Sigma Capital Group plc
Annual Report & Financial Statements
For the year ended 31 December 2015

PRS & Urban Regeneration Specialists

Contents

Company number 3942129

KEY POINTS

FINANCIAL

- Strong results – benefits of Private Rented Sector ("PRS") strategy coming through
- Revenues increased by 74% to £6.72m (2014: £3.87m)
- Profit from operations up 877% or £1.63m to £1.82m (2014: £0.19m)
- Profit before tax up nearly 10 times to £2.14m (2014: £0.21m)
- Basic earnings per share up 626% to 2.76p (2014: 0.38p)
- Net assets per share more than doubled to 35.9p (2014: 17.4p)
- Cash at year end increased to £25.14m (2014: £5.22m)

OPERATIONAL

- Another landmark year in the development of PRS activities
- PRS joint venture with Gatehouse Bank plc making strong progress:
  - first homes completed and let in March 2015 - with demand above initial expectations
  - as of today, 549 homes are currently completed and let
  - annualised rental income forecast at over £7m (gross) by end of Q3 2016
- Second phase of 813 homes, with a gross development cost of over £100m, launched in Dec 2015:
  - supported by UK PRS Properties - a fund principally backed by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait
- Launch of self-funded PRS portfolio in Dec 2015:
  - initial phase of 346 new family homes with a gross development cost of £44m in Greater Manchester, Merseyside and Sheffield
  - 550 new homes targeted, with a gross development value of over £60m by the end of 2017
- Run-rate of 3,000 PRS units expected by end of 2016 across sites in process
- Share placing completed in September 2015 raised £20m (gross) – to support self-funded PRS portfolio
- Regeneration housing activities continued to make a good contribution
- Board remains confident about growth prospects supported by long term macro drivers

Chairman's Statement

"This has been another landmark year for Sigma and we are delighted to report that the Group's results are now beginning to show the benefits of our PRS strategy, with profit before tax up nearly ten times to £2.14m.

We achieved two key milestones in 2015. Firstly we started our second phase of PRS homes, with a new fund, UK PRS Properties, which is principally backed by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait. Secondly we launched our own self-funded PRS portfolio, having raised £20m of equity, and started the first phase of delivery in December. The creation of our own portfolio of PRS assets marks an important step in Sigma's development. It will significantly enhance our returns from on our PRS infrastructure as well as generate material additional long-term recurring income. We are targeting a self-funded portfolio of c. 550 family homes, with a total development value in excess of £60m by the end of 2017.

Sigma is now firmly established as a leading participant in unlocking the PRS opportunity in the UK, delivering family homes across the regions, which the UK needs. Macro drivers of undersupply of new homes and historic poor management of rental stock mean that our PRS platform is gaining significant traction. With our PRS venture with Gatehouse performing ahead of expectations on the first phase, our launch of a second phase, with UK PRS Properties, and our own PRS portfolio underway, we are confident of further progress during 2016."

David Sigsworth
Chairman

Introduction

I am delighted to report Sigma Capital Group plc's ("Sigma" or "the Group" or "the Company") results for the year to 31 December 2015. It has been an outstanding year for Sigma and the Company's financial results are now beginning to show the benefits of its Private Rented Sector ("PRS") strategy. Revenues for the year have increased by 74% to £6.72m and profit before tax has risen by nearly 10 times to £2.14m, ahead of original market expectations.

Sigma's financial performance reflects the increasing momentum in the business as we successfully execute our PRS strategy, which is focused on the delivery of high quality family homes in the UK regions.

We achieved a number of key milestones during the year. In the first half, we completed the delivery of our first rental homes under our joint venture with Gatehouse Bank plc ("Gatehouse"), with our first tenants moving in. Subsequently we agreed a second phase of delivery with a new fund, UK PRS Properties (a fund principally backed by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait) which is for a further 813 units with an estimated gross development cost in excess of £100m.

In the second half of the year, we achieved a long term aim for Sigma, raising £20m (before expenses) to launch our own self-funded PRS portfolio. The creation of our own portfolio of PRS assets marks an important step in Sigma's development and will significantly enhance returns on our PRS infrastructure as well as generate material additional long-term recurring income. Construction of the first phase of our self-funded PRS family homes started in December and is progressing well. We expect to commence construction on a further two sites over the next few months and have agreed terms for two more, which we will look to commence in the summer of 2016. These sites will deliver 346 new homes with a gross development cost of £44m and an estimated gross rent of circa £3.0m once fully let. As previously stated, we are targeting a portfolio of approximately 550 self-funded family homes, with a total development value in excess of £60m by the end of 2017, producing a gross rental income in excess of £4.5m per annum.

Whilst our principal focus is on PRS, our regeneration activities which support the objectives of our local authority partners continued to produce good results, principally in the provision of market-for-sale and social housing. Historically, we have delivered a mix of residential, retail, commercial and community facilities, and we continue to be involved in a number of mixed use developments.

The new financial year has started very positively. We expect the first of our own PRS homes to be completed and let by the summer. Our first phase of PRS delivery with Gatehouse, 918 family homes, is on track to complete by the end of 2016, with 549 new homes already constructed and let. Once fully let, the expected rental from the 918 homes is expected to be excess of £7.5m per annum. Our second phase of delivery, with UK PRS Properties, which will deliver approximately 813 new rental homes across Greater Manchester and Liverpool, is also progressing very well, with the first homes due to be completed this summer. We are currently preparing further phases for launch this year, with sites identified in the Midlands and the South.

We anticipate that Sigma's activities should deliver a run rate of 3,000 PRS units by the end of the year across sites in process with this delivery creating one of the first large scale PRS portfolios throughout the regions in the UK.

Both short and medium term prospects for Sigma look very strong and, as we execute our growth plans over the coming year, we will continue to seek ways to capitalise on our PRS platform and position as a leading participant in this emerging sector. We remain very excited about ongoing opportunities and are confident that Sigma will continue to make good progress.

Results

Revenues increased by 74% to £6.72m for the financial year to 31 December 2015 (2014: £3.87m). Profit from operations rose by £1.63m to £1.82m (2014: £0.19m), a more than nine-fold increase. The Group's property activities contributed profit of £2.54m (2014: £0.58m) to this result, with the venture capital and other holding activities generating a loss of £0.72m (2014: loss of £0.39m).

Administrative expenses fell slightly by 0.9% to £3.17m during the year (2014: £3.19m).

Profit before tax for the year rose by nearly ten times to £2.14m (2014: £0.21m) with basic earnings per share increasing by 626% to 2.76p (2014: 0.38p).

Net assets per share at the year end increased by 106% to 35.9p (2014: 17.4p) and cash at the year end stood at £25.14m (2014: £5.22m). This largely reflects the placing completed in September 2015.

Chairman's Statement
continued

Dividends

At this stage of Sigma's development, the Board is not recommending the payment of a dividend for the year. However, the Board intends that the Company will recommend or declare dividends at a future date, subject to the performance of the business, and will therefore keep the dividend policy under review.

Placing

In September 2015, we successfully completed a placing of new ordinary shares, at 75p per share, to raise £20m before expenses in order to allow Sigma to build its own PRS portfolio. The placing comprised 26,666,666 new ordinary shares of 1p each and we were pleased to receive the support of both existing and new institutional shareholders.

Operational Overview

The first phase of PRS homes to be delivered by Sigma with its partner Gatehouse ("PRS Fund"), has a total development cost of approximately £100m and was launched in November 2014. This first phase is delivering a total of 918 new family rental homes in the North West of England and will create one of the UK's first large scale PRS schemes of new family homes. The first tenants moved into the first of the newly completed homes in March 2015 and currently 549 homes are fully complete and let. The balance of this first phase remains on track to be delivered during 2016, with approximately 50 houses per month completing and renting on our sites. Rental demand has been very strong and rents are on average higher than that initially forecast, with properties being let either prior to or shortly after construction.

In December 2015, we launched the second phase of PRS homes, with a new fund, UK PRS Properties, which is supported principally by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait. This second phase will comprise a further 813 rental properties across nine sites and has a total development cost in excess of £100m. To date, construction has started on two of those sites with a further two sites due to commence shortly. While most of the new homes will be in the North West of England, we are currently progressing sites in other regions.

In September 2015, the Group raised £20m (gross) to launch a substantial portfolio of self-funded PRS assets, leveraging our existing PRS platform and relationships. We commenced our first site, in Liverpool, in December 2015 and delivery is now well underway and we are in the process of acquiring further sites. Our initial delivery comprises 346 new family homes with a gross development cost of £44m and we forecast an annualized gross rental of circa £3.0m from these homes once fully let. We expect the first homes to be let in August 2016 and are aiming to establish a portfolio of 550 new homes by the end of 2017. Once fully let, this portfolio is expected to produce gross annual rental income in excess of £4.5m.

It is clear that that the success and development of our PRS platform could not have been achieved without the support and commitment of our delivery partners, Countryside Properties ("Countryside") and Shepherd Direct Lettings and our funding partners, Gatehouse, UK PRS Properties and Barclays Bank. We look forward to continuing to work with them over the years to come. In addition, we have progressed our relationship with our second house building partner, Keepmoat Limited, and expect to launch our first site with them later this year. We are also continuing to engage with other funding partners, where it is complementary to our existing funding relationships, to broaden our model and provide greater opportunity for Sigma. I would also like to thank our existing and new shareholders for their support and backing during the year.

Our regeneration activities, which support our local authority partners, continued to make progress over the year. In December, with our partners Liverpool City Council and Countryside, we procured the delivery of a 200 market-for-sale housing site at Gateacre, in Liverpool. We also directly acquired the balance of 15.7 acres of residential development land at Norris Green in Liverpool and before the year end disposed part of this site to Countryside for the development of 200 market-for-sale housing. Since the year end, the remaining acreage, which will deliver 69 private rented units, has been acquired by UK PRS Properties in our second phase of PRS. Norris Green is an award winning regeneration project delivering 829 new homes across a variety of tenures. Once complete it will be one of the most successful housing regenerations schemes in England and our team, along with our partners, can take pride in what has been achieved in regenerating the community and improving the lives of residents. Across all sites in Liverpool, the residential regeneration effort by all will result in the delivery of 1,229 homes across all tenures.

We are currently working with Liverpool City Council and our commercial development partner, Neptune Developments on a number of other regeneration projects in Liverpool, which should start later in 2016.

The Board

In January 2015, we were pleased to welcome Malcolm Briselden to the Board as Finance Director following the retirement of Marilyn Cole. Malcolm joined Sigma as Group Financial Controller in 2012 and has significant experience of property investment and development. Earlier this month, Bill MacLeod left the Board and we wish him well as he pursues other activities.

Staff

On behalf of the Board, I would like to thank our staff members for the major successes that have been achieved this year. Sigma has transformed its business and has shown that it can lead the way in the delivery of PRS homes in the UK. This could not have been accomplished without the hard work, skill and enthusiasm of all involved, and everyone can be extremely proud of what has been achieved. Their dedicated efforts are much appreciated.

Outlook

There is an urgent and growing need for new housing stock in the UK, which is fueled both by the current shortage of homes and by a rising UK population, forecast to increase by 16% to 73m by 2035. Demand for rental homes is also growing, with the percentage of owner-occupied homes currently at 65%, its lowest level since 1988. These macro developments and historic poor management of rental stock mean that our PRS platform is gaining significant traction. As we look forward, we believe that Sigma is well placed to deliver large scale, professionally managed PRS housing stock and expect the business to make further encouraging progress over 2016. We will also seek ways to accelerate this process.

