

REGISTERED NUMBER: 2955213

**Report of the Directors and
Financial Statements for the Year Ended 31st December 2007
for
Warmup Plc - Group**

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Warmup Plc - Group

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for the Year Ended 31st December 2007**

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Warmup Plc - Group
Company Information
for the Year Ended 31st December 2007

DIRECTORS:	A D Stimpson (Chairman) C F W Mathias D Stimpson J B Stokes
SECRETARY:	C F W Mathias
REGISTERED OFFICE:	702 Tudor Estate Abbey Road London NW10 7UW
REGISTERED NUMBER:	2955213
AUDITORS:	Davis Grant LLP Chartered Certified Accountants and Registered Auditors Treviot House 186-192 High Road Ilford Essex IG1 1LR

Warmup Plc - Group

Report of the Directors for the Year Ended 31st December 2007

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2007

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

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements

The results of the year and financial position of the company and the group are as shown in the annexed financial statements

The company continues to grow and expand. As expected, overseas markets continue to increase in importance with 97% growth year on year and 12% of group revenues

The directors believe the company continues to be in a good financial position due to its careful management and the retention of all retained earnings within the business. The positive levels of net assets and available funds continue to provide the platform from which to finance the company's expansion plans

The principal risks and uncertainties affecting the business include the following

Environmental concerns The directors believe that the company'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

Overseas market uncertainties The directors believe that despite the inherent uncertainties associated with entering any new markets, its product and service level offerings put it in a strong position to exploit these opportunities fully

Competitive concerns The directors believe that the high quality of the company's product and service delivery enable it to successfully differentiate and protect itself from all competitors, including lower cost competitors

Loss of key personnel risk The directors continually review the incentive plans to ensure the risk of losing key personnel is reduced. The company also has a broad and strong management team which would mitigate the impact of losing key personnel

Key financial performance indicators are used to monitor and manage the company and to measure progress towards the company's objectives

	2007	2006
	%	%
Growth in Group Turnover	10	31
Growth in Group Gross Profit	4	23
Overseas Turnover as % of Total	12	7

Measure

Growth in Group Turnover (Turnover current - Turnover comparative) / Turnover comparative

Growth in Group Gross Profit (Gross Profit current - Gross Profit comparative) / Gross Profit comparative

Overseas Turnover as % of Total Overseas Turnover / Total Turnover

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2007

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

FUTURE DEVELOPMENTS

The company intends to continue expansion by increasing its penetration into overseas markets and by increasing its product range and is investing considerable sums in these endeavours

Warmup Plc - Group
Report of the Directors
for the Year Ended 31st December 2007

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 1st January 2007 to the date of this report

A D Stimpson (Chairman)
C F W Mathias
D Stimpson
J B Stokes

GROUP'S POLICY ON PAYMENT OF CREDITORS

The general policy of the company is to settle liabilities in accordance with the relevant credit terms. For the above financial year, trade creditors were paid on average within 61 days (2006 - 55 days)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

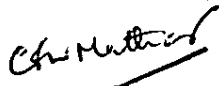
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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.

AUDITORS

The auditors, Davis Grant LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



C F W Mathias - Secretary

Date **29 JUL 2008**

**Report of the Independent Auditors to the Members of
Warmup Plc - Group**

We have audited the financial statements of Warmup Plc - Group for the year ended 31st December 2007 on pages five to twenty one. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31st December 2007 and of the loss of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Davis Grant LLP

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

Date **29 JUL 2008**

Warmup Plc - Group

Consolidated Profit and Loss Account for the Year Ended 31st December 2007

	Notes	2007 £	2006 £
TURNOVER	2	10,436,026	9,483,175
Cost of sales		5,904,011	5,141,000
GROSS PROFIT		4,532,015	4,342,175
Distribution costs		1,284,389	1,442,914
Administrative expenses		3,379,269	2,806,274
		4,663,658	4,249,188
OPERATING (LOSS)/PROFIT	4	(131,643)	92,987
Exceptional item	5	-	26,290
		(131,643)	66,697
Interest receivable and similar income		19,478	23,119
		(112,165)	89,816
Interest payable and similar charges	6	25	984
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(112,190)	88,832
Tax on (loss)/profit on ordinary activities	7	9,682	98,242
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(121,872)	(9,410)

