SigmaRoc plc/ EPIC: SRC / Market: AIM / Sector: Mining

28 September 2018

SigmaRoc plc ('SigmaRoc', the 'Company' or the 'Group')
Interim Results

SigmaRoc plc, the AIM listed buy-and-build construction materials group is pleased to announce its unaudited interim results for the six months ended 30 June 2018.

Highlights:

	6 months to 30 June 2018	6 months to 30 June 2017	Change
Revenue	£19.9m	£13.1m	+51.7%
Underlying[1] EBITDA	£4.8m	£2.3m	+104.2%
Underlying[1] EBITDA margin	23.8%	17.7%	+612bp
Underlying[1] profit before tax	£2.8m	£1.2m	+139.3%
Underlying EPS	1.97p	1.04p	+90.2%

[1] Underlying results are stated before acquisition related expenses, certain finance costs, share option expense and warranty & indemnity insurance.

Integration & operations:

- Platforms established to facilitate growth in line with the Group's stated buy and build strategy;
- SigmaPPG platform created combining the Group's precast products offering;
- Commercial & operational excellence plan delivering strong improvements with continuing upside;
- Back office consolidation underway to maximise benefits of group ownership;
- Significant improvement plan commencing in Jersey concrete;
- Shuttabloc agreement with Tarmac successfully delivered first project;
- Culture of safety being embedded with zero LTIs in the period;
- The Group now has 225 employees across six main sites.

Acquisitions:

- Advanced review programme on multiple opportunities in the acquisition pipeline;
- Consistent with delivering on the Board's strategy to grow the existing platforms and establish new platforms that meet the strategic requirements of the Group with managed risk;
- Strong result and integration of Group businesses achieved in parallel with development of new opportunities;

David Barrett, Executive Chairman, commented:

"With these results, the Board, management and employees of the Group have demonstrated their ability to deliver on the Group's strategy. We are pleased that our shareholders will benefit from an EPS up 90.2% in the first half of the year with the group maintaining a comparable capital structure. We look forward to delivering further success and growth to all the stakeholders in our Group over the remainder of the year and beyond."

Max Vermorken, CEO, commented:

"With profits more than doubling from sales up 52% against a generally stable market background, the Group has begun to realise the potential that was initially identified in these businesses prior to purchase. The fact this was delivered in parallel with the development of our acquisition pipeline is testament to the ability and capacity of the Group we have been able to build. With the market, industry structure and acquisition pipeline opportunity remaining as good as ever, we look forward to actively developing our Group further and to updating all stakeholders on new opportunities in due course."

An analyst meeting will take place at 9.00 a.m. today at the offices of Berenberg, 60 Threadneedle St, London EC2R 8HP with conference call available. Please contact Ben Feder on 02071297828 or email ir@sigmaroc.com for dial-in details. A presentation for the conference call will be available on the company website.

The full text of the interim statement is attached, together with detailed financial results.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

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Sigma Roc

INVEST
IMPROVE
INTEGRATE

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Registered number: 05204176
Registered address: 7-9 Swallow Street, London, W1B 4DE

FINANCIAL HIGHLIGHTS

Revenue

£19.9m

+51.7%

Underlying[1] EBITDA

£4.8m

+104.2%

Underlying[1] EBITDA margin

23.8%

+6.1pp

Underlying[1] profit before tax

£2.8m

+139.3%

Underlying[1] basic EPS

1.97p

+90.2%

Net debt

£16.4m

OPERATIONAL HIGHLIGHTS

INVEST

- SigmaRoc strategy delivers strong results, strong profit growth
- SigmaPPG proven good businesses with further potential
- Substantial progress on acquisition pipeline this year

IMPROVE

- Operational excellence plan delivered results and is continuing
- Jersey concrete plant ordered. Targeted delivery Q4 2018
- Safety-focussed improvement plan completed in H1

INTEGRATE

- SigmaPPG platform created combining precast products offering
- Backoffice consolidation within SigmaPPG underway
- Tarmac Shuttabloc production setup; first project completed

[1] *Underlying results are stated before acquisition related expenses, certain finance costs, share option expense and warranty & indemnity insurance*

Precast seawall & defences project supplied by Poundfield Products

EXECUTIVE STATEMENT

The first six months of this year were focussed on the integration of two new businesses into the SigmaRoc Group. Similarly to last year's integration of Ronez, the team was able to accomplish the bedding down of Allen Concrete and Poundfield Products efficiently and successfully, as demonstrated by our results for the first six months of 2018. With revenue of £19.9 million representing a 52% year-on-year increase and an underlying EBITDA of £4.8 million, representing a 104% year-on-year increase, we continued to implement our strategy to invest, improve, and integrate high quality businesses into our Group. Underlying profit before tax was £2.8 million and underlying EPS 1.97p representing a 90.2% year-on-year increase, putting our business onto a solid path for further development.

