



**Sigma
Roc**

**Invest, Improve,
Integrate & Innovate**

Annual Report and Financial Statements

2020





ANNUAL REPORT
AND FINANCIAL
STATEMENTS
FOR THE YEAR
ENDED 31
DECEMBER
2020

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STRATEGIC REPORT

Highlights

Financial Highlights¹

UNDERLYING REVENUE		UNDERLYING EBITDA	
£124.2m		£23.9m	
+76.6%	2019: £70.4m	+64.1%	2019: £14.5m
UNDERLYING PROFIT BEFORE TAX		UNDERLYING EPS	
£12.2m		4.50p	
+45.2%	2019: £8.4m	+7%	2019: 4.20p
ADJUSTED LEVERAGE RATIO ²			
1.69x			
-18.4%	2019: 2.07x		

¹ Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an underlying profit measure throughout this Annual Report are defined on this basis.

² Adjusted leverage ratio compares net debt to Underlying EBITDA for the last twelve months adjusted for pre-acquisition earnings of subsidiaries acquired during the year.

Operational highlights

Invest

- GD Harries: Completion of 100% ownership
- Benelux: 168mt expansion at CDH approved
- Equity raise: £12.4m raised for H1 2021 pipeline projects

Improve

- Safety: Completion of Safety external audits and introduction of HighVizz
- Operation gearing: Underlying EBITDA margin remained strong at 19%
- Corporate Governance: Appointment of independent non-executive directors and dedicated general counsel

Integrate

- Group debt facility: Consolidation of debt facilities following acquisition of CDH
- Integration of CDH: >400 people
- Integration of GD Harries: >200 people

Innovate

- Sustainability: Innovation in concrete products and asphalt solutions
- Digital solutions: Enhancement of safety, operations and asset utilisation
- Products: Supply of innovative product for major project

Company Information

Directors

David Barrett (Executive Chairman)

Max Vermorken (Chief Executive Officer)

Dean Masefield (Chief Financial Officer)

Simon Chisholm (Independent Non-Executive Director)

Jacques Emsens (Independent Non-Executive Director)

Garth Palmer (Non-Executive Director)

Tim Hall (Non-Executive Director)

Company Secretary

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Joint Broker

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Independent Auditor

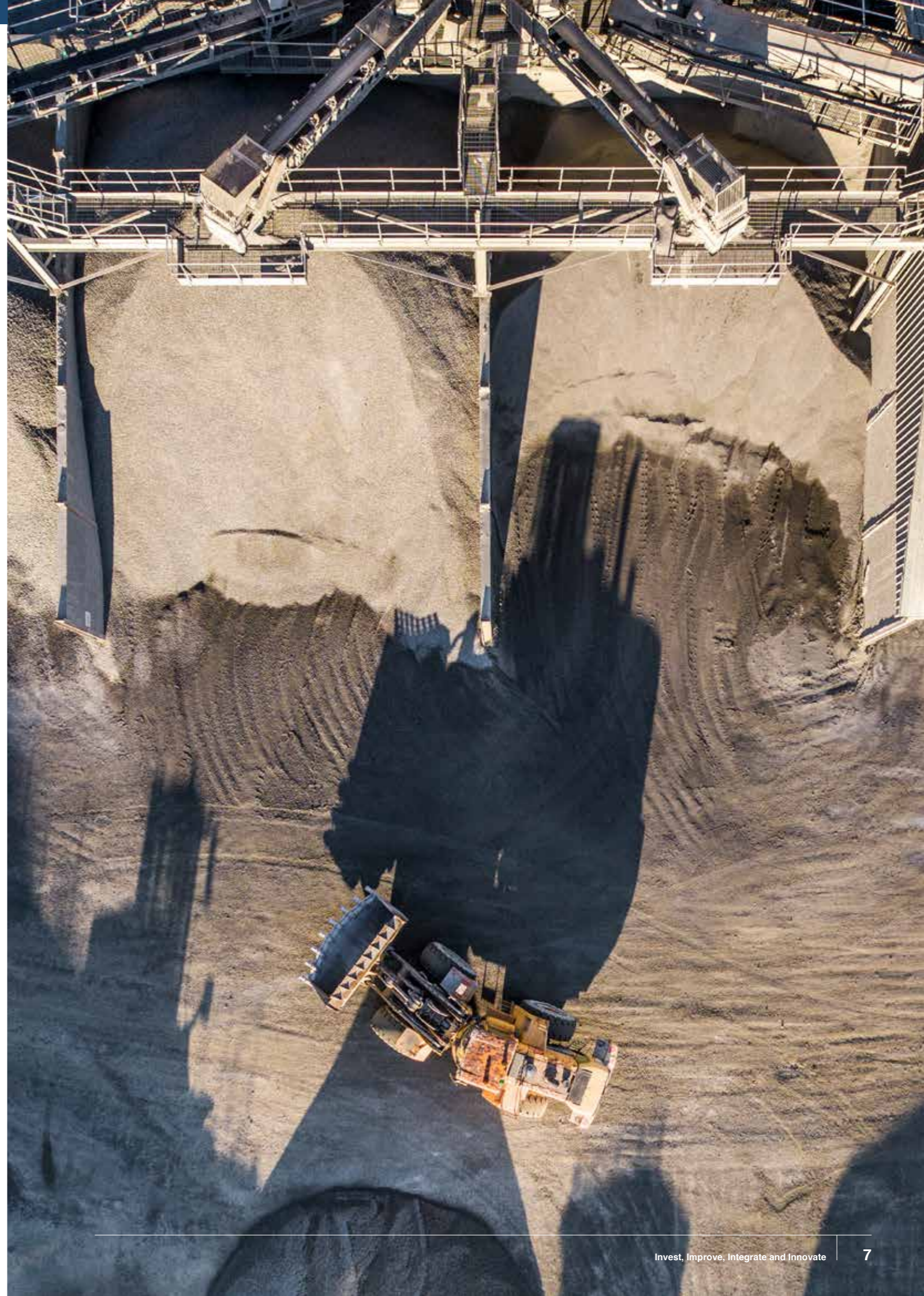
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Registrars

