

REGISTERED NUMBER: 02955213 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2016
for
Warmup PLC**

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Warmup PLC (Registered number: 02955213)

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for the Year Ended 31 December 2016**

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Warmup PLC

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:

A.D. Stimpson
D. Stimpson
J.B. Stokes
D F Read
S D Sheen

REGISTERED OFFICE:

702 Tudor Estate
Abbey Road
London
NW10 7UW

REGISTERED NUMBER:

02955213 (England and Wales)

AUDITORS:

Davis Grant Limited
Chartered Certified Accountants and
Statutory Auditors
Treviot House
186-192 High Road
Ilford
Essex
IG1 1LR

**Group Strategic Report
for the Year Ended 31 December 2016**

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The results for the year and financial position of the Company and Group are shown in the financial statements on pages 7 to 27. The directors are pleased to report that despite the uncertainties caused by currency fluctuation, the Group achieved a growth in turnover of 13% a growth in Gross profit of 11% and an acceptable level of overall profitability after continuing to invest in the group's infrastructure.

The directors believe the group continues to be in a good financial position due to its careful management, the retention of all retained earnings within the business and the constant review of funding arrangements. The positive levels of net assets and available funds continue to provide the platform from which to finance the company's expansion of product range and geographical sales area. This has been strengthened during the year by the issuing of £2.5m convertible loan notes (see note 25).

The key performance indicators used to monitor and manage the Group and to measure progress towards its objectives are stated below:

	2016	2015
	%	%
1. Growth in Group turnover	13	15
2. Growth in Group Gross profit	11	13
3. Overseas turnover as a percentage of total turnover	28	28

FUTURE DEVELOPMENTS

The Group intends to continue its expansion by increasing its penetration into overseas markets and by increasing its product range in existing markets.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the Group include the following:

Environmental concerns: The directors believe that the Group's products are well placed to take advantage of the increased awareness of the importance of energy efficiency and the use of renewable energy sources.

Foreign currency exchange risk: The Group uses forward foreign currency exchange contracts to mitigate the risk of unfavourable exchange rate movements in the short term.

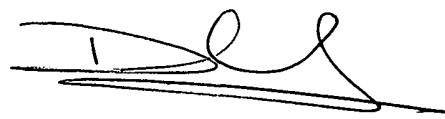
Liquidity risk: The Group reviews and renegotiates its borrowing facilities on an annual basis. Borrowing headroom is regularly monitored with rolling twelve month forecasts updated on a monthly basis.

Credit risk: Outstanding debt is regularly monitored. Customer credit limits are set with regard to latest credit agency reports and ratings.

Competitive concerns: The directors believe that the high quality of the Group's products and service level offering enable it to successfully differentiate from its competitors.

Loss of key personnel risk: The directors continually review remuneration packages and incentive plans to ensure that the risk of losing key personnel is minimal. The Group also has a broad and strong management team which would mitigate the impact of losing key individuals.

ON BEHALF OF THE BOARD:



.....
D F Read - Director

Date: 27/6/17
.....

Warmup PLC (Registered number: 02955213)

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of design, manufacture and sale of underfloor heating and related products.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

RESEARCH AND DEVELOPMENT

The company makes significant investments in research and development in order to improve existing products, and innovate and invent in related areas.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

A.D. Stimpson
D. Stimpson
J.B. Stokes
D F Read
S D Sheen

BRANCHES OUTSIDE THE UK

The company operates a branch in Germany under the name Warmup Heizsysteme.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.


Warmup PLC (Registered number: 02955213)

**Report of the Directors
for the Year Ended 31 December 2016**

AUDITORS

The auditors, Davis Grant Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D F Read - Director

Date: 27/6/17

Report of the Independent Auditors to the Members of Warmup PLC

We have audited the financial statements of Warmup PLC for the year ended 31 December 2016 on pages seven to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Warmup PLC**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 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.

Davis Grant Ltd

Barry Grant Chernoff FCCA (Senior Statutory Auditor)
for and on behalf of Davis Grant Limited
Chartered Certified Accountants and
Statutory Auditors
Treviot House
186-192 High Road
Ilford
Essex
IG1 1LR

Date: 28/6/17.....