David Sigsworth OBE
Chairman

18 April 2016

Strategic Report

The Directors have pleasure in presenting their Strategic Report for the year ended 31 December 2015.

Business activities and Group structure

Sigma, together with its subsidiaries, is a property group principally focused on the PRS sector. Its activities also encompass urban regeneration and property asset management.

Sigma is a public limited liability company incorporated in England. It acts as a holding company and at 31 December 2015 had four principal wholly owned subsidiaries:

> Sigma Capital Property Limited ("SCP")

> Sigma Inpartnership Limited ("SIP")

> Strategic Property Asset Management Limited ("SPAM")

> Sigma Technology Investments Limited ("STI")

The Group's PRS activities are carried out by SCP and its subsidiaries. During the latter part of 2015, SCP initiated the construction of its own self-funded portfolio of private rented homes. Its first PRS joint venture with Gatehouse Bank plc commenced in November 2014 with a programme to deliver 918 new family homes for the private rental market with 549 now having been completed. In December 2015 a second phase of PRS homes was launched with UK PRS Properties (a fund principally backed by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait). This second phase will deliver 813 new family rental homes across nine sites.

The Group's property regeneration activities are largely carried out by its subsidiary, SIP, which undertakes large scale property-related regeneration projects, working as a bridge between public and private sector organisations. Founded in 2000 and operating from offices in Manchester, SIP established three partnerships, with Liverpool City Council, Salford City Council and Solihull Metropolitan Borough Council. The partnerships hold option arrangements with each local authority partner for the delivery of a mix of residential, commercial, education and health schemes.

Most of the Group's property management activities outside PRS and its local authority relationships are undertaken by SPAM. Until early 2016, the Group acted through SPAM, as property manager for its historic property limited partnership, SI Limited Partnership No 7. This partnership holds the investment in the City Wharf development in Aberdeen. The Group has a 19.3% holding in SI Limited Partnership No 7, although this investment was written down to nil in 2009.

Whilst the Group ceased its venture capital management activities in 2014, it still holds an interest in a venture capital fund and in a direct non-quoted equity investment both of which are held in STI.

Key strategy

Our core strategy is to utilise our property and capital raising expertise whilst working with our established local authority partnerships and house building partners and funding partners, to build on our PRS activities. A key part of our strategy is to progress the land that is under our control by accessing funding to accelerate the delivery of residential regeneration developments and commercial developments. This strategy allows us to grow our income and profit and increase the proportion of the Group's business that is contracted, which provides for a more stable and predictable income stream.

The PRS model is the key component of our strategy for 2016 and beyond. The commencement of our own self-funded portfolio of PRS assets and the ventures with Gatehouse and UK PRS Properties provide us with a strong platform for growth in this sector. Sigma's strategy is to extend its geographic coverage for its PRS model beyond its existing local authority partnerships to other cities in the UK. Our current delivery is in excess of 2,000 PRS homes in Greater Manchester and Merseyside however, we are actively looking at sites in the North East, Midlands and Southern regions of England to accelerate our delivery. In addition, we have developed a new house building relationship with Keepmoat to help deliver our strategy in these new areas.

Overview of the business

Private Rented Sector residential portfolio

Our PRS model which has been designed to address the need for new homes in the UK allows us to move residential land assets with planning permission predominately from local authority partnerships and our house building relationships to our fund structure. The key advantage of this for local authorities is that they are able to deliver large scale high quality housing quickly, meeting an urgent social need, with the PRS model delivering houses typically at five to six times the rate of those built 'for sale'. In addition, local authorities also benefit from council tax receipts on the new homes and from the Government's new homes bonus. Typically, local authorities' wider regeneration objectives are also boosted. The faster timescales are also attractive to housebuilders who can work with us on the delivery of PRS units to reduce their risk on certain sites. We are now seeing PRS site opportunities from both local authorities and the house building sector. The initial focus of our PRS activity with our own self-funded assets along with both Gatehouse and UK PRS Properties, is on the regions of England outside Greater London.

Sigma PRS

In September 2015, the Company raised £20m gross proceeds from a share placing to create a substantial portfolio of self-funded PRS assets leveraging its existing PRS infrastructure and relationships. The first site for 50 new rental homes in Merseyside has a development cost of c. £5.8m and is well underway with the first properties expected to be let in August 2016. When complete and fully let this site is expected to generate a gross annual income of c. £0.42m.

Joint Venture with Gatehouse Bank plc - Phase 1

This first phase of homes is built on land procured by Sigma and is underpinned by our existing local authority partnerships. Gatehouse, a leading London-based Shariah compliant investment bank with a real estate portfolio worth in excess of £1 billion across the UK and US, is delivering the equity element of the venture whilst Barclays Bank plc is providing the debt financing.

As reported last year construction commenced in November 2014 on the first phase of 918 new privately rented residential properties in the North West of England. During the year our house building partner, Countryside, was active on 13 of the 14 sites. The last site was acquired in February 2016 and construction is underway.

Of the 14 sites, nine have now completed construction and are fully let with rental levels in excess of those originally forecast. The properties have been let under our new brand 'DIFRENT' with Shepherd Direct Lettings (part of the Shepherd Direct Group), with whom Sigma has a well-established association, managing all lettings.

Joint Venture with UK PRS Properties - Phase 2

Our second phase of PRS homes in partnership with UK PRS Properties commenced in December 2015 and is targeting the delivery of 813 family homes with a development cost of over £100m. Nine sites across the North West of England have already been identified and our construction partner Countryside has commenced on two sites. As with phase 1, the new homes when built will be let under the 'DIFRENT' brand and will be managed by Shepherd Direct Lettings.

The PRS phases with Gatehouse and UK PRS Properties generate fees for the Group through each stage of its life. An upfront fee is paid on commencement, a management fee is paid quarterly over the duration of the delivery period and a quarterly asset management fee is paid once the properties are completed. Sigma will also retain a share of the net disposal profits on the assets subject to a minimum return to investors.

Strategic Report
continued

Urban regeneration

Liverpool Partnership (also referred to as Regeneration Liverpool)

Our Liverpool Partnership is a limited liability partnership formed in 2007 between SIP and Liverpool City Council. The partnership was given an initial ten year option over a 60 acre residential development site, known as Norris Green, which had outline planning consent for around 800 new homes, with a total development value of c. £120 million. The partnership was established with the flexibility to develop additional sites at the discretion of Liverpool City Council and over the last three years, the Council has increased the number of sites under option. The key sites added are Gateacre, the former Queen Mary School site and Lime Street/Knowledge Quarter.

In 2012, we formed a joint venture company with a major local commercial property development company, Neptune Developments Limited, to help accelerate the delivery of the commercial regeneration projects in Liverpool. In 2013, we established a second joint venture company with house building specialist, Countryside, to assist us in the delivery of residential regeneration projects in the City.

Land in the Liverpool Partnership can be developed using any one of the following three ways: by the Liverpool Partnership (with SIP earning a management fee and participating in a profit share); by SIP (with SIP earning a fee and an agreed priority profit); or by the Liverpool Partnership selling a site on the open market, with SIP earning a percentage of the sales price achieved. At least 20% of the land must be disposed of by sale on the open market. The majority of the land will be developed by SIP through our venture companies with Countryside and Neptune Developments Limited.

Residential Projects

The regeneration of the site at Norris Green continues to make good progress and the upturn in the residential market has been helpful in bringing forward additional phases. Our PRS joint ventures are extremely positive for the regeneration effort.

The development at Norris Green consists of eight phases totaling 829 properties of which 394 properties are for sale, 214 are affordable homes and 221 are private properties for rent delivered by our PRS joint ventures. We are now on site on all eight phases and at the end of March we had completed 488 out of the 829 units proposed. Sales of the new homes continue to progress well and all of the affordable homes have been completed and transferred to the registered provider. The PRS units are being built across three phases with 54 units now complete and let.

Construction on the former Queen Mary School site, which is approximately one mile from Norris Green, commenced in January 2015. The detailed consent is for 200 new homes with 64 designated homes for our PRS Fund. All of the PRS units have been constructed and fully let with rents in line with or in excess of that originally targeted. The balance of 136 homes for sale are being constructed by our affiliate Countryside Sigma Limited and to date 43 units have been sold with a further 19 sales progressing.

Infrastructure and remediation works are underway at Gateacre, a 19 acre former secondary school. The site consists of 200 new family homes for sale ranging from two and three bedroom town houses up to five bedroom executive detached homes. The first house completions are expected towards the end of 2016.

Commercial Projects

The Liverpool Partnership secured a land option agreement to develop three key sites within the Knowledge Quarter in March 2013. This is a major flagship mixed-use opportunity to the south and east of Lime Street railway station in the centre of Liverpool. Working with our commercial joint venture partner, Neptune Developments we have now secured planning consent and a forward funding commitment for the redevelopment of Lime Street Eastern Terrace, which will incorporate a 400 bedroom student residence, a Premier Inn hotel and 30,000 sq.ft of retail/leisure units. We anticipate construction commencing by summer 2016.

Plans for the refurbishment of the former ABC cinema are being progressed along with discussions with a preferred end user/funder for the new media, live music and leisure facilities to be developed. Once the scheme has been finalised and a funding deal agreed, a planning application will be submitted, expected by the end of summer 2016.

Progress has been made in respect of the redevelopment of the site known as Mount Pleasant Car Park and plans for the site are being assessed as part of the redevelopment strategy for the wider area.

Salford Partnership (also known as Higher Broughton Partnership)

The Salford Partnership is our partnership with Salford City Council and Royal Bank of Scotland.

During the year, we dealt with residual matters arising from previous residential and commercial projects of the Salford Partnership.

Sigma is working closely with Salford City Council to bring additional land for delivery for PRS. A total of four sites and 206 units have been developed as part of the initial phase of our PRS Fund with Gatehouse and a further two sites consisting of 220 units are being developed as part of the joint venture with UK PRS Properties. We are in the process of reviewing more.

North Solihull Partnership

The Partnership was set up in 2007 by Solihull Metropolitan Borough Council, Bellway Homes, West Mercia Housing Association and SIP with a remit of coordinating and delivering the regeneration of an area of circa 1,000 acres in North Solihull. The key objectives of the Partnership are to deliver new and replacement housing stock, ten new or refurbished primary schools and five new village centres incorporating neighbourhood council, medical and retail facilities. Our key role is the provision of development management services, including strategic development planning, coordination and procurement of development works, in return for agreed fees for these services. Thereafter there are specific sites which we have the right to develop directly on a commercial basis. Over the course of the project objectives have been amended as priorities and budgets have altered. This has resulted in fewer commercially viable projects for us to undertake directly.

We have been involved in the redevelopment of two village centres. Acting as development manager at Chelmund's Cross, we procured and delivered a new enterprise centre along with major infrastructure improvement works in a contract worth £6 million. These works have enabled further phases of development to be undertaken including a new medical centre, pharmacy and dental surgery. At Smith's Wood, we initially acted as the development manager for the infrastructure investment into the village centre and subsequently undertook the development and sale of a new 30,000 sq. ft neighborhood retail and office scheme.

We continue to provide strategic advice to the Partnership on developments whilst our relationship with the Partnership allows us to look at PRS opportunities and we are actively in discussions with the council in that respect.

