

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31st December 2019  
for  
Warmup PLC**

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

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for the Year Ended 31st December 2019**

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Warmup PLC

**Company Information  
for the Year Ended 31st December 2019**

**DIRECTORS:**

A.D. Stimpson  
D. Stimpson  
J.B. Stokes  
S. D. Sheen  
J. A. McInerney

**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 31st December 2019**

The directors present their strategic report of the company and the group for the year ended 31st December 2019.

**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 28. The directors are pleased to report that despite the principal risks and uncertainties, the Group maintained growth in its international markets and its 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.

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

	2019	2018
	%	%
Growth in group turnover	.04	7
Growth in group profit	0	3
Overseas turnover as a percentage of turnover	44	40
Profitability	3.5	3.5

**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.

**Brexit:** The Group has committed additional resource and deepened its investment on mainland Europe in order to mitigate the risks of changing market conditions and border controls.

**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.

**Covid19:** The company has been negatively affected by the current ongoing situation with Covid 19. However the directors are taking all available steps to counteract the effect on the business and believe they have the necessary reserves in the company to manage through the pandemic.

**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.

**Group Strategic Report  
for the Year Ended 31st December 2019**

**FINANCIAL INSTRUMENTS**

The group has a normal level of exposure to price, credit, liquidity, foreign exchange and cash flow risks arising from trading activities. The Group uses forward foreign currency exchange contracts to mitigate the risk of unfavourable exchange rate movements in the short term.

**ON BEHALF OF THE BOARD:**

J. A. McInerney - Director

9th September 2020

**Report of the Directors  
for the Year Ended 31st December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2019.

**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 31st December 2019.

**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.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2019 to the date of this report.

A.D. Stimpson  
D. Stimpson  
J.B. Stokes  
S. D. Sheen  
J. A. McInerney

**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 31st December 2019**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

J. A. McNerney - Director

9th September 2020

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

### **Opinion**

We have audited the financial statements of Warmup PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31st December 2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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 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.

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

16th September 2020

Warmup PLC (Registered number: 02955213)

Consolidated Income Statement  
for the Year Ended 31st December 2019

	Notes	2019 £'000	2018 £'000
<b>TURNOVER</b>	3	21,338	21,253
Cost of sales		<u>(11,387)</u>	<u>(11,186)</u>
<b>GROSS PROFIT</b>		9,951	10,067
Distribution costs		<u>(1,150)</u>	<u>(1,233)</u>
Administrative expenses		<u>(7,939)</u>	<u>(8,025)</u>
<b>OPERATING PROFIT</b>	5	862	809
Interest receivable and similar income	6	<u>1</u>	<u>-</u>
		863	809
Interest payable and similar expenses	7	<u>(37)</u>	<u>(77)</u>
<b>PROFIT BEFORE TAXATION</b>		826	732
Tax on profit	8	<u>(78)</u>	<u>21</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>748</u>	<u>753</u>
Profit attributable to:			
Owners of the parent		<u>748</u>	<u>753</u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Other Comprehensive Income  
for the Year Ended 31st December 2019

Notes	2019 £'000	2018 £'000
<b>PROFIT FOR THE YEAR</b>	<b>748</b>	<b>753</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Exchange differences on retranslation of subsidiary undertakings	(60)	77
Income tax relating to other comprehensive income	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>(60)</u>	<u>77</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><b>688</b></u>	<u><b>830</b></u>
Total comprehensive income attributable to:		
Owners of the parent	685	830
Non-controlling interests	<u>3</u>	<u>-</u>
	<u><b>688</b></u>	<u><b>830</b></u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Balance Sheet  
31st December 2019

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	749	845
Investments	11	<u>343</u>	<u>14</u>
		<u>1,092</u>	<u>859</u>
<b>CURRENT ASSETS</b>			
Stocks	12	4,021	3,126
Debtors	13	4,811	5,103
Cash at bank		<u>1,713</u>	<u>929</u>
		<u>10,545</u>	<u>9,158</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(4,620)</u>	<u>(3,697)</u>
<b>NET CURRENT ASSETS</b>		<u>5,925</u>	<u>5,461</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,017</b>	<b>6,320</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(11)	-
<b>PROVISIONS FOR LIABILITIES</b>	19	<u>(43)</u>	<u>(48)</u>
<b>NET ASSETS</b>		<u>6,963</u>	<u>6,272</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	441	441
Share premium	21	3,030	3,030
Capital redemption reserve	21	42	42
Retained earnings	21	<u>3,464</u>	<u>2,776</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>6,977</u>	<u>6,289</u>
<b>NON-CONTROLLING INTERESTS</b>	22	<u>(14)</u>	<u>(17)</u>
<b>TOTAL EQUITY</b>		<u>6,963</u>	<u>6,272</u>