Warmup PLC (Registered number: 02955213)

Consolidated Income Statement
for the Year Ended 31 December 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
TURNOVER	3		18,825		16,645
Cost of sales			9,567		8,266
GROSS PROFIT			9,258		8,379
Distribution costs		1,361		1,251	
Administrative expenses		7,749		6,727	
			9,110		7,978
OPERATING PROFIT	5		148		401
Interest payable and similar expenses	6		47		37
PROFIT BEFORE TAXATION			101		364
Tax on profit	7		11		13
PROFIT FOR THE FINANCIAL YEAR			90		351
Profit attributable to:					
Owners of the parent			90		349
Non-controlling interests			-		2
			90		351

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2016

Notes	2016 £'000	2015 £'000
PROFIT FOR THE YEAR	90	351
OTHER COMPREHENSIVE INCOME		
Exchange differences on retranslation of subsidiary undertakings	177	(12)
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	177	(12)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	267	339
Total comprehensive income attributable to: Owners of the parent	267	339

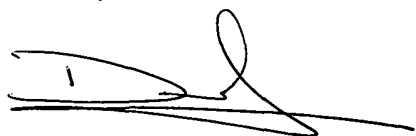
Other comprehensive income of £177,000 arises mainly from the retranslation of the US subsidiary's net assets caused by the weakening of sterling compared to the US dollar during 2016. Adverse effects of sterling weakness against the US dollar are included in the Income Statement.

Warmup PLC (Registered number: 02955213)

Consolidated Balance Sheet
31 December 2016

	Notes	2016 £'000	2015 £'000	£'000
FIXED ASSETS				
Tangible assets	9	789		532
Investments	10	14		-
		<u>803</u>		<u>532</u>
CURRENT ASSETS				
Stocks	11	2,456	2,351	
Debtors	12	3,543	3,186	
Cash at bank		2,516	708	
		<u>8,515</u>	<u>6,245</u>	
CREDITORS				
Amounts falling due within one year	13	3,809	4,157	
NET CURRENT ASSETS			<u>4,706</u>	<u>2,088</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
			<u>5,509</u>	<u>2,620</u>
CREDITORS				
Amounts falling due after more than one year	14		(2,691)	(74)
PROVISIONS FOR LIABILITIES				
	18		(52)	(47)
NET ASSETS			<u>2,766</u>	<u>2,499</u>
CAPITAL AND RESERVES				
Called up share capital	19	373		373
Share premium	20	587		587
Capital redemption reserve	20	42		42
Retained earnings	20	1,781		1,514
SHAREHOLDERS' FUNDS			<u>2,783</u>	<u>2,516</u>
NON-CONTROLLING INTERESTS	21		(17)	(17)
TOTAL EQUITY			<u>2,766</u>	<u>2,499</u>

The financial statements were approved by the Board of Directors on 27/6/17 and were signed on its behalf by:



.....
D F Read - Director

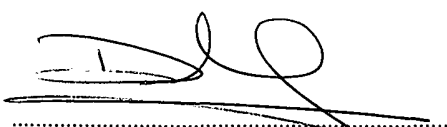
The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Company Balance Sheet
31 December 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	9	703	518
Investments	10	47	33
		<u>750</u>	<u>551</u>
CURRENT ASSETS			
Stocks	11	1,791	1,810
Debtors	12	6,027	5,609
Cash at bank		2,417	465
		<u>10,235</u>	<u>7,884</u>
CREDITORS			
Amounts falling due within one year	13	3,620	3,932
NET CURRENT ASSETS		<u>6,615</u>	<u>3,952</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,365</u>	<u>4,503</u>
CREDITORS			
Amounts falling due after more than one year	14	(2,691)	(74)
PROVISIONS FOR LIABILITIES	18	(53)	(46)
NET ASSETS		<u>4,621</u>	<u>4,383</u>
CAPITAL AND RESERVES			
Called up share capital	19	373	373
Share premium	20	587	587
Capital redemption reserve	20	42	42
Retained earnings	20	3,619	3,381
SHAREHOLDERS' FUNDS		<u>4,621</u>	<u>4,383</u>
Company's profit for the financial year		<u>212</u>	<u>369</u>

