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

30 September 2019

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 2019.

Highlights:

	6 months to 30 June 2019	6 months to 30 June 2018	Change
Revenue	£29.8m	£19.9m	+49.7%
Underlying[1] EBITDA	£5.7m	£4.8m	+18.8%
Underlying[1] profit before tax	£3.5m	£2.8m	+25.0%
Underlying[1] EPS	1.97p	1.97p	-
Net debt	£23.3m	£16.4m	+42.1%

[1] Underlying results are stated before acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles.

Acquisitions:

- Substantial acquisition of CCP, expanding the Group's Precast, Prestressed Group ('PPG' or 'SigmaPPG') platform to North-West England;
- Significant acquisition in South Wales through GDH, creating a platform with 80m tonnes of mineral reserves; and
- Continued focus on growing all four platforms.

Integration & operations:

- South Wales and SigmaPPG platforms expanded through acquisitions;
- CCP integrated into SigmaPPG with significant restructuring undertaken;
- Management support provided to GDH translating into improved performance;
- Jersey concrete plant successfully commissioned in February 2019 and operated through the remainder of the period;
- Safety culture continues to improve with dedicated health & safety officer established across the Group to drive consistency and ensure best practice; and
- The Group now has close to 500 employees across 26 production sites.

Post Period updates:

- Proposed board appointment of renowned industrialist Jacques Emsens;
- Conditional acquisition of Stone Holdings, for 4.4 times three-year average EBITDA, which, on completion, will offer SigmaRoc an operating hub in the Benelux region; and
- Exciting pipeline of opportunities being assessed, which the Board believes are capable of completion during 2019.

David Barrett, Executive Chairman, commented:

"We have completed another half year with excellent progress on the acquisition and improvement front. Two businesses have joined the Group expanding our footprint to South Wales and the North West of England, giving us further scale to the benefit of our group. The team is hard at work to integrate both new entities with good progress made in the first half and more to follow in the second. We also welcome a very eminent industrialist, Jacques Emsens, who is proposed to join our board as we make our first steps into mainland Europe. Excellent progress all round."

Max Vermorken, CEO, commented:

"We are very pleased with the progress made to date. From winning the BAA quarry of the year award, supplying major sea defence projects and continuously improving the businesses we have acquired. Our focus on safety has yielded positive results but a lot remains to be done. The second half should see us deliver more from our existing business and enter new markets with significant potential for the Group. We remain optimistic as ever about the potential of our strategy and the results we can deliver for shareholders."

The full text of the interim statement is attached, together with detailed financial results, and will be available on the Company's website at www.sigmaroc.com.

An analyst meeting will take place at 9.00 a.m. today at the offices of Liberum, Ropemaker Place, Level 12, 25 Ropemaker Street, London, EC2Y 9LY 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's website at www.sigmaroc.com.

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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INVEST
IMPROVE
INTEGRATE

Sigma Roc

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

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

HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue

£29.8m

+49. 7%

Underlying[1] EBITDA

£5.7m

+18.8%

Underlying[1] EBITDA margin

19.1%

-19.7%

Underlying[1] profit before tax

£3.5m

+25.0%

Underlying[1] basic EPS

1.97p

-

Net debt

£23.3m

2.0x ANNUALISED UNDERLYING **EBITDA**

OPERATIONAL HIGHLIGHTS

INVEST

- Completion of acquisition of CCP expanding SigmaPPG platform
- Initial 40% interest in GDH with option over remaining 60%
- First move into Europe with conditional acquisition of Stone Holdings

IMPROVE

- Operational excellence plan continues to deliver improved results
- New Jersey concrete plant successfully commissioned and operated
- New health & safety officer position established across the Group

INTEGRATE

- CCP back office integrated into SigmaPPG platform with significant restructuring work completed
- Management support provided to GDH translating into improved performance

[1] *Underlying results are stated before acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles*

CCP block plant at Clwyd

EXECUTIVE STATEMENT

During the first six months of this year we made further rapid progress with the strategy of the SigmaRoc Group. We expanded our PPG platform to include North West England in January 2019 when we acquired CCP Building Products Limited ('CCP'). We subsequently created a South Wales platform in April 2019 when we took an initial 40% stake in GDH (Holdings) Limited ('GDH'), which, together with its subsidiary undertakings, is a major quarrying, asphalt, concrete and contracting business.