The financial statements were approved by the Board of Directors and authorised for issue on 9th September 2020 and were signed on its behalf by:

J. A. McInerney - Director

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Company Balance Sheet  
31st December 2019

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	720	801
Investments	11	<u>376</u>	<u>47</u>
		<u>1,096</u>	<u>848</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,842	2,020
Debtors	13	7,096	7,668
Cash at bank		<u>1,013</u>	<u>567</u>
		<u>10,951</u>	<u>10,255</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(4,118)</u>	<u>(3,293)</u>
<b>NET CURRENT ASSETS</b>		<u>6,833</u>	<u>6,962</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,929</b>	<b>7,810</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(11)	-
<b>PROVISIONS FOR LIABILITIES</b>	19	<u>(43)</u>	<u>(48)</u>
<b>NET ASSETS</b>		<u>7,875</u>	<u>7,762</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	441	441
Share premium	21	3,030	3,030
Capital redemption reserve	21	42	42
Retained earnings	21	<u>4,362</u>	<u>4,249</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>7,875</u>	<u>7,762</u>
Company's profit for the financial year		<u>116</u>	<u>402</u>

The financial statements were approved by the Board of Directors and authorised for issue on 9th September 2020 and were signed on its behalf by:

J. A. McInerney - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity  
for the Year Ended 31st December 2019**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>
<b>Balance at 1st January 2018</b>	373	1,946	587
<b>Changes in equity</b>			
Issue of share capital	68	-	2,443
Total comprehensive income	-	830	-
<b>Balance at 31st December 2018</b>	<u>441</u>	<u>2,776</u>	<u>3,030</u>
<b>Changes in equity</b>			
Total comprehensive income	-	688	-
<b>Balance at 31st December 2019</b>	<u>441</u>	<u>3,464</u>	<u>3,030</u>

  

	<b>Capital redemption reserve £'000</b>	<b>Total £'000</b>	<b>Non-controlling interests £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1st January 2018</b>	42	2,948	(17)	2,931
<b>Changes in equity</b>				
Issue of share capital	-	2,511	-	2,511
Total comprehensive income	-	830	-	830
<b>Balance at 31st December 2018</b>	<u>42</u>	<u>6,289</u>	<u>(17)</u>	<u>6,272</u>
<b>Changes in equity</b>				
Total comprehensive income	-	688	3	691
<b>Balance at 31st December 2019</b>	<u>42</u>	<u>6,977</u>	<u>(14)</u>	<u>6,963</u>

**Company Statement of Changes in Equity  
for the Year Ended 31st December 2019**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1st January 2018</b>	373	3,846	587	42	4,848
<b>Changes in equity</b>					
Issue of share capital	68	-	2,443	-	2,511
Total comprehensive income	-	403	-	-	403
<b>Balance at 31st December 2018</b>	<u>441</u>	<u>4,249</u>	<u>3,030</u>	<u>42</u>	<u>7,762</u>
<b>Changes in equity</b>					
Total comprehensive income	-	113	-	-	113
<b>Balance at 31st December 2019</b>	<u>441</u>	<u>4,362</u>	<u>3,030</u>	<u>42</u>	<u>7,875</u>

Warmup PLC (Registered number: 02955213)

**Consolidated Cash Flow Statement  
for the Year Ended 31st December 2019**

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	194	425
Interest paid		(37)	(77)
Tax paid		(92)	(3)
Net cash from operating activities		<u>65</u>	<u>345</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(119)	(169)
Purchase of fixed asset investments		(329)	-
Sale of tangible fixed assets		2	-
Interest received		1	-
Net cash from investing activities		<u>(445)</u>	<u>(169)</u>
<b>Cash flows from financing activities</b>			
Movement on bank borrowings under 1 year		1,164	73
Repayment of loan notes		-	(2,500)
Share Premium		-	2,443
Share issue		-	68
Net cash from financing activities		<u>1,164</u>	<u>84</u>
<b>Increase in cash and cash equivalents</b>		<b>784</b>	<b>260</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>929</b>	<b>669</b>
<b>Cash and cash equivalents at end of year</b>	2	<b><u>1,713</u></b>	<b><u>929</u></b>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31st December 2019