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

Warmup Plc - Group

**Statement of Total Recognised Gains and Losses
for the Year Ended 31st December 2007**

	2007 £	2006 £
LOSS FOR THE FINANCIAL YEAR	(121,872)	(9,410)
FX movement on net investment	-	(8,043)
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(121,872)</u>	<u>(17,453)</u>

The notes form part of these financial statements


Warmup Plc - Group
Consolidated Balance Sheet
31st December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	191,612	250,406
Investments	10	2	2
		<u>191,614</u>	<u>250,408</u>
CURRENT ASSETS			
Stocks	11	909,200	880,819
Debtors	12	2,592,427	2,341,600
Cash at bank and in hand		436,868	327,478
		<u>3,938,495</u>	<u>3,549,897</u>
CREDITORS			
Amounts falling due within one year	13	2,149,056	1,697,380
		<u>2,149,056</u>	<u>1,697,380</u>
NET CURRENT ASSETS		<u>1,789,439</u>	<u>1,852,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,981,053</u>	<u>2,102,925</u>
CAPITAL AND RESERVES			
Called up share capital	15	376,829	376,829
Share premium	16	774,815	774,815
Capital redemption reserve	16	42,366	42,366
Profit and loss account	16	787,043	908,915
		<u>1,981,053</u>	<u>2,102,925</u>
SHAREHOLDERS' FUNDS		<u>1,981,053</u>	<u>2,102,925</u>

The financial statements were approved by the Board of Directors on its behalf by

29 JUL 2008

and were signed on



C F W Mathias - Director

Warmup Plc - Group

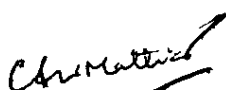
**Company Balance Sheet
31st December 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	179,231	237,158
Investments	10	2,127	2,127
		<u>181,358</u>	<u>239,285</u>
CURRENT ASSETS			
Stocks	11	861,900	827,145
Debtors	12	3,452,943	3,065,239
Cash at bank and in hand		397,073	306,092
		<u>4,711,916</u>	<u>4,198,476</u>
CREDITORS			
Amounts falling due within one year	13	2,128,580	1,652,536
NET CURRENT ASSETS		<u>2,583,336</u>	<u>2,545,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,764,694</u>	<u>2,785,225</u>
CAPITAL AND RESERVES			
Called up share capital	15	376,829	376,829
Share premium	16	774,815	774,815
Capital redemption reserve	16	42,366	42,366
Profit and loss account	16	1,570,684	1,591,215
SHAREHOLDERS' FUNDS	19	<u>2,764,694</u>	<u>2,785,225</u>

29 JUL 2008

The financial statements were approved by the Board of Directors on its behalf by

and were signed on



C F W Mathias - Director

The notes form part of these financial statements

Warmup Plc - Group
Cash Flow Statement
for the Year Ended 31st December 2007

	Notes	2007 £	2006 £
Net cash inflow/(outflow) from operating activities	1	168,641	(1,123)
Returns on investments and servicing of finance	2	19,453	22,135
Taxation		(30,867)	(97,041)
Capital expenditure and financial investment	2	(47,837)	(92,728)
Acquisitions and disposals	2	-	(2)
		109,390	(168,759)
Financing	2	-	225,461
Increase in cash in the period		109,390	56,702
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		109,390	56,702
Cash outflow from decrease in debt and lease financing		-	7,999
Change in net funds resulting from cash flows		109,390	64,701
Movement in net funds in the period		109,390	64,701
Net funds at 1st January		327,478	262,777
Net funds at 31st December		436,868	327,478