These acquisitions were completed in tandem with achieving strong operating results, as the Group reported revenue of £29.8 million, representing a 49.7% year-on-year increase, and an underlying EBITDA of £5.7 million, being an uplift of 18.8% year-on-year. Underlying profit before tax was £3.5 million and underlying EPS 1.97p, continuing the solid performance of the Group's buy-and-build strategy. Revenue and underlying EBITDA have increased primarily as a result of the acquisition of CCP in January 2019, which was funded entirely through equity and has led to our EPS remaining steady year-on-year. Our 40% interest in GDH, funded through debt, has resulted in a minimal contribution to the Group's results for the period. This is because it has been equity accounted and, therefore, not consolidated into the Group.

Set out below are several important elements to consider when we assess where the Group currently is in its evolution and where we would like to move to going forward.

Operating performance

As noted above, the Group has reported a strong financial performance across the first six months of 2019. In the Channel Islands, the recent trend continued whereby the Jersey market performed slightly above expectations and Guernsey in line with more modest expectations. With multiple key projects expected to come online in Jersey through the second half of the year our expectation is for this trend to continue in the near term. However, Guernsey's project pipeline for 2020 could adjust this recent trend.

There is room for improvement at SigmaPPG, with the acquisition of CCP and subsequent integration and restructuring absorbing considerable time and resource. We are confident that this will translate into financial performance improvements throughout the second half of the year. As an illustration of the results already achieved, we were awarded the British Aggregate Association ('BAA') Quarry of the Year award for CCP's Aberdo quarry, in recognition of the improvement efforts put in by the CCP team and SigmaRoc.

Topcrete traded as expected, delivering a good performance for the first half, in-line with the trends set last year. We believe these trends are sufficiently robust to continue for the second half, helping us deliver our targeted results for the calendar year.

Poundfield's first three months of the year were quieter than expected for the special projects division, which, combined with the usual late start of farming demand, led to a slower first quarter. However, the second and third quarters have been strong as several major projects have commenced, including large sea defence work, which has resulted in full utilisation and therefore no production capacity for any further projects. Poundfield recorded its highest revenue month on record in July 2019 which was matched in August 2019, helped by good performance in retaining walls and flooring. These trends are expected to continue into the last quarter, until such point when typical seasonal cyclicality sees business slow, particularly in the farming sector.

GDH had a strong first half in 2019, reporting unaudited EBITDA of £1.8 million which was well ahead of its performance for the same period in 2018. As GDH is equity accounted for as an associate it is not consolidated into the Group and hence there is no resulting uplift in revenue or EBITDA. Additionally, the GDH capital structure is presently such that any material contribution to the Group's bottom line will remain limited until the business has been acquired in full.

Safety

Over the first quarter the Group also made significant progress in safety. Given our current size it became paramount to appoint a dedicated individual within the business with the mandate to drive the implementation of Group wide safety standards. We remain of the opinion that safety should be an

“output”, or the result of an efficient and well-structured operational business and therefore the responsibility of the line managers and not of a specific safety manager. A combination of both is therefore essential as we are progressing toward Group wide best in class safety standards.

The resulting records show good performance over the first half of the year. We recorded 1,000 harm free days at Ronez, which is an excellent achievement. Encouraging progress was made within the PPG platform, but there is a long journey ahead of us to reach the levels of Ronez. Overall, harm free days increased year-on-year from 96.0% to 98.3%. In addition, reporting standards were improved, giving us comfort that all incidents and near misses are captured such that each incident can be analysed in order to prevent them from happening again.