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David Barrett

Executive Chairman

“ My 45 years in the construction materials industry was still not enough to anticipate and prepare for the extraordinary year we witnessed in 2020. ”

STRATEGIC REPORT

Chairman’s Statement

Dear Shareholders,

I am extremely proud that despite such challenging circumstances our business performed very well, thanks to a sound business model, high quality teams with motivated staff around the Group and the ability to respond quickly to changing circumstances. As a result, we delivered revenue of £124 million, Underlying EBITDA of £23.9 million and Underlying Earnings per share of 4.5 pence. Another year of growth despite the exceptional challenges as we continue with the journey of SigmaRoc.

Our timely response allowed us to do more than just manage the unprecedented health crisis. As a Group we adapted our methods of work to remain ‘open for business’ and also delivered several key infrastructure projects which helped the UK both battle the pandemic and prepare for Brexit. Our improvement projects continued at the most recently acquired businesses. We also prepared our Balance Sheet for further growth through a debt refinancing and a very well supported equity fundraise. To summarise, 2020 was another year of significant progress for the SigmaRoc group of companies.

Growth

At the start of 2020 it was our ambition to continue the trend set in 2019 and sustain our momentum. Our plans included an ambitious debt refinancing, the acquisition of the remaining 60% of GD Harries, the improvement of margins and operational quality across the Group and a continued focus on Sustainability initiatives.

While the pandemic slowed our progress, I am happy to report we delivered most of our initial objectives even as we managed the impact of COVID-19 on our Group. GD Harries now fully forms part of SigmaRoc. Our new debt facilities allow us to pursue further growth, and we are grateful for the continued support of Santander together with a consortium of high quality European and UK banks. As a result, our Group now starts to gain scale where an important source of its further development will be funded from internally generated free cash flows, to the benefit of our Shareholders.

Safety and COVID-19

2020 presented a very significant challenge from a Health & Safety perspective, both due to COVID-19 and operationally. Protecting our staff from COVID-19 and ensuring the virus did not spread within the business was key. We were successful in as much as only 34 COVID-19 self isolation cases were recorded. This across the Group of nearly 1,000 staff and pleasingly no confirmed spread of the virus within the business was recorded.

A second real challenge was managing our operational safety. With travel restrictions, people working from home and people coming back into the workplace after a period of absence, the risk of accidents and the probability of a lack of reporting increases. However, the outcome was contrary to

that probability. Our LTIFR reduced 22% and TIFR reduced 6%. During the same period our number of reported incidents increased materially in part due to improved safety software and monitoring tools.

Governance

Last year was also a year of significant progress from a governance perspective. Our Group had grown rapidly since inception in 2017 and required a review of its Board and governance structures, which we started in 2019. As a result of this process, we restructured our Board composition, adding two high calibre independent non-executive directors in Jacques Emsens and Simon Chisholm. We improved our corporate governance principles and reviewed the various Board committees to ensure the right processes are in place. We also appointed Anthony Brockbank as General Counsel. Anthony’s expertise and experience in governance and corporate law will ensure our compliance has a further level of scrutiny and robustness.