As a Group, we are very proud of these results and remain focussed on adding further growth in the years to come. The winter this year was particularly harsh and disruptions due to the snow and cold weather were inevitable. Demand for farming related products such as retaining walls picked up later than usual and some orders were delayed or cancelled. However, we were able to show significant growth in the first half of 2018 and to keep our Group on track with our expectations for the year. This is all the more significant when realising that we welcomed 109 new colleagues from Allen Concrete and Poundfield Products coupled with the challenges related to integrating the new businesses while preserving the qualities that make them successful. We are happy to communicate that, as with the Ronez staff, our new colleagues were of great help in making this transition a success and together we have a larger and stronger platform from which to continue to execute SigmaRoc's strategy of acquisitive growth for the benefit of all stakeholders.

Operating performance

As can be seen from the numbers reported today, the Group made strong progress over the first six months of this year. In the Channel Islands, the Jersey market generally performed well, with a good pipeline for the year and positive construction confidence. As always, the performance is influenced by project timing and the delay of some projects from H1 into H2, partly weather related, affected concrete and aggregates volumes. This effect was largely offset by other product lines and overall the outlook is healthy and stable in Jersey. In Guernsey, project timing meant volumes were stronger in both aggregates and concrete in the first half compared to the same period in the prior year. The island remains at relatively low levels compared to its history and while we saw some positive signs we are not yet ready to interpret the signals as a cyclical uplift, more of a confirmation of our expectation that the market will remain stable.

On the UK mainland, the harsh winter caused some disruption to demand and to our ability to produce and deliver effectively. However, we were able to focus on those areas which were less exposed to the winter weather to mitigate some of the negative impact. Focus was also placed on the operational improvements to be implemented at the newly acquired companies Allen Concrete and Poundfield Products. Leveraging the knowledge, resources and skills of our wider group to the benefit of the newly acquired companies is a key value creator in our strategy. As a result, a detailed programme was launched to improve the operational efficiency of the new businesses. The results of the first phase of implementation are already visible, especially at Poundfield Products, where the reorganisation of the production yard, which had become congested because of the high demand for certain products, is already yielding good results following minimal investment.

Safety

The safety of our colleagues is, and will always remain, paramount and we are happy to report that we completed another half-year with no Lost Time Injuries being recorded across the Group. Since the start of this year, the Group has engaged in external safety audits to highlight those areas where improvements can be made. This approach helps the Group to adopt industry best practices and maintain high standards while avoiding complacency.

Emphasis was placed on enhancing safety standards at Allen Concrete and Poundfield Products. In both cases the new approach to safety was welcomed and rapidly implemented. A particular focus was put on lock-out procedures, traffic management and forklift movements. Improvement in these three areas help to ensure the safety of our colleagues and remain a top priority. As a result of these efforts, an improved safety culture is emerging at both businesses, benefiting all involved.

Integration

Since the acquisition of Allen Concrete and Poundfield Products, we have focussed on the integration of these new businesses into SigmaRoc to deliver the required improvements from synergies and scale and from which to launch further expansion as the opportunity arises. To support these first two businesses in the precast sector, we have created SigmaPPG (Sigma Precast Products Group), a platform designed to drive a unified product proposition to customers and realise efficiencies while maintaining the strong local connections of the businesses. Large, national and indeed smaller customers can benefit from a unified offering, while local customers continue to see local business as usual under the same brands. As we progress with the integration process, we expect that the benefits of this precast platform contribute further to Group results.

A further focus of our integration work has been the production set up at Poundfield Products. When we acquired the business it was evident that it had grown very quickly, creating challenges to the organisation of its production processes. In order to fulfil orders quickly, there had been little time to design the production infrastructure to sustain this growth. In order to address these issues, SigmaRoc has purchased additional land to extend and reorganise the production yard to separate production, stocking and loading leading to an improvement in both safety and productivity. The remainder of the year will be focused on completing this effort and bringing Poundfield to its targeted operational and safety level to allow it to build on the success it has had to date.

