

REGISTERED NUMBER: 02955213 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2011
for
Warmup PLC**

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**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2011**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	12

Warmup PLC
Company Information
for the Year Ended 31 December 2011

DIRECTORS:

A D Stimpson (Chairman)
D Stimpson
J B Stokes
D F Read

SECRETARY

C F W Mathias

REGISTERED OFFICE:

702 Tudor Estate
Abbey Road
London
NW10 7UW

REGISTERED NUMBER:

02955213 (England and Wales)

AUDITORS:

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

**Report of the Directors
for the Year Ended 31 December 2011**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2011

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 directors are pleased to report that despite the general economic conditions, the company achieved 9% growth in turnover, 19% growth in gross profit and a return to profitability before tax

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 of product range and geographical sales areas

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

	2011	2010
	%	%
1 Growth in Group Turnover	9	16
2 Growth in Gross Group Profit	19	14
3 Overseas Turnover as % of Total	28	23

Measure

- 1 (Turnover current - Turnover comparative) / Turnover comparative
- 2 (Gross Profit current - Gross Profit comparative) / Gross Profit comparative
- 3 Overseas Turnover / Total Turnover

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

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

**Report of the Directors
for the Year Ended 31 December 2011**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

A D Stimpson (Chairman)
D Stimpson
J B Stokes

Other changes in directors holding office are as follows

C F W Mathias - resigned 22 August 2011
D F Read - appointed 22 August 2011

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 41 days (2010 - 44 days)

PURCHASE OF OWN SHARES

During the year 6,000 shares were repurchased by the company for a consideration of £57,000, this was due to the previous shareholders wanting to realise the cash value of their investments. The shares repurchased equate to 1.58% of the total share capital and have since been cancelled.

BRANCHES OUTSIDE THE UK

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

Warmup PLC (Registered number 02955213)

**Report of the Directors
for the Year Ended 31 December 2011**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D F Read', written over a horizontal line.

D F Read - Director

27 June 2012

Report of the Independent Auditors to the Members of Warmup PLC

We have audited the financial statements of Warmup PLC for the year ended 31 December 2011 on pages six to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Davis Grant LLP

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

27 June 2012

Warmup PLC (Registered number. 02955213)**Consolidated Profit and Loss Account
for the Year Ended 31 December 2011**

	Notes	2011 £'000	£'000	2010 £'000	£'000
TURNOVER	2		13,006		11,925
Cost of sales			6,374		6,343
GROSS PROFIT			6,632		5,582
Distribution costs		1,108		1,181	
Administrative expenses		5,086		4,390	
			6,194		5,571
OPERATING PROFIT	4		438		11
Interest receivable and similar income	5		-		13
			438		24
Interest payable and similar charges	6		23		21
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			415		3
Tax on profit on ordinary activities	7		116		62
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION			299		(59)
Minority interest - equity			(3)		-
RETAINED PROFIT/(DEFICIT) FOR THE FINANCIAL YEAR FOR THE GROUP			302		(59)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

Consolidated Balance Sheet
31 December 2011

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Intangible assets	9	-	4
Tangible assets	10	173	188
Investments	11	-	-
		<u>173</u>	<u>192</u>
CURRENT ASSETS			
Stocks	12	1,686	1 292
Debtors	13	2,620	3,036
Cash at bank and in hand		363	214
		<u>4,669</u>	<u>4 542</u>
CREDITORS			
Amounts falling due within one year	14	<u>3 170</u>	<u>3,340</u>
NET CURRENT ASSETS		<u>1,499</u>	<u>1,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,672	1,394
PROVISIONS FOR LIABILITIES	18	(10)	(8)
MINORITY INTERESTS	19	<u>2</u>	<u>-</u>
NET ASSETS		<u><u>1,664</u></u>	<u><u>1,386</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	373	364
Share premium	21	587	589
Capital redemption reserve	21	42	42
Profit and loss account	21	662	391
SHAREHOLDERS' FUNDS	24	<u><u>1,664</u></u>	<u><u>1,386</u></u>