We also made a significant leap forward in our Environmental and Social initiatives with a substantial section of this report dedicated to these efforts. Our combined Environmental, Social and Governance initiatives will become an ever more important component of our activities and we are proud of our low carbon concrete products offering, our partnerships with several innovative companies, our focus on renewable energy sources where possible and our attention to our operating footprint and what can be done to improve it.

Forward look

Looking forward I remain convinced we are on the right track for further success to be built on the solid foundations laid down during our first four years. This past year was particularly challenging for most businesses, and for many, personally. Our performance has demonstrated the quality of our business model, the determination of our management teams, the dedication of an exceptional workforce and the potential our Group has for the future.

As we progress through 2021, I am convinced we will continue on the road to further success. We have an exciting list of projects on which we are actively working. We have several high quality businesses in our Group which can continue to deliver great results. We also have a series of more recently acquired businesses which are the focus of our attention to improve and integrate them to the benefit of the wider Group. I therefore remain optimistic and curious as to what future opportunities SigmaRoc can take advantage of for the benefit of the Group and its Shareholders.

David Barrett
Executive Chairman
12 April 2021



Max Vermorken

Chief Executive Officer

“A dedicated workforce, a business model built for speed and agility and networks of supportive customers and suppliers helped us through the worst of 2020 and onto another successful year.”

STRATEGIC REPORT

CEO's Strategic Report

Dear Shareholders,

2020 was the year of “unknown unknowns”. Nobody was fully prepared for 2020 and in all honesty, neither were we. A dedicated workforce, a business model built for speed and agility and networks of supportive customers and suppliers helped us through the worst of it and onto another successful year. It is with a great sense of humility and gratitude for the extraordinary hard work of the SigmaRoc team throughout 2020 that I present this annual report.

Financial performance

In 2020 we outperformed pre-COVID broker estimates set at the end of 2019. With revenues at £124.2 million, Underlying EBITDA increasing to £23.9 million, a 64.1% year-on-year increase and underlying profit before tax at £12.2 million we delivered an extremely strong performance. Underlying earnings per share rose to 4.50 pence, a 7% growth on 2019, in a year with significant volume swings, margin erosion and difficult trading conditions. Given the circumstances we are extremely proud that we were able to post another year of earnings growth for our Shareholders.

Significant efforts were made over the course of 2019 and 2020 to improve the margins across the Group, targeting Underlying EBITDA margins of over 20%. Even as 2020 was a particularly challenging year with significant volume swings, and the full integration of lower margin businesses in Wales and Belgium, our overall Underlying EBITDA margins remained strong at 19%. Over the course of the next 18 months as our improvement efforts take hold, we aim to see that margin increase to our targeted level of 20%.

As a result of our good performance and several restructuring efforts in 2019, cash generation was strong in 2020. Starting the year with £9.9 million we ended the year with £27.4 million (including £12.4 million cash raised in December 2020) and after deduction of several significant investments. These investments include the acquisition of the remaining 60% stake in GD Harries at £7.3 million, the payment of deferred consideration in Belgium of circa £2 million, the acquisition of further land in Belgium for the quarry extension of approximately £1.8 million, as well as further general capital investments into the business.

The solid trading, margin improvement and cash generation has had further positive consequences on the quality of our Balance Sheet. Starting the year with £49.8 million in net debt to Underlying EBITDA equating to a ratio of 2.07 times we finished the year at 1.69 times. This figure includes the full consolidation of GD Harries in South Wales, which historically held higher net debt levels than our Group's targeted ratio. Efforts are currently being made to ensure the overall debt levels of the Group do not exceed a 2 times net

debt to Underlying EBITDA ratio after cash is spent on further acquisitions, with the intention of a further downward trend.

Considering total and net tangible assets, further improvements were also realised through the completion of the PPA process for Carrieres du Hainaut and the inclusion of GD Harries. A separate PPA process will be undertaken for GD Harries during this year even though the business has only a limited amount of goodwill at acquisition. Both businesses are significantly asset backed, increasing our total tangible assets to £145 million at 31 December 2020.

Calculating our total debt to tangible assets we arrive at a ratio of below 2:1, further demonstrating the quality of the Balance Sheet and asset backing available to both equity and debt investors.