City Wharf, Aberdeen

Sigma continued to provide property management services to SI Limited Partnership No. 7 and its lender National Asset Management Agency ("NAMA"). In August 2015 NAMA disposed of the loan that supported the underlying property vehicles to OCM Albion Debtco DAC ("the Lender"). During 2015 the economic climate in Aberdeen deteriorated as a result in the fall of the oil price which resulted in two of the tenants, occupying three floors of City Wharf, exercising their right to break their leases. In light of these factors the Lender demanded immediate repayment of the loan and consequently the underlying property companies went into administration. The Group's role as asset manager therefore came to an end in February 2016.

The Placing

A placing of new shares to raise £20 million gross was completed in September 2015 and provides the Group with enhanced financial strength to execute the large-scale projects in which it is currently involved. In particular, this financial strength will enable the Group to fund the development of its own assets for the private rented sector. The first site in Liverpool has already commenced.

Strategic Report
continued

Venture Capital activities

Sigma continues to be a limited partner in one venture fund which was transferred to Shackleton Ventures Limited in 2013 with its investment in the fund held by STI. Sigma also holds one investment in an unquoted company.

Financial Review of 2015

The Group's revenue increased by 74% to £6,724,000 (2014: £3,868,000) due to the sale of development land at Norris Green, Liverpool and revenues from our PRS activities with Gatehouse and UK PRS Properties. Gross profit increased by 59% to £5,103,000 (2014: £3,208,000).

The Group made a trading profit in the year of £1,938,000 (2014: £16,000), with property activities contributing a significantly increased trading profit of £2,544,000 (2014: £576,000). The discontinued venture capital activities generated a trading loss of £6,000 (2014: trading loss of £179,000) and the trading profit was also impacted by the costs incurred by the holding company on Group matters. Full detail of the results for the year by business segment is given in Note 3 to the financial statements.

Administrative costs decreased slightly by 1% to £3,165,000 (2014: £3,192,000).

The Group made a profit from operations of £1,818,000 (2014: £186,000) including an unrealised loss on investments of £120,000 (2014: unrealised profit of £171,000). Overall the Group made a net profit before tax in the year of £2,137,000 (2014: £214,000).

Net assets of the Group increased to £31,806,000 at 31 December 2015 (31 December 2014: £10,620,000) benefiting from the share placing which raised £19.1 million net of expenses. Net assets at 31 December 2015 were equivalent to 35.9p per share (31 December 2014: 17.4p per share).

Balance sheet

The principal items in the balance sheet are goodwill of £561,000 (2014: £579,000), the investment in the venture capital fund of £547,000 (2014: £502,000), stock of £509,000 (2014: £nil), accrued income of £5,361,000 (2014: £1,114,000), two loans to the PRS Fund totalling £1,759,000 (2014: £3,500,000) and cash of £25,135,000 (2014: £5,220,000).

The goodwill relates to the acquisition of SIP and is reviewed each year for impairment. The investment is in one venture capital fund which holds investments in eight companies (2014: eight companies). The stock relates to the acquisition of land at Norris Green, Liverpool which was sold subsequent to the year end to UK PRS Properties. Accrued income includes £2,627,000 expected to be paid in 2016 of which £1,982,000 has already been received post year end and £2,734,000 which is due greater than one year as detailed in note 16 to the accounts. The loans to the PRS Fund comprise two loans of £259,000 and £1,500,000 which were key for the PRS Fund to commence in the prior year. The loan of £259,000 is expected to be repaid in 2016 and the loan of £1,500,000 is expected to be repaid during 2016 and 2017.

The Group's current assets exceed its current liabilities by £26,588,000 (2014: £7,295,000). The Group has no long term liabilities.

Cash flow

The Group's cash balances increased by £19,915,000 to £25,135,000 (2014: increased by £4,150,000 to £5,220,000). The cash outflow from operating activities was £995,000 (2014: £131,000). The cash inflows from the issue of shares was £19,154,000 (2014: £7,747,000) along with cash inflow in respect of other investing activities of £1,756,000 (2014: outflow of £3,466,000).

Key performance indicators

With the transfer of the remaining fund activities during the prior year, the key performance indicators are concentrated on the property activities.

The Group's key performance indicators include:

	2015 £'000	2014 £'000	Change
Revenue – all property activities	**6,698**	3,849	+74%
Operating profit – property activities	**2,544**	576	+342%
Unrealised (loss)/profit on revaluation of investments	**(120)**	171	(291)
Group operating profit	**1,818**	186	+877%
Cash balances	**25,135**	5,220	+382%

Principal risks and uncertainties

The specific financial risks of price risk, interest rate risk and credit risk are discussed in the notes to the financial statements. The broader risks – financial, operational, cash flow and personnel - are considered below.

The principal financial risk relates to the housing market where a deterioration in the macro-economic outlook, the cyclical nature of residential market and a fall in house prices may affect Sigma's income and its ability to raise or deploy finance for housing projects. The Group manages these risks by keeping abreast of any trends so that any likely down turn is anticipated, maintaining good funding relationships, ensuring a reputation of building a good quality product and having diversity in its income streams. An additional financial risk to the business is the recovery of the two loans in respect of the PRS Fund. Sigma is the development manager in respect of the PRS Fund and has implemented extensive cost control and monitoring procedures. The loans are expected to be repaid in full during 2016 and 2017. A further financial risk is a reduction in the value of the Group's investment in the venture capital fund. This risk is mitigated to a certain extent as the funds are invested in eight underlying companies. In addition, the fund manager is also focused on ensuring that the companies remain properly funded whilst working with them on exit strategies.

The principal operational risks of the business reside around management's ability to secure new contracted property income streams from both residential and commercial property initiatives. The launch of its own self-funded portfolio, along with its joint ventures with Gatehouse and UK PRS Properties, have significantly increased the proportion of the Group's contracted revenue compared with one-off income streams.

Where the Group undertakes property developments on its own balance sheet, development risk is managed by maintaining close control of pre-contract costs and by limiting the number of early stage developments financed by the Group at any one time.

The main cash flow uncertainties of the business centre around the timing of property project development fees, the receipt of profits arising out of the partnerships and the timing of the repayment of the loans provided in respect of the PRS Fund.

The Group is dependent on its Executive Directors and senior management for its success. There can be no assurance that the Group will be able to retain the services of these key personnel although historically the turnover of senior staff has been low. Incentives for senior staff include share options and carried interest in joint ventures and managed funds.

Employees

The Directors believe that employees are fundamental to the Group's success and are committed to the involvement and development of staff at all levels. The Group continues to keep its employees informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved effectively through regular informal meetings. There is an employee share scheme which is open to all employees.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Sustainability report

Sustainability is firmly at the heart of the planning and housing system, and Sigma takes pride in working closely with our partners and local housing associations and communities to create sustainable, high quality developments.

Sigma currently focuses on creating new homes and communities in the PRS sector in the North West of England. This has led to significant contributions to GDP and social prosperity in the region, not only revitalizing neighbourhoods and creating much needed homes but also creating new jobs. Our contribution to increasing the housing stock is also a key source of revenue for the government and local authorities.

We are pleased to report that we continue to make good progress in achieving our sustainability objectives and we look forward to further developing our longer-term vision in providing better environments for our customers to live.

Signed by the order of the directors

GF Barnet
Chief Executive Officer

18 April 2016

Directors

David Sigsworth OBE,
Non-executive Chairman (Age 69)

David spent over ten years as a main board director of FTSE 100 utility companies and most recently on the board of Scottish and Southern Energy plc. David is actively involved in the sustainable energy sector and holds several associated non-executive directorships.

Graham Barnet,
Chief Executive Officer (Age 52)

Graham co-founded Sigma Technology Management Limited in 1997. A qualified lawyer, Graham worked for Noble Grossart Limited, Edinburgh Financial Trust Limited and Shepherd & Wedderburn, specialising in corporate finance and corporate law, prior to forming his own company in 1994. This company, Merchant Investments Limited, was a specialist consultancy involved in the management of businesses both in the traditional and technology sectors.

Graeme Hogg,
Chief Operating Officer (Age 50)

Graeme has worked in the property and property finance sector throughout his career. He has worked on major commercial and residential development projects and has seven years of international experience in the areas of property development and fund management. Graeme co-founded Sigma Inpartnership with Duncan Sutherland in late 2000 and was instrumental in the creation of its three regeneration partnerships.

Malcolm Briselden, ACMA,
Finance Director and Company Secretary (Age 48) (Appointed 1 January 2015)

Malcolm is a chartered management accountant who joined the company as Group Financial Controller in April 2012. Prior to Sigma, Malcolm spent nine years at The Premier Property Group Limited, the commercial property arm of Murray International Holdings Limited.

Gwynn Thomson, RICS,
Property Investment Director (Age 48)

Gwynn has over 22 years' experience in the property markets with his particular specialism being in commercial property investment. Prior to joining Sigma, Gwynn was a director of investment and valuation at DTZ.

Duncan Sutherland,
Regeneration Director (Age 64)

Duncan co-founded Sigma Inpartnership with Graeme Hogg in 2000 and has been key in developing the partnership model with local government partners. Duncan works closely with government promoting this innovative approach to achieving regeneration. Duncan is also a Non-Executive Director of High Speed Two (HS2) Limited.

William MacLeod,
Executive Director (Age 50) (left 8 April 2016)

Bill has over 25 years' experience of property investment, including real estate investment management. Previous positions include Managing Director at Cushman & Wakefield Investors and Director at ING Real Estate Investment Management. Based in London, Bill is also Managing Director of Torrin Asset Management, his own management business.

James McMahon,
Non-executive Director (Age 67)

Jim is a former senior partner in PricewaterhouseCoopers and was a founder partner of West Coast Capital with Sir Tom Hunter in 2001. He has many years' experience in private equity, retail and public companies including Office Shoes, Booker plc, House of Fraser and Prestbury Group.

The two non-executive Directors are the members of the Audit Committee and the Remuneration Committee. James McMahon is chairman of the Audit Committee and David Sigsworth is chairman of the Remuneration Committee.

Advisers

Registrars

Capita IRG plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Secretary and registered office

Malcolm Briselden, ACMA
3rd Floor
1 St Ann Street
Manchester
M2 7LR

Auditor

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Trading address

41 Charlotte Square
Edinburgh
EH2 4HQ

Nominated Adviser and Broker

Nplus1 Singer Capital Markets Limited
One Bartholomew Lane
London EC2N 2AX

Financial PR

KTZ Communications
No. 1 Cornhill
London EC3V 3ND

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report, for the year ended 31 December 2015.

Results and dividends

The Group made a net profit before tax for the year of £2,137,000 (2014: £214,000). The directors do not recommend the payment of a dividend (2014: nil). The directors are confident of the prospects of the Group for the current year.

Review of the business and future developments

The Directors are required to present an extended business review reporting on the development and performance of the Group and the Company during the year and their positions at the end of the year. This requirement is met by the Chairman's Statement and the Strategic Report on pages 2 to 11.

Directors

The current Directors of the Company are listed on page 12, all of whom held office throughout the year except where indicated otherwise. Details of Directors' interests in share options and in shares are given in the Directors' Remuneration Report on pages 16 and 17.

Risk factors

Information on the Group's financial risk management objectives and policies relating to market risk, credit risk and liquidity risk is provided in note 1 to the financial statements. The broader risks of the business are considered in the Strategic Report.

Treasury activities and financial instruments

The Group's financial instruments comprise cash, equity investments plus other items such as trade debtors and trade creditors that arise directly from its operations. At 31 December 2015, the Group had positive cash balances of £25,135,000 (2014: £5,220,000).

The Group's policy is to keep surplus funds on short term and instant access deposit to earn the prevailing market rate of interest. The Group's policy is only to borrow funds if such funds are needed to develop specific assets in which case the loan is secured against that asset and is held within the subsidiary company undertaking the development. The Group does not give cross guarantees from other companies within the Group.

