INVEST
IMPROVE
INTEGRATE

Sigma Roc

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

SIGMAROC PLC

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FINANCIAL HIGHLIGHTS

Revenue

£41.2m

+52.0%

Underlying[1] EBITDA

£9.8m

+78.5%

Underlying[1] EBITDA margin

23.8%

+17.2%

Underlying[1] profit before tax

£5.5m

+113.8%

Underlying[1] basic EPS

3.83p

+89.6%

Net debt

£16.0m

1.6x UNDERLYING **EBITDA**

OPERATIONAL HIGHLIGHTS

INVEST

- SigmaRoc strategy delivers strong results and growth
- Continued execution of strategy with two substantial transactions completed post year-end

IMPROVE

- Targeted operational improvements exceeded
- Ongoing projects of improvement in all businesses
- 120% resource increase at high PSV quarry in South Wales

INTEGRATE

- SigmaPPG platform created combining precast products offering
- UK platforms will be basis for further growth in 2019
- Safety culture instilled across SigmaPPG

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

SIGMAROC PLC

COMPANY INFORMATION

Directors	David Barrett (Executive Chairman) Max Vermorken (Chief Executive Officer) Garth Palmer (Chief Financial Officer) Dominic Traynor (Non-Executive Director) Patrick Dolberg (Non-Executive Director) Tim Hall (Non-Executive Director)
Company Secretary	Heytesbury Corporate LLP
Registered Office	7-9 Swallow Street London W1B 4DE
Company Number	05204176
Bankers	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Joint Broker	Joh. Berenberg, Gossler & Co. KG 60 Threadneedle Street London EC2R 8HP
Joint Broker	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
Independent Auditor	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Fieldfisher Riverbank House 2 Swan Lane London EC4R 3TT
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

Ronez Readymix opening in Jersey

CHAIRMAN'S STATEMENT

Introduction

Please allow me to start with a summary of what SigmaRoc plc (the 'Company') and its subsidiary undertakings (which together comprise the 'Group' or 'SigmaRoc') does. SigmaRoc invests, in strong local businesses and in strong managers. SigmaRoc improves - starting immediately after acquisition - the financial, operational and safety performance of its companies. Finally, SigmaRoc integrates its acquisitions into platforms of compatible businesses without stifling itself or its acquisitions with heavy handed intervention from the top. Our performance to date is demonstrating that this model works. Our managers and staff are focussed, our safety records are excellent and our financial performance is again very solid.

This opening paragraph may sound a little triumphant. In a much more challenging market environment, with a Company management team not much larger than it was when we were only a cash shell, we have again delivered strong results on all fronts. It makes me proud to serve as the Chairman of a business with such capabilities, particularly the resilience and drive to continue to generate value for shareholders. I am equally proud that our shareholder base has recognised the potential in the business and has helped us through continued support and engagement.

There are three areas I would like to focus this year's statement on in order to give you more insight into what challenges we have addressed and what achievements we've made to deliver these strong results. These areas are, firstly, the financial performance of the Group, secondly, our focus on making our business safe, and lastly, our continued investment into the business including its expansion through further acquisitions.

Financial performance

In many ways 2018 was a more challenging year than the year before. The winter was much longer and much harsher than expected, impacting the performance of our UK footprint. Coupled with the fact we were at the starting phase of our restructuring efforts of the newly acquired businesses Allen (Concrete) Limited ('Allen') and Poundfield Products Limited ('Poundfield') (together 'SigmaPPG'), made our first quarter more than a little challenging. Our Channel Islands platform continued to perform in line with expectations helping us to achieve good numbers for the first half of the year.

The second half was characterised by continued efforts in terms of integration of the new businesses and management of the existing ones. Our Channel Islands platform continued to deliver as expected and in line with the phasing of the demand in the Islands. While volumes in Jersey remained strong and Guernsey's volumes improved versus the previous year, they remained somewhat below previous trends and historical highs. On the mainland, Allen and Poundfield recovered from slow starts and began to contribute fully to the EBITDA of the Group leading to strong numbers for the Group as a whole.

While hard at work on the operational front we also strengthened our capital position. With the assistance of key shareholders, in January 2019 we were able to redeem the £10m convertible loan notes improving our cost of capital going forward. Santander UK plc ('Santander') was extremely helpful and provided us with an extended credit facility, increased from £20m to £34m on similar terms to the existing facility. The Group's overall net debt position, of £16.0m, remained in line with our self-imposed targets. Strong cash generation kept net debt levels at 1.63 times underlying EBITDA.

Safety

I would also like to highlight the solid health and safety performance achieved throughout 2018. Ronez reached a landmark 1,000 cumulative days without incident in February 2019, a fantastic achievement. With the addition of two new businesses and over 70 new colleagues we faced a significant challenge in integrating a very different safety culture into our overall business. The safety culture at owner operated businesses is often inferior to what industry majors have put in place over many years. However, we were able to improve that safety culture in a short space of time with full buy-in from our new colleagues.

As a result of our efforts we have dramatically improved the safety culture at both Allen and Poundfield. Reporting of safety incidents has significantly increased while overall incidents have decreased. We are very much encouraged by the focus of the workforce and management across the Group, who have resolutely focused on, and implemented, Group safety initiatives. This remains a priority at every level of the Group as we continue to target zero-harm through ongoing safety improvements.

As the Group is growing, we have put additional focus on the areas of safety and compliance, with a dedicated person now in charge of ensuring that the highest safety and compliance standards are observed in a uniform way across the Group. Safety is and will always remain the responsibility of the line managers. However, as we continue to acquire businesses with varying health and safety records, it is paramount we bring all businesses up to a high level of safety culture whilst also providing the processes that help to embed the necessary culture that comes with it.

Investing for the future

Much of our outlook for the next 12 months is in fact driven by the investment and improvement work done this past year. We have spent both a lot of time and money to significantly improve the setup of the companies we acquired. At Poundfield we launched an extensive overhaul programme to improve the safety and operational performance of the business. This involved the acquisition of further land to allow for the business to grow. We also made great efforts in segregating traffic, separating production, stocking and loading, as well as the optimisation of the whole production process. This project is still ongoing and the results to date are promising in terms of what can be achieved going forward.

At Ronez, we have also continued our programme to make the business safer and better equipped to service customers to the highest standard. A programme of gradual replacement of plant and machinery is underway and already showing results in efficiency gains. A key investment this year was the new Readymix Concrete plant on Jersey and an overhaul of the fleet of delivery trucks. The new plant was designed specifically for the needs of the Island and was officially opened on 13 February 2019. Its reliability and performance have been exceptional in the first months of operations and customer feedback has been equally positive.

We also significantly expanded our footprint in the UK with the acquisition of a high polished stone value ('PSV') quarry in South Wales and progressed due diligence on two additional transactions that culminated in the acquisition of CCP Building Products Limited ('CCP') in January 2019 and a 40% interest in GDH (Holdings) Limited ('GDH') in April 2019. CCP significantly expands our precast and prestressed concrete platform in the UK and GDH will be the cornerstone of our new construction materials platform in South Wales. The addition of CCP and GDH post year-end supports future expansion and further opportunities for the Group.

Conclusion

The Board therefore believes that the outlook for the Group is very good. The markets in the Channel Islands are performing as expected, with a slight dip in Jersey being offset by a corresponding increase in Guernsey, after a number of subdued years, volumes were up in 2018. The trend remains below some of its historically stronger years and we see potential for continued recovery over time. The shipping division launched in 2017 remains a strong performer and continues to contribute strategically and to the overall performance of the Channel Island platform.

In mainland UK, work to integrate the precast platform has been successful, following a similar path to the Channel Islands business in H1 2017. In this, strengthening of operational and commercial efforts, where our Group's expertise can bring benefits, was key, with our industry leading health and safety standards being a priority.

Looking further ahead it is evident that the value we create for shareholders lies in the identification, acquisition and integration of businesses into platforms which run at a high operational standard. The resources and management capacity required to pursue this process and deliver acquisitive growth is in place within the Group and we are pleased with the progress made towards delivering on our acquisition pipeline this year. The number of opportunities both in the UK and in selected European countries is encouraging and we remain disciplined in our selection and appraisal of target companies in line with our strategy.

We have every expectation of making further progress this year.

David Barrett
Executive Chairman
15 May 2019

CCP automated concrete block production line

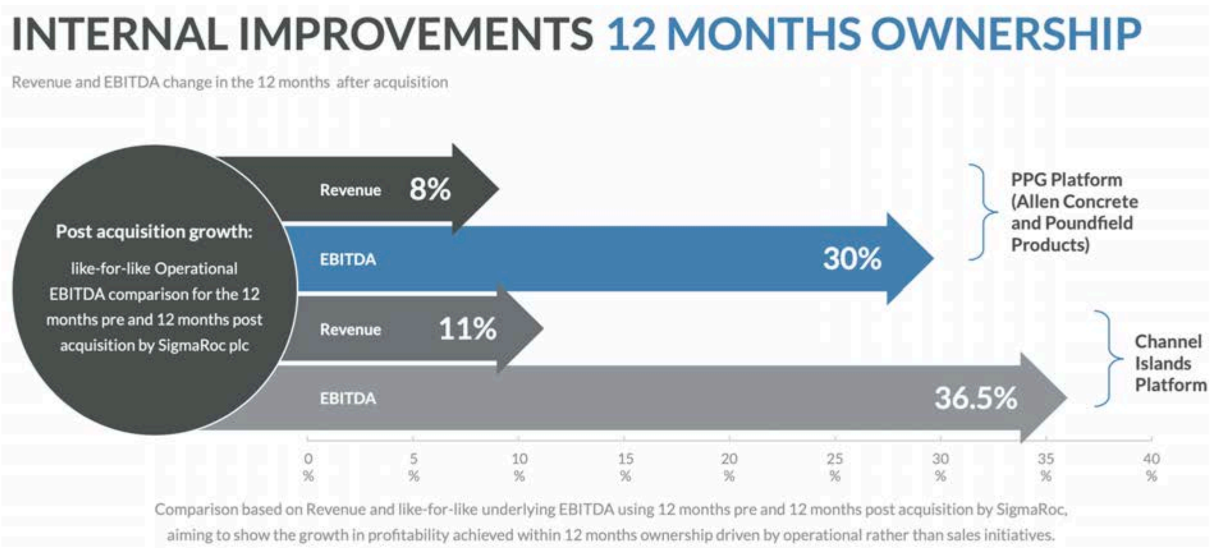
CEO'S STRATEGIC REPORT

At the tail end of 2016 we launched SigmaRoc plc as a buy-and-build construction materials company, to drive shareholder value by creating platforms of connected and compatible quality businesses focused on their local and regional markets. Our 2018 results show we are delivering on our strategy having met our targets and I see plenty of opportunity ahead to build SigmaRoc into a significant operator in the construction materials sector. The review of 2018 below provides some colour to the achievements in our second full year and to what may lie ahead.

Review of business
In October 2017 the Group acquired Topcrete Limited ('Topcrete') which via its wholly owned subsidiary Allen provides specialist wetcast concrete products in London and the Midlands. Then in December 2017 the Group acquired Poundfield which provides specialised patented concrete products and systems within the United Kingdom primarily for complex infrastructure projects and retaining wall systems.