Integration

Since the acquisition of CCP and GDH, we have focused on integrating these new businesses into the Group, in order to deliver improvements from synergies and scale. The acquisition of CCP greatly expanded our PPG platform, extending our reach into the North West of England and North of Wales. Particular focus was placed on three areas: the quarry, the back-office and the flag production.

Aberdo quarry, part of the CCP group, contributed meaningfully to CCP’s results prior to acquisition. While this was indeed the aim and goal for the business, the quarry was facing certain difficulties in terms of its operational structure and therefore performance. Significant amounts of work were done to address these issues leading to a revised mining plan and operational structure. Several months of cleaning up excessive low value stock and redesigning the quarry to access good quality reserves, have led to improved results.

We have also placed significant emphasis on the back office and reporting at CCP. The accounting and credit control functions were revised with new members joining the team. However, further work is considered necessary to ensure back office integration between all component parts of the PPG platform which we expect will lead to better performance.

Given our minority interest in GDH, integration efforts there have required a much lighter touch, with our management team providing support to Ian Harries and his operations. Our focus to date has been on those areas where SigmaRoc, given its larger scale and reach, could help GDH further improve. This has thus far been successful, with both local management and staff supportive of SigmaRoc’s current and future involvement in the business. This is of key importance to SigmaRoc, as we always wish to preserve and reinforce the strengths of local businesses, which often implies facilitating improvements without taking away their local independence and strong links to the local markets.

Organic development

As a group we are constantly working to achieve organic development of our existing assets alongside our buy and build acquisition strategy. A good example of this is the new ready-mix concrete plant at Jersey which was successfully commissioned in February 2019 and has been fully operational throughout the remainder of the period. The new plant offers our Jersey customers a more compelling proposition for ready-mix concrete, with a much quicker service, additional mix designs and improved capacity.

In February 2019, the Group also secured a partnership with Lindsay Corporation, a leading global manufacturer and distributor of irrigation and infrastructure equipment and technology, for the exclusive licencing of their EN-compliant Road Lindsay’s Road Zipper System, consisting of T-shaped moveable barriers that are connected to form a continuous wall, which is used globally and accepted by many highway agencies, including Highways England.

Acquisitions

This year has thus far been significant in the Group’s continued development through acquisitions and their integration into the Group. In January 2019, we completed the acquisition of CCP for £15.21 million in conjunction with a vendor placing raising gross proceeds of £12.4 million. Subsequently, in April 2019, we acquired an initial 40 per cent. interest in GDH for cash consideration of £4.89 million, which was funded through a combination of our own cash plus debt financing from Santander (UK) plc.

As set out in the circular sent to shareholders on 11 September 2019, the Group has conditionally agreed to acquire Belgian based, Stone Holdings S.A. and its subsidiary Philippe Cuvelier S.A. (together 'Stone'). Stone averaged revenue of €3.8 million and adjusted EBITDA of €0.5 million for financial years 2016, 2017 and 2018. Subject to satisfactory completion of due diligence work, the Group will acquire Stone for a transaction value of up to €2.2 million, leading to an effective acquisition multiple of 4.4 times average EBITDA.

The Group is also planning to exercise its option to acquire the remaining 60 per cent. of GDH in Q4 2019 such that GDH will become a wholly owned subsidiary of the Group and be consolidated into its results.

The Company continues to develop its transaction pipeline and is completing due diligence on a number of opportunities. We are hopeful of securing further acquisition before the end of 2019.

Corporate

In April 2019, we welcomed Tim Hall to the board as Non-Executive Director pursuant to the relationship agreement between Pula Investments Limited, Bailiwick Investments Limited, TEMK Investments Limited, Ravenscroft Limited (together, the 'Shareholders'), the Company and Strand Hanson Limited. Tim joined the board as a representative of the Shareholders and brings a wealth of experience and knowledge of the industry to the SigmaRoc board.

In September 2019, the Company announced that Jacques Emsens is proposed to join the Board following completion of the Stone acquisition and customary director due diligence. Mr Emsens has an extensive history in defining and implementing strategies of industrial businesses, as well as access to potential investors and should make a significant contribution to the Group.

