 06Q2 | - | 125 | - | - | - | - | - | - |
| 06Q3 | - | 125 | 500 | 1,340 | - | - | - | - |
| 06Q4 | - | - | - | 350 | 875 | - | - | - |
| 07Q1 | - | - | - | - | - | - | 161 | 812 |
| 07Q2 | - | - | - | - | - | 634 | 161 | - |
| 07Q3 | 575 | - | - | - | - | - | - | - |
| 07Q4 | - | 300 | - | - | - | 770 | - | - |
| 08Q1 | - | - | - | - | - | - | - | - |
| 08Q2 | - | - | - | - | - | 500 | 592 | 221 |
| 08Q3 | - | - | - | - | - | - | - | 221 |
| 08Q4 | - | - | - | - | - | - | - | 221 |
| 09Q1 | - | - | - | - | - | - | - | 1,171 |
| 09Q2 | - | - | - | - | - | - | - | - |
| 09Q3 | - | - | - | - | - | - | - | - |
| 09Q4 | - | - | - | - | - | - | - | - |
| 10Q1 | - | - | - | - | - | - | - | - |
| 10Q2 | - | - | - | - | - | - | - | - |
| 10Q3 | 250 | - | - | - | - | - | - | - |
| 10Q4 | - | - | - | - | - | - | - | - |

Holmes Financing No 3 plc
 Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 09 June 2004 to 08 July 2004

All values are in thousands of pounds sterling unless otherwise stated



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HOLMES FINANCING (No 3) PLC

Dated: 28 July 2004

**By / s / Gail McGrath
(Authorised Signatory)**