The financial statements were approved by the Board of Directors on 27 June 2012 and were signed on its behalf by



D F Read - Director

The notes form part of these financial statements

Warmup PLC (Registered number 02955213)

**Company Balance Sheet
31 December 2011**

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Intangible assets	9	-	4
Tangible assets	10	167	186
Investments	11	32	2
		<u>199</u>	<u>192</u>
CURRENT ASSETS			
Stocks	12	1,510	1,183
Debtors	13	4,140	4,431
Cash at bank and in hand		313	173
		<u>5,963</u>	<u>5,787</u>
CREDITORS			
Amounts falling due within one year	14	<u>3,070</u>	<u>3,274</u>
NET CURRENT ASSETS		<u>2,893</u>	<u>2,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,092</u>	<u>2,705</u>
PROVISIONS FOR LIABILITIES	18	<u>10</u>	<u>8</u>
NET ASSETS		<u><u>3,082</u></u>	<u><u>2,697</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	373	364
Share premium	21	587	589
Capital redemption reserve	21	42	42
Profit and loss account	21	<u>2,080</u>	<u>1,702</u>
SHAREHOLDERS' FUNDS	24	<u><u>3,082</u></u>	<u><u>2,697</u></u>

The financial statements were approved by the Board of Directors on 27 June 2012 and were signed on its behalf by



D F Read - Director

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2011**

	Notes	2011 £'000	2010 £'000
Net cash inflow/(outflow) from operating activities	1	600	(292)
Returns on investments and servicing of finance	2	(23)	(8)
Taxation		(34)	46
Capital expenditure	2	(67)	(112)
		<u>476</u>	<u>(366)</u>
Financing	2	(327)	432
Increase in cash in the period		<u>149</u>	<u>66</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		149	66
Cash outflow/(inflow) from decrease/(increase) in debt		<u>334</u>	<u>(406)</u>
Change in net debt resulting from cash flows		<u>483</u>	<u>(340)</u>
Movement in net debt in the period		483	(340)
Net debt at 1 January		<u>(774)</u>	<u>(434)</u>
Net debt at 31 December		<u>(291)</u>	<u>(774)</u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2011**

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

	2011 £'000	2010 £'000
Operating profit	438	11
Depreciation charges	81	65
Profit on disposal of fixed assets	(1)	(1)
Foreign exchange differences in reserves	(3)	(30)
Acquisitions and disposals	(21)	-
Increase in stocks	(394)	(35)
Decrease/(increase) in debtors	416	(832)
Increase in creditors	84	530
Net cash inflow/(outflow) from operating activities	<u>600</u>	<u>(292)</u>

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

	2011 £'000	2010 £'000
Returns on investments and servicing of finance		
Interest paid	(23)	(21)
Gain on sale of investment	-	13
Net cash outflow for returns on investments and servicing of finance	<u>(23)</u>	<u>(8)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(4)
Purchase of tangible fixed assets	(68)	(116)
Sale of tangible fixed assets	1	8
Net cash outflow for capital expenditure	<u>(67)</u>	<u>(112)</u>
Financing		
Movement on invoice financing account	(334)	406
Net proceeds from share issue	7	26
Net cash (outflow)/inflow from financing	<u>(327)</u>	<u>432</u>

The notes form part of these financial statements

Warmup PLC (Registered number: 02955213)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2011**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/11 £'000	Cash flow £'000	At 31/12/11 £'000
Net cash			
Cash at bank and in hand	214	149	363
	<u>214</u>	<u>149</u>	<u>363</u>
Debt			
Debts falling due within one year	(988)	334	(654)
	<u>(988)</u>	<u>334</u>	<u>(654)</u>
Total	<u>(774)</u>	<u>483</u>	<u>(291)</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards

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

Minority interests in the consolidated statement of financial position comprise the outside shareholders proportion of the net assets of subsidiary companies

