

REGISTERED NUMBER: 02955213 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2018**
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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Warmup PLC

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Warmup PLC

**Company Information
for the Year Ended 31 December 2018**

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

Warmup PLC

Group Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

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 26. The directors are pleased to report that despite the uncertainties caused by currency fluctuation, the Group achieved a growth in turnover of 7.1% a growth in Gross profit of 3.4% 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.

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

	2018	2017
	%	%
1. Growth in Group turnover	7	6
2. Growth in Group gross profit	3	5
3. Overseas turnover as a percentage of total turnover	40	34

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 resource to carefully planning and deepening 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.

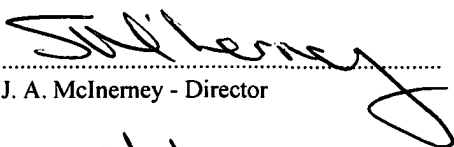
Liquidity risk: The Group reviews and renegotiates its borrowing facilities on an annual basis. Borrowing headroom is regularly monitored with rolling twelve month forecasts updated on a monthly basis.

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.

ON BEHALF OF THE BOARD:


.....
J. A. McInerney - Director

Date: 27/6/2019
.....

Warmup PLC

Report of the Directors for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

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 2018.

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 1 January 2018 to the date of this report.

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

Other changes in directors holding office are as follows:

D F Read - resigned 9 February 2018
J. A. McNerney - appointed 9 February 2018

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.

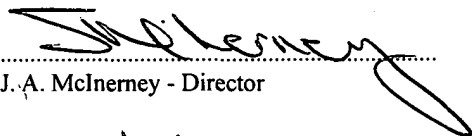
Warmup PLC

**Report of the Directors
for the Year Ended 31 December 2018**

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

Date: 27/6/2019

**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 31 December 2018 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 31 December 2018 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 three, 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. 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.

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: *27/06/2019*

Warmup PLC

**Consolidated Income Statement
for the Year Ended 31 December 2018**

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
TURNOVER	3		21,253		19,837
Cost of sales			11,186		10,106
GROSS PROFIT			10,067		9,731
Distribution costs		1,233		1,323	
Administrative expenses		8,025		7,922	
			9,258		9,245
OPERATING PROFIT	5		809		486
Interest payable and similar expenses	6		77		78
PROFIT BEFORE TAXATION			732		408
Tax on profit	7		(21)		114
PROFIT FOR THE FINANCIAL YEAR			753		294
Profit attributable to:					
Owners of the parent			753		294

The notes form part of these financial statements

Warmup PLC

**Consolidated Other Comprehensive Income
for the Year Ended 31 December 2018**

Notes	2018 £'000	2017 £'000
PROFIT FOR THE YEAR	753	294
OTHER COMPREHENSIVE INCOME		
Exchange differences on retranslation of subsidiary undertakings	77	(129)
Income tax relating to other comprehensive income	-	-
	<u>77</u>	<u>(129)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	77	(129)
	<u>77</u>	<u>(129)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	830	165
	<u>830</u>	<u>165</u>
Total comprehensive income attributable to: Owners of the parent	830	165
	<u>830</u>	<u>165</u>

Other comprehensive surplus of £77,000 arises from the retranslations of the US subsidiary's net assets caused by the weakening of sterling compare to the US dollar during 2018. Unfavorable effects of sterling weakening against the US dollar are included in the Income Statement.

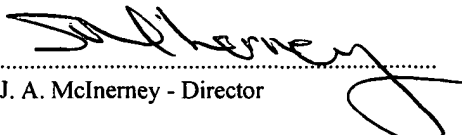
The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Balance Sheet
31 December 2018

	Notes	2018 £'000	2017 £'000	£'000
FIXED ASSETS				
Tangible assets	9	845		928
Investments	10	14		14
		<u>859</u>		<u>942</u>
CURRENT ASSETS				
Stocks	11	3,126	3,135	
Debtors	12	5,103	4,317	
Cash at bank		929	670	
		<u>9,158</u>	<u>8,122</u>	
CREDITORS				
Amounts falling due within one year	13	3,697	6,039	
NET CURRENT ASSETS			<u>5,461</u>	<u>2,083</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,320</u>	<u>3,025</u>
PROVISIONS FOR LIABILITIES	17		<u>(48)</u>	<u>(94)</u>
NET ASSETS			<u><u>6,272</u></u>	<u><u>2,931</u></u>
CAPITAL AND RESERVES				
Called up share capital	18	441		373
Share premium	19	3,030		587
Capital redemption reserve	19	42		42
Retained earnings	19	2,776		1,946
SHAREHOLDERS' FUNDS			<u>6,289</u>	<u>2,948</u>
NON-CONTROLLING INTERESTS	20		<u>(17)</u>	<u>(17)</u>
TOTAL EQUITY			<u><u>6,272</u></u>	<u><u>2,931</u></u>