The financial statements were approved by the Board of Directors on 27/6/17 and were signed on its behalf by:


D F Read - Director

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 January 2015	373	1,177	587
Changes in equity			
Total comprehensive income	-	337	-
Balance at 31 December 2015	373	1,514	587
Changes in equity			
Total comprehensive income	-	267	-
Balance at 31 December 2016	373	1,781	587

	Capital redemption reserve £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2015	42	2,179	(17)	2,162
Changes in equity				
Total comprehensive income	-	337	-	337
Balance at 31 December 2015	42	2,516	(17)	2,499
Changes in equity				
Total comprehensive income	-	267	-	267
Balance at 31 December 2016	42	2,783	(17)	2,766

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Company Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2015	373	3,046	587	42	4,048
Changes in equity					
Total comprehensive income	-	335	-	-	335
Balance at 31 December 2015	373	3,381	587	42	4,383
Changes in equity					
Total comprehensive income	-	237	-	-	237
Balance at 31 December 2016	373	3,618	587	42	4,620

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Cash Flow Statement
for the Year Ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Cash generated from operations	1	172	(137)
Interest paid		(47)	(37)
Tax paid		(13)	(11)
Net cash from operating activities		<u>112</u>	<u>(185)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(453)	(152)
Purchase of fixed asset investments		(14)	-
Net cash from investing activities		<u>(467)</u>	<u>(152)</u>
Cash flows from financing activities			
Movement on bank borrowings under 1 year		(454)	507
Movement on bank loans over 1		117	(49)
Issue of loan notes		2,500	-
Net cash from financing activities		<u>2,163</u>	<u>458</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	708	587
Cash and cash equivalents at end of year	2	<u>2,516</u>	<u>708</u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£'000	£'000
Profit before taxation	101	364
Depreciation charges	194	165
Foreign exchange differences in reserves	177	(12)
Finance costs	47	37
	<u>519</u>	<u>554</u>
Increase in stocks	(105)	(400)
Increase in trade and other debtors	(357)	(494)
Increase in trade and other creditors	115	203
	<u>172</u>	<u>(137)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31/12/16	1/1/16
	£'000	£'000
Cash and cash equivalents	<u>2,516</u>	<u>708</u>

Year ended 31 December 2015

	31/12/15	1/1/15
	£'000	£'000
Cash and cash equivalents	<u>708</u>	<u>587</u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016**

1. STATUTORY INFORMATION

Warmup PLC is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Basis of consolidation

The group financial statements consolidate the accounts of Warmup Plc and all its subsidiary undertakings made up to 31 December each year; the group profit and loss account includes the results of all subsidiary undertakings for the period from the date of the acquisition and up to the date of disposal.

Turnover and profits arising on trading between group companies are excluded.

Turnover

Turnover is the total amount receivable by the Group for goods and services supplied, excluding VAT.

For installation contracts which are invoiced in advance, the income arising is recognised based upon the stage of completion of the installation. Costs incurred under these contracts are charged to the profit and loss account based upon the stage of completion of the installation

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	- Straight line over the life of the lease
Fixtures and fittings	- At varying rates on cost
Motor vehicles	- 25% on cost

Stock

Stocks have been valued at the lower of cost and estimated selling price less costs to sell. In respect of work in progress and finished goods, costs include a relevant proportion of overheads according to the stage of completion.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Group

The results for overseas undertakings are translated into Sterling at the average rates ruling throughout the period and the balance sheets of overseas undertakings are translated into Sterling at the rates ruling at the balance sheet dates. Exchange differences arising on consolidation are taken directly to reserves.

Company

Assets and liabilities denominated in foreign currencies are converted at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. These translation differences are dealt with through the profit and loss account.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Share-based payments

The Company operates a number of equity-settled share-based payment plans and a cash settled share-based bonus scheme. Equity-settled share based payments are measured at fair value at the date of the grant which is then expensed over the vesting period. For the cash settled bonus scheme, a liability equal to the portion of services received is recognised at its current fair value determined at each balance sheet date. Fair value is determined by reference to option pricing models, principally the Black-Scholes model. Expected life in the models has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restriction and behavioural consideration.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2016	2015
	£'000	£'000
United Kingdom	13,571	11,910
Rest of Europe	2,670	2,354
North America	2,535	2,351
Rest of World	49	30
	<u>18,825</u>	<u>16,645</u>

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£'000	£'000
Wages and salaries	5,474	4,874
Social security costs	657	576
Other pension costs	45	24
	<u>6,176</u>	<u>5,474</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Manufacturing	15	16
Sales & Admin	142	129
	<u>157</u>	<u>145</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 157.