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

	2019	2018
	£'000	£'000
Profit before taxation	826	732
Depreciation charges	213	252
Foreign exchange differences in reserves	(60)	78
Finance costs	37	77
Finance income	(1)	-
	<u>1,015</u>	<u>1,139</u>
(Increase)/decrease in stocks	(895)	9
Decrease/(increase) in trade and other debtors	292	(786)
(Decrease)/increase in trade and other creditors	<u>(218)</u>	<u>63</u>
<b>Cash generated from operations</b>	<u><u>194</u></u>	<u><u>425</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

**Year ended 31st December 2019**

	31.12.19	1.1.19
	£'000	£'000
Cash and cash equivalents	<u>1,713</u>	<u>929</u>

**Year ended 31st December 2018**

	31.12.18	1.1.18
	£'000	£'000
Cash and cash equivalents	<u>929</u>	<u>669</u>

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.19	Cash flow	At 31.12.19
	£'000	£'000	£'000
<b>Net cash</b>			
Cash at bank	<u>929</u>	<u>784</u>	<u>1,713</u>
	<u>929</u>	<u>784</u>	<u>1,713</u>
<b>Debt</b>			
Debts falling due within 1 year	<u>(1,164)</u>	<u>(1,164)</u>	<u>(2,328)</u>
	<u>(1,164)</u>	<u>(1,164)</u>	<u>(2,328)</u>
<b>Total</b>	<u><u>(235)</u></u>	<u><u>(380)</u></u>	<u><u>(615)</u></u>

Notes to the Consolidated Financial Statements  
for the Year Ended 31st December 2019

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

**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.

**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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

2. ACCOUNTING POLICIES - continued

**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.

**Going concern**

The group has been negatively affected by the current ongoing situation with Covid 19. However the directors are taking all available steps to counteract the effect on the business. At the time of approval the directors continue to forecast a profit in 2020 and 2021 and believe they have the necessary reserves in the group to manage through the pandemic. The directors have confirmed that they will continue to give financial support to the company if needed until such time as the position improves. The accounts have therefore been prepared on a going concern basis.

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:

	2019	2018
	£'000	£'000
United Kingdom	11,830	12,829
Rest of Europe	3,659	3,451
North America	5,570	4,809
Rest of World	279	164
	<u>21,338</u>	<u>21,253</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£'000	£'000
Wages and salaries	5,628	5,703
Social security costs	679	648
Other pension costs	69	47
	<u>6,376</u>	<u>6,398</u>

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

	2019	2018
Manufacturing	19	18
Sales & Admin	121	130
	<u>140</u>	<u>148</u>

	2019	2018
	£	£
Directors' remuneration	549,289	533,068
Directors' pension contributions to money purchase schemes	<u>4,673</u>	<u>3,086</u>

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

Money purchase schemes	<u>3</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	254,252	236,926
Pension contributions to money purchase schemes	<u>1,557</u>	<u>684</u>

No director exercised share options during the year (2018: 1).

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£'000	£'000
Depreciation - owned assets	213	252
Auditors' remuneration	32	31
Auditors' remuneration for non audit work	11	9
Foreign exchange differences	27	7
Other Operating leases	<u>604</u>	<u>605</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£'000	£'000
Deposit account interest	<u>1</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £'000	2018 £'000
Bank interest	37	22
Loan note interest	<u>-</u>	<u>55</u>
	<u>37</u>	<u>77</u>

8. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax	91	96
Adjustments in respect of previous periods	<u>(8)</u>	<u>(71)</u>
Total current tax	83	25
Deferred tax	<u>(5)</u>	<u>(46)</u>
Tax on profit	<u>78</u>	<u>(21)</u>

**Reconciliation of total tax charge/(credit) 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:

	2019 £'000	2018 £'000
Profit before tax	<u>826</u>	<u>732</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2018 - 19 %)	157	139
Effects of:		
Expenses not deductible for tax purposes	13	11
Depreciation in excess of capital allowances	13	10
Adjustments to tax charge in respect of previous periods	(8)	(71)
Overseas losses not offset	-	(67)
Deferred tax	(5)	(46)
Effect of subsidiary tax	<u>(92)</u>	<u>3</u>
Total tax charge/(credit)	<u>78</u>	<u>(21)</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £'000	2019 Tax £'000	Net £'000
Exchange differences on retranslation of subsidiary undertakings	<u>(60)</u>	<u>-</u>	<u>(60)</u>
	<u>(60)</u>	<u>-</u>	<u>(60)</u>
		2018	
	Gross £'000	Tax £'000	Net £'000
Exchange differences on retranslation of subsidiary undertakings	<u>77</u>	<u>-</u>	<u>77</u>
	<u>77</u>	<u>-</u>	<u>77</u>

9. 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.