Trading and Operational Summary

As much as it may sound trivial, 2020 really was a year of four very distinct quarters. In order to give sufficient detail, it seems reasonable to discuss both trading and operational aspects side-by-side on a quarter-by-quarter basis. Our response to COVID-19 is covered in detail below and will not be reviewed here. Additional information in the form of data is also available in the Business Review section, supplementing this narrative.

The first quarter of the year started fully in line with expectations. Trading across all platforms started well with volumes and turnover on track against budget. CDH and GD Harries performed as expected putting the business on track for the delivery of analyst expectations issued in 2019. Operationally all platforms started the year as expected delivering budgeted volumes. PPG being slightly more seasonal, weather and major project driven would see its volumes rise from an expected softer start in January to more normal run rates in March. No specific impact from COVID-19 or lockdowns would be felt in the first quarter.

As we started the second quarter the situation changed dramatically. The lockdowns affecting each of the regions we are operating in inferred significant volume drops. These drops were in some cases more than 60% of budgeted volumes. We had made the decision to remain open across all sites and put in place our COVID-19 plans allowing us to do so. Scenarios prepared in the months earlier on cash burn, cost reductions, shift reductions and of course all protocols allowing us to operate safely were put into action. As demand dropped further significant concern arose in relation to paying bills and getting paid. Reinforcing the messaging to customers and suppliers that it was our mission to help our local economies by remaining active, paying our bills and delivering product, was well received and any cash flow concerns subsided.

April then provided a further blow as strict virus reduction policies in Guernsey and Jersey meant complete shutdowns of our activities. Luckily those measures were limited in time and progressive relaxation in these measures allowed for a gradual return to work. Across other platforms, those customers who had initially decided to shut down were returning to work leading to increased volumes. Entering into May and June, the recovery gathered further pace. Our volumes returned to pre-COVID levels as did turnover.

At this point it is interesting to give some context on operational gearing across the Group. As volumes dropped in April, we started to calculate our cash burn and estimate our effective cost base. With cash levels over £10 million across the Group we could sustain multiple months of near nil revenue. However, our cost base had shown sufficient flexibility without making specific use of COVID-19 related Government aid packages. As a result, we were able to remain EBITDA positive for the month of April. This is a great demonstration that our effective operational gearing is low.

The third quarter presented a much more normalised picture across the Group. While sales were impacted by sector summer shutdowns in the Benelux region, overall trading volumes returned to normal levels. Our ability to service customers and have sufficient stock on the ground at our various sites helped in delivering a solid performance. Operationally the picture also returned to a more normal situation, with most work shifts and personnel returning.

The fourth quarter on the other hand had remained an enigma to us across the summer months. It was not obvious from the indications received through our customer networks what trading would look like. In part a lack of visibility in terms of orderbooks contributed to this uncertainty. The quarter did, however, turn out in line with normal trading, allowing for small exceptions. Relatively mild weather conditions helped as well as a slower than expected return of lockdowns.

The narrative provided above is somewhat more lengthy than usual, however, given the extraordinary year I wished to present you with additional context. A key take-away of last year's performance must be the flexibility and agility with which the business responded to the changes in the trading environment. We prepared early for the possibility of a lockdown and its consequences. All scenarios detailing cash burn, cost reductions, shift reductions, possible closures and other considerations had been prepared. However, the agility with which each platform responded to changing trading conditions on a daily basis is what made the difference. Our Group has great teams in each platform, who were able to make maximal use of our decentralised operating model.

COVID-19

On Monday, 24 March 2020, having consulted with the various Managing Directors, General Managers and staff, we decided to remain open throughout the lockdowns in Belgium, the UK and the Channel Islands. This decision was not an easy one, but one supported by the various management teams and representatives of staff.

It was taken in the knowledge that we had prepared the business during the month of March for the scenario of a lockdown and were able to keep staff sufficiently distanced, in open air facilities or in sufficiently sanitised offices in order to minimise the risk of COVID-19 contagion within the Group.

During 2020 we had 34 cases of self-isolation on a workforce of nearly 1000 people. As at the time of writing we had 1 reported case of self-isolation. One person was taken to hospital. We also confirmed that to our best knowledge the virus did not spread within the Group, having traced all cases of self-isolation to contamination outside work. Of this record we are proud, but realise that as time goes by, the probability of encountering more positive COVID-19 cases increases.

Starting the year 2021 we continued our vigilance reinforcing our COVID-19 protocols including working from home where possible, sanitising workspaces, wearing masks when working in less ventilated spaces or offices and a renewed push to make people aware of the risk. At the time of writing, we have one person self-isolating.