It is the Group's policy not to speculate in derivative financial instruments. The Company is not exposed to significant foreign exchange risks as transactions in foreign currency are minimal.

Directors' indemnity insurance

The Group held a Directors and Officers insurance policy in place throughout the year in respect of the Company and the Group's subsidiaries.

Political donations

No political contributions were made during the year (2014: £nil).

Going concern

During the current year the Group raised £20,000,000 gross from a placing of the Company's shares and had a bank balance of £25,135,000 at the end of the year, therefore has considerable financial resources for the size of its current business activities.

The income generated by the Group's PRS activities, regeneration partnerships and other property activities comprises both contracted revenue and one-off income streams. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Corporate governance

The Company does not fully comply with the UK Corporate Governance Code as it is not required to do so but seeks within the practical confines of being a small company to act in compliance with the principles of good governance and the code of best practice as contained therein.

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as the responsibility of the Board. The Chief Executive Officer leads the development of business strategies within the Group's operations. The Board consists of five executive Directors and two non-executive Directors. The Board considers that there is an appropriate balance between the executives and non-executives and that no individual or small group dominates the Board decision making. The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to the non-executive Chairman.

The Board has delegated certain authorities to committees, each with formal terms of reference. The whole Board acts as a Nomination Committee.

The non-executive Directors are the members of the Audit Committee. It meets at least twice a year to consider the scope of the annual audit, interim financial statements and to assess the effectiveness of the Group's system of internal controls. Given the size of the Group, the Audit Committee considers an internal audit function is not currently justified. The Audit Committee is chaired by James McMahon.

The non-executive Directors are the members of the Remuneration Committee. It meets at least once a year to determine Company policy on senior executive remuneration, to make detailed recommendations to the Board regarding the remuneration packages of the executive Directors and to consider awards under the Group's option schemes and carried interest arrangements. The Chief Executive Officer is consulted on remuneration packages and policy but does not attend discussions regarding his own package. The remuneration and terms and conditions of the appointment of non-executive Directors are determined by the Board. The Remuneration Committee is chaired by David Sigsworth.

The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and the control procedures that are in place to manage those risks have been documented. This document is subject to review by the Board and is updated on a regular basis. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable but not absolute assurance with regard to the safeguarding of the Group's assets against misstatement or loss.

The key elements of the system of internal control are:

> Clear definition of delegated authorities and preparation of annual budgets for Board approval.

> Close involvement of senior management in the day to day business of the Group.

> Regular reporting of business performance to the Board and the review of results against budget.

Awareness of relevant audit information

At the date of this report and insofar as each of the Directors is aware:

> There is no relevant audit information of which the auditor is unaware.

> The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Chantrey Vellacott DFK LLP were originally appointed as auditors. On 30 April 2015 Chantrey Vellacott DFK LLP merged its practice with Moore Stephens LLP and resigned as auditors with effect from that date. Moore Stephens LLP were appointed auditor with effect from that date and a resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the Annual General Meeting.

By order of the Board

Malcolm Briselden, ACMA
Company Secretary

18 April 2016

Directors' Remuneration Report

Directors' remuneration

The two non-executive Directors comprise the members of the Remuneration Committee. David Sigsworth chairs the committee. The Remuneration Committee decides the remuneration policy that applies to executive Directors.

Salaries and benefits

The Remuneration Committee meets at least once a year in order to consider and set the remuneration packages for executive Directors. The remuneration packages are benchmarked to ensure comparability with companies of a similar size and complexity. Remuneration comprises basic salary and, for most directors, pension contributions to the Director's personal pension scheme, and benefits in kind. In addition, certain directors are paid a car allowance or receive a contribution to their travel expenses. Remuneration also includes share options and carried interest as detailed below. An analysis of remuneration by Director is given in note 7 of these financial statements.

Contracts of service

G Barnet has a one-year rolling service agreement with the Company. The other executive Directors have service agreements with a three-month notice period.

Directors' interests – interests in share options

Details of options held by Directors who were in office at 31 December 2015 are set out below.

Director	Date of grant	Number	Exercise price	Exercise date	Expiry date
GF Barnet	28.11.13	114,286	26.25p	28.11.16 – 27.11.23	27.11.23
GF Barnet	19.11.14	250,000	68.00p	19.11.17 – 18.11.24	18.11.24
GF Barnet	05.01.16	400,000	93.50p	05.01.19 – 04.01.26	04.01.26
M Briselden	28.11.13	50,000	26.25p	28.11.16 – 27.11.23	27.11.23
M Briselden	19.11.14	174,816	68.00p	19.11.17 – 18.11.24	18.11.24
M Briselden	05.01.16	250,000	93.50p	05.01.19 – 04.01.26	04.01.26
G Hogg	29.07.11	250,000	7.50p	29.07.14 – 28.07.21	28.07.21
G Hogg	28.11.13	82,857	26.25p	28.11.16 – 27.11.23	27.11.23
G Hogg	19.11.14	264,503	68.00p	19.11.17 – 18.11.24	18.11.24
G Hogg	05.01.16	400,000	93.50p	05.01.19 – 04.01.26	04.01.26
W MacLeod	28.11.13	114,286	26.25p	28.11.16 – 27.11.23	27.11.23
D Sigsworth	30.04.08	100,000	25.00p	30.04.08 – 29.04.18	29.04.18
D Sutherland	29.07.11	119,500	7.50p	29.07.14 – 28.07.21	28.07.21
D Sutherland	28.11.13	42,857	26.25p	28.11.16 – 27.11.23	27.11.23
D Sutherland	19.11.14	64,503	68.00p	19.11.17 – 18.11.24	18.11.24
G Thomson	05.05.11	250,000	8.00p	05.05.14 – 04.05.21	04.05.21
G Thomson	28.11.13	38,095	26.25p	28.11.16 – 27.11.23	27.11.23
G Thomson	19.11.14	200,000	68.00p	19.11.17 – 18.11.24	18.11.24
G Thomson	05.01.16	250,000	93.50p	05.01.19 – 04.01.26	04.01.26

During the year D Sutherland exercised an option over 12,000 shares at 7.50p per share, following which were transferred to his self-invested pension scheme. Details of the Company's option schemes are set out in note 20 to the financial statements.

The market price of the Company's shares at 31 December 2015 was 94.5p. The range of market prices during the year was 53.5p to 95.5p.

Carried interest arrangements

Two of the Directors have been allocated a share of the carried interest assigned to Sigma arising from the historic venture funds. Current estimates are that no value is attributable to this carried interest.

Subject to certain performance conditions, four of the Directors may be entitled to a share of the total carried interest which could arise from an exit in respect of the Group's investment in the PRS joint venture with Gatehouse.

Based on the methodology used to recognise a portion of the carried interest as Group revenue, the value of the total entitlement would be £781,000. This amount is dependent upon the actual outcome of the project and is not contractually due to the directors unless there is an exit in respect of Sigma's investment which is not expected to be until 2018 at the earliest. The total entitlement to the directors is split in the following proportions:

GF Barnet	8.50%
GR Hogg	8.50%
G Thomson	5.00%
D Sutherland	3.00%

Subject to certain performance conditions, four of the directors may be entitled to a share of the total carried interest which could arise from an exit in respect of the Group's investment in the PRS joint venture with UK PRS Properties. As the second phase only commenced in December 2015, the value attributable to this carried interest is currently unknown. The total entitlement to the directors is split in the following proportions:

GF Barnet	7.50%
GR Hogg	7.50%
G Thomson	2.50%
M Briselden	2.25%

Directors' interests - interests in shares

Directors in office at 31 December 2015 had the following interests in the ordinary shares of 1p each of the Company:

	2015 Number	2014 Number
GF Barnet	**7,548,237**	7,548,237
M Briselden	**61,600**	61,600
GR Hogg	**536,496**	536,496
W MacLeod	**766,000**	766,000
D Sigsworth	**545,304**	411,971
G Thomson	**142,857**	142,857
D Sutherland	**145,299**	133,299

All of the above interests are beneficial except for 735,000 shares (2014: 735,000 shares) held by Graham Barnet as trustee for two of his children. On the 16th March 2016, the shares are no longer included in the beneficial interest of Graham Barnet under the terms of those trusts. On the 12th August 2015, David Sigsworth purchased 133,333 ordinary shares of 1p each in the Company at a price of 75p per share. On the 16th September 2015, Duncan Sutherland exercised options over 12,000 ordinary shares of 1p each and transferred them to his self-invested personal pension of which he is trustee and sole beneficiary. Pension fund holdings are included in the Directors' interests shown above. There were no dealings in the Company's shares by any of the Directors between 31 December 2015 and 18 April 2016.

D Sigsworth OBE
Chairman

18 April 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report 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 prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 those financial statements, the Directors are required to:

> select suitable accounting policies and then apply them consistently;

> present information, including accounting policies, in a manner that provides relevant, reliable, comparable, understandable information;

> provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records sufficient to show and explain company transactions and which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Shareholders of Sigma Capital Group plc

We have audited the financial statements of Sigma Capital Group plc for the year ended 31 December 2015 which comprise the Consolidated Comprehensive Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 of the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of the group's profit for the year then ended;

> the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

> the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

> the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report 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.

Neil Tustian
(Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP
Chartered Accountants and Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

18 April 2016

Consolidated Comprehensive Income Statement

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue	3	**6,724**	3,868
Cost of sales	4	**(1,621)**	(660)
Gross profit		**5,103**	3,208
Realised loss on disposal of equity investments		**-**	(1)
Unrealised (loss)/profit on the revaluation of investments	14	**(120)**	171
Administrative expenses	5	**(3,165)**	(3,192)
Profit from operations		**1,818**	186
Finance income	6	**319**	28
Profit before tax		**2,137**	214
Taxation	8	**(192)**	-
Profit for the year		**1,945**	214
Profit per share attributable to the equity holders of the Company:			
Basic profit per share	9	**2.76p**	0.38p
Diluted profit per share	9	**2.72p**	0.37p

There were no other comprehensive incomes or losses in either year other than those included in the comprehensive income statement. The accompanying notes are an integral part of this consolidated comprehensive income statement. The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the Company income statement. The loss for the Company for the year was £542,000 (2014: £338,000).

Consolidated Balance Sheet

at 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Goodwill and other intangibles	10	**561**	579
Property and equipment	11	**33**	18
Fixed asset investments	13	**2**	-
Financial assets at fair value through profit and loss	14	**553**	673
Trade and other receivables	16	**4,069**	2,055
		5,218	3,325
Current assets			
Stocks	15	**509**	-
Trade receivables	16	**1,020**	178
Other current assets	16	**3,250**	2,829
Cash and cash equivalents		**25,135**	5,220
		29,914	8,227
Total assets		**35,132**	11,552
Liabilities			
Current liabilities			
Trade and other payables	17	**3,134**	932
Deferred tax liability	18	**192**	-
Total liabilities		**3,326**	932
Net assets		**31,806**	10,620
Equity			
Called up share capital	19	**885**	612
Share premium account	19	**31,833**	12,952
Capital redemption reserve		**34**	34
Merger reserve		**(249)**	(249)
Capital reserve		**(7)**	(7)
Retained earnings		**(690)**	(2,722)
Equity attributable to equity holders of the Company		**31,806**	10,620

The accompanying notes are an integral part of this consolidated balance sheet.