Organic development

In addition to growth through acquisition, SigmaRoc is now reaching a critical mass whereby organic growth can contribute meaningfully to the implementation of its strategy. Firstly, considerable progress was made on the Jersey Ready-Mix Concrete plant. The new plant will offer our Jersey customers a compelling proposition for Ready-Mix Concrete with quicker service, additional mix designs and improved capacity. The new plant is currently being manufactured and will be erected on site at St John's quarry in Jersey with the expectation it will be fully operational in Q1 2019.

A second achievement has been the partnership agreement signed with Tarmac for the production of our Shuttabloc product. Our innovative retaining wall product will be produced and installed by Tarmac under licence. This partnership is ideal in that it combines the innovative nature of Poundfield Products with the scale and capacity of Tarmac. We continue to support Tarmac as it launches its offering and are pleased to report the successful completion of its first project. We continue to expect that this partnership will bring further value to the Group.

Acquisitions

The Group runs an acquisition and improvement-based growth strategy. We are pleased with the progress we were able to make in the first half of this year and in the year to date. Our pipeline remains full giving us the possibility to select the opportunities that bring the strongest and fastest benefits to our shareholders and stakeholders at the right price and with the minimum of integration risk. We will update the market at the appropriate time to show the results and value creation of this work and the opportunities provided for future expansion of the Group, including continued transformational growth.

Outlook

SigmaRoc remains very well positioned for the future and we are optimistic we can continue to deliver solid results. Management expects to meet the board's expectations for the full year. The two platforms which currently form SigmaRoc are performing well as demonstrated by the results published today. We have capacity to expand the Group further through both existing and new platforms. We hope to give investors further information on the development of the Group in the near future.

David Barrett	**Max Vermorken**	**Garth Palmer**
Executive Chairman	Chief Executive Officer	Chief Financial Officer

27 September 2018

SigmaPPG gravel boards being loaded for customer delivery

CONSOLIDATED INCOME STATEMENT

		6 months to 30 June 2018 Unaudited			6 months to 30 June 2017 Unaudited		
		Underlying	Non-underlying* (Note 6)	Total	Underlying	Non-underlying* (Note 6)	Total
Continued operations	**Note**	**£**	**£**	**£**	**£**	**£**	**£**
Revenue		**19,936,914**	**-**	**19,936,914**	**13,142,542**	**-**	**13,142,542**
Cost of sales	5	(14,496,018)	(107,438)	(14,603,456)	(10,415,623)	-	(10,415,623)
Profit from operations		**5,440,896**	**(107,438)**	**5,333,458**	**2,726,919**	**-**	**2,726,919**
Administrative expenses	5	(2,230,281)	(431,832)	(2,662,113)	(1,139,577)	(797,785)	(1,937,362)
Net finance (expense)/income		(459,425)	-	(459,425)	(307,061)	-	(307,061)
Other net (losses)/gains		88,107	-	88,107	(92,453)	-	(92,453)
Foreign Exchange		(2,906)	-	(2,906)	(2,395)	-	(2,395)
Profit before tax		**2,836,391**	**(539,270)**	**2,297,121**	**1,185,433**	**(797,785)**	**387,648**
Tax expense		(143,814)	-	(143,814)	(145,617)	-	(145,617)
Profit/(Loss)		**2,692,577**	**(539,270)**	**2,153,307**	**1,039,816**	**(797,785)**	**242,031**
Profit/(Loss) attributable to:							
Owners of the parent		**2,692,577**	**(539,270)**	**2,153,307**	**1,039,816**	**(797,785)**	**242,031**
		2,692,577	**(539,270)**	**2,153,307**	**1,039,816**	**(797,785)**	**242,031**
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	11	**1.969**	**(0.394)**	**1.575**	**1.035**	**(0.794)**	**0.241**
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	11	**1.791**	**(0.359)**	**1.432**	**0.914**	**(0.701)**	**0.213**