Outlook

SigmaRoc is once again well positioned for continued growth and we are optimistic we can continue to deliver solid results from our existing businesses. Management expects to meet the Board's expectations for the full year while continuing due diligence on a number of significant opportunities that we hope will translate into an enlarged footprint before the year ends. We look forward to updating investors with further information on the development of the Group as and when appropriate.

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

30 September 2019

CONSOLIDATED INCOME STATEMENT

		6 months to 30 June 2019 Unaudited			6 months to 30 June 2018 Unaudited		
		Underlying	Non-underlying* (Note 6)	Total	Underlying	Non-underlying* (Note 6)	Total
Continued operations	**Note**	**£**	**£**	**£**	**£**	**£**	**£**
Revenue		**29,777,661**	**-**	**29,777,661**	**19,936,914**	**-**	**19,936,914**
Cost of sales	5	(21,509,659)	-	(21,509,659)	(14,496,018)	(107,438)	(14,603,456)
Profit from operations		**8,268,002**	**-**	**8,268,002**	**5,440,896**	**(107,438)**	**5,333,458**
Administrative expenses	5	(4,468,436)	(1,311,187)	(5,779,623)	(2,230,281)	(431,832)	(2,662,113)
Net finance expense		(446,543)	(539,452)	(985,995)	(459,425)	-	(459,425)
Other net (losses)/gains		113,975	(54,527)	59,448	88,107	-	88,107
Foreign exchange		(11,167)	-	(11,167)	(2,906)	-	(2,906)
Profit before tax		**3,455,831**	**(1,905,166)**	**1,550,665**	**2,836,391**	**(539,270)**	**2,297,121**
Tax expense		(131,520)	-	(131,520)	(143,814)	-	(143,814)
Profit/(loss)		**3,304,311**	**(1,905,166)**	**1,419,145**	**2,692,577**	**(539,270)**	**2,153,307**
Profit/(loss) attributable to:							
Owners of the parent		**3,304,311**	**(1,905,166)**	**1,419,145**	**2,692,577**	**(539,270)**	**2,153,307**
		3,304,311	**(1,905,166)**	**1,419,145**	**2,692,577**	**(539,270)**	**2,153,307**
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	12	**1.97**	**(1.13)**	**0.84**	**1.97**	**(0.39)**	**1.57**
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	12	**1.78**	**(1.02)**	**0.76**	**1.79**	**(0.36)**	**1.43**