Company Balance Sheet

at 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Property and equipment	10	**-**	1
Investment in subsidiaries	12	**2,921**	2,921
Trade and other receivables	16	**3,179**	154
		6,100	3,076
Current assets			
Trade receivables	16	**500**	5,157
Other current assets	16	**96**	56
Cash and cash equivalents		**23,562**	3,018
		24,158	8,231
Total assets		**30,258**	11,307
Liabilities			
Current liabilities			
Trade and other payables	17	**1,592**	1,340
Total liabilities		**1,592**	1,340
Net assets		**28,666**	9,967
Equity			
Called up share capital	19	**885**	612
Share premium account	19	**31,833**	12,952
Capital redemption reserve		**34**	34
Retained earnings		**(4,086)**	(3,631)
Total equity		**28,666**	9,967

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 20 to 45 were approved by the Board of Directors and authorised for issue on 18 April 2016 and were signed on its behalf by:

GF Barnet
Chief Executive Officer

18 April 2016

Registered number 3942129

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Capital reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	483	5,334	34	(249)	(7)	(2,959)	2,636
Issue of shares	129	7,995	-	-	-	-	8,124
Cost of share issue	-	(377)	-	-	-	-	(377)
Profit for the year	-	-	-	-	-	214	214
Share-based payments	-	-	-	-	-	23	23
At 31 December 2014	612	12,952	34	(249)	(7)	(2,722)	10,620
Issue of shares	273	19,783	-	-	-	-	20,056
Cost of share issue	-	(902)	-	-	-	-	(902)
Profit for the year	-	-	-	-	-	1,945	1,945
Share-based payments	-	-	-	-	-	87	87
At 31 December 2015	**885**	**31,833**	**34**	**(249)**	**(7)**	**(690)**	**31,806**

Company Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	483	5,334	34	(3,316)	2,535
Issue of shares	129	7,995	-	-	8,124
Cost of share issue	-	(377)	-	-	(377)
Loss for the year	-	-	-	(338)	(338)
Share-based payments	-	-	-	23	23
At 31 December 2014	612	12,952	34	(3,631)	9,967
Issue of Shares	273	19,783	-	-	20,056
Cost of share issue	-	(902)	-	-	(902)
Loss for the year	-	-	-	(542)	(542)
Share-based payments	-	-	-	87	87
At 31 December 2015	**885**	**31,833**	**34**	**(4,086)**	**28,666**

Consolidated and Company Cash Flow Statements

for the year ended 31 December 2015

	Notes	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Cash flows from operating activities					
Cash (used in)/received from operations	23	**(995)**	(131)	**1,351**	(4,955)
Net cash used in operating activities		**(995)**	(131)	**1,351**	(4,955)
Cash flows from investing activities					
Purchase of property and equipment		**(25)**	(12)	**-**	-
Purchase of financial assets at fair value through profit and loss		**-**	(1)	**-**	-
Disposal of financial assets at fair value through profit and loss		**-**	19	**-**	-
Repayment of/(loans to) PRS Fund		**1,741**	(3,500)	**-**	-
Fixed asset investments		**(2)**	-	**-**	-
Interest received and other financial income		**42**	28	**39**	18
Net cash generated from/(invested in) investing activities		**1,756**	(3,466)	**39**	18
Cash flows from financing activities					
Issue of shares		**19,154**	7,747	**19,154**	7,747
Net cash generated from financing activities		**19,154**	7,747	**19,154**	7,747
Net increase in cash and cash equivalents		**19,915**	4,150	**20,544**	2,810
Cash and cash equivalents at beginning of year		**5,220**	1,070	**3,018**	208
Cash and cash equivalents at end of year		**25,135**	5,220	**23,562**	3,018

The accompanying notes are an integral part of this cash flow statement.

Accounting Policies
for the year ended 31 December 2015

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared on a going concern basis. The business model of the Group together with the principal risks and uncertainties are set out in the Strategic Report and the Group's financial risk management is covered in note 1. The progress of the Group since the balance sheet date is described in the Chairman's Statement and Strategic Report. During the year the Group raised £20,000,000 gross from a placing of the Company's shares and had a bank balance of £25,135,000 at the end of the year, therefore has considerable financial resources for the size of its current business activities.

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. The Company has prepared its financial statements in accordance with IFRS as adopted for use in the European Union and as applied in compliance with the provisions of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except where IFRS requires an alternative treatment. The principal variations from historical cost relate to financial instruments (IAS 39).

Adoption of new and revised standards

The accounting policies applied are the same as those applied in the financial statements for the year ended 31 December 2014. New standards introduced during the period had no material impact on the results or net assets of the Company or Group.

The directors anticipate that the adoption of those standard and interpretations which, at the date of authorisation of these financial statements, were in issue but not yet effective will have little or no impact on the financial statements when they come into effect other than the following with effective date (periods commencing on or after) 1 January 2018:

> IFRS 9 Financial Instruments; and

> IFRS 15 Revenue from Contracts with Customers

The impact of the adoption of these standards and interpretations on the Group's financial statements in the period of initial application has not been quantified, but is not expected to be material.

Basis of consolidation

The Group financial statements consolidate the financial statements of Sigma and its subsidiary undertakings. The Group has taken advantage of the exemption under IFRS 1 First-time Adoption of International Financial Reporting Standards not to adopt IFRS 3 retrospectively and hence has used merger accounting for STM which was first consolidated into the Group in 2000. All other subsidiary undertakings are consolidated using acquisition accounting from the date of acquisition.

Under acquisition accounting, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The direct costs of acquisition are recognised immediately as an expense.

The Group has an interest in three limited partnerships which undertake property regeneration, the North Solihull Partnership, the Salford Partnership and the Liverpool Partnership (together "the Partnerships"). The Group has a 49.805% share of any profits that might arise in the North Solihull Partnership through its 25% holding in the General Partner of this partnership and through a wholly owned subsidiary which acts as a limited partner. The Group has a 32.99% share of any profits that might arise in the Salford Partnership through its 25% holding in the General Partner of this partnership, through a wholly owned subsidiary which acts as a limited partner and through three other wholly owned subsidiaries. The Group has a 0.01% share of any profits that might arise in the Liverpool Partnership through a wholly owned subsidiary. The Directors consider that the Group neither exercises control nor has the potential to control the Partnerships and acts in a commercial capacity as project manager, development manager and developer of the underlying projects undertaken by the Partnerships.

The Group has a 25.1% interest in Countryside Sigma Limited ("CSL") a residential housing developer also engaged in the sourcing and provision of affordable housing for housing associations and other registered social landlords. The Group earns profits on residential developments depending on the size of each development. The Directors consider that the Group neither exercises control nor has the potential to control CSL. As at the 31 December 2015, the net assets of CSL were immaterial and have therefore not been recognised in these financial statements.

The Group has a 20.1% interest in Thistle Limited Partnership (“TLP”), its PRS joint venture with Gatehouse. The Group will retain a share of the net disposal profits on the assets, subject to a minimum return to investors. The Group made a loan of £2m to TLP in the prior year of which £1.7m was repaid during the current year. The balance may be converted to equity conditional on final construction costs of the initial investments The Directors consider that the Group neither exercises control nor has the potential to control TLP and acts in a commercial capacity as development and asset manager.

The Group also has a 20% interest in UK PRS (Jersey) I LP in relation to its PRS joint venture with UK PRS Properties. The Group will retain a share of net disposal profits on the assets, subject to a minimum return to investors. The Directors consider that the Group neither exercises control nor has the potential to control UK PRS (Jersey) I LP and acts in a commercial capacity as development and asset manager.

Segmental reporting

The Directors regard the Group’s reportable segments of business to be property, venture capital fund investment and holding company activities. The business operates in a single region the UK. Costs are allocated to the appropriate segment as they arise with central overheads apportioned on a reasonable basis.

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment annually. For the purposes of assessing impairment, assets are grouped in to cash generating units (CGU) being the lowest levels for which there are separately identifiable cash flows. Any impairment is recognised immediately in the income statement and is not subsequently reversed. When the Group disposes of an interest in a subsidiary, the value of goodwill is reduced by the proportion that relates to the interest being disposed of.

Acquired intangible assets

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Customer relationships	Remaining period of contract	Multi-Period Earnings Method

Property and equipment

Property and equipment are stated at cost less depreciation and any provision for impairment.

Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life. The rates of depreciation are as follows:

Leasehold improvements
over the term of the lease

Fixtures and office equipment
25% per annum

Computer equipment
33-50% per annum

Stocks and work in progress

Development properties and land held for development and/or resale are valued at the lower cost and net realisable value. Work in progress on development properties is valued at the cost of labour and materials plus interest incurred on borrowings for development expenditure until the date of practical completion.

Net realisable values are based on directors’ assessments of the projected net sales proceeds for each property or plot of land. The key assumptions in assessing these values take into account the current and projected rental levels, anticipated property investment yields at the projected date of sale and underlying capital values. As the property values can be heavily influenced by variances in these assumptions over time the directors’ assessment of valuation assumes that properties can be held for a longer period where the net realisable value cannot be achieved in the short term.

Accounting Policies
continued

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the comprehensive income statement.

Cash

Cash and cash equivalents comprise cash at bank and in hand.

Investments

Investments represent the Group's interest in the equity value of one unquoted stock and one venture capital fund managed by a third party.

Investments are classified as financial assets at fair value through profit or loss and are initially measured at cost. Subsequent measurement is at fair value. The fair value of the unquoted stock is established using International Private Equity and Venture Capital Valuation Guidelines. The fair value of the investments in the venture capital fund is based on the net asset value of the fund at the Company's year end as reported by the independent fund manager where the Board believes that this is materially equivalent to fair value. The fund manager undertakes a full fair value assessment of the investments held by the venture capital funds using valuation methodologies in line with British Venture Capital Association guidelines.

Investments classified as "financial assets at fair value through profit or loss" are recognised as non-current assets.

Investment in subsidiary companies is stated at cost less provision for any impairment in value.

Trade payables

Trade payables are not interest bearing and are stated at their amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Current and deferred tax

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares or options that will eventually vest.

Fair value is measured using the Black Scholes-Merton pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Revenue recognition

Fees for services provided by the Group are measured at the fair value of the consideration received or receivable, net of value added tax.

Property project management fees are recognised when the service is provided. Income arising from profit share arrangements is recognised when the amount of profit can be reliably estimated but discounted to reflect when the amount will actually be received. The profit share estimate is reviewed on a quarterly basis. Development management fees are recognised on a pro-rata basis over the development period. Transaction fees and other fees for corporate finance work are recognised when the service is provided subject to completion of the respective transaction being virtually certain. Carried interest is recognised over the initial period of the project but discounted to reflect when the amount will actually be received and is reviewed on a quarterly basis.

Revenue recognised in advance of invoicing is shown as accrued income within debtors.

Revenue from property development is recognised as appropriate in accordance with IAS 18 or IAS 11, with reference to IFRIC 15, dependent upon the circumstances specific to each contract. Where the substance of a contract meets the definition of a construction contract, revenue is accrued and development costs charged to the income statement in proportion to the stage of completion of the project in accordance with IAS 11. Where the substance of the contract does not meet the definition of a construction contract, revenue is recognised as the services are provided in accordance with IAS 18.

Operating leases

Amounts due under operating leases are charged to the income statement in equal annual instalments over the period of the lease.

Retirement benefit costs

The Group operates a defined contribution retirement benefit scheme. The amount charged to the income statement in respect of retirement benefit costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its property and equipment and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Impairment losses relating to goodwill are not reversed.