The financial statements were approved by the Board of Directors on 25/6/2019 and were signed on its behalf by:


.....
J. A. McInerney - Director

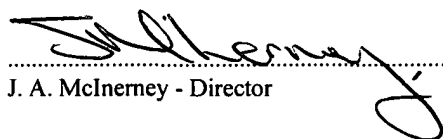
The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Company Balance Sheet
31 December 2018

	Notes	2018 £'000	2017 £'000	2017 £'000
FIXED ASSETS				
Tangible assets	9	801		859
Investments	10	47		47
		<u>848</u>		<u>906</u>
CURRENT ASSETS				
Stocks	11	2,020	1,937	
Debtors	12	7,668	7,069	
Cash at bank		567	634	
		<u>10,255</u>	<u>9,640</u>	
CREDITORS				
Amounts falling due within one year	13	3,293	5,604	
			<u>5,604</u>	
NET CURRENT ASSETS			<u>6,962</u>	<u>4,036</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,810</u>	<u>4,942</u>
PROVISIONS FOR LIABILITIES	17	(48)		(94)
NET ASSETS			<u><u>7,762</u></u>	<u><u>4,848</u></u>
CAPITAL AND RESERVES				
Called up share capital	18	441		373
Share premium	19	3,030		587
Capital redemption reserve	19	42		42
Retained earnings	19	4,249		3,846
SHAREHOLDERS' FUNDS			<u><u>7,762</u></u>	<u><u>4,848</u></u>
Company's profit for the financial year		402		247

The financial statements were approved by the Board of Directors on 25/6/2019 and were signed on its behalf by:


J. A. McInerney - Director

The notes form part of these financial statements

Warmup PLC

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 January 2017	373	1,781	587
Changes in equity			
Total comprehensive income	-	165	-
Balance at 31 December 2017	373	1,946	587
Changes in equity			
Issue of share capital	68	-	2,443
Total comprehensive income	-	830	-
Balance at 31 December 2018	441	2,776	3,030

	Capital redemption reserve £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2017	42	2,783	(17)	2,766
Changes in equity				
Total comprehensive income	-	165	-	165
Balance at 31 December 2017	42	2,948	(17)	2,931
Changes in equity				
Issue of share capital	-	2,511	-	2,511
Total comprehensive income	-	830	-	830
Balance at 31 December 2018	42	6,289	(17)	6,272

The notes form part of these financial statements

Warmup PLC

**Company Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2017	373	3,619	587	42	4,621
Changes in equity					
Total comprehensive income	-	227	-	-	227
Balance at 31 December 2017	<u>373</u>	<u>3,846</u>	<u>587</u>	<u>42</u>	<u>4,848</u>
Changes in equity					
Issue of share capital	68	-	2,443	-	2,511
Total comprehensive income	-	403	-	-	403
Balance at 31 December 2018	<u><u>441</u></u>	<u><u>4,249</u></u>	<u><u>3,030</u></u>	<u><u>42</u></u>	<u><u>7,762</u></u>

The notes form part of these financial statements

Warmup PLC

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2018**

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Cash generated from operations	1	(2,075)	(905)
Interest paid		(77)	(78)
Tax paid		(3)	(5)
Net cash from operating activities		<u>(2,155)</u>	<u>(988)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(169)	(384)
Net cash from investing activities		<u>(169)</u>	<u>(384)</u>
Cash flows from financing activities			
Movement on bank borrowings under 1 year		73	(283)
Movement on bank loans over 1		-	(191)
Share Premium		2,443	-
Share issue		68	-
Net cash from financing activities		<u>2,584</u>	<u>(474)</u>
Increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	670	2,516
Cash and cash equivalents at end of year	2	<u><u>929</u></u>	<u><u>670</u></u>

The notes form part of these financial statements

Warmup PLC

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2018**

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

	2018	2017
	£'000	£'000
Profit before taxation	732	408
Depreciation charges	252	245
Foreign exchange differences in reserves	78	(129)
Finance costs	77	78
	<u>1,139</u>	<u>602</u>
Decrease/(increase) in stocks	9	(679)
Increase in trade and other debtors	(786)	(774)
Decrease in trade and other creditors	<u>(2,437)</u>	<u>(54)</u>
Cash generated from operations	<u>(2,075)</u>	<u>(905)</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 31 December 2018

	31/12/18	1/1/18
	£'000	£'000
Cash and cash equivalents	<u>929</u>	<u>670</u>

Year ended 31 December 2017

	31/12/17	1/1/17
	£'000	£'000
Cash and cash equivalents	<u>670</u>	<u>2,516</u>

The notes form part of these financial statements

Warmup PLC

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2018

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.

Warmup PLC

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 December 2018

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.