With the acquisition of these two businesses, SigmaRoc established its SigmaPPG platform and took a strong position in the UK market for precast and prestressed products, targeting the industrial and agricultural sectors, as well as housing and specialist infrastructure projects. Both companies are asset backed with significant land holdings and intellectual property in the form of patents and trademarks, making these businesses an ideal fit within the SigmaRoc business model.

A key driver for the acquisition of any business by SigmaRoc is our ability to improve the business' performance in a relatively short period of time, without, however, destroying the main fabric of that business through asset stripping and redundancy driven cost cutting. The graphic below gives a relatively good perspective of our impact on those businesses we purchase. It shows a like-for-like comparison of the 12 months prior to our ownership versus the first 12 months of our ownership for the Channel Islands Platform and the Precast Platform.



During 2018 the Group also laid foundations for a new platform in the UK, acquiring the high PSV Foelfach Stone quarry in South Wales. Sources of high PSV aggregates are scarce in the UK and are of key importance for road surfacing because of the skid resistance qualities. In January 2019, we were pleased to announce a 120% increase in the Foelfach Stone quarry resource and the appointment of David McClelland to the Group's executive team as Managing Director for the new UK platform.

Trading summary
Last year started slowly in the UK with the harsh winter causing some disruption to demand and our ability to produce and deliver effectively. The slow start to the year was rectified, with Poundfield having a particularly strong finish to the year. Activity in the Channel Islands was generally consistent with our expectations, although a slight downturn in Jersey was offset by an increase in volumes in Guernsey. Delays to some projects in Jersey affected concrete and aggregate volumes, although this was partially

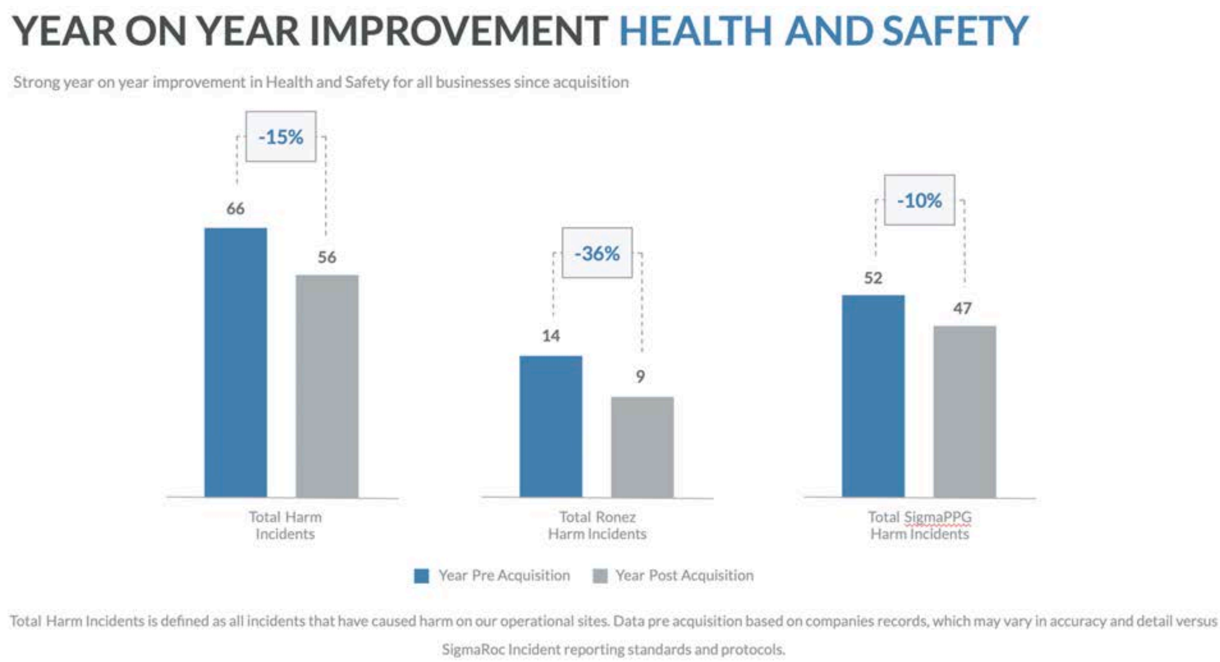
offset by a strong road contracting performance. In Guernsey the opposite was true, with projects coming online earlier than expected resulting in improved volumes for aggregates and concrete.

Overall, the Ronez platform performed well, delivering £27 million in revenue, representing an increase of 4% compared to 2017. The SigmaPPG platform achieved £14 million in revenue, being an increase of 8% relative to the prior year.

Group underlying EBITDA performance was strong, delivering £9.8 million, an increase of 78.5% from 2017. We generated a full year underlying net profit after tax of £5.2 million equating to an earnings per share of 3.83p. Total capital expenditure ('Capex') was £6.7 million, however this includes £3.5 million investment in land and minerals and £1.2 million for the new ready-mix plant in Jersey, leaving a balance of £2 million which is consistent with the prior year despite addition of two new operating entities.

Safety & compliance

Our industry keeps appearing in the news with disappointing stories of injured colleagues. At SigmaRoc, however, we have doubled our efforts to improve our safety systems across the Group. This is crucial as we are acquiring companies with often very different approaches to safety. Some are relatively up to standard, others not at all. We are encouraged, however, by the progress made since we took over the respective businesses. Employee engagement has been a significant contributing factor, with safety representation now on site, employees engaged in training programs, including LOTTO through to NEBOSH Diploma's. Safety is now openly and actively spoken about.



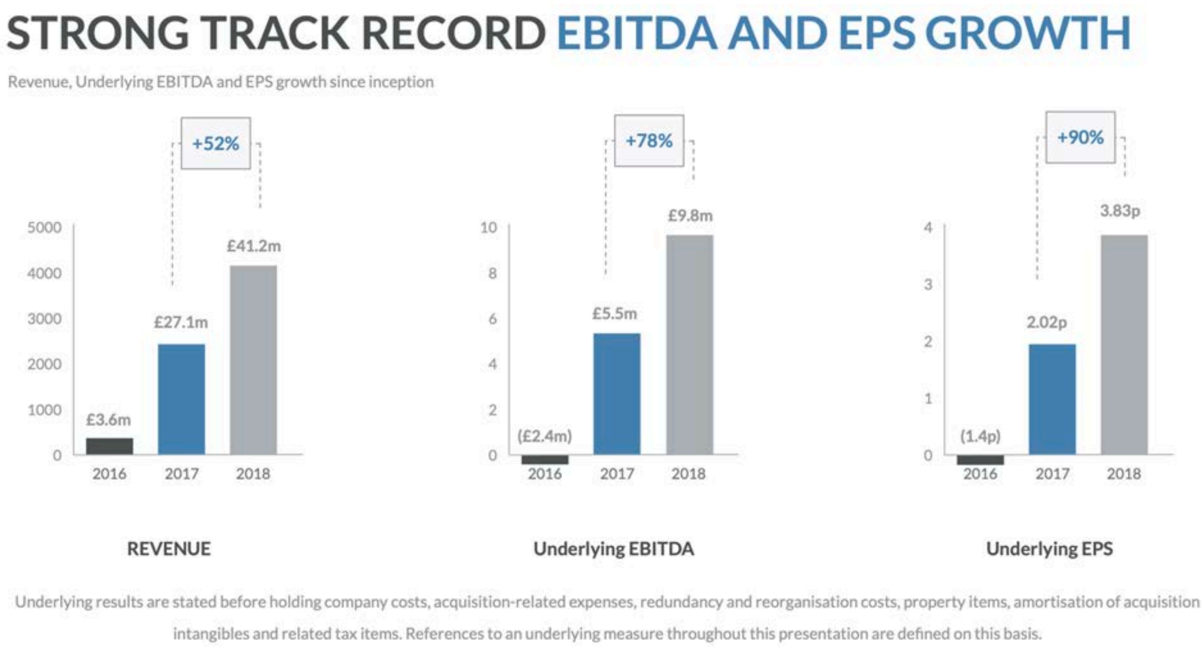
Across the Group we have recorded an increase in safety conversations and incident recording, pointing clearly to the increased focus on safety and the adoption of a much improved safety culture. While this increase in reporting could or perhaps should have increased the number of incidents recorded versus the prior year, we in fact recorded a year-on-year drop in incidents of 15% across all businesses. This is significant as it points to the improved safety culture being adopted across the Group. Even at Ronez, a business managed by a major with excellent health & safety standards, we managed to reduce Total Harm Incidents by 36% year on year. At SigmaPPG the net reduction was

10%, however, starting from a position where the safety culture lagged well behind our Group standards.

The results above have been achieved through tangible efforts by managers and supervisors on the ground. Personal Protective Equipment ('PPE') standards have been increased across the Group. Segregation of foot traffic and vehicle traffic has now been enforced across the Group. We now also have a dedicated person in charge of auditing all safety best practices, ensuring these are followed and implemented. Safety therefore remains the responsibility of managers and supervisors, but there is a clear uniform set of best practices and a central person to ensure they are followed. We are therefore encouraged the right focus on safety and compliance is present in the business, yet much work remains on the road to zero harm.

Strategic approach and outlook
Our strategic approach is to build clusters of local and complementary businesses to deliver shareholder value from synergies, operational improvement and competitive advantage. We target assets that deliver a value proposition to customers, and have a strong local market presence and hard asset backing, resulting in improved margins. The income stream is diversified and supported by quality assets that produce aggregates, concrete, precast and prestressed concrete and related products and services.

As a result of this strategy we have been able to show a significant increase in EPS since we launched SigmaRoc in 2016. The graphic below tracks the sales, EBITDA and earnings improvements across the relevant period and clearly shows the success of our strategy. With sales in line with expectations for the first quarter of 2019 we look forward to further expansion across the year.



Looking further ahead we were pleased to announce that we successfully completed the acquisition of CCP in January 2019 to expand the footprint of our SigmaPPG platform. Then, in April 2019 we completed an initial 40% acquisition of GDH with an 18 month exclusive option to acquire the remaining 60% on or before 31 August 2020, which we plan to do through a combination of our own cash and Santander debt.

Our focus for the next 12 months is on driving financial performance across the enlarged Group and completing the full acquisition of GDH, however we will continue to assess further opportunities to expand through the acquisition of high quality local businesses. We maintain our philosophy that local businesses in our sector are fundamentally better if they retain their strong local branding but are complemented by being part of a group with management, sales, operational and commercial expertise.

Overall, we remain optimistic about the future and of achieving further progress in 2019.

This report was approved by the Board on 15 May 2019.

Max Vermorken
CEO

CCP's Aberdo quarry
in Flintshire

DIRECTOR'S REPORT

I am pleased to report a strong year financially for the Group during which we achieved our ambitious financial targets, which assisted us in taking several key steps in expanding our business. This is the first year in which Ronez, Topcrete and Poundfield are consolidated into our results for the full year.

Accordingly, our full year for 2018 generated revenue of £41.2 million (2017: £27.1 million) of which £27 million was generated from our Channel Islands operations. The underlying earnings before our share of associated undertakings, depreciation, amortisation and tax ('EBITDA') was £9.8 million (2017: £5.5 million). The profit before taxation for the Group for the year ended 31 December 2018 was £3.8 million (2017: £0.8 million).

The loss for the Company for the year ended 31 December 2018 before taxation amounts to £0.9 million (2017: loss £3.3 million).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2019.