* Non-underlying items represent acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles. See Note 6 for more information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 June 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Profit		**1,419,145**	**2,153,307**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		-	-
		-	**-**
Total comprehensive income		**1,419,145**	**2,153,307**
Total comprehensive income attributable to:			
Owners of the parent		**1,419,145**	**2,153,307**
Total comprehensive income for the period		**1,419,145**	**2,153,307**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2019 Unaudited £	30 June 2018 Unaudited £	31 December 2018 Audited £
Non-current assets				
Property, plant and equipment	7	54,137,429	49,068,901	49,972,011
Intangible assets	8	33,299,138	18,925,623	18,974,771
Investments in associates	9	5,003,321	-	-
		92,439,888	**67,994,524**	**68,946,782**
Current assets				
Trade and other receivables		13,084,304	6,392,570	6,467,207
Inventories		6,190,797	4,954,805	4,844,483
Cash and cash equivalents		3,583,663	3,374,365	3,771,735
		22,858,764	**14,721,740**	**15,083,425**
Total assets		**115,298,652**	**82,716,264**	**84,030,207**
Current liabilities				
Trade and other payables		15,595,921	8,248,759	8,054,274
Current tax payable		502,849	382,198	471,531
Borrowings	10	121,433	1,078,567	74,581
		16,220,203	**9,709,524**	**8,600,386**
Non-current liabilities				
Borrowings	10	26,805,363	18,687,068	19,694,405
Deferred tax liabilities		1,098,148	999,387	974,294
Provisions		718,822	632,011	632,011
		28,622,333	**20,318,466**	**21,300,710**
Total Liabilities		**44,842,536**	**30,027,990**	**29,901,096**
Net assets		**70,456,116**	**52,688,274**	**54,129,111**
Equity attributable to owners of the parent				
Share capital	11	1,738,175	1,367,056	1,367,056
Share premium	11	64,463,963	50,161,904	50,136,904
Share option reserve		492,248	352,877	352,877
Other reserves		1,361,718	1,361,718	1,361,718
Retained earnings		2,400,012	(555,281)	910,556
Total equity		**70,456,116**	**52,688,274**	**54,129,111**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
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 year		**-**	**-**	**-**	**-**	**2,153,307**	**2,153,307**
Contributions by and distributions to owners							
Issue of ordinary shares		-	-	-	-	-	-
Total contributions by and distributions to owners		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(555,281)**	**52,688,274**
Balance as at 30 June 2018		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(555,281)**	**52,688,274**
Balance as at 1 January 2019		**1,367,056**	**50,136,904**	**352,877**	**1,361,718**	**910,556**	**54,129,111**
Profit		-	-	-	-	1,419,145	1,419,145
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**1,419,145**	**1,419,145**
Contributions by and distributions to owners							
Issue of ordinary shares		302,570	12,102,821	-	-	-	12,405,391
Issue costs		-	(457,212)	-	-	-	(457,212)
Share based payments		68,549	2,681,450	-	-	-	2,749,999
Share option charge		-	-	139,371	-	-	139,371
IFRS 16 prior year adjustment		-	-	-	-	70,311	70,311
Total contributions by and distributions to owners		**371,119**	**14,327,059**	**139,371**	**-**	**70,311**	**14,907,860**
Balance as at 30 June 2019		**1,738,175**	**64,463,963**	**492,248**	**1,361,718**	**2,400,012**	**70,456,116**

CONSOLIDATED CASH FLOW STATEMENTS

	Note	6 months to 30 June 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Cash flows from operating activities			
Profit		1,419,145	2,153,307
Adjustments for:			
Depreciation and amortisation		2,182,793	1,455,454
Share option expense		139,371	-
Loss on sale of property, plant and equipment		23,802	-
Net finance costs		985,995	-
Net tax paid		26,861	-
Share of earnings from associates		(112,529)	-
Increase in trade and other receivables		(4,060,760)	(1,724,765)
Increase in inventories		(486,831)	(513,141)
Increase in trade and other payables		(3,080,944)	(206,902)
Net cash flows from operating activities		**(2,963,097)**	**1,163,953**
Investing activities			
Purchase of property, plant and equipment	7	(1,360,167)	(469,932)
Cash paid for acquisition of subsidiaries (net of cash acquired)		(10,089,389)	(5,314,500)
Sale of property plant and equipment		6,289	-
Net cash used in investing activities		**(11,443,267)**	**(5,784,432)**
Financing activities			
Proceeds from share issue		12,405,393	-
Cost of share issue		(457,212)	-
Finance costs paid		(985,995)	-
Proceeds from borrowings		16,300,000	1,000,000
Cost of borrowings		(125,454)	-
Repayment of borrowings		(12,875,685)	(6,214)
Net cash generated from financing activities		**14,261,047**	**993,786**
Net increase in cash and cash equivalents		**(145,317)**	**(3,626,693)**
Cash and cash equivalents at beginning of period		**3,728,980**	7,001,058
Cash and cash equivalents and end of period		**3,583,663**	**3,374,365**

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'), the production of high quality aggregates and supply of value-added construction materials. The Company's shares are quoted 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 2018, 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 2018 were approved by the Board of Directors on 15 May 2019 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 2018 and year ended 31 December 2018 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 2019.