	2016	2015
	£	£
Directors' remuneration	524,815	530,133
Directors' pension contributions to money purchase schemes	20,095	6,033
	<u>544,910</u>	<u>536,166</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	228,566	227,504
Pension contributions to money purchase schemes	365	361
	<u>228,931</u>	<u>227,865</u>

Warmup PLC (Registered number: 02955213)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£'000	£'000
Depreciation - owned assets	196	168
Auditors' remuneration	27	34
Auditors' remuneration for non audit work	10	8
Foreign exchange differences	129	55
Other Operating leases	574	482
	<u>574</u>	<u>482</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£'000	£'000
Bank interest	43	37
Loan note interest	4	-
	<u>47</u>	<u>37</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016	2015
	£'000	£'000
Current tax:		
UK corporation tax	4	5
Deferred tax	7	8
Tax on profit	<u>11</u>	<u>13</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£'000	£'000
Profit before tax	<u>101</u>	<u>364</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	20	73
Effects of:		
Expenses not deductible for tax purposes	17	6
Capital allowances in excess of depreciation	(2)	-
Depreciation in excess of capital allowances	-	8
Effect of enhanced Research and Development deduction	(53)	(87)
Overseas losses not offset	22	3
Deferred tax	7	10
Total tax charge	<u>11</u>	<u>13</u>

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £'000	2016 Tax £'000	Net £'000
Exchange differences on retranslation of subsidiary undertakings	177	-	177
	<u>177</u>	<u>-</u>	<u>177</u>
	<u><u>177</u></u>	<u><u>-</u></u>	<u><u>177</u></u>
		2015	
	Gross £'000	Tax £'000	Net £'000
Exchange difference on retranslation of subsidiary undertakings	(12)	-	(12)
	<u>(12)</u>	<u>-</u>	<u>(12)</u>
	<u><u>(12)</u></u>	<u><u>-</u></u>	<u><u>(12)</u></u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. TANGIBLE FIXED ASSETS

Group

	Improvements to property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2016	389	1,105	37	1,531
Additions	184	269	-	453
Disposals	-	-	(37)	(37)
	<u>573</u>	<u>1,374</u>	<u>-</u>	<u>1,947</u>
At 31 December 2016	573	1,374	-	1,947
DEPRECIATION				
At 1 January 2016	193	769	37	999
Charge for year	42	154	-	196
Eliminated on disposal	-	-	(37)	(37)
	<u>235</u>	<u>923</u>	<u>-</u>	<u>1,158</u>
At 31 December 2016	235	923	-	1,158
NET BOOK VALUE				
At 31 December 2016	<u>338</u>	<u>451</u>	<u>-</u>	<u>789</u>
At 31 December 2015	<u><u>196</u></u>	<u><u>336</u></u>	<u><u>-</u></u>	<u><u>532</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

9. TANGIBLE FIXED ASSETS - continued

Company	Improvements to property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2016	389	1,056	37	1,482
Additions	184	160	-	344
Disposals	-	-	(37)	(37)
At 31 December 2016	<u>573</u>	<u>1,216</u>	<u>-</u>	<u>1,789</u>
DEPRECIATION				
At 1 January 2016	193	734	37	964
Charge for year	42	117	-	159
Eliminated on disposal	-	-	(37)	(37)
At 31 December 2016	<u>235</u>	<u>851</u>	<u>-</u>	<u>1,086</u>
NET BOOK VALUE				
At 31 December 2016	<u>338</u>	<u>365</u>	<u>-</u>	<u>703</u>
At 31 December 2015	<u>196</u>	<u>322</u>	<u>-</u>	<u>518</u>