The notes form part of these financial statements

Warmup Plc - Group

**Notes to the Cash Flow Statement
for the Year Ended 31st December 2007**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating (loss)/profit	(131,643)	92,987
Depreciation charges	121,521	104,330
(Profit)/Loss on disposal of fixed assets	(14,889)	951
Other costs	-	(8,043)
Exceptional item	-	(26,290)
(Increase)/Decrease in stocks	(28,381)	62,879
Increase in debtors	(244,507)	(441,892)
Increase in creditors	466,540	213,955
Net cash inflow/(outflow) from operating activities	<u>168,641</u>	<u>(1,123)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	19,478	23,119
Interest paid	(25)	-
Interest element of hire purchase or finance lease rentals payments	-	(984)
Net cash inflow for returns on investments and servicing of finance	<u>19,453</u>	<u>22,135</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(57,332)	(104,017)
Purchase of fixed asset investments	-	(669)
Sale of tangible fixed assets	9,495	11,958
Net cash outflow for capital expenditure and financial investment	<u>(47,837)</u>	<u>(92,728)</u>
Acquisitions and disposals		
Payments on acquiring associate	-	(2)
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(2)</u>
Financing		
Capital repayments in year	-	(7,999)
Share issue	-	204,780
Share-based payments	-	28,680
Net cash inflow from financing	<u>-</u>	<u>225,461</u>

The notes form part of these financial statements

Warmup Plc - Group

**Notes to the Cash Flow Statement
for the Year Ended 31st December 2007**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank and in hand	327,478	109,390	436,868
	<u>327,478</u>	<u>109,390</u>	<u>436,868</u>
 Total	 <u>327,478</u>	 <u>109,390</u>	 <u>436,868</u>

The notes form part of these financial statements

Warmup Plc - Group

Notes to the Financial Statements for the Year Ended 31st December 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The group financial statements consolidate the accounts of Warmup Plc and all its subsidiary undertakings made up to 31 December 2007 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 represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to property	- in accordance with the property
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred tax

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

Foreign currencies

Group

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the re-translation of opening net assets is taken directly to reserves

Company

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss Account

Hire purchase and 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

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

Pension costs and other post-retirement benefits

Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

1 ACCOUNTING POLICIES - continued

Share-based payments

The Company operates a number of equity-settled share-based payment plans. The fair value of the employee services recognised in exchange for the grant of share options is recognised as an expense. For equity-settled share-based payments the total amount to be expensed over the vesting period is determined by reference to their fair value of the share options granted. Fair value is determined by reference to option pricing models, principally the Black-Scholes model.

Investment

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

2 TURNOVER

The turnover is attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below.

	2007	2006
	£	£
UK	9,197,494	8,855,092
Europe	779,276	280,607
USA	459,256	347,476
	<u>10,436,026</u>	<u>9,483,175</u>

3 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	2,485,299	2,117,928
Social security costs	284,572	238,974
Other pension costs	22,060	13,471
	<u>2,791,931</u>	<u>2,370,373</u>

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

	2007	2006
Manufacturing	21	17
Sales and administration	63	54
	<u>84</u>	<u>71</u>

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

4 OPERATING (LOSS)/PROFIT

The operating loss (2006 - operating profit) is stated after charging/(crediting)

	2007	2006
	£	£
Other operating leases	236,173	149,776
Depreciation - owned assets	121,520	104,330
(Profit)/Loss on disposal of fixed assets	(14,889)	951
Auditors' remuneration	25,128	15,000
	<u>283,996</u>	<u>274,928</u>
Directors' emoluments	283,996	274,928
Directors' pension contributions to money purchase schemes	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

Information regarding the highest paid director is as follows

	2007	2006
	£	£
Emoluments etc	108,891	108,100
Pension contributions to money purchase schemes	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

5 EXCEPTIONAL ITEMS

In the year to 31 December 2006 an amount of £26,290 was charged to the Profit and Loss Account in respect of share options. This arose due to the full adoption of FRS20 Share-based payments. Although this charge related to previous years, a prior year adjustment was not required as it did not meet the prescribed criteria. However, the directors were of the opinion that it was necessary to show this item separately on the face of the Profit and Loss Accounts in order to give a true and fair view.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	25	-
Hire purchase	-	984
	<u>25</u>	<u>984</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2007	2006
	£	£
Current tax		
UK corporation tax	16,002	100,868
Corporation tax adjustment re previous year	-	3,602
Total current tax	<u>16,002</u>	<u>104,470</u>
Deferred tax	(6,320)	(6,228)
Tax on (loss)/profit on ordinary activities	<u>9,682</u>	<u>98,242</u>