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 upon completion of the installation Costs incurred under these contracts are charged to the profit and loss account upon 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	- 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 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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES - continued

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

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. 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

Investments

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

2 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

	2011	2010
	£'000	£'000
United Kingdom	9,384	9,140
Rest of Europe	2,103	1,790
North America	1,445	964
Rest of World	75	31
	<u>13,007</u>	<u>11,925</u>

3 STAFF COSTS

	2011	2010
	£'000	£'000
Wages and salaries	3,528	3,177
Social security costs	440	385
Other pension costs	6	20
	<u>3,974</u>	<u>3,582</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

3 STAFF COSTS - continued

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

	2011	2010
Manufacturing	15	15
Sales & Admin	109	95
	<u>124</u>	<u>110</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £'000	2010 £'000
Other operating leases	335	326
Depreciation - owned assets	81	65
Auditors' remuneration	28	25
Foreign exchange differences	(9)	2
	<u></u>	<u></u>

	2011 £	2010 £
Directors' remuneration	336,819	302,460
Directors' pension contributions to money purchase schemes	1,327	12,000
	<u></u>	<u></u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

No directors exercised share options during the year (2010 - one director)

Information regarding the highest paid director is as follows

	2011 £	2010 £
Emoluments etc	<u>222,942</u>	<u>161,536</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Current asset investment income	<u>-</u>	<u>13</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Bank interest	<u>23</u>	<u>21</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

7 TAXATION

Analysis of the tax charge

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

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	123	48
Adjustments in respect of previous periods	(9)	-
Total current tax	114	48
Deferred tax	2	14
Tax on profit on ordinary activities	116	62

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

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	415	3
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	108	1
Effects of		
Expenses not deductible for tax purposes	7	20
Capital allowances in excess of depreciation	-	(15)
Depreciation in excess of capital allowances	3	-
Adjustments to tax charge in respect of previous periods	(9)	-
Effect of enhanced Research and Development deduction	(19)	(16)
Overseas losses not offset	19	63
Effect of change in tax rate	5	-
Marginal relief	-	(4)
Utilisation of tax losses	-	(1)
Current tax charge	114	48

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, 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 £377,394 (2010 - £161,631)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

9 INTANGIBLE FIXED ASSETS

Group

	Trademarks £'000
COST	
At 1 January 2011	4
Disposals	(4)
	<u>-</u>
At 31 December 2011	-
NET BOOK VALUE	
At 31 December 2011	-
	<u>-</u>
At 31 December 2010	<u>4</u>

Company

	Trademarks £'000
COST	
At 1 January 2011	4
Disposals	(4)
	<u>-</u>
At 31 December 2011	-
NET BOOK VALUE	
At 31 December 2011	-
	<u>-</u>
At 31 December 2010	<u>4</u>

10 TANGIBLE FIXED ASSETS

Group

	Improvements to property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2011	103	477	57	637
Additions	3	65	-	68
Disposals	-	(99)	(19)	(118)
	<u>106</u>	<u>443</u>	<u>38</u>	<u>587</u>
At 31 December 2011	106	443	38	587
DEPRECIATION				
At 1 January 2011	64	331	54	449
Charge for year	9	70	2	81
Eliminated on disposal	-	(98)	(18)	(116)
	<u>73</u>	<u>303</u>	<u>38</u>	<u>414</u>
At 31 December 2011	73	303	38	414
NET BOOK VALUE				
At 31 December 2011	<u>33</u>	<u>140</u>	<u>-</u>	<u>173</u>
At 31 December 2010	<u>39</u>	<u>146</u>	<u>3</u>	<u>188</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