	2018	2017
Cash and cash equivalents	**£3,771,735**	£7,001,058
Revenue	**£41,241,673**	£27,073,686
Underlying EBITDA	**£9,823,080**	£5,504,375
Capital expenditure	**£6,670,447**	£1,793,164

Cash in 2017 was inflated due to the timing of the fundraise for Poundfield which included provision for the £3.5 million deferred cash consideration for Topcrete and £1.5 million for the purchase of Poundfield land & buildings. Cash generated from operations was £5.5 million with £2 million spent to acquire land & minerals and £2.2 million invested back into the Group's businesses.

Revenue and underlying EBITDA is in line with expectations and management forecasts.

Capital expenditure includes £3.5 million for the acquisition of land & minerals, £1.2 million for the new Jersey ready-mix plant and the balance consisting of new plant & machinery and improvements to existing infrastructure across the Group.

PPA
BDO UK undertook the Purchase Price Allocation ('PPA') exercise required under IFRS 3 to allocate a fair value to the acquired assets of Topcrete and Poundfield.

The PPA process resulted in a reduction of goodwill recorded on the Statement of Financial Position of the Group for Topcrete from £7 million to £6.1 million and for Poundfield from £6.9 million to £6.5 million. The reduction was to shift the value of goodwill to intangible assets for trade name, patented processes, order backlog, workforce and customer relations.

Non-underlying items
The Company's loss after taxation for 2018 amounts to £0.9 million, of which £0.06 million relates to non-underlying items, while the Group's non-underlying items totaled £1.6 million for the year. These items relate to four categories.

First, the Group incurred £0.6 million in consulting and legal fees relating to prospective acquisitions.

Second, the Group incurred £0.4 million in legal and restructuring expenses relating to the rebranding and alignment of all subsidiaries across the Group.

Thirdly, the Group incurred £0.3 million in amortisation of acquired intangible assets.

Finally, the Group incurred £0.3 million in exceptional costs which relate to shareholder and investor matters and other start up business costs in Foelfach Stone Limited.

Interest and tax
Net finance costs in the year totaled £1 million (2017: £0.7 million) and included interest on the Group's convertible loan notes, bank finance facilities, as well as interest on finance leases and hire purchase agreements.

A tax charge of £0.3 million (2017: £0.5 million) was recognised in the year, resulting in a tax charge on profitability generated from mineral extraction in the Channel Islands and profits generated through the Group's UK based operations.

Earnings per share
Basic earnings per share ('EPS') for the year was 2.65 pence (2017: 0.34 pence), adjusted for the non-underlying items mentioned above. Underlying basic EPS for the year totaled 3.83 pence (2017: 2.02 pence).

Statement of financial position
Net assets at 31 December 2018 were £54 million (2017: £50.5 million). Net assets are underpinned by mineral resources, land & buildings and plant & machinery assets of the Group.

Cash flow
Cash generated by operations was £5.5 million (2017: consumed £0.4 million). The Group spent £3.0 million on deferred cash consideration for acquisitions made in 2017 and £6.7 million on capital projects including £3.5 million for the purchase of land & minerals. The Group drew down £1 million from its revolving credit facility with Santander plc ('Santander'). The net result was a cash outflow for the year of £3.2 million. Net debt at 31 December 2018 was £16.0 million (2017: £11.8 million).

Bank facilities
In 2017 the Group secured debt facilities with Santander consisting of a £2 million revolving credit facility (the 'Santander RCF'), an £18 million term facility (the 'Santander Term Facility') and a further "accordion" facility of £10 million. In December 2018 the Group received credit approval from Santander to increase the Santander RCF to £4 million and the Santander Term Facility to £30 million, bringing the total debt facilities available with Santander to £34 million. The Group's bank loans have a maturity date of 29 August 2022 and are subject to a variable interest rate based on LIBOR plus a margin depending on EBITDA. As at 31 December 2018, total undrawn facilities available to the Group amounted to £10 million based on the original facilities, with this increasing to £11.7 million in January 2019 following acquisition of CCP and redemption of the CLN's.

The Group's bank facilities are subject to covenants which are tested monthly and certified quarterly. These covenants are: Group interest cover ratio set at a minimum of 3.5 times EBITDA; a maximum adjusted leverage ratio, which is the ratio of total net debt including further borrowings such as the convertible loan notes to adjusted EBITDA, of 3.25 in 2018. At 31 December 2018 the Group comfortably complied with its bank facility covenants.

Dividends
Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. The focus of the Group at this stage of its development will be on delivering capital growth for shareholders. The Directors therefore do not recommend the payment of a dividend for the year (31 December 2017: nil).

Principal risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Reserve and resource estimates
The Group's reporting reserves and resources are estimates, and so there is potential uncertainty over the amount of reserves held at the year-end. These may require revision based on future actual production. In addition, there is risk of new leases (in particular Chouet phase 2 and West extension at St John's) not being approved and, as such, leading to revised valuation and future income streams for the operations at Ronez.

Dependence on key personnel
The Group is dependent upon its executive management team. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk
The Group may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

Funding risk
The only sources of funding currently available to the Group are through the issue of additional equity capital in the Company or through debt financing. The Company's ability to raise further funds will depend on the success of the Group's activities and its investment strategy. The Group may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its investment activities.

Financial Risks
The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

Principal activity
The principal activity of the Company is to make investments and/or acquire businesses and assets in the construction materials sector. The principal activity of the Group is the production of high quality aggregates and supply of value-added construction materials.

Board composition and head office
The Board comprises three Executive Directors and three Non-Executive Directors. The Corporate Head Office of the Company is located in London, UK.

DIRECTOR'S REPORT

Directors & Directors' interests
The Directors who served during the year ended 31 December 2018 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

	31 December 2018		31 December 2017	
	Ordinary Shares	Options	Ordinary Shares	Options
Max Vermorken	210,032	4,368,188	183,032	4,368,188
David Barrett	760,032	1,879,513	760,032	1,879,513
Dominic Traynor	-	26,014	-	26,014
Garth Palmer	114,594	26,014	10,000	26,014
Patrick Dolberg	75,000	304,580	75,000	304,580
Gary Drinkwater[1]	-	-	-	-

(1) Resigned on 7 November 2018

Further details on options can be found in Note 26 to the Financial Statements.

Corporate responsibility

Environmental
SigmaRoc undertakes its activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature.

Health and safety
SigmaRoc operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

Internal controls
The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Further details of corporate governance can be found in the Corporate Governance Report on page 20.

Going concern
The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

Directors' and Officers' indemnity insurance
The Company has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the year and remain in force at the date of this report.

Events after the reporting period
Events after the reporting period are set out in Note 35 to the Financial Statements.

Policy and practice on payment of creditors
The Group agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier. As at 31 December 2018, the Company had an average of 26 days (2017: 31 days) purchases outstanding in trade payables and the Group had an average of 43 days (2017: 39 days).

Future developments
Details of future developments for the Group are disclosed in the Chairman's Statement on page 5 and the CEO's Strategic Report on page 9.

Provision of information to Auditor
So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that 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
PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 15 May 2019 and signed on its behalf.

Garth Palmer
CFO

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the AIM Rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) 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 Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, 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, www.sigmaroc.com. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

CORPORATE GOVERNANCE REPORT

From 28 September 2018 as an AIM company, the Company has been required to maintain on its website details of a recognised corporate governance code, how the Company complies with this code and an explanation of any departure from the code. The information must be reviewed annually and the Company's website must include the date on which the information was last reviewed. The Directors have sought to address these new requirements in a timely manner and have set out below the Company's Corporate Governance Report.

The Directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board has concluded that it will seek to comply with the Quoted Companies Alliance's Corporate Governance Code (the 'QCA Code'). In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by directors and employees and are committed to maintaining the highest standards of corporate governance. Garth Palmer, in his capacity as CFO, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are followed and applied within the Company as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The key governance related matter that occurred during the financial year ended 31 December 2018 was the formal adoption of the QCA Code.

Corporate Governance Report
The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One
Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Company. The principal activity of the Group is the production of high-quality aggregates and supply of value-added construction materials and the aim is to create value for shareholders through the successful execution of its buy and build strategy in the construction materials sector.

The Board implements this strategy by focusing investment into high quality and well managed construction material assets, establishing a strict criteria for project evaluation and selection, utilising industry recognised methods of operation, developing a results-driven exploration approach, actively monitoring operational and financial performance, measured against deliverable targets and budgets and considering alternative commercial options for projects which no longer meet the established criteria of the Group.

Principle Two
Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.sigmaroc.com, and via Ben Feder, Head of Investor Relations, who is available to answer investor relations enquiries.

Principle Three
Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

The Group have supported and given back to the community by participating in a selection of projects in recent years, some of which include supplying goal nets to Barham Athletic Football Club Under 9's, supplying and laying asphalt to surrounding areas for the St John's Recreation Centre in Jersey and hosting tours and visits for 250+ children and their teachers as well as numerous customers, architects and engineers who would like to visit the site

Principle Four
Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Operation	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment, balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company
Strategic	Market downturn	Macroeconomic conditions adversely affecting Group's prospects.	Contingency 'disaster' budgets & regular assessment of materials market.
Financial	Misappropriation of Funds	Fraudulent activity and loss of funds	Robust financial controls and split of duties.
	IT Security	Loss of critical financial data	Regular back up of data online and locally.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five
A Well-Functioning Board of Directors

As at the date hereof the Board comprised, the CEO Max Vermorken, the Chairman David Barrett, the CFO Garth Palmer and three Independent Non-Executive Directors, Dominic Traynor, Patrick Dolberg and Tim Hall; Mr Traynor and Mr Dolberg are considered to be independent. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least four times per annum. It has established an Audit Committee, Remuneration Committee and AIM and MAR Compliance Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. Both the CFO and the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

The Company shall report annually on the number of Board and Committee meetings held during the year and the attendance record of individual Directors. Details of the directors' attendance at the Board meetings are set out below:

Director	**Formal quarterly meetings**		**Offshore meetings to comply with Articles**	
	Attended	**Eligible to attend**	**Meetings attended**	**Eligible to attend**
Max Vermorken	4	4	3	3
David Barrett	4	4	-	3
Garth Palmer	4	4	-	3
Dominic Traynor	4	4	-	3
Patrick Dolberg	4	4	3	3

In order to be efficient, the Directors meet formally and informally both in person and by telephone. To date there have been quarterly formal meetings of the Board held in person, and the volume and frequency of such meetings is expected to continue at this rate.

The Company's Articles of Association ('Articles') prohibit the Board from making any resolutions in the United Kingdom. The Board meet collectively prior to any matters being resolved, however in order to comply with the Articles, two members of the Board must hold a meeting offshore to pass the resolutions. There were three such meetings in 2018 in addition to the quarterly meetings which all Board members attended.

In addition to Board meetings, the executive Directors attend monthly executive committee meetings with the managing directors of the subsidiary operations.

Principle Six
Appropriate Skills and Experience of the Directors

The Board currently consists of six Directors and, in addition, the Company has employed the outsourced services of Heytesbury Corporate LLP to act as the Company Secretary. The Company is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Max Vermorken
Chief Executive Officer

David Barrett
Chairman and Executive Director
Member of the Remuneration Committee

Garth Palmer
Chief Financial Officer

Dominic Traynor
Independent Non-Executive Director
Chairman of the AIM and MAR Compliance Committee, Audit Committee and the Remuneration Committee

Patrick Dolberg
Independent Non-Executive Director
Member of the Audit Committee and the AIM and MAR Compliance Committee

Tim Hall
Non-Executive Director

Principle Seven
Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance of the various governance components, as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight
Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The Corporate Governance principles that the Board has adopted is designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is acutely aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation, which came into effect in 2016.