10. FIXED ASSET INVESTMENTS

Group			Unlisted investments £'000
COST			
Additions			14
At 31 December 2016			<u>14</u>
NET BOOK VALUE			
At 31 December 2016			<u>14</u>
Company			
	Shares in group undertakings £'000	Unlisted investments £'000	Totals £'000
COST			
At 1 January 2016	33	-	33
Additions	-	14	14
At 31 December 2016	<u>33</u>	<u>14</u>	<u>47</u>
NET BOOK VALUE			
At 31 December 2016	<u>33</u>	<u>14</u>	<u>47</u>
At 31 December 2015	<u>33</u>	<u>-</u>	<u>33</u>

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

10. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Warmup Inc

Registered office: USA

Nature of business: Sale of underfloor heating products

	%
Class of shares:	holding
Ordinary	100.00

Warmup SL

Registered office: Spain

Nature of business: Sale of underfloor heating products

	%
Class of shares:	holding
Ordinary	100.00

Warmup Inc

Registered office: Canada

Nature of business: Sale of underfloor heating products

	%
Class of shares:	holding
Ordinary	100.00

Warmup Elektrikli Yerden Isitma Sistemleri Sanayi Ve Ticaret

Registered office: Turkey

Nature of business: Sale of underfloor heating products

	%
Class of shares:	holding
Ordinary	51.00

Warmup Solutions Limited

Registered office: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Warmup Solutions Limited (07847858) is incorporated and a dormant business in the United Kingdom. It is exempt from audit under section 479A Companies Act 2006.

Betterbuild Limited

Registered office: UK

Nature of business: Sale of underfloor heating products

	%
Class of shares:	holding
Ordinary	51.00

Betterbuild Limited (04027875) is incorporated and conducts its business in the United Kingdom. It is exempt from audit under section 479A Companies Act 2006.

Warmup PLC (Registered number: 02955213)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

11. STOCKS

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Raw materials	155	170	155	170
Work-in-progress	73	105	73	105
Finished goods	2,228	2,076	1,563	1,535
	<u>2,456</u>	<u>2,351</u>	<u>1,791</u>	<u>1,810</u>

12. DEBTORS

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:				
Trade debtors	2,914	2,700	2,536	2,405
Other debtors	276	217	176	158
Prepayments	353	269	335	245
	<u>3,543</u>	<u>3,186</u>	<u>3,047</u>	<u>2,808</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	2,980	2,801
	<u>-</u>	<u>-</u>	<u>2,980</u>	<u>2,801</u>
Aggregate amounts	<u>3,543</u>	<u>3,186</u>	<u>6,027</u>	<u>5,609</u>

Group

The value of debtors factored and subject to a fixed charge are £2,238,735 (2015 - £2,120,126).

Company

The value of debtors factored and subject to a fixed charge are £2,238,735 (2015 - £2,120,126).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loans and overdrafts (see note 15)	1,374	1,828	1,374	1,828
Trade creditors	1,258	1,107	1,157	955
Tax	1	10	5	10
PAYE	123	131	118	126
VAT	275	265	266	265
Other creditors	37	35	30	28
Accrued expenses	741	781	670	720
	<u>3,809</u>	<u>4,157</u>	<u>3,620</u>	<u>3,932</u>

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	191	74	191	74
Convertible Loan notes	2,500	-	2,500	-
	<u>2,691</u>	<u>74</u>	<u>2,691</u>	<u>74</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank borrowings	<u>1,374</u>	<u>1,828</u>	<u>1,374</u>	<u>1,828</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>191</u>	<u>74</u>	<u>191</u>	<u>74</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2016	2015
	£'000	£'000
Within one year	525	541
Between one and five years	1,245	1,440
In more than five years	624	835
	<u>2,394</u>	<u>2,816</u>

Company

	Non-cancellable operating leases	
	2016	2015
	£'000	£'000
Within one year	492	496
Between one and five years	1,229	1,414
In more than five years	624	835
	<u>2,345</u>	<u>2,745</u>

Warmup PLC (Registered number: 02955213)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loans	<u>1,565</u>	<u>1,902</u>	<u>1,565</u>	<u>1,902</u>

The bank loan is secured on a fixed and floating charge over all the present freehold and leasehold property of the parent company.