10 TANGIBLE FIXED ASSETS - continued

Company

	Improvements to property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2011	103	464	44	611
Additions	3	59	-	62
Disposals	-	(99)	-	(99)
	<u>106</u>	<u>424</u>	<u>44</u>	<u>574</u>
At 31 December 2011	106	424	44	574
DEPRECIATION				
At 1 January 2011	64	320	41	425
Charge for year	9	69	2	80
Eliminated on disposal	-	(98)	-	(98)
	<u>73</u>	<u>291</u>	<u>43</u>	<u>407</u>
At 31 December 2011	73	291	43	407
NET BOOK VALUE				
At 31 December 2011	<u>33</u>	<u>133</u>	<u>1</u>	<u>167</u>
At 31 December 2010	<u>39</u>	<u>144</u>	<u>3</u>	<u>186</u>

11 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £'000
COST	
At 1 January 2011	2
Additions	30
	<u>32</u>
At 31 December 2011	32
NET BOOK VALUE	
At 31 December 2011	<u>32</u>
At 31 December 2010	<u>2</u>

Warmup PLC (Registered number. 02955213)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011**

11 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 Sale of underfloor heating products

	%		
Class of shares	holding		
Ordinary	100 00		
		2011	2010
		£'000	£'000
Aggregate capital and reserves		(1,389)	(1,238)
Loss for the year		(118)	(146)
		<u> </u>	<u> </u>

Warmup SL

Country of incorporation Spain

Nature of business Sale of underfloor heating products

	%		
Class of shares	holding		
Ordinary	100 00		
		2011	2010
		£'000	£'000
Aggregate capital and reserves		52	31
Profit for the year		24	1
		<u> </u>	<u> </u>

Warmup Inc

Country of incorporation Canada

Nature of business Sale of underfloor heating products

	%		
Class of shares	holding		
Ordinary	100 00		
		2011	2010
		£'000	£'000
Aggregate capital and reserves		(32)	(84)
Profit/(loss) for the year		50	(84)
		<u> </u>	<u> </u>

Warmup Elektrikli Yerden Isıtma Sistemleri Sanayi Ve Ticaret

Country of incorporation Turkey

Nature of business Sale of underfloor heating products

	%		
Class of shares	holding		
Ordinary	51 00		
		2011	
		£'000	
Aggregate capital and reserves		(4)	
Loss for the year		(7)	
		<u> </u>	

Warmup Elektrikli Yerden Isıtma Sistemleri Sanayi Ve Ticaret was acquired on 21 November 2011 so only six weeks of loss has been disclosed above

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

11 **FIXED ASSET INVESTMENTS - continued**

Warmup Solutions Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

Betterbuild Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	50 00

12 **STOCKS**

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Raw materials	256	231	252	231
Work-in-progress	294	349	294	349
Finished goods	1,136	712	964	603
	<u>1,686</u>	<u>1,292</u>	<u>1,510</u>	<u>1,183</u>

13 **DEBTORS**

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	2,417	2,898	2,216	2,809
Other debtors	15	15	6	14
Prepayments	188	123	168	117
	<u>2,620</u>	<u>3,036</u>	<u>2,390</u>	<u>2,940</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	1,750	1,491
	<u>2,620</u>	<u>3,036</u>	<u>4,140</u>	<u>4,431</u>

Group

The value of debtors factored and subject to a fixed charge are £2,324,000 (2010 - £2,997,000)

Company

The value of debtors factored and subject to a fixed charge are £2,324,000 (2010 - £2,997,000)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

14 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	654	988	654	988
Trade creditors	1,610	1,350	1,507	1,311
Amounts owed to group undertakings	-	-	29	16
Tax	117	37	116	37
PAYE	105	96	99	89
VAT	229	277	237	285
Other creditors	17	17	17	22
Accrued expenses	438	575	411	526
	<u>3,170</u>	<u>3,340</u>	<u>3,070</u>	<u>3,274</u>

15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand				
Bank borrowings	<u>654</u>	<u>988</u>	<u>654</u>	<u>988</u>