Notes to the Financial Statements
for the year ended 31 December 2015

1. Financial risk management

Financial risk factors

The Group's business activities are set out in the Strategic Report on pages 6 to 11. These activities expose the Group to a number of financial risks. The following describes the Group's objectives, policies and processes for managing these risks and the methods used to measure them. The Group only operates in the UK and transacts in sterling. It is therefore not exposed to any foreign currency exchange risk.

(a) Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to manage the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders and issue new shares or buy back existing shares. At 31 December 2015 the Group had no short term debt (2014: £nil). There were no changes in the Group's approach to capital management during the year.

(b) Market risk

(i) Price risk

The Group is exposed to equity securities price risk because of equity investments held by the Group and classified on the consolidated balance sheet either as financial assets at fair value through profit and loss or trading investments which are also held at fair value through profit or loss. At 31 December 2015, 99% (2014: 75%) of the Group's investments was investment in one venture fund.

The venture fund invests in early stage companies which are by their nature of a higher risk than more mature trading companies. Risk is mitigated to a certain extent by the fact that the fund holds investments in several companies. At 31 December 2015, the fund held 8 investments (2014: 8 investments). A third party manages the venture fund.

A net movement of 10% in the value of the venture fund holdings would give rise to a movement in the income statement of £55,000 (2014: £50,000).

The Group earns profit share in respect of property projects which is partly based on development values and is therefore exposed to price risk.

(ii) Interest rate risk

As the Group has no borrowings it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. From time to time, certain of the Group's cash resources are placed on short term fixed deposit of up to one year to take advantage of preferential rates. Otherwise, cash resources are held in current, floating rate accounts.

(c) Credit risk

The Group's credit risk is primarily attributable to its trade receivables and other current assets.

During the year ended 31 December 2015, the Group's cash and cash equivalents were held with the Bank of Scotland, Royal Bank of Scotland plc and Investec Bank plc.

The concentration of credit risk from trade receivables and other current assets varies throughout the year depending on the timing of transactions and invoicing of fees.

Property project management fees arise from Sigma Inpartnership's joint venture, CSL. The fees are agreed in advance and are recognised as per the accounting policy on revenue recognition. Fees are payable on a monthly basis over the development period.

The profit share arising from Sigma Inpartnership's joint venture, CSL, is recognised as per the accounting policy on revenue recognition. The profit share is payable once the project is complete and once other criteria have been fulfilled.

Carried interest arises from the Group's PRS activities and is recognised as per the accounting policy on revenue recognition. The carried interest is payable on exit or from an agreed valuation.

Revenue recognised in advance of the contracted right to invoice or receive payment is shown in accrued income. The amounts recognised will be paid during the development period, usually between one month and up to four years, but the underlying fundamentals of the projects are such that the credit risk represented by these amounts is deemed to be low.

Property project management fees are also earned by Sigma Inpartnership that arise from the work undertaken on the three regeneration partnerships with Liverpool City Council, Salford City Council and Solihull Metropolitan Borough Council. The basis of these fees for the coming year and beyond is agreed in advance with each partnership and each month the invoices are approved by the partnership for payment. Consequently, the amounts outstanding at any one time generally represent only one or two months' fees and the credit risk of the customers is deemed to be low.

Development management fees earned in respect of the groups PRS activities are agreed in advance of the project or a site commencing, are based on the expected development costs and are payable quarterly in arrears.

During the current year the company earned property management fees from the management of City Wharf, Aberdeen. However, subsequent to the year end the company that held the asset was put into administration. During the prior year, the company earned fees in relation to the management of the Winchburgh development however the contract was terminated in September 2014.

The Group withdrew from its venture capital activities during the prior year.

Other exposures of the Group are spread over a number of customers and counterparties with little concentration on any one entity.

The concentration of credit risk arising from trade receivables and other current assets is analysed below.

	2015 £'000	2014 £'000
Property management fees due to Sigma Inpartnership	**72**	100
Transaction fee due to Sigma Capital Property	**916**	-
Other property management fees	**32**	78
Other debtors	**94**	205
Other debtors - loan to PRS Fund	**1,500**	1,500
Other debtors - loan to PRS Fund	**259**	2,000
Other prepayments	**105**	65
Accrued income in respect of disposal of land	**1,575**	-
Other accrued income	**3,786**	1,114
	8,339	5,062

The maximum exposure to credit risk for trade receivables and other current assets is represented by their carrying amount. The transaction fee due to Sigma Capital Property was paid in January 2016. The accrued income in respect of the disposal of land was paid in January 2016. The loan of £1,500,000 (2014: £1,500,000) in respect of the PRS Fund is expected to be repaid during 2016 and 2017. The loan of £259,000 (2014: £2,000,000) in respect of the PRS Fund is expected to be repaid in full during 2016. The credit risk associated with these loans relates to the possibility that they will not be able to be repaid from the cash flows of the related projects. The Board assesses this risk as low.

(d) Liquidity risk

The Group seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Board reviews regularly available cash to ensure there are sufficient resources for working capital requirements and to meet the Group's limited partner commitments to the venture funds.

2. Significant accounting estimates and judgements

Sources of estimation uncertainty

The preparation of the financial statements requires the Group to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Notes to the Financial Statements
continued

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The Directors believe the following to be the key areas of estimation and judgement:

(i) Revenue recognition

The Group believes that the most significant judgement area in the application of its accounting policies is in respect of revenue recognition. The matters taken into account when assessing the amount of revenue to recognise are detailed in the accounting policy on revenue recognition.

(ii) Fair value of unlisted investments

The matters taken into account when assessing the fair value of the unlisted investments are detailed in the accounting policy on investments.

(iii) Goodwill and impairment

The recoverable amount of goodwill is determined based on value in use calculations of the cash-generating units to which it relates. Further detail on key assumptions, including growth rates, discount rates and the time period of these value in use calculations is given in note 10.

3. Segmental information – business segments

At 31 December 2015 the Group is organised into three business segments: property, venture capital fund management and holding company activities.

The Group had four significant customers in the year. Thistle Limited Partnership was a significant customer with profit share and carried interest earned of £2,137,000 (2014: £985,000), UK PRS (Jersey) Properties I Limited with transaction fees of £763,000 (2014: £nil), Countryside Sigma Limited with development management fees and profit share earned of £1,441,000 (2014: £960,000) and Countryside Properties (UK) Limited with fees and sale of land totalling £2,032,000 (2014: £nil).

The segment analysis for the year ended 31 December 2015 is as follows:

	Property £'000	Venture Capital £'000	Holding Company £'000	Intra group adjustments £'000	Total £'000
Revenue from services	6,698	26	-	-	6,724
Trading profit/(loss)	2,544	(6)	(582)	(18)	1,938
Unrealised loss on the revaluation of investments	-	(120)	-	-	(120)
Profit/(loss) from operations	2,544	(126)	(582)	(18)	1,818
Finance income	277	2	40	-	319
Profit/(loss) before tax	2,821	(124)	(542)	(18)	2,137
Total assets	10,178	3,491	30,258	(8,795)	35,132
Total liabilities	(9,572)	(1,732)	(1,592)	9,570	(3,326)
Net assets	606	1,759	28,666	775	31,806
Capital expenditure	25	-	-	-	25
Depreciation	6	3	1	-	10

The segment analysis for the year ended 31 December 2014 is as follows:

	Property £'000	Venture Capital £'000	Holding Company £'000	Intra group adjustments £'000	Total £'000
Revenue from services	3,849	19	-	-	3,868
Trading profit/(loss)	576	(179)	(364)	(17)	16
Loss on disposal of equity investments	-	(1)	-	-	(1)
Unrealised profit on the revaluation of investments	-	171	-	-	171
Profit/(loss) from operations	576	(9)	(364)	(17)	186
Finance income	1	1	26	-	28
Profit/(loss) before tax	**577**	**(8)**	**(338)**	**(17)**	**214**
Total assets	7,096	3,601	11,307	(10,452)	11,552
Total liabilities	(9,119)	(1,718)	(1,340)	11,245	(932)
Net (liabilities)/net assets	(2,023)	1,883	9,967	793	10,620
Capital expenditure	12	-	-	-	12
Depreciation	4	8	1	-	13

4. Cost of sales

	2015 £'000	2014 £'000
(Credits)/costs in relation to the development at North Arran Way	**(78)**	562
Costs in relation to sale of land	**1,448**	-
Other	**251**	98
	1,621	660

Notes to the Financial Statements
continued

5. Expenses by nature

Expenses included in administrative expenses are analysed below.

	2015 £'000	2014 £'000
Administrative expenses		
Employee costs (salaries, national insurance and pension)	**1,976**	1,899
Share based payments	**87**	23
Other employee related costs	**52**	34
Consultancy	**102**	80
Travel and entertainment	**245**	259
Depreciation	**10**	13
Amortisation	**18**	17
Provision for bad debts and bad debts written off	**-**	(3)
Operating lease rentals:		
- plant and machinery	**2**	3
- land and buildings (net)	**122**	114
Other premises costs	**108**	145
Audit services:		
- Fees payable to Company auditor for the audit of the parent company and consolidated accounts	**30**	31
- the audit of the Company's subsidiaries pursuant to legislation	**32**	21
Non-audit services:		
- tax services	**18**	19
- other accountancy services	**14**	5
Other legal, professional and financial costs	**295**	481
Other property costs	**-**	4
Administration costs	**55**	46
	3,165	3,192

6. Finance income

	2015 £'000	2014 £'000
Interest income on short-term deposits and loans	**42**	28
Interest income on loan to PRS Fund	**212**	-
Unwinding of discount	**65**	-
	319	28

7. Directors and employees

The average monthly number of employees, including executive Directors, employed by the Group during the year was:

	2015 Number	2014 Number
Property	**13**	15
Administration	**6**	5
	19	20

The aggregate remuneration was as follows:

	2015 £'000	2014 £'000
Wages and salaries	**1,683**	1,604
Social security	**209**	240
Pension costs – defined contribution plans	**84**	55
Share based payment charge - equity settled	**87**	23
	2,063	1,922

Remuneration comprises basic salary and pension contributions and some employees also receive a car allowance or contribution to travel expenses. In addition other payments are made which are benefits in kind, being private health insurance and life assurance. The type of remuneration is consistent from year to year. Ad hoc bonuses may be paid to reward exceptional performance. Such bonuses are decided by the Remuneration Committee on the recommendation of the Chief Executive Officer. Share options are also awarded to employees from time to time. In the past the share options awarded had performance criteria attached which related to the stock market performance of the Company. More recently the Remuneration Committee has decided that this type of performance condition was not appropriate to individual employees given the volatility of smaller company stocks including those of the Company. The granting of share options to individual employees is determined taking into account seniority, commitment to the business and recent performance. Details of share options granted to and exercised by Directors in the year are contained in the Directors' Remuneration Report.

The key management of the Group comprises the Sigma Capital Group plc Board Directors. The total remuneration for each director is shown below.