Operationally the lock downs of 2021 have not had the same impact as the lockdown of spring 2020. The UK government issued a renewed letter urging the construction sector to remain active during this lockdown period with similar albeit less formal messages of support in Belgium and the Channel Islands. As a consequence, all sites remain active with production at acceptable levels for the time of the year.

Growth and development

Development

With all its complexities and the unknowns, we kept our focus throughout the year on the continued development of the Group. First and foremost was the acquisition of the second tranche of GD Harries thereby forming a new fourth platform in South Wales. GD Harries is an excellent business with a strong market position in South Wales, a solid asset base including 6 quarries, 80 million tonnes of reserves and resources and several concrete and asphalt plants.

The main attraction of the acquisition of GD Harries is its potential to form the starting point of a new platform in South West Wales. The business was built over many decades by Ian Harries and his father before him. It delivered a solid performance in 2019 with revenue of £27.2 million and Underlying EBITDA of £3.2 million. While 2020 was a challenging year for Wales in general, GD Harries delivered Underlying EBITDA of £3.0 million on £26.7 million revenue. This performance is in line with our expectations and further validates the acquisition rationale.

Further development work was undertaken in Belgium where we closed off two major chapters in the extension of Carrieres du Hainaut. Having received the required zoning changes in August 2019, the quarry was awaiting confirmation of approval to move a road that crosses its current extraction zone. The Walloon regional government granted this permission and agreed to contribute approx. €700k to the envisaged cost of the project. Additionally, we closed as planned the purchase of further land adjacent to the current extraction zone for circa 1.8m GBP, thereby finalising a long project lasting nearly a decade during which over 100 parcels of land were bought or exchanged in order to secure the future of the activities at Carrieres du Hainaut for generations. The local management team at Carrieres du Hainaut was key in this success, as was the support of the local and regional governments.

In the rest of UK our development activities were somewhat more limited and consisted primarily in the extension of our existing sites, and the renovation of these sites with the aim to increase our production capacity, safety records and product offering. In particular, Poundfield and CCP were the focus of these efforts as was the creation of an improved South London sales depot for Allen Concrete.



Debt refinancing

A key project this year was the refinancing of our Group Credit Facilities. With the acquisition of CDH at the end of 2019 we acquired their existing credit facilities supplied by four leading Belgian banks. As these facilities were at the end of their life and as it made more practical sense to agree a Group wide facility, simplifying cash management and reducing overall financing cost, we launched a debt refinancing project early in the year.

After an initial suspension of this project in March due to COVID-19 and lockdowns, we were pleased to announce an expanded £125 million multi-currency credit facility including a £40 million uncommitted accordion facility supplied by a consortium of high-quality UK and European banks led by Santander. With adjusted leverage ratio covenant commencing at 3.5 times Underlying EBITDA, the facility has a term of 5 years of which 2 are non-amortising and a margin rate of 2.5% over LIBOR at an effective 2 times leverage ratio. These terms are an improvement on the facilities we had in place and allow us to further develop the business, while keeping our overall leverage at 2 times Underlying EBITDA or less.

Equity raise

A second key project undertaken at the end of last year was the equity raise using the 10% special authorities obtained at the 2020 AGM. The equity raise of £12.4 million puts the Group in a great position to take advantage of a series of opportunities, both organic and through acquisition, identified across this past year. We have indeed already started to deploy the capital raised with further detail given in the post period section below.

Safety

Continued focus was put on health and safety this year, with a much broader scope than in normal years. Naturally we put in place all Government guidelines in relation to COVID-19. For those working from home we issued further guidelines and support to aid in the transition to remote working. As a result of these measures, we have been able to limit the spread of COVID-19 in the business and keep the number of infected people low.

While the challenges to operate safely increased as a consequence of social distancing and other restrictions, we were able to make further progress on safety this year. Our LTIFR dropped 22% as did our TIFR by 6%. Incidents decreased in part due to new systems put in place to track, report and investigate all safety incidents. A dedicated safety report in the Sustainability section of this Annual Report will provide further context.

Sustainability

A dedicated Sustainability section is included in the Annual Report and I will limit the review in this section to several highlights. As announced last year we have now formalised our Sustainability initiatives in line with market best practice

and as a result of this, we are now able to better report on the initiatives we take and their impact.

Environmental

In 2019 we presented a first series of initiatives in our annual report dedicated to the improvement of our environmental impact, carbon footprint and product portfolio. Included in this year's report is a full review of our carbon footprint. I am therefore happy to report we have been able to progress on several initiatives reducing our carbon footprint across the Group.