16 OPERATING LEASE COMMITMENTS

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

Group	Land and buildings		Other operating leases	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Expiring				
Within one year	-	-	13	59
Between one and five years	<u>140</u>	<u>145</u>	<u>121</u>	<u>62</u>
	<u>140</u>	<u>145</u>	<u>134</u>	<u>121</u>

The group signed a lease in May 2012 and is committed to a land and building lease commencing in April 2013 for £127,000 per annum

The lease will expire in more than 5 years

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Invoice finance facility	288	761	288	761
Import loan facility	366	227	366	227
	<u>654</u>	<u>988</u>	<u>654</u>	<u>988</u>

18 PROVISIONS FOR LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Deferred tax	10	8	10	8

Group

	Deferred tax £'000
Balance at 1 January 2011	8
Accelerated capital allowances	2
Balance at 31 December 2011	<u>10</u>

Company

	Deferred tax £'000
Balance at 1 January 2011	8
Accelerated capital allowances	2
Balance at 31 December 2011	<u>10</u>

19 MINORITY INTERESTS

In November 2011 Warmup Plc purchased 51% of the share capital of Warmup Elektrikli Yerden Isıtma Sistemleri Sanayi Ve Ticaret

This has been consolidated as part of these financial statements with the minority interest shown in both the consolidated profit and loss and balance sheet

20 CALLED UP SHARE CAPITAL

Allotted Number	issued and fully paid Class	Nominal value	2011 £'000	2010 £'000
372,634	Ordinary	£1	<u>373</u>	<u>364</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

20 CALLED UP SHARE CAPITAL - continued

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

	Date of Grant	Number of Ordinary Shares Under Option	Exercise Price	Exercise Period
Discretionary Share Option Scheme	02/04/2003	1,500	6 00	02/04/06 to 02/04/13
Unapproved Share Options	02/04/2003	834	6 00	02/04/06 to 02/04/13

21 RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2011	391	589	42	1,022
Profit for the year	302			302
Purchase of own shares	-	(51)	-	(51)
Cash share issue	-	49	-	49
Foreign exchange differences transferred to reserves	(3)	-	-	(3)
Goodwill written off on acquisition	(28)	-	-	(28)
At 31 December 2011	<u>662</u>	<u>587</u>	<u>42</u>	<u>1,291</u>

Company

	Profit and loss account £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2011	1,702	589	42	2,333
Profit for the year	378			378
Purchase of own shares	-	(51)	-	(51)
Cash share issue	-	49	-	49
At 31 December 2011	<u>2,080</u>	<u>587</u>	<u>42</u>	<u>2,709</u>

22 CAPITAL COMMITMENTS

The group signed a lease in May 2012 and is committed to £75,000 of capital commitments contracted for, but not provided for in the financial statements

23 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 69.81% of the company's issued share capital (2010-71.59%).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2011 £'000	2010 £'000
Profit/(loss) for the financial year	302	(59)
Goodwill written off on acquisition	(28)	-
Repurchase and cancellation of shares	(57)	(64)
Issue of shares	64	90
Foreign exchange differences	(3)	(30)
Net addition/(reduction) to shareholders' funds	278	(63)
Opening shareholders' funds	1,386	1,449
Closing shareholders' funds	1,664	1,386
 Company	 2011 £'000	 2010 £'000
Profit for the financial year	378	162
Issue of shares	64	90
Repurchase and cancellation of shares	(57)	(64)
Net addition to shareholders' funds	385	188
Opening shareholders' funds	2,697	2,509
Closing shareholders' funds	3,082	2,697

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

25 SHARE-BASED PAYMENT TRANSACTIONS

The company has followed the transitional arrangements within FRS20, Share-based payments and has only applied the measurement requirements of FRS20 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):

Number of shares	Discretionary Scheme	Unapproved Scheme
At 1 January 2011	16,750	30,834
Exercised in the year	(15,250)	-
Lapsed in the year	-	(30,000)
As at 31 December 2011	<u>1,500</u>	<u>834</u>
Exercisable at 31 December 2011	1,500	834