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 2018 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 2018 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 2018, 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 2019

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 2019 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 16 - Leases (effective 1 January 2019)
- IFRS 9 (Amendments) – Prepayment features with negative compensation (effective 1 January 2019)
- Annual Improvements 2015-2017 Cycle
- IAS 19 – Plan amendment, curtailment or settlements (effective 1 January 2019)
- IAS 28 – Long term interests in associates and joint ventures (effective 1 January 2019)
- IFRIC 23 - Uncertainty over income tax treatments (effective 1 January 2019)

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

Standard		Effective date
IFRS 3 (Amendments)	Business Combinations	1 January 2020
IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2020
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates	1 January 2020
IFRS 17	Insurance	1 January 2021

* 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 2019 (2018: nil).

5. Expenses by nature

	6 months to 30 June 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Cost of sales		
Raw materials and production	8,667,482	4,702,029
Distribution and selling expenses	2,781,754	720,083
Employee benefit expenses	4,907,662	4,348,599
Maintenance expense	695,085	651,743
Plant hire expense	712,189	986,972
Depreciation and amortisation expense	1,839,386	1,455,454
Other costs of sale	1,906,101	1,738,576
Total cost of sales	**21,509,659**	**14,603,456**
Administrative expenses		
Operational admin expenses	3,489,748	1,967,519
Corporate admin expenses	2,289,875	694,594
Total administrative expenses	**5,779,623**	**2,662,113**

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 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Acquisition related expenses	309,455	223,958
Restructuring expenses	394,840	282,901
Share option expense	139,371	-
Equity fundraising & investor relations	656,823	-
Amortisation of acquired intangibles	343,407	-
Other non-underlying	61,270	32,411
	1,905,166	**539,270**

Equity fundraising & investor relations includes £550,000 for the CLN redemption premium and associated costs.

7. Property, plant and equipment

	Office equipment	Land and minerals	Land and buildings	Plant and machinery	Furniture and vehicles	Construction in progress	Total
	£	£	£	£	£	£	£
Cost							
As at 1 January 2018	**356,745**	**35,860,569**	**20,310,843**	**17,579,758**	**7,904,620**	**438,635**	**82,451,170**
Acquired through acquisition of subsidiary	-	2,099,558	1,564,500	-	-	-	3,664,058
Additions	7,467	-	274,099	119,415	48,865	20,086	469,932
Disposals	-	-	-	-	-	(195,713)	(195,713)
As at 30 June 2018	**364,212**	**37,960,127**	**22,149,442**	**17,699,173**	**7,953,485**	**263,008**	**86,389,447**
Acquired through acquisition of subsidiary	-	-	-	-	-	-	-
Additions	19,446	-	220,489	377,211	460,965	1,663,168	2,741,279
Disposals	-	(8,753)	-	(35,060)	(165,904)	-	(209,717)
As at 31 December 2018	**383,658**	**37,951,374**	**22,369,931**	**18,041,324**	**8,248,546**	**1,926,176**	**88,921,009**
Acquired through acquisition of subsidiary	279,477	-	2,352,190	3,899,172	173,119	-	6,703,958
Transfers in	-	-	1,125,685	63,069	-	-	1,188,754
IFRS 16 Adjustments	-	-	402,855	786,285	-	-	1,189,140
Additions	6,276	-	138,669	780,119	201,730	233,373	1,360,167
Disposals	-	-	(105,000)	(61,860)	(62,885)	(1,279,086)	(1,508,831)
Transfer between classes	82,090	(4,695,824)	4,696,518	63,417	(727,526)	75,263	(506,062)
As at 30 June 2019	**751,501**	**33,255,550**	**30,980,848**	**23,571,526**	**7,832,984**	**955,726**	**97,348,135**
Depreciation							
As at 1 January 2018	**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	164,826	-	1,425,674
Disposals	-	-	-	-	-	-	-
As at 30 June 2018	**311,082**	**6,373,956**	**12,953,723**	**10,739,874**	**6,941,911**	**-**	**37,320,546**
Acquired through acquisition of subsidiary	-	-	-	-	-	-	-
Charge for the year	10,459	672,711	442,895	523,125	180,227	-	1,829,417
Disposals	-	-	-	(35,060)	(165,905)	-	(200,965)
As at 31 December 2018	**321,541**	**7,046,667**	**13,396,618**	**11,227,939**	**6,956,233**	**-**	**38,948,998**
Acquired through acquisition of subsidiary	214,762	-	219,348	2,370,475	66,905	-	2,871,490
Charge for the year	19,230	462,865	462,087	924,079	215,288	-	2,083,549
Disposals	-	-	(105,000)	(31,769)	(50,500)	-	(187,269)
Transfer between classes	(38,393)	(182,407)	164,287	354,177	(803,726)	-	(506,062)
As at 30 June 2019	**517,140**	**7,327,125**	**14,137,340**	**14,844,901**	**6,384,200**	**-**	**43,210,706**
Net book value							
As at 30 June 2018	**53,130**	**31,586,171**	**9,195,719**	**6,959,299**	**1,011,574**	**263,008**	**49,068,901**
As at 31 December 2018	**62,117**	**30,904,707**	**8,973,313**	**6,813,385**	**1,292,313**	**1,926,176**	**49,972,011**
As at 30 June 2019	**234,361**	**25,928,425**	**16,843,508**	**8,726,625**	**1,448,784**	**955,726**	**54,137,429**