* Non-underlying items represent acquisition related expenses, certain finance costs, share option expense and warranty & indemnity insurance. See Note 6 for more information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 June 2018 Unaudited £	6 months to 30 June 2017 Unaudited £
Profit		**2,153,307**	**242,031**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		-	-
		-	**-**
Total comprehensive income		**2,153,307**	**242,031**
Total comprehensive income attributable to:			
Owners of the parent		**2,153,307**	**242,031**
Total comprehensive income for the period		**2,153,307**	**242,031**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2018 Unaudited £	30 June 2017 Unaudited £	31 December 2017 Audited £
Non-current assets				
Property, plant and equipment	7	49,068,901	20,415,890	46,556,298
Intangible assets	8	18,925,623	23,459,314	18,955,402
Investments		-	-	-
		67,994,524	**43,875,204**	**65,511,700**
Current assets				
Trade and other receivables		6,392,570	3,477,806	4,667,803
Inventories		4,954,805	2,453,335	4,441,663
Cash and cash equivalents		3,374,365	1,771,131	7,001,058
		14,721,740	**7,702,272**	**16,110,524**
Total assets		**82,716,264**	**51,577,476**	**81,622,224**
Current liabilities				
Trade and other payables		8,248,759	3,263,919	10,045,397
Current tax payable		382,198	-	621,714
Borrowings	9	1,078,567	-	92,411
		9,709,524	**3,263,919**	**10,759,522**
Non-current liabilities				
Borrowings	9	18,687,068	10,000,000	18,679,901
Deferred tax liabilities		999,387	-	1,015,823
Provisions		632,011	632,011	632,011
		20,318,466	**10,632,011**	**20,327,735**
Total Liabilities		**30,027,990**	**13,895,930**	**31,087,257**
Net assets		**52,688,274**	**37,681,546**	**50,534,967**
Equity attributable to owners of the parent				
Share capital	10	1,367,056	1,027,056	1,367,056
Share premium	10	50,161,904	37,153,313	50,161,904
Share option reserve		352,877	353,918	352,877
Other reserves		1,361,718	1,361,718	1,361,718
Retained earnings		(555,281)	(2,214,459)	(2,708,588)
Total equity		**52,688,274**	**37,681,546**	**50,534,967**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
Balance as at 1 January 2017		**270,555**	**266,667**	**-**	**1,117,178**	**(3,084,424)**	**(1,430,024)**
Profit		-	-	-	-	242,031	242,031
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**242,031**	**242,031**
Contributions by and distributions to owners							
Issue of ordinary shares		756,501	39,023,933	-	-	-	39,780,434
Issue costs		-	(2,137,287)	-	-	-	(2,137,287)
Share option charge		-	-	353,918	-	-	353,918
Movement in revaluation reserve of Ronez		-	-	-	-	627,934	627,934
Share consolidation		-	-	-	244,540	-	244,540
Total contributions by and distributions to owners		**756,501**	**36,886,646**	**353,918**	**244,540**	**627,934**	**38,869,539**
Balance as at 30 June 2017		**1,027,056**	**37,153,313**	**353,918**	**1,361,718**	**(2,214,459)**	**37,681,546**
Balance as at 1 January 2018		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(2,708,588)**	**50,534,967**
Profit		-	-	-	-	2,153,307	2,153,307
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**2,153,307**	**2,153,307**
Contributions by and distributions to owners							
Issue of ordinary shares		-	-	-	-	-	-
Issue costs		-	-	-	-	-	-
Share option charge		-	-	-	-	-	-
Share consolidation		-	-	-	-	-	-
Total contributions by and distributions to owners		**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2018		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(555,281)**	**52,688,274**

CONSOLIDATED CASH FLOW STATEMENTS

	Note	6 months to 30 June 2018 Unaudited £	6 months to 30 June 2017 Unaudited £
Cash flows from operating activities			
Profit		2,153,307	242,031
Adjustments for:			
Depreciation and amortisation		1,455,454	834,685
Share option expense		-	352,877
(Increase)/decrease in trade and other receivables		(1,724,765)	(901,412)
Increase in inventories		(513,141)	(341,133)
(Decrease)/increase in trade and other payables		(206,902)	(826,572)
Net cash flows from operating activities		**1,163,953**	**(639,524)**
Investing activities			
Purchase of property, plant and equipment	7	(469,932)	(796,747)
Acquisition of businesses		(5,314,500)	(44,861,719)
Net cash used in investing activities		**(5,784,432)**	**(45,658,466)**
Financing activities			
Proceeds from share issue		-	40,024,974
Cost of share issue		-	(2,137,287)
Proceeds from borrowings		1,000,000	10,000,000
Repayment of finance lease obligations		(6,214)	-
Net cash flow from financing activities		**993,786**	**47,887,687**
Net increase in cash and cash equivalents		**(3,626,693)**	**1,589,697**
Cash and cash equivalents at beginning of period		7,001,058	181,434
Cash and cash equivalents and end of period		**3,374,365**	**1,771,131**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General information

The principal activity of SigmaRoc plc (the 'Company') is to make investments and/or acquire projects in the construction materials sector and through its subsidiaries (together the 'Group') is the production of high quality aggregates and supply of value-added construction materials. The Company's shares are listed on the AIM Market of the London Stock Exchange ('AIM'). The Company is incorporated and domiciled in the United Kingdom.