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:

	2018	2017
	£'000	£'000
United Kingdom	12,829	13,061
Rest of Europe	3,451	3,297
North America	4,809	3,309
Rest of World	164	170
	<u>21,253</u>	<u>19,837</u>

Warmup PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£'000	£'000
Wages and salaries	5,703	5,668
Social security costs	648	645
Other pension costs	47	53
	<u>6,398</u>	<u>6,366</u>

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

	2018	2017
Manufacturing	18	18
Sales & Admin	130	129
	<u>148</u>	<u>147</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 148 (2017 - 147).

	2018	2017
	£	£
Directors' remuneration	533,068	547,149
Directors' pension contributions to money purchase schemes	3,086	22,471
	<u>536,154</u>	<u>569,620</u>

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

Money purchase schemes	<u>4</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	236,926	241,639
Pension contributions to money purchase schemes	684	365
	<u>237,610</u>	<u>242,004</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£'000	£'000
Depreciation - owned assets	252	245
Auditors' remuneration	31	29
Auditors' remuneration for non audit work	9	9
Foreign exchange differences	7	90
Other Operating leases	605	572
	<u>1,404</u>	<u>1,145</u>

Warmup PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£'000	£'000
Bank interest	22	14
Loan note interest	55	64
	<u>77</u>	<u>78</u>

7. TAXATION

Analysis of the tax (credit)/charge

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

	2018	2017
	£'000	£'000
Current tax:		
UK corporation tax	96	72
Adjustments in respect of previous periods	(71)	-
Total current tax	<u>25</u>	<u>72</u>
Deferred tax	(46)	42
Tax on profit	<u>(21)</u>	<u>114</u>

Reconciliation of total tax (credit)/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:

	2018	2017
	£'000	£'000
Profit before tax	<u>732</u>	<u>408</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	139	77
Effects of:		
Expenses not deductible for tax purposes	11	11
Depreciation in excess of capital allowances	10	16
Adjustments to tax charge in respect of previous periods	(71)	-
Effect of enhanced Research and Development deduction	-	(6)
Overseas losses not offset	(67)	(10)
Deferred tax	(46)	42
Utilisation of tax losses	-	(19)
Effect of change in tax rate during the year	-	3
Effect of subsidiary tax	3	-
Total tax (credit)/charge	<u>(21)</u>	<u>114</u>

Warmup PLC

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £'000	2018 Tax £'000	Net £'000
Exchange differences on retranslation of subsidiary undertakings	77	-	77
	<u>77</u>	<u>-</u>	<u>77</u>
	<u>77</u>	<u>-</u>	<u>77</u>
		2017	
	Gross £'000	Tax £'000	Net £'000
Exchange differences on retranslation of subsidiary undertakings	(129)	-	(129)
	<u>(129)</u>	<u>-</u>	<u>(129)</u>
	<u>(129)</u>	<u>-</u>	<u>(129)</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	Freehold property £'000	Improvements to property £'000	Fixtures and fittings £'000	Totals £'000
COST				
At 1 January 2018	237	573	1,521	2,331
Additions	-	1	168	169
Disposals	-	-	(8)	(8)
	<u>237</u>	<u>574</u>	<u>1,681</u>	<u>2,492</u>
At 31 December 2018	237	574	1,681	2,492
DEPRECIATION				
At 1 January 2018	2	275	1,126	1,403
Charge for year	3	38	211	252
Eliminated on disposal	-	-	(8)	(8)
	<u>5</u>	<u>313</u>	<u>1,329</u>	<u>1,647</u>
At 31 December 2018	5	313	1,329	1,647
NET BOOK VALUE				
At 31 December 2018	<u>232</u>	<u>261</u>	<u>352</u>	<u>845</u>
At 31 December 2017	<u>235</u>	<u>298</u>	<u>395</u>	<u>928</u>

Warmup PLC

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

9. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £'000	Improvements to property £'000	Fixtures and fittings £'000	Totals £'000
COST				
At 1 January 2018	237	573	1,343	2,153
Additions	-	-	151	151
Disposals	-	-	(8)	(8)
At 31 December 2018	<u>237</u>	<u>573</u>	<u>1,486</u>	<u>2,296</u>
DEPRECIATION				
At 1 January 2018	2	275	1,017	1,294
Charge for year	3	38	168	209
Eliminated on disposal	-	-	(8)	(8)
At 31 December 2018	<u>5</u>	<u>313</u>	<u>1,177</u>	<u>1,495</u>
NET BOOK VALUE				
At 31 December 2018	<u>232</u>	<u>260</u>	<u>309</u>	<u>801</u>
At 31 December 2017	<u>235</u>	<u>298</u>	<u>326</u>	<u>859</u>