Principle Nine
Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority that set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee
The Audit Committee comprises Dominic Traynor and Patrick Dolberg, and Dominic Traynor chairs this committee. This Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee
The Remuneration Committee comprises David Barrett and Dominic Traynor, and Dominic Traynor chairs this Committee. The Remuneration Committee reviews the performance of the executive Directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will meet as and when necessary. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

AIM and MAR Compliance Committee
The AIM Compliance Committee comprises Dominic Traynor and Patrick Dolberg, and Dominic Traynor chairs this committee. The AIM Compliance Committee is responsible for the coordinating and monitoring the Company's regulatory responsibilities including liaising with the Nomad and the London Stock Exchange as necessary. The purpose of the AIM Compliance Committee is to designate responsibility of ensuring best practice and application of the defined corporate governance procedures.

Nominations Committee
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten
Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

CORPORATE GOVERNANCE REPORT

Investors also have access to current information on the Company though its website, www.sigmaroc.com, and via Ben Feder, Head of Investor Relations, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the Audit or Remuneration committees.

David Barrett
Chairman

15 May 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGMAROC PLC

Opinion

We have audited the financial statements of SigmaRoc plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise: the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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.

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 2018 and of the group's and parent company'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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

Materiality applied to the Group financial statements was £650,000. This amount has been calculated taking into consideration a percentage of Underlying EBITDA, Profit before Tax and Turnover. Our application was considered appropriate based upon where the areas of significant audit risk arose. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit.

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £32,500.

The increase in materiality from the prior year is primarily due to the acquisitions made by the Group during the financial year.

An overview of the scope of our audit

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The accounting records of all subsidiary undertakings are centrally located and audited by us based upon Group and component materiality or risk to the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit responded to the key audit matter
Carrying value of investments, goodwill and intangible assets	
The Group carries a material amount of separately identifiable goodwill, tangible fixed assets and intangible assets relating to the subsidiary undertakings: Ronez Limited, Topcrete Limited and Poundfield Products (Group) Limited (refer to note 16). **There is a risk that these balances could be overstated or that incorrect assumptions and estimates could lead to misallocation of balances.**	• We corroborated accounting entries in respect of acquired and revalued assets and liabilities to Purchase Price Allocation ("PPA") work performed by independent and competent experts. We also assessed the independence, objectivity, and competence of these experts. • We reviewed the key PPA assumptions and critically assessed the estimates applied. • We analysed accounting policies in place within each subsidiary to ensure that they were materially consistent with the Group accounting policies. • We reviewed the Group's forecast cash flows to assess the expected performance of each of the subsidiaries. We assessed the

The Company carries a material amount of investments in its Statement of Financial Position related to these subsidiaries (refer to note 17). **There is a risk that the carrying value of these investments could be overstated.**	appropriateness of the forecasts having regard to post year end management information and our understanding of each business. • We considered management's impairment assessment of the Group's investments and associated assets as at the year-end. We carried out discounted cash flow analysis, including sensitivities, for each CGU on the forecasts prepared by management. • Depreciation and amortisation calculation base costs were compared to those arising in the PPA reports to ensure that there was not a material error in carrying values or depreciation charges. • See note 16 'Intangible assets' for valuation and disclosure of Goodwill and other identifiable assets.
Inventory	
The Group holds a material amount of inventory. There is the risk that Inventory is not accounted for in line with IAS 2 - Inventories, and specifically that; **• Inventory is not valued with consistent methodology across the group.** **• Inventory has been valued using cost inputs and allocated overheads which are not wholly attributable to its production.** **• Inventory has become obsolete, by way of damage or falling resalable value.**	• We attended inventory counts performed at each subsidiary holding a material amount of stock, ensuring accuracy of the count and subsequently reconciled the count, using sales and production reports, to the year end listing. • We reviewed and corroborated the cost inputs and allocated overheads that underpin the inventory valuation. • We reviewed the costs calculated for individual products to the sales price lists to ensure that inventory was valued correctly. • We compared costs per the year end inventory listing to post year end sales, to ensure that inventory is not being held at more than its net realisable value. • We assessed slow moving and possibly obsolete stock by reviewing the post year end stock sheets.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGMAROC PLC

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the CEO's strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the CEO's strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the CEO's strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-forhttps://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1)

This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGMAROC PLC

Use of our report

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.

Alastair Roberts (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

2019

SIGMAROC PLC

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018			Year ended 31 December 2017		
		Underlying	Non-underlying* (Note 11)	Total	Underlying	Non-underlying* (Note 11)	Total
Continued operations	**Note**	**£**	**£**	**£**	**£**	**£**	**£**
Revenue	7	**41,241,673**	**-**	**41,241,673**	**27,073,686**	**-**	**27,073,686**
Cost of sales	8	(29,805,080)	-	(29,805,080)	(21,120,246)	-	(21,120,246)
Profit from operations		**11,436,593**	**-**	**11,436,593**	**5,953,440**	**-**	**5,953,440**
Administrative expenses	8	(4,899,620)	(1,622,778)	(6,522,398)	(2,593,628)	(1,676,126)	(4,269,754)
Net finance (expense)/income	12	(1,047,670)	-	(1,047,670)	(704,816)	(56,564)	(761,380)
Other net (losses)/gains	13	48,308	-	48,308	(70,088)	-	(70,088)
Foreign Exchange		(16,934)	-	(16,934)	(2,724)	-	(2,724)
Profit before tax		**5,520,677**	**(1,622,778)**	**3,897,899**	**2,582,184**	**(1,732,690)**	**849,494**
Tax expense	14	(278,755)	-	(278,755)	(494,036)	-	(494,036)
Profit/(loss)		**5,241,922**	**(1,622,778)**	**3,619,144**	**2,088,148**	**(1,732,690)**	**355,458**
Profit/(loss) attributable to:							
Owners of the parent		**5,241,922**	**(1,622,778)**	**3,619,144**	**2,088,148**	**(1,732,690)**	**355,458**
		5,241,922	**(1,622,778)**	**3,619,144**	**2,088,148**	**(1,732,690)**	**355,458**
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	28	**3.83**	**(1.18)**	**2.65**	**2.02**	**(1.68)**	**0.34**
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	28	**3.49**	**(1.08)**	**2.41**	**1.79**	**(1.48)**	**0.30**

* Non-underlying items represent acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles. See Note 11 for more information.

SIGMAROC PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	**Year ended 31 December 2018 £**	Year ended 31 December 2017 £
Profit/(Loss) for the year		**3,619,144**	**355,458**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		-	-
		-	-
Total comprehensive income		**3,619,144**	**355,458**
Total comprehensive income attributable to:			
Owners of the parent		3,619,144	355,458
Total comprehensive income for the period		**3,619,144**	**355,458**

SIGMAROC PLC

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

Company number: 05204176

		Consolidated		Company	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	Note	**£**	£	**£**	£
Non-current assets					
Property, plant and equipment	15	49,972,011	46,556,298	4,339	3,855
Intangible assets	16	18,974,771	18,955,402	-	-
Investments in subsidiary undertakings	17	-	-	55,481,505	57,267,057
		68,946,782	**65,511,700**	**55,485,844**	**57,270,912**
Current assets					
Trade and other receivables	18	6,467,207	4,667,803	917,263	74,211
Inventories	19	4,844,483	4,441,663	-	-
Cash and cash equivalents	20	3,771,735	7,001,058	115,756	211,823
		15,083,425	**16,110,524**	**1,033,019**	**286,034**
Total assets		**84,030,207**	**81,622,224**	**56,518,863**	**57,556,946**
Current liabilities					
Trade and other payables	21	8,054,274	10,045,397	595,087	684,167
Current tax payable		471,531	621,714	-	-
Borrowings	22	74,581	92,411	-	-
		8,600,386	**10,759,522**	**595,087**	**684,167**
Non-current liabilities					
Borrowings	22	19,694,405	18,679,901	10,000,000	10,000,000
Deferred tax liabilities		974,294	1,015,823	-	-
Provisions	23	632,011	632,011	-	-
		21,300,710	**20,327,735**	**10,000,000**	**10,000,000**
Total liabilities		**29,901,096**	**31,087,257**	**10,595,087**	**10,684,167**
Net assets		**54,129,111**	**50,534,967**	**45,923,776**	**46,872,779**
Equity attributable to owners of the parent					
Share capital	25	1,367,056	1,367,056	1,367,056	1,367,056
Share premium	25	50,136,904	50,161,904	50,136,904	50,161,904
Share option reserve	26	352,877	352,877	352,877	352,877
Other reserves	27	1,361,718	1,361,718	1,361,718	1,361,718
Retained earnings		910,556	(2,708,588)	(7,294,779)	(6,370,776)
Total equity		**54,129,111**	**50,534,967**	**45,923,776**	**46,872,779**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Company's Income Statement and Statement of Comprehensive Income.

The loss for the Company for the year ended 31 December 2018 was £924,003 (year ended 31 December 2017: £3,306,730).

The Financial Statements were approved and authorised for issue by the Board of Directors on 15 May 2019 and were signed on its behalf by:

Garth Palmer
Chief Financial Officer

SIGMAROC PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
Balance as at 1 January 2017		**270,555**	**266,667**	**-**	**1,117,178**	**(3,084,424)**	**(1,430,024)**
Profit for the year		-	-	-	-	355,458	355,458
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**355,458**	**355,458**
Contributions by and distributions to owners							
Issue of ordinary shares	25	1,341,041	52,624,974	-	-	-	53,966,015
Issue costs	25	-	(2,729,737)	-	-	-	(2,729,737)
Share option charge		-	-	352,877	-	20,378	373,255
Share consolidation	25	(244,540)	-	-	244,540	-	-
Total contributions by and distributions to owners		**1,096,501**	**49,895,237**	**352,877**	**244,540**	**20,378**	**51,609,533**
Balance as at 31 December 2017		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(2,708,588)**	**50,534,967**
Balance as at 1 January 2018		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(2,708,588)**	**50,534,967**
Profit for the year		-	-	-	-	3,619,144	3,619,144
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**3,619,144**	**3,619,144**
Contributions by and distributions to owners							
Issue costs	25	-	(25,000)	-	-	-	(25,000)
Total contributions by and distributions to owners		**-**	**(25,000)**	**-**	**-**	**-**	**(25,000)**
Balance as at 31 December 2018		**1,367,056**	**50,136,904**	**352,877**	**1,361,718**	**910,556**	**54,129,111**