The address of its registered office is 7-9 Swallow Street, London, W1B 4DE.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

Statutory financial statements for the period ended 31 December 2017 were approved by the Board of Directors on 18 May 2018 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified. The comparative financial information for the interim period ended 30 June 2017 and year ended 31 December 2017 is for the Group only.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2018.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2017 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.sigmaroc.com. The key financial risks are liquidity risk, credit risk, interest rate risk and fair value estimation.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 4 of the Company's 2017 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Accounting policies

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation

of the company's annual financial statements for the year ended 31 December 2017, except for the impact of the adoption of the Standards and interpretations described in para 3.1 below:

3.1. Changes in accounting policy and disclosures

(a) Accounting developments during 2018

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2018 but did not results in any material changes to the financial statements of the Group or Company.

The following standards were adopted by the Group during the year:

- IFRS 15 - Revenue from Contracts with Customers (effective 1 January 2018)
- IFRS 9 – Financial Instruments (effective 1 January 2018)
- IFRS 2 (Amendments) – Share-based payments – classification and measurement (effective 1 January 2018)
- Annual Improvements 2014-2016 Cycle
- IFRIC Interpretation 22 - Foreign currency transactions and advanced consideration (effective 1 January 2018)
- IFRIC 23 - Uncertainty over Income tax treatments (effective 1 January 2018)

The adoption of IFRS 15 did not result in any material changes to the condensed interim financial statements.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standard	Impact on initial application	Effective date
IFRS 16	Leases	*1 January 2019
IFRS 9 (Amendments)	Prepayment features with negative compensation	*1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	*1 January 2019
Annual Improvements	2015 – 2017 Cycle	*1 January 2019
IAS 19 (Amendments)	Employee Benefits	*1 January 2019
IFRIC 23	Uncertainty over income tax treatments	*1 January 2019

* Subject to EU endorsement

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2018 (2017: nil).

5. Expenses by nature

	6 months to 30 June 2018 Unaudited £	6 months to 30 June 2017 Unaudited £
Cost of sales		
Changes in inventories of finished goods and work in progress	81,434	166,315
Production cost of goods sold	(5,114,445)	(4,493,685)
Distribution and selling expenses	(1,305,156)	(714,926)
Raw materials and consumables used	(1,221,975)	(309,241)
Employee benefit expenses	(5,256,749)	(4,125,596)
Depreciation and amortisation expense	(1,455,454)	(834,685)
Other costs of sale	(331,111)	(103,805)
Total cost of sales	**(14,603,456)**	**(10,415,623)**
Administrative expenses		
Operational admin expenses	(1,967,519)	(686,680)
Corporate admin expenses	(694,594)	(545,350)
Total administrative expenses	**(2,662,113)**	**(1,232,030)**

Depreciation and amortisation expense is a combination of property, plant and equipment depreciation and intellectual property amortisation.

6. Non-underlying items

As required by IFRS 3 – Business Combinations, acquisition costs have been expensed as incurred. Additionally, the Group incurred costs associated with obtaining debt financing, including advisory fees to restructure the Group to satisfy lender requirements.

	6 months to 30 June 2018 Unaudited £	6 months to 30 June 2017 Unaudited £
Acquisition related expenses	(223,958)	(46,658)
Restructuring expenses	(282,901)	(118,961)
Other non-underlying	(32,411)	-
Legal fees relating to credit facilities	-	(65,941)
Share option expense	-	(352,877)
Warranty & indemnity insurance for Ronez acquisition	-	(213,348)
	(539,270)	**(797,785)**