8. Intangible assets

	Consolidated					
	Goodwill	Customer Relations	Intellectual property	Branding	Order Backlog	Total
	£	£	£	£	£	£
Cost & net book value						
As at 1 January 2018	**17,827,833**	**-**	**641,569**	**486,000**	**-**	**18,955,402**
Additions	317,788	-	7,179	-	-	324,967
Price Purchase Allocation - Topcrete	(926,000)	775,000	-	151,000	-	-
Price Purchase Allocation - Poundfield	(393,252)	159,000	121,252	-	113,000	-
Amortisation	-	(83,154)	(85,444)	(24,000)	(113,000)	(305,598)
As at 31 December 2018	**16,826,369**	**850,846**	**684,556**	**613,000**	**-**	**18,974,771**
As at 1 January 2019	**16,826,369**	**850,846**	**684,556**	**613,000**	**-**	**18,974,771**
Additions	14,423,611	-	-	-	-	14,423,611
Amortisation	-	(41,853)	(42,221)	(15,170)	-	(99,244)
As at 30 June 2019	**31,249,980**	**808,993**	**642,335**	**597,830**	**-**	**33,299,138**

Amortisation of intangible assets is included in cost of sales on the Income Statement.

9. Investments in associates

On 18 April 2019, the Company acquired a 40% equity interest in GDH (Holdings) Limited ('GDH'), a quarrying group located in South Wales for a cash consideration of £4.89 million. GDH are based in in South Wales and own six quarries as well as concrete and tarmac plants and are providers of aggregates for commercial and domestic customers. GDH is included in the consolidated financial statements using the equity method.

		Proportion of ownership interest held	
Name	**Country of incorporation**	**30 June 2019**	**30 June 2018**
GDH (Holdings) Limited	United Kingdom	40%	-

Summarised financial information

GDH	**30 June 2019 Unaudited**
	£
As at 30 June 2019	
Current assets	9,267,746
Non-current assets	25,417,611
Current liabilities	(6,765,414)
Non-current liabilities	(14,284,775)
For the period 19 April 2019 to 30 June 2019	
Revenues	5,143,491
Profit after tax from continuing operations	281,323

10. Borrowings

	6 months to 30 June 2019 Unaudited	6 months to 30 June 2018 Unaudited
	£	£
Non-current liabilities		
Santander term facility	25,836,547	8,617,375
Bank Loans	-	-
Convertible loan notes	-	10,000,000
Finance lease liabilities	968,816	69,693
	26,805,363	**18,687,068**
Current liabilities		
Santander revolving credit facility	-	1,000,000
Finance lease liabilities	121,433	78,567
	121,433	**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 (the 'Loan Notes'). On 24 January 2019, the Company redeemed the Loan Notes at full value and they have been delisted from the official list of The International Stock Exchange.