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

7 TAXATION - continued

Factors affecting the tax charge

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

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	<u>(112,190)</u>	<u>88,832</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	(33,657)	26,650
Effects of		
Disallowed expenses and non-taxable income	6,950	9,702
Difference between depreciation in period and capital allowances	13,567	6,636
Overseas losses not offset	43,066	58,857
Marginal relief	(7,592)	(977)
Corporation tax adjust re previous year	-	3,602
Reclassification of German entity	<u>(6,332)</u>	<u>-</u>
Current tax charge	<u>16,002</u>	<u>104,470</u>

8 PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £575 (2006 - £186,779)

9 TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2007	95,155	350,682	129,490	575,327
Additions	-	59,021	8,250	67,271
Disposals	-	-	(45,417)	(45,417)
At 31st December 2007	<u>95,155</u>	<u>409,703</u>	<u>92,323</u>	<u>597,181</u>
DEPRECIATION				
At 1st January 2007	23,511	236,604	64,806	324,921
Charge for year	9,067	89,310	23,143	121,520
Eliminated on disposal	-	-	(40,872)	(40,872)
At 31st December 2007	<u>32,578</u>	<u>325,914</u>	<u>47,077</u>	<u>405,569</u>
NET BOOK VALUE				
At 31st December 2007	<u>62,577</u>	<u>83,789</u>	<u>45,246</u>	<u>191,612</u>
At 31st December 2006	<u>71,644</u>	<u>114,078</u>	<u>64,684</u>	<u>250,406</u>

Warmup Plc - Group

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2007**

9 TANGIBLE FIXED ASSETS - continued

Company

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2007	95,155	350,682	81,646	527,483
Additions	-	46,840	8,250	55,090
Disposals	-	-	(23,494)	(23,494)
At 31st December 2007	95,155	397,522	66,402	559,079
DEPRECIATION				
At 1st January 2007	23,511	236,604	30,210	290,325
Charge for year	9,067	86,537	16,663	112,267
Eliminated on disposal	-	-	(22,744)	(22,744)
At 31st December 2007	32,578	323,141	24,129	379,848
NET BOOK VALUE				
At 31st December 2007	62,577	74,381	42,273	179,231
At 31st December 2006	71,644	114,078	51,436	237,158

10 FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £
COST	
At 1st January 2007 and 31st December 2007	2
NET BOOK VALUE	
At 31st December 2007	2
At 31st December 2006	2

Company

	Shares in group undertakings £
COST	
At 1st January 2007 and 31st December 2007	2,127
NET BOOK VALUE	
At 31st December 2007	2,127
At 31st December 2006	2,127

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

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

Country of incorporation USA

Nature of business Underfloor heating products

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		(741,680)	(639,332)
Loss for the year		<u>(102,904)</u>	<u>(171,598)</u>

Warmup SL

Country of incorporation Spain

Nature of business Underfloor heating products

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		(6,260)	1,361
Loss for the year		<u>(7,560)</u>	<u>(503)</u>

Associated Company

Betterbuild Limited (dormant)

Country of incorporation Great Britain

Nature of business Underfloor heating products

	% holding
Class of shares	50 00
Ordinary	

11 STOCKS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Raw materials	384,439	488,381	384,439	488,381
Work-in-progress	119,983	33,234	112,556	33,234
Finished goods	404,778	359,204	364,905	305,530
	<u>909,200</u>	<u>880,819</u>	<u>861,900</u>	<u>827,145</u>

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	2,402,703	2,197,339	2,371,790	2,142,139
Amounts owed by group undertakings	-	-	901,370	783,213
Other debtors	16,386	4,219	17,125	850
Deferred tax asset	14,514	8,194	14,514	8,194
Prepayments	158,824	131,848	148,144	130,843
	<u>2,592,427</u>	<u>2,341,600</u>	<u>3,452,943</u>	<u>3,065,239</u>

Deferred tax asset

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Deferred tax	<u>14,514</u>	<u>8,194</u>	<u>14,514</u>	<u>8,194</u>

The value of the debtors that have been factored as at the balance sheet date is £2,177,277 (2006 - £nil) This amount is covered by fixed and floating charges over the assets of the Company

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade creditors	1,433,637	1,082,324	1,439,575	1,063,528
Tax	16,002	30,867	16,002	30,867
Social security and other taxes	88,258	106,624	86,438	98,003
VAT	204,896	228,269	204,654	229,294
Other creditors	5,724	73	2,972	73
Net wages	-	268	-	-
Accruals and deferred income	400,539	248,955	378,939	230,771
	<u>2,149,056</u>	<u>1,697,380</u>	<u>2,128,580</u>	<u>1,652,536</u>