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Improvements to property £'000	Fixtures and fittings £'000	Totals £'000
<b>COST</b>				
At 1st January 2019	237	574	1,681	2,492
Additions	-	-	119	119
Disposals	-	-	(4)	(4)
At 31st December 2019	<u>237</u>	<u>574</u>	<u>1,796</u>	<u>2,607</u>
<b>DEPRECIATION</b>				
At 1st January 2019	5	313	1,329	1,647
Charge for year	4	39	170	213
Eliminated on disposal	-	-	(2)	(2)
At 31st December 2019	<u>9</u>	<u>352</u>	<u>1,497</u>	<u>1,858</u>
<b>NET BOOK VALUE</b>				
At 31st December 2019	<u>228</u>	<u>222</u>	<u>299</u>	<u>749</u>
At 31st December 2018	<u>232</u>	<u>261</u>	<u>352</u>	<u>845</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

## 10. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £'000	Improvements to property £'000	Fixtures and fittings £'000	Totals £'000
<b>COST</b>				
At 1st January 2019	237	573	1,486	2,296
Additions	-	-	108	108
Disposals	-	-	(2)	(2)
At 31st December 2019	<u>237</u>	<u>573</u>	<u>1,592</u>	<u>2,402</u>
<b>DEPRECIATION</b>				
At 1st January 2019	5	313	1,177	1,495
Charge for year	4	39	146	189
Eliminated on disposal	-	-	(2)	(2)
At 31st December 2019	<u>9</u>	<u>352</u>	<u>1,321</u>	<u>1,682</u>
<b>NET BOOK VALUE</b>				
At 31st December 2019	<u>228</u>	<u>221</u>	<u>271</u>	<u>720</u>
At 31st December 2018	<u>232</u>	<u>260</u>	<u>309</u>	<u>801</u>

## 11. FIXED ASSET INVESTMENTS

Group	Unlisted investments £'000
<b>COST</b>	
At 1st January 2019	14
Additions	<u>329</u>
At 31st December 2019	<u>343</u>
<b>NET BOOK VALUE</b>	
At 31st December 2019	<u>343</u>
At 31st December 2018	<u>14</u>

**Warmup PLC (Registered number: 02955213)**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019**

**11. FIXED ASSET INVESTMENTS - continued**

<b>Company</b>	<b>Shares in group undertakings £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1st January 2019	33	14	47
Additions	-	329	329
At 31st December 2019	<u>33</u>	<u>343</u>	<u>376</u>
<b>NET BOOK VALUE</b>			
At 31st December 2019	<u>33</u>	<u>343</u>	<u>376</u>
At 31st December 2018	<u>33</u>	<u>14</u>	<u>47</u>

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:	%
Ordinary	holding 100.00

**Warmup SL**

Registered office: Spain

Nature of business: Sale of underfloor heating products

Class of shares:	%
Ordinary	holding 100.00

**Warmup Inc**

Registered office: Canada

Nature of business: Sale of underfloor heating products

Class of shares:	%
Ordinary	holding 100.00

**Warmup Elektrikli Yerden Isitma Sistemleri Sanayi Ve Ticaret**

Registered office: Turkey

Nature of business: Sale of underfloor heating products

Class of shares:	%
Ordinary	holding 51.00

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

11. **FIXED ASSET INVESTMENTS - continued**

**Warmup Solutions Limited**

Registered office: UK

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 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:	%
Ordinary	holding 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.

12. **STOCKS**

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Raw materials	605	216	597	272
Work-in-progress	45	205	45	139
Finished goods	<u>3,371</u>	<u>2,705</u>	<u>2,200</u>	<u>1,609</u>
	<u>4,021</u>	<u>3,126</u>	<u>2,842</u>	<u>2,020</u>

13. **DEBTORS**

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts falling due within one year:				
Trade debtors	4,199	4,133	3,400	3,291
Other debtors	262	611	183	553
Prepayments	<u>350</u>	<u>359</u>	<u>315</u>	<u>307</u>
	<u>4,811</u>	<u>5,103</u>	<u>3,898</u>	<u>4,151</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>3,198</u>	<u>3,517</u>
Aggregate amounts	<u>4,811</u>	<u>5,103</u>	<u>7,096</u>	<u>7,668</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

13. **DEBTORS - continued**

**Group**

The value of debtors factored and subject to a fixed charge are £2,374,001 (2018 - £2,444,934).