SIGMAROC PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
Balance as at 1 January 2017		**270,555**	**266,667**	**-**	**1,117,178**	**(3,084,424)**	**(1,430,024)**
Profit/(Loss)		-	-	-	-	(3,306,730)	(3,306,730)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(3,306,730)**	**(3,306,730)**
Contributions by and distributions to owners							
Issue of ordinary shares	25	1,341,041	52,624,974	-	-	-	53,966,015
Issue costs	25	-	(2,729,737)	-	-	-	(2,729,737)
Share option charge		-	-	352,877	-	20,378	373,255
Share consolidation	25	(244,540)	-	-	244,540	-	-
Total contributions by and distributions to owners		**1,096,501**	**49,895,237**	**352,877**	**244,540**	**20,378**	**51,609,533**
Balance as at 31 December 2017		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(6,370,776)**	**46,872,779**
Balance as at 1 January 2018		**1,367,056**	**50,161,904**	**352,877**	**1,361,718**	**(6,370,776)**	**46,872,779**
Profit/(Loss)		-	-	-	-	(924,003)	(924,003)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(924,003)**	**(924,003)**
Contributions by and distributions to owners							
Issue costs	25	-	(25,000)	-	-	-	(25,000)
Total contributions by and distributions to owners		**-**	**(25,000)**	**-**	**-**	**-**	**(25,000)**
Balance as at 31 December 2018		**1,367,056**	**50,136,904**	**352,877**	**1,361,718**	**(7,294,779)**	**45,923,776**

SIGMAROC PLC

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Consolidated		Company	
		Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2018	Year ended 31 December 2017
	Note	£	£	£	£
Cash flows from operating activities					
Profit/(Loss)		3,619,144	355,458	(924,003)	(3,306,730)
Adjustments for:					
Depreciation and amortisation	15 16	3,560,332	2,217,375	5,753	2,433
Share option expense		-	352,877	-	352,877
Share based payments		-	5,979	-	5,979
(Increase)/decrease in trade and other receivables		(820,091)	325,535	(843,053)	80,173
Increase in inventories		(1,385,856)	(290,440)	-	-
(Decrease)/increase in trade and other payables		512,201	(3,328,733)	(1,018,240)	(1,071,791)
Net cash flows from operating activities		**5,485,730**	**(361,949)**	**(2,779,543)**	**(3,937,059)**
Investing activities					
Purchase of property, plant and equipment	15	(6,670,447)	(1,793,164)	(6,237)	(1,773)
Purchase of intangible assets		(7,180)	-	-	-
Acquisition of businesses		(3,000,000)	(60,821,496)	-	(1)
Net loans with subsidiaries		-	-	2,714,713	(57,267,056)
Net cash used in investing activities		**(9,677,627)**	**(62,614,660)**	**2,708,476**	**(57,268,830)**
Financing activities					
Proceeds from share issue		-	53,966,015		53,966,015
Cost of share issue		(25,000)	(2,729,737)	(25,000)	(2,729,737)
Proceeds from debt issue		-	10,000,000	-	10,000,000
Proceeds from borrowings		1,000,000	9,000,000	-	-
Cost of borrowings		-	(427,640)	-	-
Repayment of finance lease obligations		(12,426)	(12,405)	-	-
Net cash used in financing activities		**962,574**	**69,796,233**	**(25,000)**	**61,236,278**
Net increase in cash and cash equivalents		**(3,229,323)**	**6,819,624**	**(96,067)**	**30,389**
Cash and cash equivalents at beginning of period		7,001,058	181,434	211,823	181,434
Cash and cash equivalents and end of period	20	**3,771,735**	**7,001,058**	**115,756**	**211,823**

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

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

2. Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of Preparing the Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRIC IC') as adopted by the European Union. The Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

a) Changes in Accounting Policy

i) New and amended standards adopted by the Group

As of 1 January 2018, the Company adopted IFRS 9, Financial Instruments ('IFRS 9'), which replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ('VOCI'), and fair value through the profit and loss statement ('FVTPL'). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the entity's business model and of the financial asset.

Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in other comprehensive income.

There is now a new expected credit losses model that replaces the incurred loss impairment model previously used in IAS 39. The Company has no other financial assets (except those at amortised cost) and as a result there is no impact of the new impairment requirements to the Financial Information.
From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

The Company only holds assets measured at fair value, where gains and losses will be recorded in profit or loss. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets are expensed and carried at FVTPL.

Financial Liabilities

The Company reviewed the financial liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The financial liabilities subject to this review were the trade and other payables and borrowings. Based on this assessment of the classification and measurement model, impairment, and interest expense, the accounting impact on financial liabilities was determined not to be material.

For financial liabilities there were no changes to classification and measurement. The Company does not have any such assets and there is no change in the accounting treatment for the Company's financial liabilities.

The Company has applied IFRS 9 but there have been no adjustments required following adoption as detailed above.

As of 1 January 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ('IFRS 15') which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue—Barter Transactions Involving Advertising Services.

During 2017, the Group completed an impact assessment of IFRS 15 and concluded that the adoption of IFRS 15 does not have a material impact on its consolidated results. Management reviewed contracts where the Group received consideration in order to determine whether or not they should be accounted for in accordance with IFRS 15. The contracts are accounted for in accordance with IFRS 15, and revenue is recognised at either a point-in-time or over time, depending on the nature of the services and existence of acceptance clauses

Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company Financial Information.

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

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 16	Leases	*1 January 2019
Annual Improvements	2015-2017 Cycle	1 January 2019
IFRIC 23	Uncertainty over Income tax treatments	*1 January 2019
IFRS 9 (Amendments)	Prepayment features with negative compensation	*1 January 2019
IAS 19 (Amendments)	Plan amendment, curtailment or settlements	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	*1 January 2019

* *Subject to EU endorsement*

The Group is evaluating the impact of the new and amended standards above.

The operating leases currently held will be subject to IFRS 16 changes as all lease (subject to certain criteria) will be deemed finance leases. The impact of this will be monitored by management. All other standards are not expected to have a material impact on the Group's results or shareholders' funds.

2.2. Basis of Consolidation

The Consolidated Financial Statements consolidate the Financial Statements of the Company and the accounts of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.3. Going Concern

The Financial Statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

2.4. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.5. Foreign Currencies

a) Functional and Presentation Currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The Financial Statements are presented in Pounds Sterling, rounded to the nearest pound, which is the Group’s functional currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.6. Intangible Assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the Income Statement.

As reported within the CEO's strategic report, a PPA was carried out to assess the fair value of the assets acquired in Topcrete Limited ('Topcrete') and Poundfield Products (Group) Limited ('Poundfield') as at the completion date. As a result of this exercise, goodwill in Topcrete decreased from £7.0 million to £6.1 million with the corresponding movement being intangible assets and goodwill in Poundfield decreasing from £7.0 million to £6.8 million with the corresponding movement being intangible assets. The current accounting policies regarding the subsequent treatment intangible assets will apply to fair value uplift attributable to the PPA.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangibles consist of capitalised development costs for assets produced that assist in the operations of the Group and incur revenue. These are amortised at 10% reducing balance. Impairment reviews are performed annually. Where the benefit of the intangible ceases or has been superseded, these are written off the Income Statement.

2.7. Property, Plant and Equipment

Property, plant and equipment is stated at cost, plus any purchase price allocation uplift, less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis (except the Poundfield group which uses the declining balance method) at the following annual rates:

Office equipment	12.5% – 50%
Land and Buildings	0 – 2%
Plant and machinery	5% – 20%
Furniture and vehicles	7.5% – 33.3%
Construction in progress	0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains/(losses)' in the Income Statement.

2.8. Land, Mineral Rights and Restoration Costs

Land, quarry development costs, which include directly attributable construction overheads and mineral rights are recorded at cost plus any purchase price allocation uplift. Land and quarry development are depreciated and amortised, respectively, using the units of production method, based on estimated recoverable tonnage.

The depletion of mineral rights and depreciation of restoration costs are expensed by reference to the quarry activity during the period and remaining estimated amounts of mineral to be recovered over the expected life of the operation.

2.9. Financial Assets

Classification
The Group's financial assets consist of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents at the year-end.

Recognition and Measurement
Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial assets carried at fair value through

profit or loss is initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Income Statement within "Other (Losses)/Gains" in the period in which they arise.

Impairment of Financial Assets
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; and
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the loss is recognised in the Income Statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Income Statement.

2.10. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

2.11. Trade Receivables

Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

2.12. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.13. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14. Reserves

Share Premium – the reserve for shares issued above the nominal value. This also includes the cost of share issues that occurred during the year.

Retained Earnings – the retained earnings reserve includes all current and prior periods retained profit and losses.

Share Option Reserve – represents share options awarded by the Company.

Other Reserves comprise the following:

Capital Redemption Reserve – the capital redemption reserve is the amount equivalent to the nominal value of shares redeemed by the Group.

Deferred Shares – are shares that effectively do not have any rights or entitlements.

2.15. Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.16. Provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The increase in provisions due to the passage of time is included in the Consolidated Statement of Profit or Loss and Comprehensive Loss.

2.17. Borrowings

Bank and Other Borrowings

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

Compound Financial Instruments

Compound financial instruments issued by the Group for cash comprise convertible notes that can be converted to share capital at the option of the holder and include a host liability together with a derivative.

The derivative portion is initially recorded at fair value and the liability component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the derivative component.

Subsequent to their initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The derivative component of a compound financial instrument is held at fair value where material, determined using a Black Scholes model.

2.18. Taxation

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19. Non-Underlying Items

Non-underlying items are disclosed separately in the financial statements, where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material, not expected to be recurring or do not relate to the ongoing operations of the Group's business and non-cash items which distort the underlying performance of the business.

2.20. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied in course of ordinary business, stated net of discounts, returns and value added taxes. The Group recognises revenue in accordance with IFRS 15 at either a point in time of over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sale of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed as evidence that they have accepted the product delivered to them.

Revenue from the provision of services is recognised as the services are rendered, in accordance with customer contractual terms.

2.21. Finance Income

Interest income is recognised using the effective interest method.

2.22. Employee Benefits - Defined Contribution Plans

The Group maintains defined contribution plans for which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis and will have no legal or constructive obligation to pay further amounts. The Group's contributions to defined contribution plans are charged to the Income Statement in the period to which the contributions relate.

2.23. Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which the entity receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Statement of Comprehensive Income or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.24. Leases

The Group leases certain plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised on the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives.

Leases of assets under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the Income Statement on a straight-line basis over the period of the respective leases.

3. Financial Risk Management

3.1. Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the UK based management team under policies approved by the Board of Directors.

a) Market Risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

b) Credit Risk

Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding receivables. To manage this risk, the Group periodically assesses the financial reliability of customers and counterparties.

No credit limits were exceeded during the period, and management does not expect any losses from non-performance by these counterparties.

c) Liquidity Risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

	31 December 2018			
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
	£	**£**	**£**	**£**
Borrowings	74,581	32,016	19,662,389	-
Trade and other payables	8,054,274	-	-	-
	8,128,855	**32,016**	**19,662,389**	**-**

3.2. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue its construction material investment activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

The gearing ratio at 31 December 2018 is as follows:

	Consolidated	
	31 December 2018	**31 December 2017**
	£	**£**
Total borrowings (Note 22)	19,768,986	18,772,312
Less: Cash and cash equivalents (Note 20)	(3,771,735)	(7,001,058)
Net debt	15,997,251	11,771,254
Total equity	54,129,111	50,534,697
Total capital	**70,126,362**	**62,305,951**
Gearing ratio	**0.23**	**0.19**

4. Critical Accounting Estimates

The preparation of the Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

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

Significant items subject to such estimates and assumptions include, but are not limited to:

a) Land and Mineral Reserves

The determination of fair values of land and mineral reserves are carried out by appropriately qualified persons in accordance with the Appraisal and Valuation standards published by the Royal Institution of Chartered Surveyors. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, future capital requirements and production costs along with geological assumptions and judgements.