	Salary		Annual incentives		Other benefits		Total		Pension	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Executive										
GF Barnet	**275**	250	**76**	40	**-**	2	**351**	292	**-**	-
M Briselden	**85**	-	**9**	-	**6**	-	**100**	-	**9**	-
MD Cole	**-**	88	**-**	15	**-**	6	**-**	109	**-**	-
MS Hogarth *	**-**	30	**-**	-	**-**	1	**-**	31	**-**	3
J Hamilton **	**-**	71	**-**	-	**-**	5	**-**	76	**-**	7
G Thomson	**116**	94	**10**	20	**-**	1	**126**	115	**12**	9
G Hogg	**156**	109	**76**	41	**5**	6	**237**	156	**16**	8
D Sutherland	**91**	83	**-**	22	**5**	5	**96**	110	**5**	5
W MacLeod	**90**	90	**-**	-	**-**	-	**90**	90	**-**	-
Non-executive										
D Sigsworth	**40**	26	**-**	10	**-**	-	**40**	36	**-**	-
J McMahon	**10**	10	**-**	-	**-**	-	**10**	10	**-**	-
	863	851	**171**	148	**16**	26	**1,050**	1,025	**42**	32

* from 1 January 2014 to 19 March 2014

** from 1 January 2014 to 29 September 2014

Notes to the Financial Statements
continued

8. Taxation

	2015 £'000	2014 £'000
UK corporation tax on profit for the year	**-**	-
Deferred tax – origination and reversal of timing differences	**192**	-
Tax on profit on ordinary activities	**192**	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below.

	2015 £'000	2014 £'000
Profit before tax	**2,137**	214
Profit before tax at the effective rate of corporation tax in the UK of:		
20.25 % (2014: 21.49%)	**433**	46
Effects of:		
Expenses not deductible for tax purposes	**59**	24
Share of partnership losses	**(30)**	-
Capital allowances in excess of depreciation	**(6)**	(3)
Utilisation of losses	**(4)**	-
Unrelieved losses arising in the year	**-**	184
Non taxable income	**-**	(37)
Other short term timing differences not recognised in deferred tax	**(199)**	-
Other adjustments	**(61)**	(214)
Tax charge for the year	**192**	-

The Group's deferred tax assets, other than those relating to short term timing differences, are not recognised as it is not sufficiently clear that losses will be capable of utilisation in future periods. The amounts set out below will be available for offset against future taxable profits. These are stated using a corporation tax rate of 19% (2014: 20%).

	2015 £'000	2014 £'000
Unrelieved management expenses and other losses	**2,801**	2,961
Unrelieved capital losses	**770**	811
Excess of depreciation over capital allowances	**6**	7
Other timing differences	**(173)**	-
	3,404	3,779

9. Profit per share

The calculation of the basic profit per share for the year ended 31 December 2015 and 31 December 2014 is based on the profits attributable to the shareholders of Sigma Capital Group plc divided by the weighted average number of shares in issue during the year.

	Profit/(loss) attributable to shareholders £'000	Weighted average number of shares	Basic profit/(loss) per share pence
Year ended 31 December 2015	**1,945**	**70,555,231**	**2.76**
Year ended 31 December 2014	214	56,837,607	0.38

Diluted profit per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potential dilutive ordinary shares. The Company has only one category of potentially dilutive ordinary shares, those share options granted where the exercise price is less than the average price of the Company's shares during the year. Diluted profit per share is calculated by dividing the same profit attributable to equity holders of the Company as above by the adjusted number of ordinary shares in issue during the year ended 31 December 2015 of 71,511,717 (2014: 58,348,727). For the year ended 31 December 2015, the diluted earnings per share is 2.72 pence (2014: 0.37 pence).

10. Goodwill and other intangible assets

	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 31 December 2014 and 31 December 2015	656	105	761
Amortisation and impairment			
At 1 January 2014	123	42	165
Amortisation charge	-	17	17
At 31 December 2014	123	59	182
Amortisation charge	-	18	18
At 31 December 2015	123	77	200
Carrying value			
At 31 December 2015	**533**	**28**	**561**
At 31 December 2014	533	46	579

Impairment

Goodwill and other intangibles arising on consolidation represent the excess of cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. The carrying amount of intangible assets, being the fair value of the contractual relationships, is allocated to the cash generation units (CGUs) as follows:

Sigma Inpartnership

	2015 £'000	2014 £'000
Goodwill	**533**	533
Intangible assets	**28**	46

The major assumption used in value in use calculations is as follows:		
Pre-tax discount rate	**9%**	9%

The directors estimate discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risk specific to the CGU. The pre-tax discount rate is based on a number of factors including the risk free rate in the UK and the inherent risk of the forecast income streams included in the Group's cash flow projections.

The value in use cash flows are based upon management approved budgets for a period of one year and on specific assumptions and projections on a project by project basis for a further four years, using management's detailed knowledge and expectations of the outcome of each project. Thereafter a conservative estimate of continuing cash flows is included assuming nil growth.

The results of the value in use calculations for the CGU shows that Sigma Inpartnership exceeds its carrying amount in both the current and prior year.

Notes to the Financial Statements
continued

11. Property and equipment

Group	Leasehold improvements £'000	Fixtures and office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2014	43	60	169	272
Additions	-	-	12	12
At 31 December 2014	43	60	181	284
Additions	-	16	9	25
At 31 December 2015	**43**	**76**	**190**	**309**
Depreciation				
At 1 January 2014	43	57	153	253
Charge for the year	-	1	12	13
At 31 December 2014	43	58	165	266
Charge for the year	-	1	9	10
At 31 December 2015	**43**	**59**	**174**	**276**
Net book value				
At 31 December 2015	**-**	**17**	**16**	**33**
At 31 December 2014	-	2	16	18

Company	Leasehold improvements £'000	Fixtures and office equipment £'000	Total £'000
Cost			
At 1 January 2014	7	15	22
Additions	-	-	-
At 31 December 2014	7	15	22
Additions	-	-	-
At 31 December 2015	**7**	**15**	**22**
Depreciation			
At 1 January 2014	7	13	20
Charge for the year	-	1	1
At 31 December 2014	7	14	21
Charge for the year	-	1	1
At 31 December 2015	**7**	**15**	**22**
Net book value			
At 31 December 2015	**-**	**-**	**-**
At 31 December 2014	-	1	1

12. Investment in subsidiaries and partnerships

	Company 2015 £'000	Company 2014 £'000
At 31 December 2014 and 31 December 2015	**2,921**	2,921

Subsidiaries and Partnerships

The Company has investments in the following subsidiaries and partnerships:

Company Name	Country of incorporation	% Holding	Principal activity
Sigma Capital Property Limited	Scotland	100	Property
Sigma Inpartnership Limited	Scotland	100	Property
Strategic Property Asset Management Limited	Scotland	100	Property
Strategic Investment Management Holdings Limited	Scotland	100	Property
Sigma Property Investment Limited	Scotland	100	Property
Sigma Property Partners Limited	Scotland	100	Property
Sigma General Partner Limited	Scotland	100	Property
Sigma FP General Partner Limited	Scotland	100	Property
Sigma Thistle Founder Partner LP	England	68.25	Property
Sigma Thistle Phase II FP Limited Partnership	Scotland	75	Property
Sigma Thistle Phase II GP LLP	Scotland	100	Property
Sigma Thistle Phase II Limited	Scotland	100	Property
Sigma UK PRS GP Limited	Jersey	100	Property
Sigma Founder Partner LP	Scotland	100	Property
Sigma PRS Developments Limited	Scotland	100	Property
Sigma PRS Investments I Limited	Scotland	85	Property
Sigma PRS GP Limited	Scotland	100	Property
Sigma PRS General Partner LLP	Scotland	100	Property
Sigma PRS Founder Partner LP	Scotland	100	Property
Sigma PRS Property Investments LP	England	100	Property
Liverpool Inpartnership Limited	England	100	Property
Solihull Inpartnership Limited	England	100	Property
Salford Inpartnership Limited	Scotland	100	Property
Inpartnership (LP) Limited	Scotland	100	Property
City Spirit Regeneration Limited	England	100	Property
City Spirit Regeneration (Salford) Limited	England	100	Property
Inpartnership CS Limited	England	100	Property
Blackburn Inpartnership Limited	Scotland	100	Property
Sigma Technology Management Limited	England	100	Venture Capital
Sigma Technology Investments Limited	England	100	Venture Capital
Sigma Technology Founder Partners Limited	England	100	Venture Capital
Liverpool Inpartnership 2007 Limited	England	100	Dormant
Inpartnership Health Limited	England	100	Dormant
Solihull IP (NAW 1) Limited	England	100	Dormant
Sigma PRS Properties LP	Scotland	100	Dormant
Sigma Capital Investments LLP	Scotland	100	Dormant
Sigma Capital Developments LLP	Scotland	100	Dormant
SI Hotels (GP1) Limited	England	100	Dormant
SI Hotels (GP2) Limited	England	100	Dormant
SI Hotels Glasgow (GP1) Limited	Scotland	100	Dormant
SI Hotels Glasgow (GP2) Limited	Scotland	100	Dormant
SI No 7 (GP1)Limited	Scotland	100	Dormant
SI No 7 (GP2) Limited	Scotland	100	Dormant
SI (LP) Limited	England	100	Dormant

Notes to the Financial Statements
continued

13. Fixed asset investments

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
At 1 January 2015	-	-	-	-
Additions	2	-	-	-
At 31 December 2015	2	-	-	-

The addition during the year relates to the Company's investment in UK PRS (Jersey) I Limited Partnership.

14. Financial assets at fair value through profit and loss

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
At 1 January 2015	673	520	-	-
Additions	-	1	-	-
Disposals	-	(19)	-	-
Fair value write (down) / up	(120)	171	-	-
At 31 December 2015	553	673	-	-

The financial assets at fair value through profit and loss are the Group's holdings in venture capital funds and an unquoted security. The underlying investments in the funds are in unlisted start-up companies. The investments are valued by the manager of the fund on a basis consistent with industry guidelines and are reviewed quarterly by the Board. The directly held unquoted security amounts to £6,000 and was also valued on a basis consistent with industry guidelines.

The total fair value adjustments made during the year relating to investments, both financial assets at fair value through profit and loss and trading investments are set out below.

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Financial assets at fair value through profit and loss:				
- the venture capital funds	43	-	-	-
- Unquoted securities	(163)	169	-	-
Trading investments	-	2	-	-
	(120)	171	-	-

During the prior year, the management of the last fund held by the Group, Sigma Sustainable Energy Fund II, was transferred to new managers and the group disposed of its residual interest in the fund assets. This had been fully provided for.

15. Stocks

The following is included in the net book value of stocks

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Land and development properties	509	-	-	-

The value of stocks expensed during the year and included in cost of sales was £1,439,000.

16. Trade receivables and other current assets

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade receivables	**1,020**	178	**-**	-
Receivables from Group undertakings – current	**-**	-	**500**	5,157
Receivables from Group undertakings – non current	**-**	-	**3,179**	154
Social security and other taxes	**-**	-	**45**	10
Other debtors	**518**	2,370	**2**	8
Other debtors - non current	**1,335**	1,335	**-**	-
Prepayments and accrued income	**2,732**	459	**49**	38
Prepayments and accrued income – non current	**2,734**	720	**-**	-
	8,339	5,062	**3,775**	5,367
Less receivables from Group undertakings - non current	**-**	-	**(3,179)**	(154)
Less other debtors - non current	**(1,335)**	(1,335)	**-**	-
Less prepayments and accrued income – non current	**(2,734)**	(720)	**-**	-
Current portion	**4,270**	3,007	**596**	5,213

Trade receivables

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade receivables not due	**975**	97	**222**	4,849
Trade receivables past due 1-30 days	**31**	9	**4**	-
Trade receivables past due 31-60 days	**9**	8	**104**	-
Trade receivables past due 61-90 days	**5**	8	**4**	87
Trade receivables past due over 90 days	**-**	56	**166**	221
Gross trade receivables at 31 December 2015	**1,020**	178	**500**	5,157
Provision for bad debt at 1 January 2015	**-**	108	**-**	-
Debt provisions reversed in the year	**-**	(108)	**-**	-
Provision for bad debt at 31 December 2015	**-**	-	**-**	-
Net trade receivables at 31 December 2015	**1,020**	178	**500**	5,157

The Directors consider that the carrying amount of trade receivables approximates to their fair value. Debts provided for and written off are determined on an individual basis and included in Administrative expenses in the financial statements. Trade receivables past due over 90 days includes £nil (2014: £56,000). The Group's maximum exposure on credit risk is fair value on trade receivables as presented above. The Group has no pledge as security on trade receivables.