In April 2017, the Company entered into an £18 million term facility with Santander (the 'Facility') which was increased to £34 million in January 2019. On 18 October 2017, the Company drew down £9 million to satisfy the initial cash consideration for Topcrete Limited. On 21 June 2018, the Company drew down £1 million to assist with the purchase of Foelfach Stone Limited. On 23 January 2019, the Company drew down £10.8 million to redeem the Loan Notes and, on 1 February 2019, drew down £1.5 million to assist with working capital requirements.

The Facility is 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 2019 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 2019 Unaudited	6 months to 30 June 2018 Unaudited	6 months to 30 June 2019 Unaudited	6 months to 30 June 2018 Unaudited
	£	£	£	£
Santander term facility (net of establishment fees)	24,836,547	8,617,375	-	-
Santander revolving credit facility	1,000,000	1,000,000	-	-
Convertible loan notes	-	10,000,000	-	10,000,000
Finance lease liabilities	1,090,249	69,693	-	-
	26,926,796	**19,687,068**	**-**	**10,000,000**

The fair values are based on cash flows discounted using the borrowing rate of 3% (2017: 6%), which represents the cost of capital of the Group.

11. Share capital and share premium

	Number of shares	Ordinary shares £	Share premium £	Total £
Issued and fully paid				
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**
Cost of secondary placing	-	-	(25,000)	(25,000)
As at 31 December 2018	**136,705,557**	**1,367,056**	**50,136,904**	**51,503,960**
As at 1 January 2019	**136,705,557**	**1,367,056**	**50,136,904**	**51,503,960**
Issue of new shares – 25 January 2019 (1)	35,135,101	351,350	13,596,828	13,948,178
Issue of new shares – 1 February 2019	1,976,888	19,769	730,231	750,000
As at 30 June 2019	**173,817,546**	**1,738,175**	**64,463,963**	**66,202,138**

(1) Includes issue costs of £457,212

12. Earnings per share

The calculation of the total basic earnings per share of 0.84 pence (2018: 1.57 pence) is calculated by dividing the profit attributable to shareholders of £1,419,145 (2018: £2,153,307) by the weighted average number of ordinary shares of 168,820,165 (2018: 136,705,557) in issue during the period.

Diluted earnings per share of 0.76 pence (2018: 1.43 pence) is calculated by dividing the profit attributable to shareholders of £1,419,145 (2018: £2,153,307) 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 186,605,865 (2018: 150,383,059).

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 2018.

13. Fair value estimation

There are no financial instruments carried at fair value.

14. 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.

15. Business combination

On 25 January 2019 the Group acquired 100% of the share capital of CCP Building Products Limited ('CCP') and its subsidiaries for initial cash consideration of £4.7 million (being £10.8 million less adjustments for various obligations assumed by the Group as part of the acquisition). CCP is registered and incorporated in the United Kingdom. The principal activity is the production of high quality aggregates and supply of value-added construction materials.

The following table summarises the consideration paid for CCP and the values of the assets and equity assumed at the acquisition date.

Total consideration	£
Cash	4,696,097
Share based payments	2,000,000
Deferred cash	4,063,005
	10,759,102

Recognised amounts of assets and liabilities acquired	£
Cash and cash equivalents	(42,762)
Trade and other receivables	3,564,595
Inventories	859,486
Property, plant & equipment	3,832,468
Tax liabilities	(176,507)
Trade and other payables	(6,972,916)
Borrowings	(4,642,061)
Provisions for liabilities	(86,812)
Total identifiable net liabilities	**(3,664,509)**
Goodwill (refer to note 8)	**14,423,611**
Total consideration	**10,759,102**

16. Events after the reporting date

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

17. Approval of interim financial statements

The condensed interim financial statements were approved by the Board of Directors on 27 September 2019.