7. Property, plant and equipment

	Office Equipment	Land and minerals	Buildings	Plant and machinery	Furniture and vehicles	Construction in progress	Total
	£	£	£	£	£	£	£
Cost							
As at 1 January 2017	**4,590**	**-**	**-**	**-**	**-**	**-**	**4,590**
Acquired through acquisition of subsidiary	-	19,233,225	15,822,502	5,901,008	6,719,142	500,447	48,176,325
Fair value adjustment	-	(95,823)	-	-	-	-	(95,823)
Additions	-	-	-	90,000	618,925	87,822	796,747
Disposals		-	-	-	-	-	-
As at 30 June 2017	**4,590**	**19,137,402**	**15,822,502**	**5,991,008**	**7,338,067**	**588,269**	**48,881,838**
Acquired through acquisition of subsidiary	350,382	4,600,000	1,390,265	7,530,375	256,660	-	14,127,682
Fair value adjustment	-	11,931,469	2,946,977	3,626,764	-	-	18,505,210
Additions	1,773	191,698	161,780	514,919	309,893	-	1,180,063
Disposals	-	-	(10,681)	(83,308)	-	(149,634)	(243,623)
As at 31 December 2017	**356,745**	**35,860,569**	**20,310,843**	**17,579,758**	**7,904,620**	**438,635**	**82,451,170**
Acquired through acquisition of subsidiary	-	2,000,000	1,564,500	-	-	-	3,564,500
Fair value adjustment	-	-	-	-	-	-	-
Additions	7,532	-	274,101	119,415	48,865	20,019	469,932
Disposals	-	(114,034)	-	(40,012)	(908,925)	(88,403)	(1,151,374)
As at 30 June 2018	**364,277**	**37,746,535**	**22,149,444**	**17,659,161**	**7,044,560**	**370,251**	**85,334,228**
Depreciation							
As at 1 January 2017	**75**	**-**	**-**	**-**	**-**	**-**	**75**
Acquired through acquisition of subsidiary	-	5,624,110	10,887,342	4,918,903	6,332,004	-	27,762,359
Charge for the year	1,147	127,567	348,725	160,197	65,878	-	703,514
Disposals	-	-	-	-	-	-	-
As at 30 June 2017	**1,222**	**5,751,677**	**11,236,067**	**5,079,100**	**6,397,882**	**-**	**28,465,948**
Acquired through acquisition of subsidiary	299,793	14,657	857,236	4,607,074	215,486	-	5,994,246
Charge for the year	1,910	331,038	453,809	560,727	163,717	-	1,511,201
Disposals	-	-	(10,681)	(65,842)	-	-	(76,523)
As at 31 December 2017	**302,925**	**6,097,372**	**12,536,431**	**10,181,059**	**6,777,085**	**-**	**35,894,872**
Acquired through acquisition of subsidiary	-	-	-	-	-	-	-
Charge for the year	8,157	276,584	417,292	558,815	164,827	-	1,425,675
Disposals	-	(106,283)	-	(40,012)	(908,925)	-	(1,048,041)
As at 30 June 2018	**311,082**	**6,267,673**	**12,953,723**	**10,699,862**	**6,032,987**	**-**	**36,265,327**
Net book value							
As at 30 June 2017	**3,368**	**13,385,725**	**4,586,435**	**911,908**	**940,185**	**588,269**	**20,415,890**
As at 31 December 2017	**53,820**	**29,763,197**	**7,774,412**	**7,398,699**	**1,127,535**	**438,635**	**46,556,298**
As at 30 June 2017	**53,195**	**31,478,862**	**9,195,721**	**6,959,299**	**1,011,573**	**370,251**	**49,068,901**

Included within additions to furniture and vehicles is £500,000 relating to the acquisition of the MV Ronez.

8. Intangible assets

	Consolidated			
	Goodwill	Intellectual property	Branding	Total
	£	£	£	£
Cost & net book value				
As at 1 January 2017	**-**	**-**	**-**	**-**
Arising on acquisition of Ronez	3,875,516	-	486,000	4,361,516
Arising on acquisition of Topcrete	7,062,625	-	-	7,062,625
Arising on acquisition of Poundfield	6,889,692	644,229	-	7,533,921
Amortisation	-	(2,660)	-	(2,660)
As at 31 December 2017	**17,827,833**	**641,569**	**486,000**	**18,955,402**
As at 1 January 2018	**17,827,833**	**641,569**	**486,000**	**18,955,402**
Amortisation	-	(29,779)	-	(29,779)
As at 30 June 2018	**17,827,833**	**611,790**	**486,000**	**18,925,623**