The Group's other debtors include a loan of £259,000 (2014: £2,000,000) in respect of the PRS Fund and is expected to be repaid in full during 2016 and a loan of £1,500,000 (2014: £1,500,000) also in respect of the PRS Fund which is expected to be repaid during 2016 and 2017. The loan of £1,500,000 attracts interest at the rate of 12% per annum compounded daily and a deferred interest sum of £100,000 which is recognised over 4 years.

The Group's non-current prepayments and accrued income includes fees of £1,608,000 (2014: £720,000) which will be paid between 2017 and 2019, carried interest of £914,000 (2014: £nil) which is expected to be paid no earlier than 2018 and loan interest of £212,000 (2014: £nil) which is expected to be paid in 2017.

Notes to the Financial Statements
continued

17. Trade and other payables

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade payables	**79**	211	**39**	24
Payables to Group undertakings	**-**	-	**1,345**	1,140
Other creditors	**3**	3	**-**	-
Social security and other taxes	**359**	62	**-**	-
Accruals and deferred income	**2,693**	656	**208**	176
	3,134	932	**1,592**	1,340

The Directors consider that the carrying amount of trade payables approximates to their fair value.

18. Deferred tax liability

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Amounts due to be paid within one year	**192**	-	**-**	-

The movement in the year in the Group and Company net deferred tax liability position was as follows:				
Opening position as at 1 January 2014	-	-	-	-
Charge to statement of comprehensive income for the year	-	-	-	-
At 31 December 2014	-	-	-	-
Charge to statement of comprehensive income for the year	192	-	-	-
At 31 December 2015	**192**	**-**	**-**	**-**

19. Share capital and share premium

Group and Company

	Number of shares	Ordinary shares £'000	Share premium £'000	Total £'000
At 31 December 2014	61,151,475	612	12,952	13,564
Issue of shares at 75p per share	26,666,666	267	19,733	20,000
Expenses of share issue	-	-	(902)	(902)
Allotment of shares (prior year)	37,956	-	-	-
Exercise of share options	645,333	6	50	56
At 31 December 2015	**88,501,430**	**885**	**31,833**	**32,718**

The total authorised number of ordinary shares is 130,000,000 (2014: 130,000,000) with a par value of 1p per share (2014: 1p). All issued shares are fully paid.

20. Share options

The Company has two option schemes for executive Directors and employees, the Sigma Capital Group plc Company Share Option Scheme 2010, which has received Inland Revenue approval, and the Sigma Capital Group plc Unapproved Share Option Scheme 2010. All options are granted at the market value of the shares at the date of grant. Both share option schemes run for a period of ten years and have a vesting period of three years. All employees are eligible to participate in the schemes. No payment is required from option holders on the grant of an option. There were no options over ordinary shares (2014: 1,334,441) granted during the year. No performance conditions or market conditions are attached to these options.

Movements in the number of share options outstanding and their related weighted average exercise prices were as follows:

	2015 Weighted average exercise price in pence per share	Options ('000s)	2014 Weighted average exercise price in pence per share	Options ('000s)
At 1 January 2015	**36.3**	**3,250**	12.4	3,555
Granted	**-**	**-**	68.0	1,335
Exercised	**8.7**	**(645)**	8.4	(1,477)
Expired / lapsed	**50.4**	**(60)**	26.3	(163)
At 31 December 2015	**43.0**	**2,545**	36.3	3,250

Of the 2,545,000 outstanding options (2014: 3,250,000), 720,000 had vested at 31 December 2015 (2014: 1,365,000).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price pence per share	2015 Number	2014 Number
2018	25.0	**100,000**	100,000
2019	11.25	**-**	150,000
2021	8.0	**250,000**	733,333
2021	7.5	**369,500**	381,500
2023	26.25	**525,476**	550,476
2024	68.0	**1,299,975**	1,334,441

There were no options granted in the year. The weighted average fair value of options granted to executive Directors and employees during the prior year determined using the Black-Scholes-Merton valuation model was 17.4p per option. The significant inputs into the model were exercise price shown above, volatility of 30%, dividend yield of 0%, expected option life of 4 years and annual risk free interest rate of 1.46%. Future volatility has been estimated based on comparable information rather than historical data.

21. Other reserves

The capital redemption reserve was created on the buy-back of shares in the Company and their subsequent cancellation, being the nominal value of the shares cancelled. The merger reserve and capital reserve were created on the merger of Sigma Technology Management Limited ("STM") with the Company. The fair value of equity-settled share-based payments is expensed on a straight line basis over the vesting period and the amount expensed in each year is recognised in retained earnings. The movement in reserves for the years ended 31 December 2015 and 2014 is set out in the Consolidated and Company Statements of Changes in Equity.

Notes to the Financial Statements
continued

22. Operating lease commitments

The Company leases the Group's offices in Edinburgh under a non-cancellable operating lease which expires in 2016. In January 2016 Sigma Inpartnership surrendered its existing lease of the Group's offices in Manchester under a non-cancellable operating lease which was due to expire in 2016. In January 2016 the Company commenced a new lease for Group offices in Manchester under a non-cancellable operating lease which expires in 2021. Other Group companies lease various plant and machinery under non-cancellable lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Plant and machinery £'000	**Land and buildings £'000**	Plant and machinery £'000	Land and buildings £'000
The Group				
Within 1 year	**8**	**121**	3	114
From 2-5 years	**12**	**120**	5	100
After 5 years	**-**	**-**	-	-
	20	**241**	8	214
The Company				
Within 1 year	**-**	**119**	-	95
From 2-5 years	**-**	**120**	-	95
After 5 years	**-**	**-**	-	-
	-	**239**	-	190

23. Cash flows from operating activities

	Group 2015 £'000	Group 2014 £'000	**Company 2015 £'000**	Company 2014 £'000
Profit after tax	**1,945**	214	**(542)**	(338)
Adjustments for:				
Share-based payments	**87**	23	**87**	23
Depreciation	**10**	13	**1**	1
Amortisation	**18**	17	**-**	-
Finance income	**(319)**	(28)	**(39)**	(18)
Fair value loss/(profit) on financial assets at fair value through profit or loss	**120**	(171)	**-**	-
Loss on disposal of trading investments at fair value through profit or loss	**1**	-	**-**	
Changes in working capital:				
Increase in stocks	**(509)**	-	**-**	-
Trade and other receivables	**(4,741)**	4,089	**1,592**	(3,827)
Trade and other payables	**2,394**	(4,289)	**252**	(796)
Cash flows from operating activities	**(995)**	(131)	**1,351**	(4,955)

24. Related party transactions

Sigma holds a 25.1% shareholding in Countryside Sigma Limited. Fees invoiced in relation to development management services for the year were £489,000 (2014: £87,000). At 31 December 2015, Sigma was owed £69,000 (2014: £75,000).

The Group has a 20.1% capital interest in Thistle Limited Partnership, its joint venture with Gatehouse. Profit share earned and paid during the year were £1,118,000 (2014: £965,000).

The Group has a 20% interest in UK PRS (Jersey) I LP in respect of its joint venture with UK PRS Properties. Fees invoiced in relation to transaction services for the year were £763,000. The fees were outstanding at the year end but were paid in January 2016.

During the year, the Group were invoiced fees of £52,934 (2014: £nil) by Torrin Asset Management Limited of which Bill MacLeod is also a director. The balance outstanding at the end of the year was £52,934 (2014: £nil)

25. Post balance sheet events

On 17 March 2016, the Group disposed of a development site at Norris Green for £548,000.

On 24 March 2016, the Group acquired new head office premises in Edinburgh for £834,000.

Five Year Record

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Revenue	**6,724**	3,868	5,808	2,326	2,468
Cost of sales	**(1,621)**	(660)	(3,555)	-	-
Gross profit	**5,103**	3,208	2,253	2,326	2,468
Other operating income	**(26)**	170	54	(833)	(61)
Administrative and other expenses	**(3,259)**	(3,192)	(2,662)	(2,575)	(2,530)
Profit/(loss) from operations	**1,818**	186	(355)	(1,082)	(123)
Net finance income	**319**	28	10	22	15
Profit/(loss) arising from associate company (net)	**-**	-	20	(111)	(1,307)
Exceptional item	**-**	-	(531)	-	-
Profit/(loss) before tax	**2,137**	214	(856)	(1,171)	(1,415)
Taxation	**(192)**	-	-	-	-
Profit/(loss) for the year	**1,945**	214	(856)	(1,171)	(1,415)
Attributable to:					
Equity holders of the Company	**1,945**	214	(856)	(1,171)	(1, 401)
Minority interests	**-**	-	-	-	(14)
	1,945	214	(856)	(1,171)	(1,415)
Net assets employed	**31,806**	10,620	2,636	2,597	3,753
Basic earnings/(loss) per ordinary share (pence)	**2.76**	0.38	(1.87)	(2.57)	(3.17)

Proxy Form

I/we

FULL NAME(S) IN BLOCK CAPITALS

of

ADDRESS IN BLOCK CAPITALS

being a member/members of Sigma Capital Group plc hereby appoint as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11am on 17 June 2016 at 41 Charlotte Square, Edinburgh EH2 4HQ and at any adjournment thereof, the duly appointed Chairman of the meeting or (see Note 1)

My/Our proxy is to vote as indicated by 'X' below in respect of the resolutions set out in the notice of the meeting.

		For	Against	Withheld
Ordinary Resolutions				
1.	Receipt of the financial statements for the year ended 31 December 2015 together with the reports of the Directors and the auditor	☐	☐	☐
2.	Re-appointment of David Sigsworth as a director	☐	☐	☐
3.	Re-appointment of Graeme Ronald Rae Hogg as a director	☐	☐	☐
4.	Approval of the report on Directors' remuneration for the year ended 31 December 2015	☐	☐	☐
5.	Re-appointment of the auditor	☐	☐	☐
6.	Remuneration of the auditor	☐	☐	☐
7.	General authority to allot securities	☐	☐	☐
Special Resolutions				
8.	General disapplication of pre-emption rights	☐	☐	☐

Signature(s) or Common Seal

Date

FULL NAME (BLOCK CAPITALS)

Notes

1. A member may appoint a proxy of his or her choice. If a proxy other than the Chairman is preferred, delete the words "the duly appointed Chairman of the meeting or" and enter the name of your proxy in the space provided. A proxy need not be a member of the Company, but must attend the meeting to represent you.
2. In the case of a corporation, the form of proxy must be either given under its common seal or signed by a duly authorised officer or attorney.
3. In the case of joint holders, the first-named holder of the shares must sign the form of proxy.
4. Only members or their proxies may attend the meeting.
5. Completion and return of the form of proxy will not prevent a member from attending and voting in person at the meeting if the member so wishes.
6. Please indicate with 'X' in the boxes in the form of proxy how you wish your proxy to vote on each of the resolutions. If no indication is given your proxy will have discretion to vote or to abstain (including on any other matter which may properly come before the meeting) as he/she thinks fit. To be valid the form of proxy must be received by the Company Secretary at 41 Charlotte Square, Edinburgh EH2 4HQ no later than 11am on 15 June 2016.

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