10. FIXED ASSET INVESTMENTS

Group			Unlisted investments £'000
COST			
At 1 January 2018 and 31 December 2018			<u>14</u>
NET BOOK VALUE			
At 31 December 2018			<u>14</u>
At 31 December 2017			<u>14</u>
Company			
	Shares in group undertakings £'000	Unlisted investments £'000	Totals £'000
COST			
At 1 January 2018 and 31 December 2018	<u>33</u>	<u>14</u>	<u>47</u>
NET BOOK VALUE			
At 31 December 2018	<u>33</u>	<u>14</u>	<u>47</u>
At 31 December 2017	<u>33</u>	<u>14</u>	<u>47</u>

Warmup PLC

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 December 2018

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

11. STOCKS

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Raw materials	216	153	272	153
Work-in-progress	205	122	139	122
Finished goods	2,705	2,860	1,609	1,662
	<u>3,126</u>	<u>3,135</u>	<u>2,020</u>	<u>1,937</u>

12. DEBTORS

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts falling due within one year:				
Trade debtors	4,133	3,367	3,291	2,815
Other debtors	611	624	553	521
Prepayments	359	326	307	301
	<u>5,103</u>	<u>4,317</u>	<u>4,151</u>	<u>3,637</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	3,517	3,432
	<u>-</u>	<u>-</u>	<u>3,517</u>	<u>3,432</u>
Aggregate amounts	<u>5,103</u>	<u>4,317</u>	<u>7,668</u>	<u>7,069</u>

Group

The value of debtors factored and subject to a fixed charge are £2,444,934 (2017 - £2,198,663).

Company

The value of debtors factored and subject to a fixed charge are £2,444,934 (2017 - £2,198,663).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Bank loans and overdrafts (see note 14)	1,164	1,091	1,164	1,091
Trade creditors	899	977	692	654
Tax	90	68	94	71
PAYE	142	135	136	129
Convertible Loan notes	-	2,500	-	2,500
VAT	226	270	224	263
Other creditors	105	43	105	35
Net wages	-	1	-	1
Accrued expenses	1,071	954	878	860
	<u>3,697</u>	<u>6,039</u>	<u>3,293</u>	<u>5,604</u>

Warmup PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank borrowings	<u>1,164</u>	<u>1,091</u>	<u>1,164</u>	<u>1,091</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2018	2017
	£'000	£'000
Within one year	143	38
Between one and five years	974	506
In more than five years	<u>1,094</u>	<u>1,505</u>
	<u>2,211</u>	<u>2,049</u>

Company	Non-cancellable operating leases	
	2018	2017
	£'000	£'000
Within one year	143	38
Between one and five years	961	464
In more than five years	<u>1,094</u>	<u>1,505</u>
	<u>2,198</u>	<u>2,007</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank loans	<u>1,164</u>	<u>1,091</u>	<u>1,164</u>	<u>1,091</u>

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

Warmup PLC

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Deferred tax	<u>48</u>	<u>94</u>	<u>48</u>	<u>94</u>
 Group				
				Deferred tax
				£'000
Balance at 1 January 2018				94
Accelerated capital allowances				<u>(46)</u>
Balance at 31 December 2018				<u>48</u>
 Company				
				Deferred tax
				£'000
Balance at 1 January 2018				94
Accelerated capital allowances				<u>(46)</u>
Balance at 31 December 2018				<u>48</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:		£'000	£'000
440,756	Ordinary	Nominal value: £1	<u>441</u>	<u>373</u>

Warmup PLC

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

18. 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	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

19. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2018	1,946	587	42	2,575
Profit for the year	753			753
Cash share issue	-	2,443	-	2,443
Foreign exchange differences transferred to reserves	77	-	-	77
At 31 December 2018	<u>2,776</u>	<u>3,030</u>	<u>42</u>	<u>5,848</u>

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2018	3,846	587	42	4,475
Profit for the year	402			402
Cash share issue	-	2,443	-	2,443
Foreign exchange differences transferred to reserves	1	-	-	1
At 31 December 2018	<u>4,249</u>	<u>3,030</u>	<u>42</u>	<u>7,321</u>

Warmup PLC

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 December 2018

20. 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.

21. 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 (2017: 69.81%).

22. 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	EMI	Unapproved Scheme
At 1 January 2018	3,500	30,000
Granted	-	-
Exercised in the year	1,340	-
Lapsed in the year	660	-
	<hr/>	<hr/>
As at 31 December 2018	<u>1,500</u>	<u>30,000</u>
	<hr/> <hr/>	<hr/> <hr/>
Weighted average exercise price	EMI	Unapproved Scheme
At 1 January 2018	8.50	8.50
Granted	-	-
Exercised in the year	8.50	-
Lapsed in the year	8.50	-
	<hr/>	<hr/>
As at 31 December 2018	<u>8.50</u>	<u>8.50</u>
	<hr/> <hr/>	<hr/> <hr/>
Exercisable at 31 December 2018	1,500	30,000