The PPA included the revaluation of land and minerals based on the estimated remaining reserves within St John's and Les Vardes quarries. These are then valued based on the estimated remaining life of the mines and the net present value for the price per tonnage.

b) Estimated Impairment of Goodwill

The determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions such as discount rates used and valuation models applied as well as goodwill allocation.

Goodwill has a carrying value of £16,826,369 as at 31 December 2018 (31 December 2017: £17,827,833). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6 to the Financial Statements.

Management has concluded that an impairment charge was not necessary to the carrying value of goodwill for the period ended 31 December 2018 (31 December 2017: £nil). See Note 2.6 to the Financial Statements.

c) Restoration Provision

The Group's provision for restoration costs has a carrying value at 31 December 2018 of £632,011 and relate to the removal of the plant and equipment held at St John's and Les Vardes quarry. The cost of removal was determined by management for the removal and disposal of the machinery at the point of which the reserves are no longer available for business use.

The restoration provision is firstly inflated using the current rate of inflation as per the Bank of England. The future restoration provision is discounted to its present value based on the Group's incremental cost of borrowing.

d) Fair Value of Share Options

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration packages. Certain warrants have also been issued to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 26 to the Financial Statements.

5. Dividends

No dividend has been declared or paid by the Group during the year ended 31 December 2018 (2017: nil).

6. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the periods presented the Group had interests in three key geographical segments, being the United Kingdom, Guernsey and Jersey. Activities in the United Kingdom, Guernsey and Jersey relate to the production and sale of construction material products and services.

	31 December 2018			
	United Kingdom	**Jersey**	**Guernsey**	**Total**
	£	**£**	**£**	**£**
Revenue	14,202,557	14,956,086	12,083,030	**41,241,673**
Profit/(loss) from operations per reportable segment	4,147,759	3,248,036	4,040,798	**11,436,593**
Additions to non-current assets	3,866,559	576,423	(1,007,900)	**3,435,082**
Reportable segment assets	33,647,239	29,776,732	20,606,236	**84,030,207**
Reportable segment liabilities	25,525,191	2,771,820	1,604,085	**29,901,096**

	31 December 2017			
	United Kingdom	**Jersey**	**Guernsey**	**Total**
	£	**£**	**£**	**£**
Revenue	1,074,378	15,707,082	10,292,226	**27,073,686**
Profit/(loss) from operations per reportable segment	167,344	3,172,563	2,613,533	**5,953,440**
Additions to non-current assets	21,424,128	16,516,826	27,566,231	**65,507,185**
Reportable segment assets	31,193,850	24,354,752	26,073,622	**81,622,224**
Reportable segment liabilities	27,671,645	2,004,249	1,411,363	**31,087,257**

7. Revenue

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Upstream products	4,334,071	5,223,228
Value added products	27,501,692	14,524,305
Value added services	9,119,421	7,219,518
Other	286,489	106,635
	41,241,673	**27,073,686**

Upstream products revenue relates to the sale of aggregates and cement. Value added products is the sale of finished goods that have undertaken a manufacturing process within each of the subsidiaries. Value added services consists of the transportation, installation and contracting services provided.

8. Expenses by Nature

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Cost of sales		
Changes in inventories of finished goods and work in progress	(2,214,864)	(96,628)
Production cost of goods sold	7,218,469	8,493,169
Distribution and selling expenses	2,751,855	1,426,286
Raw materials and consumables used	8,813,263	759,492
Employee benefit expenses	8,885,946	8,136,776
Depreciation and amortisation expense	3,560,332	2,217,375
Other costs of sale	790,079	183,776
Total cost of sales	**29,805,080**	**21,120,246**
Administrative expenses		
Operational admin expenses	4,934,878	1,426,500
Corporate admin expenses	1,587,520	2,843,254
Total administrative expenses	**6,522,398**	**4,269,754**

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company and Consolidated Financial Statements	102,000	55,000
Fees payable to the Company's auditor and its associates for tax services	19,335	26,570
Fees paid or payable to the Company's auditor and its associates for due diligence and transactional services	94,931	108,077
Fees paid to the Company's auditor for other services	30,725	9,470
	246,991	**199,117**

9. Employee Benefits Expense

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Staff costs (excluding directors)	£	£	£	£
Salaries and wages	10,699,931	7,587,057	148,112	106,250
Post-employment benefits	99,529	-	-	-
Social security contributions and similar taxes	1,133,171	515,595	64,538	13,444
Other employment costs	137,285	366,704	19,483	10,000
	12,069,916	**8,469,356**	**232,133**	**129,694**

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Average number of FTE employees by function	#	#	#	#
Management	27	14	2	1
Operations	192	130	-	-
Administration	37	18	1	-
	256	**162**	**3**	**1**

10. Directors' Remuneration

	31 December 2018				
	Directors' fees	Taxable benefits	Pension benefits	Options issued	Total
	£	£	£	£	£
Executive Directors					
David Barrett	190,000	13,800	-	-	203,800
Garth Palmer	60,000	-	6,000	-	66,000
Max Vermorken	250,000	13,800	25,000	-	288,800
Non-executive Directors					
Dominic Traynor	25,000	-	2,500	-	27,500
Gary Drinkwater (1)	20,833	-	-	-	20,833
Patrick Dolberg	25,000	-	-	-	25,000
	570,833	**27,600**	**33,500**	**-**	**631,933**

	31 December 2017				
	Directors' fees	Taxable benefits	Pension benefits	Options issued	Total
	£	£	£	£	£
Executive Directors					
David Barrett	120,000	-	-	45,417	165,417
Garth Palmer	40,000	-	4,000	5,094	49,094
Max Vermorken	150,000	-	15,429	102,577	268,006
Non-executive Directors					
Dominic Traynor	25,000	-	2,929	5,094	33,023
Gary Drinkwater (1)	25,000	-	-	-	25,000
Patrick Dolberg	24,723	-	-	5,871	30,594
	384,723	**-**	**22,358**	**164,053**	**571,134**

(1) Resigned on 7 November 2018.

Details of fees paid to companies and partnerships of which the Directors are related have been disclosed in Note 33.

11. Non-underlying Items

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

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Acquisition related expenses	552,981	615,852
Amortisation of acquired intangibles	305,598	-
Restructuring expenses	443,916	303,629
Equity fundraising & investor relations	234,911	-
Share option expense	-	373,255
Warranty & indemnity insurance for Ronez acquisition	-	439,954
Other non-underlying expenses & gains - net	85,372	-
	1,622,778	**1,732,690**

Acquisition related expenses include costs relating to the due diligence of prospective pipeline acquisitions, stamp duty on completed acquisitions and other costs associated with merger & acquisition activity. Restructuring expenses include advisory fees, redundancy costs and rebranding expenses.

Included in the acquisition related expenses is the £45,000 of consulting fees paid to Non-Executive Director Patrick Dolberg (further detail in note 33) due to his involvement in sourcing and acquiring prospective companies.

12. Net Finance (Expense)/Income

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Convertible loan note interest expense	(599,094)	(596,645)
Other interest (expense)/income	(358,437)	(48,855)
Other finance (expense)/income	(90,139)	(115,880)
	(1,047,670)	**(761,380)**

13. Other Net Gains/(Losses)

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Gain/(losses) on disposal of property, plant and equipment	10,556	17,000
Other gain/(loss)	37,752	(87,088)
	48,308	**(70,088)**

14. Taxation

	Consolidated	
	31 December 2018	31 December 2017
Tax recognised in profit or loss	**£**	**£**
Current tax	(471,532)	(531,992)
Deferred tax	192,777	37,956
Total tax charge in the Income Statement	(278,755)	(494,036)

The tax on the Group's profit/(loss) before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits/(losses) of the consolidated entities as follows:

	Consolidated	
	31 December 2018	31 December 2017
	£	**£**
Profit/(loss) before tax subject to charge	3,109,695	1,818,736
Non-taxable profit/(loss)	788,204	(969,242)
Net profit/(loss) before taxation	3,897,899	849,494
Apply Group Relief on taxable profit	(2,625,830)	-
Tax at the applicable rate of 19.9%	**96,289**	**361,928**
Effects of:		
Expenditure not deductible for tax purposes	-	-
Timing differences	(213,723)	(4,684)
Differences on tax rates attributable to other jurisdictions	(29,991)	2,494
Depreciation in excess of/(less than) capital allowances	426,180	134,298
Net tax effect of losses carried forward	-	-
Tax charge	**278,755**	**(494,036)**

The weighted average applicable tax rate of 19.9% (2017: 19.9%) used is a combination of the standard rate of corporation tax rate for entities in the United Kingdom of 19% (2017: 19%), and 20% (2017: 20%) in Jersey and Guernsey.

SIGMAROC PLC

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15. Property, Plant and Equipment

	Consolidated						
	Office Equipment	**Land and minerals**	**Land and buildings**	**Plant and machinery**	**Furniture and vehicles**	**Construction in progress**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Cost							
As at 1 January 2017	**4,590**	**-**	**-**	**-**	**-**	**-**	**4,590**
Acquired through acquisition of subsidiaries	350,382	23,833,225	17,212,767	13,431,383	6,975,803	500,447	62,304,007
Fair value adjustment	-	11,931,469	2,946,977	3,626,764	-	-	18,505,210
Additions	1,773	95,875	161,780	604,919	928,817	-	1,793,164
Disposals	-	-	(10,681)	(83,308)	-	(61,812)	(155,801)
As at 31 December 2017	**356,745**	**35,860,569**	**20,310,843**	**17,579,758**	**7,904,620**	**438,635**	**82,451,170**
As at 1 January 2018	**356,745**	**35,860,569**	**20,310,843**	**17,579,758**	**7,904,620**	**438,635**	**82,451,170**
Revaluations	-	(114,034)	13,868	(22,234)	(747,027)	-	(869,427)
Additions	26,696	2,109,015	2,054,095	483,269	509,831	1,487,541	6,670,447
Disposals	-	-	-	(35,060)	(165,905)	-	(200,965)
As at 31 December 2018	**383,441**	**37,855,550**	**22,378,806**	**18,005,733**	**7,501,519**	**1,926,176**	**88,051,225**
Depreciation							
As at 1 January 2017	**75**	**-**	**-**	**-**	**-**	**-**	**75**
Acquired through acquisition of subsidiaries	299,793	5,638,767	11,744,578	9,525,977	6,547,490	-	33,756,605
Charge for the year	3,057	458,605	802,534	720,924	229,595	-	2,214,715
Disposals	-	-	(10,681)	(65,842)	-	-	(76,523)
As at 31 December 2017	**302,925**	**6,097,372**	**12,536,431**	**10,181,059**	**6,777,085**	**-**	**35,894,872**
As at 1 January 2018	**302,925**	**6,097,372**	**12,536,431**	**10,181,059**	**6,777,085**	**-**	**35,894,872**
Revaluations	-	(95,824)	8,875	(35,451)	(747,027)	-	(869,427)
Charge for the year	18,399	949,295	860,187	1,081,800	345,053	-	3,254,734
Disposals	-	-	-	(35,060)	(165,905)	-	(200,965)
As at 31 December 2018	**321,324**	**6,950,843**	**13,405,493**	**11,192,348**	**6,209,206**	**-**	**38,079,214**
Net book value							
As at 31 December 2017	**53,820**	**29,763,197**	**7,774,412**	**7,398,699**	**1,127,535**	**438,635**	**46,556,298**
As at 31 December 2018	**62,117**	**30,904,707**	**8,973,313**	**6,813,385**	**1,292,313**	**1,926,176**	**49,972,011**