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Deferred tax	<u>52</u>	<u>47</u>	<u>53</u>	<u>46</u>

Group

	Deferred tax £'000
Balance at 1 January 2016	47
Accelerated capital allowances	5
Balance at 31 December 2016	<u>52</u>

Company

	Deferred tax £'000
Balance at 1 January 2016	46
Accelerated capital allowances	7
Balance at 31 December 2016	<u>53</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£'000	£'000
373,303	Ordinary	£1	<u>373</u>	<u>373</u>

Warmup PLC (Registered number: 02955213)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

19. CALLED UP SHARE CAPITAL - continued

The company has the following number of ordinary shares issuable under share options:

Enterprise Management Incentive Options

Date of Grant	Number of Ordinary Shares Under Option	Exercise Price	Exercise Period
16/12/2013	2,345	8.50	01/01/2015 to 15/12/2023
16/12/2013	1,155	8.50	01/01/2016 to 15/12/2023

Unapproved share options

Date of Grant	Number of Ordinary Shares Under Option	Exercise Price	Exercise Period
02/07/2013	30,000	8.50	01/01/2015 to 01/07/2023

20. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2016	1,514	587	42	2,143
Profit for the year	90			90
Foreign exchange differences transferred to reserves	177	-	-	177
At 31 December 2016	<u>1,781</u>	<u>587</u>	<u>42</u>	<u>2,410</u>

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2016	3,382	587	42	4,011
Profit for the year	212			212
Foreign exchange differences transferred to reserves	25	-	-	25
At 31 December 2016	<u>3,619</u>	<u>587</u>	<u>42</u>	<u>4,248</u>

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

21. NON-CONTROLLING INTERESTS

The company owns 51% of the share capital of both Warmup Elektrikli Yerden Isitma Sistemleri Sanayi Ve Ticaret and Betterbuild Limited.

These have been consolidated as part of these financial statements with the minority interest shown in both the consolidated income statement and balance sheet.

22. POST BALANCE SHEET EVENTS

The Company has committed to purchasing the freehold interest in the property currently occupied and leased by its branch in Germany. The purchase price is 250,000 euros, which equates to £219,300 on the date on which these accounts were signed.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A.D. Stimpson.

At the balance sheet date Mr A D Stimpson had a controlling interest of 69.81% of the company's issued share capital (2015-69.81%).

24. SHARE-BASED PAYMENT TRANSACTIONS

2003 Discretionary Share Option Scheme, Enterprise Management Incentive Share Option Scheme and Unapproved Share Option Scheme

Options are granted to employees, senior employees and directors at the market price of the Company's ordinary shares.

The options vest from 1 to 3 years following grant date. Options will not vest unless the employee remains in the service of the Company, and that the relevant performance criteria where applicable are met.

Reconciliations of the number and weighted average exercise price by option scheme are presented below.

Number of shares	Discretionary Scheme	EMI	Unapproved Scheme
At 1 January 2016	-	3,500	30,000
Granted	-	-	-
Exercised in the year	-	-	-
Lapsed in the year	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2016	-	3,500	30,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Exercisable at 31 December 2016	-	-	-
	<hr/>	<hr/>	<hr/>
Weighted average exercise price	Discretionary Scheme	EMI	Unapproved Scheme
At 1 January 2016	-	8.50	8.50
Granted	-	-	-
Exercised in the year	-	-	-
Lapsed in the year	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2016	-	8.50	8.50
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Exercisable at 31 December 2016	-	-	-

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

25. CONVERTIBLE LOAN NOTES

On 6 December 2016, the Company issued 2,500,000 2.5% fixed rate unsecured convertible loan notes of £1 each. The loan notes are convertible into fully paid shares equating to 15% of the entire issued share capital. Part-conversion of the loan notes can take place at prescribed times, with final conversion expected by 6 December 2018.

When issued, the new shares shall rank pari passu with the current issued share capital of the Company.

Subject to agreement between the Company and the loan note holder, the outstanding value of loan notes can be redeemed at any time at the principal amount plus outstanding interest. The Company does not have the right to repay the loan notes without the agreement of the loan note holder.

The equity element of the shares is not material and, as such, the value of the loan notes has been included within creditors: amounts falling due after more than one year.