9. Borrowings

	6 months to 30 June 2018 Unaudited	6 months to 30 June 2017 Unaudited
	£	£
Non-current liabilities		
Santander term facility	8,617,375	-
Convertible loan notes	10,000,000	10,000,000
Finance lease liabilities	69,693	-
	18,687,068	**10,000,000**
Current liabilities		
Santander revolving credit facility	1,000,000	-
Finance lease liabilities	78,567	-
	1,078,567	**-**

On 5 January 2017 the Company issued 10,000,000 unsecured convertible loan notes at a par value of £1 per loan note accruing interest daily at a rate of 6% per annum and repayable on 5 January 2022 (the 'Loan Notes'). The Loan Notes are convertible into Ordinary Shares by the holders issuing a conversion notice any time prior to the repayment due date at a fixed price of £0.52 per Ordinary Share.

In April 2017 the Company entered into an £18 million term facility (the 'Term Facility') and a £2 million revolving credit facility (the 'RCF') with Santander. On 18 October 2017 the Company drew down £9 million of the Term Facility to satisfy the initial cash consideration for Topcrete Limited. On 22 June 2018 the Company drew down £1 million from the RCF for working capital purposes. The RCF and Term Facility are secured by a floating charge over the assets of SigmaFin Limited and its subsidiary undertakings. Interest is charged at a rate between 1.5% and 2.75% above LIBOR ('Interest Margin'), based on the calculation of the adjusted leverage ratio for the relevant period. For the period ending 30 June 2018 the Interest Margin was 2%.

The carrying amounts and fair value of the non-current borrowings are:

	Carrying amount		Fair value	
	6 months to 30 June 2018 Unaudited	6 months to 30 June 2017 Unaudited	6 months to 30 June 2018 Unaudited	6 months to 30 June 2017 Unaudited
	£	£	£	£
Santander term facility	8,617,375	-	-	-
Santander revolving credit facility	1,000,000	-	-	-
Convertible loan notes	10,000,000	10,000,000	10,000,000	10,000,000
Finance lease liabilities	69,693	-	-	-
	19,687,068	**10,000,000**	**10,000,000**	**10,000,000**

The fair values are based on cash flows discounted using the borrowing rate of 6% (2016: nil), which represents the cost of capital of the Group.

10. Share capital and share premium

	Number of shares	Ordinary shares	Share premium	Total
		£	£	£
Issued and fully paid				
As at 1 January 2017	**270,555,743**	**270,555**	**266,667**	**537,222**
Consolidation – 3 January 2017	(267,954,245)	(244,540)	-	(244,540)
Issue of new shares – 5 January 2017 (1)	100,000,000	1,000,000	36,862,713	37,862,713
Options Exercised – 3 May 2017	104,059	1,041	24,974	26,015
As at 30 June 2017	**102,705,557**	**1,027,056**	**37,154,354**	**38,181,410**
As at 31 December 2017	**102,705,557**	**1,027,056**	**37,154,354**	**38,181,410**
Issue of new shares - 14 December 2017 (3)	34,000,000	340,000	13,007,550	13,347,550
As at 1 January 2018	**136,705,557**	**1,367,056**	**50,161,904**	**51,528,960**
As at 30 June 2018	**136,705,557**	**1,367,056**	**50,161,904**	**51,528,960**

(1) Includes issue costs of £2,137,287

11. Earnings per share

The calculation of the total basic earnings per share of 1.575 pence (2017: 0.241 pence) is calculated by dividing the profit attributable to shareholders of £2,153,307 (2017: £242,031) by the weighted average number of ordinary shares of 136,705,557 (2017: 100,425,473) in issue during the period.

Diluted earnings per share of 1.432 pence (2017: 0.213 pence) is calculated by dividing the profit attributable to shareholders of £2,153,307 (2017: £242,031) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of share options and warrants to subscribe for ordinary shares in the Company, which together total 150,383,059 (2017: 113,800,237).

Details of share options that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2017.

12. Fair value estimation

There are no financial instruments carried at fair value.

13. Fair value of financial assets and liabilities measured at amortised costs

Financial assets and liabilities comprise the following:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

The fair values of these items equate to their carrying values as at the reporting date.

14. Events after the reporting date

There have been no events after the reporting date of a material nature.

15. Approval of interim financial statements

The condensed interim financial statements were approved by the Board of Directors on 27 September 2018.