We have made a first significant step in the direction of offering ultra-low carbon alternatives to every concrete product we produce. In January 2021 we launched the production of our Greenbloc product line with the launch of the ultra-low carbon solid dense concrete block. We also launched a collaboration with Airlite, a manufacturer of CO₂, SO_x and NO_x absorbing coatings, which we are applying to several of our concrete products. Further innovations are detailed in the Sustainability section as we improve our footprint.

We were also able to make further progress in increasing our electricity sourced from renewable sources through the installation of the third phase of our photovoltaic park. Once fully operational it will increase our electricity generated renewably and on site, to 30% of our total electricity consumption. In addition to this we continue to pump filter and supply fresh drinking water to the water system in Belgium.

Further initiatives were undertaken to improve the environmental impact of our operations through continuous site improvement plans, engagement with local communities as well as programmes to promote flora and fauna around our sites.

Social

On a Social front several initiatives were launched which are detailed in the Sustainability report. One highlight is in Belgium where we have gifted to the city of Soignies an area of land of 10 hectares adjacent to the quarry. The area forms a large protective hill, onto which trees were planted. It is the aim of the council to develop the area into a park or nature walk from which our operations can be viewed. We have had a lot of success with a similar project in Guernsey and will assist the council.

In other areas of the business we have endeavoured to engage more closely with the local communities to ensure a better dialogue exists. As part of these initiatives' events were organised at some of our operations where COVID-19 restrictions permitted.

Governance

From a governance perspective 2020 was a year of significant change and improvement for the Group. The Governance report will provide ample more detail. Firstly, our Board saw profound change with the joining of several independent and highly skilled directors. The entire corporate

governance code was reviewed as well as the Articles in order to align both to London Stock Exchange and QCA best practices. We appointed a very experienced corporate lawyer as our General Counsel to further improve our compliance and created additional Board committees covering the various listing requirements or recommendations.

Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Director's believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s712 of the Companies Act 2006. The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Group's employees;
- Foster the Group's relationships with suppliers, customers and others; and
- Consider the impact of the Group's operations on the community and environment.

The application of the s172 requirements are demonstrated throughout this report and the Accounts as a whole, with the following examples representing some of the key decisions made in 2020 and up to the date of these Accounts:

- Response to the Coronavirus pandemic: as detailed in the Coronavirus update on page 13, the Group has taken various measures to protect the wellbeing of its employees, maintain good working relationships with its customers and suppliers, and ensure the commercial viability of its business.
- Continued pursuit of buy and build growth strategy: the Group has aggressively continued its buy and build growth strategy, completing two acquisitions during 2020, which expanded the South Wales and Benelux platforms.
- Safety initiatives: safety and wellbeing of our colleagues is one of our top priorities and the Group continued to improve its health and safety standards, including implementing a Group wide health and safety reporting tool.

Post period announcements

In the second half of 2020 we started to look forward to 2021 and what we could realise in the new year. Plans were made to both improve our business further and continue its expansion. To be in a good position to attack 2021 we raised some additional funding with the intention to deploy it rapidly in the new year.

We were therefore happy we could make good on these promised within the first quarter of 2021. A separate section is dedicated to the three key transactions and projects we completed, the first being the introduction of Greenbloc. With the launch of our cement free concrete building block we set a new benchmark for the industry by being the first company in the UK to do so. The reduction in embodied CO₂ is significant and as the product gets more widely adopted this reduction will have its impact on the sustainability of construction in the UK as a whole.

We subsequently announced an important transaction in Belgium where we reached a mutually beneficial deal with LafargeHolcim at our Carrieres du Hainaut operations. Taking over all crushing and screening plant from LafargeHolcim and entering into a take-or-pay agreement with them, we put ourselves in a great position to prepare our entry into the Belgian aggregates market as a large scale supplier. In the meantime, we benefit from the additional EBITDA generated from the plant while not having spent any further capital to generate these returns.

We then turned our eye to establishing our footprint more widely in the Belgian market with the acquisition of B-mix Beton and Casters Beton, two large scale suppliers of concrete in the Limburg area. As a consequence of this, we are gradually expanding our footprint in order to become a significant operator in the Benelux region. More detail is provided in the next section.

Strategic approach and outlook

It is evident the drive and determination of our teams remains high to deliver excellent results and exciting new opportunities for the business to expand and grow further. The strategy of local focus through platforms which are agile and close to the end customer remains robust and has shown its value during the difficult times of this past year. The outlook therefore remains positive and above all exciting.

With your continued support, for which we are grateful and which we never take for granted, we can continue to Invest, Improve, Integrate and Innovate to the benefit of our shareholders and our stakeholders.