	Company	
	Office Equipment	**Total**
	£	**£**
Cost		
As at 1 January 2017	**4,590**	**4,590**
Additions	1,773	1,773
Disposals	-	-
As at 31 December 2017	**6,363**	**6,363**
As at 1 January 2018	**6,363**	**6,363**
Additions	6,237	6,237
Disposals	-	-
As at 31 December 2018	**12,600**	**12,600**
Depreciation		
As at 1 January 2017	**75**	**75**
Charge for the year	2,433	2,433
Disposals	-	-
As at 31 December 2017	**2,508**	**2,508**
As at 1 January 2018	**2,508**	**2,508**
Charge for the year	5,753	5,753
Disposals	-	-
As at 31 December 2018	**8,261**	**8,261**
Net book value		
As at 31 December 2017	**3,855**	**3,855**
As at 31 December 2018	**4,339**	**4,339**

16. Intangible Assets

	Consolidated					
	Goodwill	**Customer Relations**	**Intellectual property**	**Branding**	**Order Backlog**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Cost & net book value						
As at 1 January 2017	**-**	**-**	**-**	**-**	**-**	**-**
Arising on acquisition of Ronez	3,875,516	-	-	486,000	-	4,361,516
Arising on acquisition of Topcrete	7,062,625	-	-	-	-	7,062,625
Arising on acquisition of Poundfield	6,889,692	-	644,229	-	-	7,533,921
Amortisation	-	-	(2,660)	-	-	(2,660)
As at 31 December 2017	**17,827,833**	**-**	**641,569**	**486,000**	**-**	**18,955,402**
As at 1 January 2018	**17,827,833**	**-**	**641,569**	**486,000**	**-**	**18,955,402**
Additions	317,788	-	7,179	-	-	324,967
Price Purchase Allocation - Topcrete	(926,000)	775,000	-	151,000	-	-
Price Purchase Allocation - Poundfield	(393,252)	159,000	121,252	-	113,000	-
Amortisation	-	(83,154)	(85,444)	(24,000)	(113,000)	(305,598)
As at 31 December 2018	**16,826,369**	**850,846**	**684,556**	**613,000**	**-**	**18,974,771**

An adjustment has been made to reflect the initial accounting for the acquisitions of Topcrete Limited (‘Topcrete’) and Poundfield Products (Group) Limited (‘Poundfield’) by the Company, being the elimination of the investment in Topcrete and Poundfield against the non-monetary assets acquired and recognition of goodwill. In 2018 The Company determined the fair value of the net assets acquired pursuant to the acquisition of Topcrete and Poundfield, via a Purchase Price Allocation (‘PPA’) exercise. The PPA's determined a decrease of £926,000 of goodwill in Topcrete with the corresponding movement to be recognised as Customer Relations and Branding and a decrease of £393,252 of goodwill in Poundfield with the corresponding movement to be recognised as Customer Relations, Order Backlog and increasing the value of Intellectual Property.

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

Impairment tests for goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of cash generating units according to the level at which management monitor that goodwill, which is at the level of operating segments.

The three operating segments are considered to be Ronez in the Channel Islands, Topcrete in the UK and Poundfield in the UK.

Key assumptions
The key assumptions used in performing the impairment review are set out below:

Cash flow projections
Cash flow projections for each operating segment are derived from the annual budget approved by the Board for 2019 and the three-year plan to 2020 and 2021. The key assumptions on which budgets and forecasts are based include sales volumes, product mix and operating costs. These cash flows are then extrapolated forward for a further 17 years, with the total period of 20 years reflecting the long-term nature of the underlying assets. Budgeted cash flows are based on past experience and forecast future trading conditions.

Long-term growth rates
Cash flow projections are prudently based on zero per cent and therefore provides plenty of headroom.

Discount rate
Forecast cash flows for each operating segment have been discounted at rates of between 13 and 14 per cent which was calculated by an external expert based on market participants' cost of capital and adjusted to reflect factors specific to each operating segment.

Sensitivity
The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment that would be material to these consolidated Financial Statements. This demonstrated that a 1.0 per cent point increase in the discount rate would not cause an impairment and the annual growth rate is already assumed to be zero.

The Directors have therefore concluded that no impairment to goodwill is necessary.

Impact of Brexit
In performing the impairment review, the Directors have carefully considered the additional uncertainty arising from Brexit through performing additional sensitivity analysis based on Brexit specific scenarios. These included changes to the discount rate and modelling the impact of a significant decline in short-to-medium term growth caused by an economic shock following a disorderly exit. This additional analysis indicated the existence of continued headroom for all segments.

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17. Investment in Subsidiary Undertakings

	Company	
	31 December 2018	31 December 2017
	£	£
Shares in subsidiary undertakings		
At beginning of the year	**1**	**-**
Additions	8,094,299	1
Disposals	-	-
At period end	**8,094,300**	**1**
Loan to Group undertakings	47,387,205	57,267,056
Total	**55,481,505**	**57,267,057**

Investments in Group undertakings are stated at cost less impairment. During the year ownership of the shares in certain subsidiaries were transferred from SigmaFin Limited to the Company.

Details of subsidiaries at 31 December 2018 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Company	Share capital held by Group	Principal activities
SigmaFin Limited	England	£1		Holding company
Foelfach Stone Limited	England		£1	Construction materials
SigmaGsy Limited	Guernsey		£1	Shipping logistics
Ronez Limited	Jersey		£2,500,000	Construction materials
Pallot Tarmac (2002) Limited	Jersey		£2	Road contracting services
Island Aggregates Limited	Guernsey		£6,500	Waste recycling
Topcrete Limited	England		£926,828	Pre-cast concrete producer
A. Larkin (Concrete) Limited	England		£37,660	Dormant
Allen (Concrete) Limited	England		£100	Holding company
Poundfield Products (Group) Limited	England	£22,167		Holding company
Poundfield Products (Holdings) Limited	England		£651	Holding company
Poundfield Innovations Limited	England		£6,357	Patents & licencing
Poundfield Products Limited	England		£63,568	Pre-cast concrete producer
Alfabloc Limited	England		£1	Dormant

Name of subsidiary	Registered office address
SigmaFin Limited	7-9 Swallow Street, London, W1B 4DE
Foelfach Stone Limited	7-9 Swallow Street, London, W1B 4DE
SigmaGsy Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Ronez Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Pallot Tarmac (2002) Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Island Aggregates Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Topcrete Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
A. Larkin (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Allen (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Poundfield Products (Group) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Products (Holdings) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Innovations Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Products Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG

Alfabloc Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 related to the following subsidiary companies:

- SigmaFin Limited
- Foelfach Stone Limited
- Topcrete Limited
- A. Larkin (Concrete) Limited
- Allen (Concrete) Limited
- Poundfield Products (Group) Limited
- Poundfield Products (Holdings) Limited
- Poundfield Innovations Limited
- Poundfield Products Limited
- Alfabloc Limited

Impairment review

The performance of all companies for the year to 31 December 2018 are in line with expectations for the year against forecast since the year end is in line with expectations. As such there have been no indications of impairment.

18. Trade and Other Receivables

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Trade receivables	4,906,459	3,934,952	116,509	35,416
Prepayments	495,396	438,981	43,586	38,795
Other receivables	1,065,352	293,870	757,168	-
	6,467,207	**4,667,803**	**917,263**	**74,211**

The carrying value of trade and other receivables classified as loans and receivables approximates fair value. All trade and other receivables and denominated in British Pounds (£).

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

19. Inventories

	Consolidated	
	31 December 2018	31 December 2017
Cost and net book value	£	£
Raw materials and consumables	1,338,935	1,255,641
Finished and semi-finished goods	2,157,737	2,320,870
Parts and supplies	1,186,238	656,342
Work in progress	161,573	208,810
	4,844,483	**4,441,663**

The value of inventories recognised as a debit and included in cost of sales was £5,827,520 (31 December 2017: £4,441,663).

20. Cash and Cash Equivalents

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Cash at bank and on hand	3,771,735	7,001,058	115,756	211,823
	3,771,735	**7,001,058**	**115,756**	**211,823**

All of the Group's cash at bank is held with institutions with an AA credit rating.

21. Trade and Other Payables

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Trade payables	3,939,708	2,847,984	204,370	345,095
Wages payable	907,939	696,447	-	-
Accruals	1,102,871	1,117,360	424,601	404,186
VAT payable	398,652	484,046	(46,956)	(102,653)
Deferred consideration payable for acquisitions	1,464,791	4,250,000	-	-
Other payables	240,312	649,560	13,072	37,539
	8,054,274	**10,045,397**	**595,087**	**684,167**

All trade and other payables are denominated in UK Pounds.

22. Borrowings

	Consolidated		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Non-current liabilities				
Santander term facility	9,662,389	8,572,360	-	-
Convertible loan notes	10,000,000	10,000,000	10,000,000	10,000,000
Finance lease liabilities	32,016	107,541	-	-
	19,694,405	**18,679,901**	**10,000,000**	**10,000,000**
Current liabilities				
Finance lease liabilities	74,581	92,411	-	-
	74,581	**92,411**	**-**	**-**

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

NOTES TO THE FINANCIAL STATEMENTS

In April 2017 the Company entered into an £18 million term facility with Santander (the 'Facility'), on 18 October 2017 drew down £9 million to satisfy the initial cash consideration for Topcrete Limited and on 21 June 2018 drew down £1 million to assist with the purchase of Foelfach Stone Limited.

The Facility is secured by a floating charge over the assets of SigmaFin Limited and its subsidiary undertakings. Interest is charged at a rate between 1.5% and 2.75% above LIBOR ('Interest Margin'), based on the calculation of the adjusted leverage ratio for the relevant period. For the period ending 31 December 2018 the Interest Margin was 2%.

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

	Carrying amount		Fair value	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Santander term facility	9,662,389	8,572,360	-	-
Convertible loan notes	10,000,000	10,000,000	10,000,000	10,000,000
Finance lease liabilities	32,016	107,541	-	-
	19,694,405	**18,679,901**	**10,000,000**	**10,000,000**

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

Finance Lease Liabilities

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

	Consolidated	
	31 December 2018	31 December 2017
Finance lease liabilities – minimum lease payments	£	£
Not later than one year	74,581	92,411
Later than one year and no later than five years	32,016	107,541
Later than five years	-	-
	106,597	**199,952**
Future finance charges on finance lease liabilities	13,011	25,236
Present value of finance lease liabilities	**119,608**	**225,188**

The present value of finance lease liabilities is as follows:

	Consolidated	
	31 December 2018	31 December 2017
	£	£
Not later than one year	79,056	98,150
Later than one year and no later than five years	30,204	103,494
Later than five years	-	-
Present value of finance lease liabilities	**109,260**	**201,644**

Reconciliation of liabilities arising from financing activities is as follows:

	Consolidated			
	Long-term borrowings	Short-term borrowings	Lease liabilities	Liabilities arising from financing activities
	£	£	£	£
As at 1 January 2018	18,572,360	-	199,952	18,772,312
Increase/(decrease) through financing cash flows	-	-	(93,355)	(93,355)
Amortisation of finance arrangement fees	90,029	-	-	90,029
Increase through obtaining control of subsidiaries	1,000,000	-	-	1,000,000
As at 31 December 2018	**19,662,389**	**-**	**106,597**	**19,768,986**

23. Provisions

	Consolidated	
	31 December 2018	31 December 2017
	£	£
As at 1 January	632,011	-
Accretion	-	632,011
	632,011	**632,011**

The restoration provision for the St John's and Les Vardes sites is based on the removal costs of the plant and machinery at both sites. Cost estimates are increased at 3.1% (2017: 4.1%) for both sites annually to the anticipated future mine closure date. St John's quarry has an estimated expiry of 7 years, whereas Les Vardes is 5 years. The rate used is from the Retail Price Index as at September 2018 published by the Bank of England which is derived from the Office for National Statistics.