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	2007	2006	2007	2006
	£	£	£	£
Expiring				
Within one year	-	-	34,248	35,151
Between one and five years	100,000	110,309	24,973	30,421
	<u>100,000</u>	<u>110,309</u>	<u>59,221</u>	<u>65,572</u>

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

15 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
1,000,000	Ordinary	1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
376,829	Ordinary	1	<u>376,829</u>	<u>376,829</u>

The Company has the following number of ordinary shares issuable under share options, including those awards granted prior to 7 November 2002

Discretionary Share Option Scheme

Date of Grant	Number of Ordinary Shares under option	Exercise price £	Exercise period
02/04/03	1,500	6 00	02/04/06 to 02/04/13
14/04/01	15,250	4 19	14/04/04 to 14/04/11

Enterprise Management Incentive Options

Date of Grant	Number of Ordinary Shares under option	Exercise price £	Exercise period
02/04/03	16,666	6 00	02/04/06 to 02/04/13

Unapproved Share Options

Date of Grant	Number of Ordinary Shares under option	Exercise price £	Exercise period
02/04/03	834	6 00	02/04/06 to 02/04/13
14/04/01	30,000	4 19	14/04/04 to 14/04/11

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

16 RESERVES

Group

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2007	908,915	774,815	42,366	1,726,096
Deficit for the year	(121,872)			(121,872)
At 31st December 2007	<u>787,043</u>	<u>774,815</u>	<u>42,366</u>	<u>1,604,224</u>

Company

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2007	1,591,215	774,815	42,366	2,408,396
Profit for the year	575			575
Reclassification of German entity	(21,106)	-	-	(21,106)
At 31st December 2007	<u>1,570,684</u>	<u>774,815</u>	<u>42,366</u>	<u>2,387,865</u>

17 POST BALANCE SHEET EVENTS

On the 31st March 2008 Warmup PLC completed a share buy back from an individual shareholder of 17,392 ordinary A shares for a consideration of £200,008

18 ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and prior periods by its director, Mr A D Stimpson. At the balance sheet date Mr A D Stimpson had a controlling interest of 69.16% of the company's issued share capital (2006 - 69.16%).

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2007 £	2006 £
Loss for the financial year	(121,872)	(9,410)
Other recognised gains and losses relating to the year (net)	-	(8,043)
Net proceeds of equity share issue	-	204,780
Additional recognised gains of losses	-	28,680
Net (reduction)/addition to shareholders' funds	<u>(121,872)</u>	<u>216,007</u>
Opening shareholders' funds	2,102,925	1,886,918
Closing shareholders' funds	<u>1,981,053</u>	<u>2,102,925</u>

Warmup Plc - Group

Notes to the Financial Statements - continued for the Year Ended 31st December 2007

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2007	2006
	£	£
Profit for the financial year	575	186,779
Other recognised gains and losses relating to the year (net)	(21,106)	-
Net proceeds of equity share issues	-	204,780
Additional recognised gains and losses	-	28,680
Net (reduction)/addition to shareholders' funds	(20,531)	420,239
Opening shareholders' funds	2,785,225	2,364,986
Closing shareholders' funds	2,764,694	2,785,225

20 SHARE-BASED PAYMENT TRANSACTIONS

The Company has followed the transitional arrangements within FRS 20, Share-based payments, and has only applied the measurement requirements of FRS 20 to awards made after 7 November 2002. However, the following disclosures include all share-based payment awards, therefore including those awards granted prior to 7 November 2002.

The Company operates the following share-based payment plans:

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

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

The options vest for three 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 of shares by option scheme are presented below (including grants of options prior to 7 November 2002).

	Discretionary Scheme	EMI	Unapproved Scheme
Number of shares			
At 1 January 2007	17,250	16,666	30,834
Granted	0	0	0
Forfeited	0	0	0
Lapsed	(500)	0	0
Exercised	0	0	0
At 31 December 2007	16,750	16,666	30,834
Exercisable end of 31 December 2007	16,750	16,666	30,834