This report was approved by the Board on 12 April 2021.

Max Vermorken
Chief Executive Officer

Post Period Announcements



STRATEGIC REPORT

Greenbloc

In February 2021 SigmaRoc pioneered a new product in the construction market with the launch of the UK's first Cement Free Ultra-low Carbon Concrete Building Block under a new brand, Greenbloc.

Concrete blocks are used extensively in the construction of real estate and infrastructure across all sectors. SigmaRoc's new Greenbloc range materially reduces the carbon footprint of these blocks when compared to a traditional product.

Greenbloc is completely cement free, making it unique in the UK market and provides on average a significant net reduction in embodied CO₂ ('eCO₂') of 77% per concrete block, resulting in the following specific decreases:

- an average reduction of 1.1kg of eCO₂ per concrete block;
- an average reduction of 2.7 tonnes of eCO₂ per average semi-detached house;
- these average reductions are equivalent to the CO₂ emitted by an average household's electricity consumption for four years.

The product is produced by SigmaRoc's PPG platform at its various production facilities. Following extensive research and development and initial trials throughout 2020, the product has been well received by the market with strong interest from several leading national building materials merchants. Further sizes and specifications of concrete building blocks will be released over the next weeks and months, extending the Greenbloc range.

SigmaRoc is committed to enhancing sustainability and reducing environmental impact in the construction sector and will continue to develop its sustainable product range with the aim to offer a low-carbon alternative to each of the concrete products it manufactures. As more products pass the testing and trialling phase, we will update the market on their specifications and commercial potential.



Expansion of the Group's Belgian aggregates operations

In March 2021 the Group made a further step forward at its Belgian operations Carrieres du Hainaut. SigmaRoc entered into an agreement to assume control of LafargeHolcim's quarrying operations, which are co-located at the Group's Carrieres du Hainaut Belgian business (the 'LH Agreement'), providing a platform for the significant expansion of SigmaRoc's European aggregates business.

Rationale for the agreement

In October 2019, SigmaRoc established its European heavy side materials platform through the acquisition of CDH, a major quarrying and dimension stone company located in Belgium. In addition to annual production of c.1 million square meters of Belgian Blue Stone, a high value decorative stone, the operations also produce approximately 1.5 million tonnes of standard construction aggregates. Prior to entering into the LH Agreement, production and commercialisation of these aggregates was undertaken by LafargeHolcim, under an inefficient royalty deal which was due to end in February 2023.

The LH Agreement gives the Group full control over CDH's production assets, putting SigmaRoc in a far stronger position commercially and operationally to pursue its growth strategy in the Belgian Aggregates market as a large scale supplier.

In addition to generating an estimated incremental EBITDA of €1m per annum, the assumption of full control of all production at CDH will enable the Group to drive operational efficiencies over time. Furthermore, the LH Agreement will give SigmaRoc further flexibility to install new crushing and screening equipment, further enhancing output.