The future reclamation cost value is discounted by 12% (2017: 4.58%) which is the weighted average cost of capital within the Group.

24. Financial Instruments by Category

Consolidated	31 December 2018	
	Loans & receivables	Total
Assets per Statement of Financial Performance	£	£
Trade and other receivables (excluding prepayments)	5,971,811	5,971,811
Cash and cash equivalents	3,771,735	3,771,735
	9,743,546	**9,743,546**

	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£
Borrowings (excluding finance leases)	19,662,389	19,662,389
Finance lease liabilities	106,597	106,597
Trade and other payables (excluding non-financial liabilities)	8,054,274	8,054,274
	27,823,260	**27,823,260**

Consolidated

	31 December 2017	
	Loans & receivables	Total
Assets per Statement of Financial Performance	£	£
Trade and other receivables (excluding prepayments)	4,228,822	4,228,822
Cash and cash equivalents	7,001,058	7,001,058
	11,229,880	**11,229,880**

	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£
Borrowings (excluding finance leases)	18,572,360	18,572,360
Finance lease liabilities	199,952	199,952
Trade and other payables (excluding non-financial liabilities)	10,667,111	10,667,111
	29,439,423	**29,439,423**

Company

	31 December 2018	
	Loans & receivables	Total
Assets per Statement of Financial Performance	£	£
Trade and other receivables (excluding prepayments)	873,677	873,677
Cash and cash equivalents	115,756	115,756
	989,433	**989,433**

	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£
Borrowings (excluding finance leases)	10,000,000	10,000,000
Finance lease liabilities	-	-
Trade and other payables (excluding non-financial liabilities)	595,087	595,087
	10,595,087	**10,595,087**

Company

	31 December 2017	
	Loans & receivables	Total
Assets per Statement of Financial Performance	£	£
Trade and other receivables (excluding prepayments)	35,416	35,416
Cash and cash equivalents	211,823	211,823
	247,239	**247,239**

	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£
Borrowings (excluding finance leases)	10,000,000	10,000,000
Finance lease liabilities	-	-
Trade and other payables (excluding non-financial liabilities)	684,167	684,167
	10,684,167	**10,684,167**

25. Share Capital and Share Premium

	Number of shares	Ordinary shares	Share premium	Total
		£	£	£
Issued and fully paid				
As at 1 January 2017	**270,555,743**	**270,555**	**266,667**	**537,222**
Consolidation – 3 January 2017	(267,954,245)	(244,540)	-	(244,540)
Issue of new shares – 5 January 2017 (1)	100,000,000	1,000,000	36,862,713	37,862,713
Options Exercised – 3 May 2017	104,059	1,041	24,974	26,015
Issue of new shares – 14 December 2017 (2)	34,000,000	340,000	13,007,550	13,347,550
As at 31 December 2017	**136,705,557**	**1,367,056**	**50,161,904**	**51,528,960**
As at 1 January 2018	**136,705,557**	**1,367,056**	**50,161,904**	**51,528,960**
Cost of secondary placing (3)	-	**-**	(25,000)	(25,000)
As at 31 December 2018	**136,705,557**	**1,367,056**	**50,136,904**	**51,503,960**

(1) Includes issue costs of £2,137,287
(2) Includes issue costs of £592,450
(3) Issue costs on secondary placing of £25,000

26. Share Options

Share options and warrants outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

			Options & Warrants	
			31 December 2018	31 December 2017
Grant date	**Expiry date**	**Exercise price in £ per share**	**£**	**£**
5 January 2017	4 January 2022	0.44	1,026,014	1,026,014
5 January 2017	22 August 2021	0.25	78,044	78,044
5 January 2017	5 January 2022	0.25	286,160	286,160
5 January 2017	5 January 2022	0.40	12,183,225	12,183,225
			13,573,443	**13,573,443**

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2017 Options A	2017 Options B	2017 Options C	2017 Options D
Granted on	5/1/2017	5/1/2017	5/1/2017	5/1/2017
Life (years)	5	4	5	5
Share price	0.425	0.425	0.425	0.425
Risk free rate	0.52%	0.52%	0.52%	0.52%
Expected volatility	24.81%	24.81%	24.81%	4.03%
Expected dividend yield	-	-	-	-
Marketability discount	50%	-	-	50%
Total fair value	£46,900	£15,083	£76,418	£234,854

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

A 50% discount was applied to Options A & D due to the uncertainty surrounding the future performance of the Group. The Options A & D were issued in the first year of acquisitions which at the time had not had a significant impact on the Company's share price. Therefore a 50% discount was applied to reflect the fact the Company was still in an early stage with regards to acquiring niche company's and building value for the shareholders.

A reconciliation of options and warrants granted over the year to 31 December 2018 is shown below:

	31 December 2018		31 December 2017	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at beginning of the year	**13,573,443**	**0.40**	**-**	**-**
Granted	-	-	13,677,502	0.40
Exercised	-	-	(104,059)	0.25
Outstanding as at year end	**13,573,443**	**0.40**	**13,573,443**	**0.40**
Exercisable at year end	**13,573,443**	**0.40**	**13,573,443**	**0.40**

27. Other Reserves

	Group		
	Deferred shares £	Capital redemption reserve £	Total £
As at 1 January 2017	**517,139**	**600,039**	**1,117,178**
Capital re-organisation	244,540	-	244,540
As at 31 December 2017	**761,679**	**600,039**	**1,361,718**
As at 1 January 2018	**761,679**	**600,039**	**1,361,718**
As at 31 December 2018	**761,679**	**600,039**	**1,361,718**

	Company		
	Deferred shares £	Capital redemption reserve £	Total £
As at 1 January 2017	**517,139**	**600,039**	**1,117,178**
Capital re-organisation	244,540	-	244,540
As at 31 December 2017	**761,679**	**600,039**	**1,361,718**
As at 1 January 2018	**761,679**	**600,039**	**1,361,718**
As at 31 December 2018	**761,679**	**600,039**	**1,361,718**

28. Earnings Per Share

The calculation of the total basic earnings per share of 2.65 pence (2017: 0.34 pence) is calculated by dividing the profit attributable to shareholders of £3,619,144 (2017: £355,458) by the weighted average number of ordinary shares of 136,705,557 (2017: 103,251,598) in issue during the period.

Diluted earnings per share of 2.41 pence (2017: 0.30 pence) is calculated by dividing the profit attributable to shareholders of £3,619,144 (2017: £355,458) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of share options and warrants to subscribe for ordinary shares in the Company, which together total 150,383,059 (2017: 116,779,209).

Details of share options that could potentially dilute earnings per share in future periods are disclosed in Note 26.

29. Fair Value Estimation

There are no financial instruments carried at fair value.

30. Fair Value of Financial Assets and Liabilities Measured at Amortised Costs

Financial assets and liabilities comprise the following:

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

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

31. Operating lease commitments

The Group leases land for plant and road access under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated	
	31 December 2018	**31 December 2017**
	£	**£**
Not later than one year	161,325	43,481
Later than one year but not later than five years	345,289	126,912
Later than five years	142,733	173,461
	649,346	**343,854**

32. Contingencies

The Group is not aware of any personal injury or damage claims open against the Group.

33. Related party transactions

Loans with Group Undertakings
Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

	Company	
	31 December 2018	31 December 2017
	£	£
Ronez Limited	(4,995,129)	(1,197,186)
SigmaGsy Limited	(1,995,066)	3,094,885
SigmaFin Limited	50,336,445	55,369,357
Topcrete Limited	(850,425)	-
Poundfield Products (Group) Limited	4,799,580	-
Foelfach Stone Limited	91,800	-
	47,387,205	**57,267,056**

Loans granted to or from subsidiaries are unsecured, interest free and repayable in Pounds Sterling when sufficient cash resources are available.

All intra Group transactions are eliminated on consolidation.

Other Transactions
Heytesbury Corporate LLP, a limited liability partnership of which Garth Palmer is a partner, invoiced a fee of £85,000 (2017: £72,000) for the provision of corporate management and consulting services to the Company. A balance of £8,557 was outstanding at the year-end.

Druces LLP, a limited liability partnership of which Dominic Traynor is a partner, invoiced a fee of £177,302 (2017: £nil) for the provision of legal services for acquisitions. A balance of £119,659 was outstanding at the year-end.

Ronaldsons LLP, a limited liability partnership of which Dominic Traynor is a partner, invoiced a fee of £10,000 (2017: £36,502) for the provision of legal services. No balance was outstanding at the year-end.

Patrick Dolberg invoiced a fee of £45,000 (2017: £nil) for the provision of consulting services to the Company in relation to prospective acquisitions. No balance was outstanding at the year-end.

Michael Roddy, a Director of the subsidiary companies was loaned £5,000 in September 2018 by Poundfield Products (Group) Limited. The loan is for a period of 12 months to be repaid by 9 monthly instalments starting January 2019 and at year end the full amount was outstanding.

34. Ultimate Controlling Party

The Directors believe there is no ultimate controlling party.

35. Events After the Reporting Date

On 24 January 2019, the Company entered into an agreement with Santander to increase the committed credit facilities provided to the Group to a total amount of £34 million. On the same date the Company redeemed £10 million 6 per cent. convertible unsecured loan notes at a 5% premium by utilising £10.5 million of the increased credit facilities provided by Santander.

On 25 January 2019, the Company issued 30,257,053 ordinary shares of 1p each (‘Ordinary Shares’) at a price of 41p per share to raise £12.4 million to part fund the initial consideration for the acquisition of CCP Building Products Limited (‘CCP’).

On 25 January 2019, the Company issued 4,878,048 Ordinary Shares at a price of 41p per share to the vendors of CCP to satisfy £2 million of the £15.21 million initial consideration.

On 1 February 2019, the Company issued 1,976,888 Ordinary Shares at a price of 37.9p per share to the previous owners of Poundfield Products (Group) Limited to satisfy the £750,000 deferred consideration payment.

On 15 April 2019, the Company granted 12,896,722 options over ordinary shares of 1p each in the capital of the Company to board members and senior management personnel. Of which 3,350,387 of the options were awarded as Management Scheme Options with an exercise price of 40p and will expire on 5 January 2022 and 9,656,934 of the options were awarded as Non-Management Scheme Options to certain members of senior staff with an exercise price of 46p that will vest over three years in equal tranches and will expire on 16 April 2026.

On 15 April 2019, the Company acquired a 40 per cent. equity interest in GDH (Holdings) Limited (‘GDH’), a significant quarrying group located in South Wales, for a cash consideration of £4.89m. In addition, the Company has entered into an option agreement with the owners of GDH, whereby SigmaRoc has the exclusive right to purchase the remaining 60 per cent. of GDH for cash consideration of £7.5m, on or before 31 August 2020.

On 18 April 2019, the Board appointed Timothy Hall as a Non-Executive Director.