**Company**

The value of debtors factored and subject to a fixed charge are £2,374,001 (2018 - £2,444,934).

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (see note 16)	<b>2,328</b>	1,164	<b>2,328</b>	1,164
Trade creditors	<b>891</b>	899	<b>628</b>	692
Tax	<b>78</b>	90	<b>57</b>	94
PAYE	<b>130</b>	142	<b>125</b>	136
VAT	<b>207</b>	226	<b>202</b>	224
Other creditors	<b>51</b>	105	<b>44</b>	105
Net wages	<b>1</b>	-	<b>1</b>	-
Accrued expenses	<b>934</b>	1,071	<b>733</b>	878
	<b><u>4,620</u></b>	<u>3,697</u>	<b><u>4,118</u></b>	<u>3,293</u>

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Other creditors	<b><u>11</u></b>	<u>-</u>	<b><u>11</u></b>	<u>-</u>

16. **LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year or on demand:				
Bank borrowings	<b><u>2,328</u></b>	<u>1,164</u>	<b><u>2,328</u></b>	<u>1,164</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

**Group**

	Non-cancellable operating leases	
	2019	2018
	£'000	£'000
Within one year	216	143
Between one and five years	785	974
In more than five years	<u>1,006</u>	<u>1,094</u>
	<u>2,007</u>	<u>2,211</u>

**Company**

	Non-cancellable operating leases	
	2019	2018
	£'000	£'000
Within one year	216	143
Between one and five years	785	961
In more than five years	<u>1,006</u>	<u>1,094</u>
	<u>2,007</u>	<u>2,198</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans	<u>2,328</u>	<u>1,164</u>	<u>2,328</u>	<u>1,164</u>

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

19. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Deferred tax	<u>43</u>	<u>48</u>	<u>43</u>	<u>48</u>

**Group**

	Deferred tax
	£'000
Balance at 1st January 2019	48
Accelerated capital allowances	<u>(5)</u>
Balance at 31st December 2019	<u>43</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

19. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £'000
Balance at 1st January 2019	48
Accelerated capital allowances	<u>(5)</u>
Balance at 31st December 2019	<u>43</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £'000	2018 £'000
440,756	Ordinary	£1	<u>441</u>	<u>441</u>

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	1,005	8.50	01/01/2015 to 15/12/2023
16/12/2013	495	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

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

21. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st January 2019	2,776	3,030	42	5,848
Profit for the year	748			748
Foreign exchange differences transferred to reserves	(60)	-	-	(60)
At 31st December 2019	<u>3,464</u>	<u>3,030</u>	<u>42</u>	<u>6,536</u>

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st January 2019	4,249	3,030	42	7,321
Profit for the year	116			116
Foreign exchange differences transferred to reserves	(3)	-	-	(3)
At 31st December 2019	<u>4,362</u>	<u>3,030</u>	<u>42</u>	<u>7,434</u>

22. 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.

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 58.3% of the company's issued share capital (2018: 58.3%).

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2019

24. **SHARE-BASED PAYMENT TRANSACTIONS**

The group operates the following equity settled schemes 2003 Discretionary Share Option Scheme, Enterprise Management Incentive Share Option Scheme, Unapproved Share Option Scheme.

The company also operates a phantom share option scheme for which no share options are issued, this is a cash-settled 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. The options are exercisable until up to the 10th anniversary from the date of grant.

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

Share Option Type	Date of Grant	Number of Shares		
Enterprise Management Incentive	12/08/2013		1,500	
Unapproved Share Options	16/12/2013		30,000	
		EMIScheme	UnapprovedScheme	Weighted average exercise price
<b>Number of shares</b>				
At 1 January 2019		1,500	30,000	£8.50
Granted		-	-	-
Exercised in the year		-	-	£8.50
Lapsed in the year		-	-	£8.50
Outstanding as at 31 December 2019		<u>1,500</u>	<u>30,000</u>	£8.50
Exercisable as at 31 December 2019		1,500	30,000	£8.50

The total charge included in the profit & loss for the current financial year is -£11,890

The total figure included in reserves as at 31 December 2019 is £81,430

25. **PRIOR YEAR ADJUSTMENT**

During the preparation of the 2019 financial statements, an error within the 2018 cashflow workings and associated notes was discovered. The error lead to cash generated from operations and net cash from financing activities being under and overstated respectively. The error has been corrected in the 2019 financial statements. The error had no effect on the balances within the income statement or balance sheet and was purely within the disclosure.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.