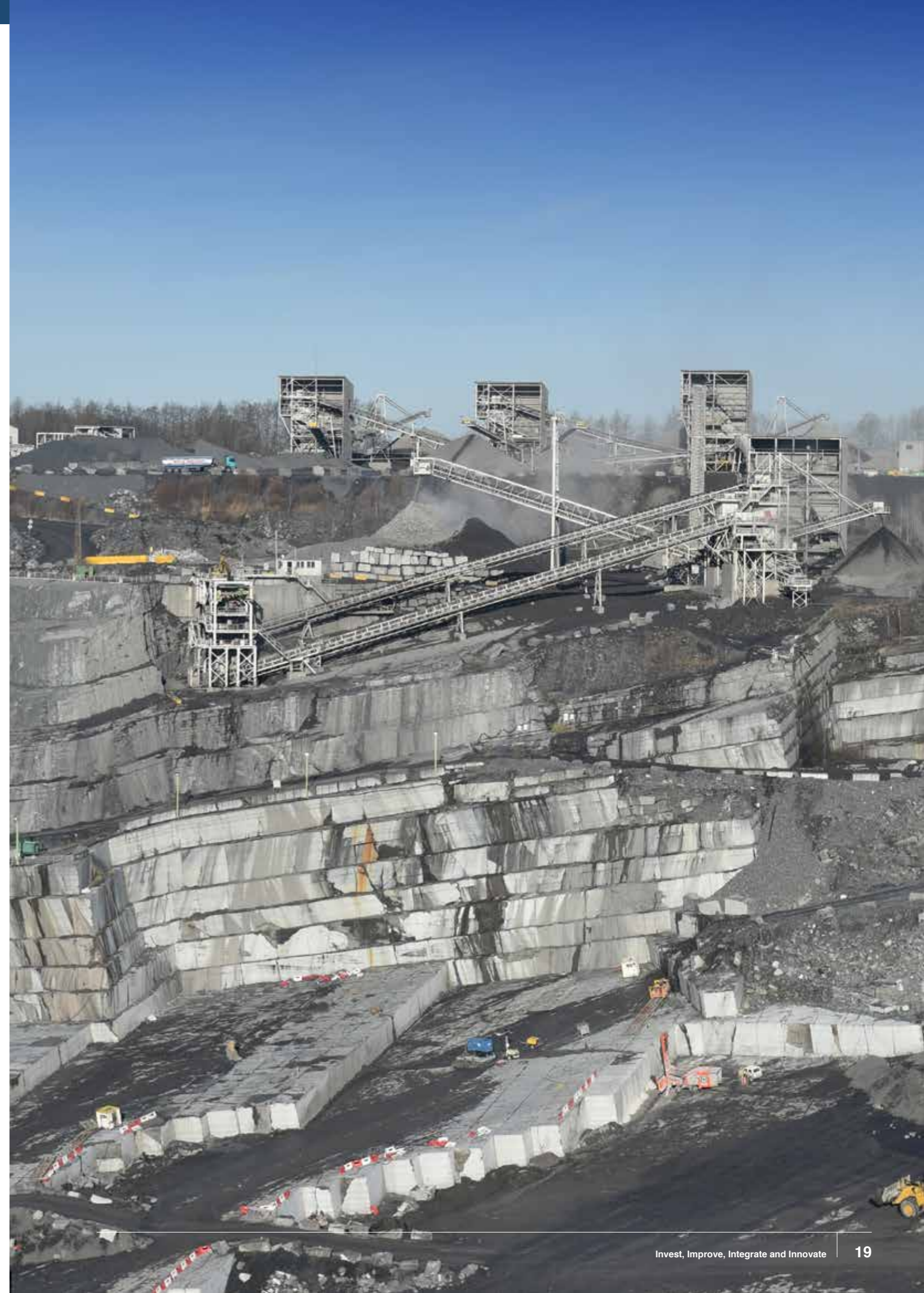
The LH Agreement

Under the terms of the LH Agreement, SigmaRoc will, from 1 April 2021, take-over all of LafargeHolcim's production installations located at CDH for nil consideration. The Group has agreed to supply LafargeHolcim Belgium with a minimum of 1.5 million tonnes of aggregates per year until 31 December 2024, under a take-or-pay agreement, for which SigmaRoc will charge a production margin. Additional volumes produced are subject to a pre-emption right by LafargeHolcim or to be utilised by SigmaRoc.

During the period of the agreement, SigmaRoc will build and commission a new aggregates production facility and decommission the old LafargeHolcim installations. SigmaRoc expects this process to be seamless and the decommissioning and demolition of the old installation to be cost neutral.

Launch of materials company Granulats du Hainaut ('GDH')

Given its entry into the Belgian market as a large scale supplier of high quality aggregates, SigmaRoc has decided to incorporate a new subsidiary and launch a new brand for its quarrying operations, GDH. The new operations will form part of a larger network of quarries in Belgium, including the Group's three existing Stone Holdings S.A. sites. SigmaRoc's total European production volume can be up to 3 million tonnes per year.



Acquisition of Belgian concrete assets and establishment of two separate European heavy side materials platforms

In line with its stated strategy, in April 2021 the Group has completed the acquisitions of B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Popping NV (collectively 'B-Mix'), as well as Casters Beton NV ('Casters') from Groep Janssens N.V. for a combined cash consideration of €13m (together, the 'Acquisitions').

B-Mix, located in Tessenderlo, and Casters, located in Genk, operate four concrete plants, producing around 250,000 cubic meters annually. In addition the B-Mix business include quayside operations along the Albert Canal which links the cities of Antwerp and Liege and the rivers Scheldt and Meuse.

In total, the businesses generated a turnover of €22m, EBITDA of €3.3m and a net profit of €1.6m in the year ended 31 December 2020 and net assets of €5.9m. The Acquisitions will be immediately enhancing to the Group's underlying earnings and will be funded from cash raised in December 2020.

Creation of New European Platforms

Following the Acquisitions and the creation of the GDH aggregates brand, as announced on 26 March 2021, SigmaRoc has decided to separate its European heavy-side materials operations into two separate platforms.

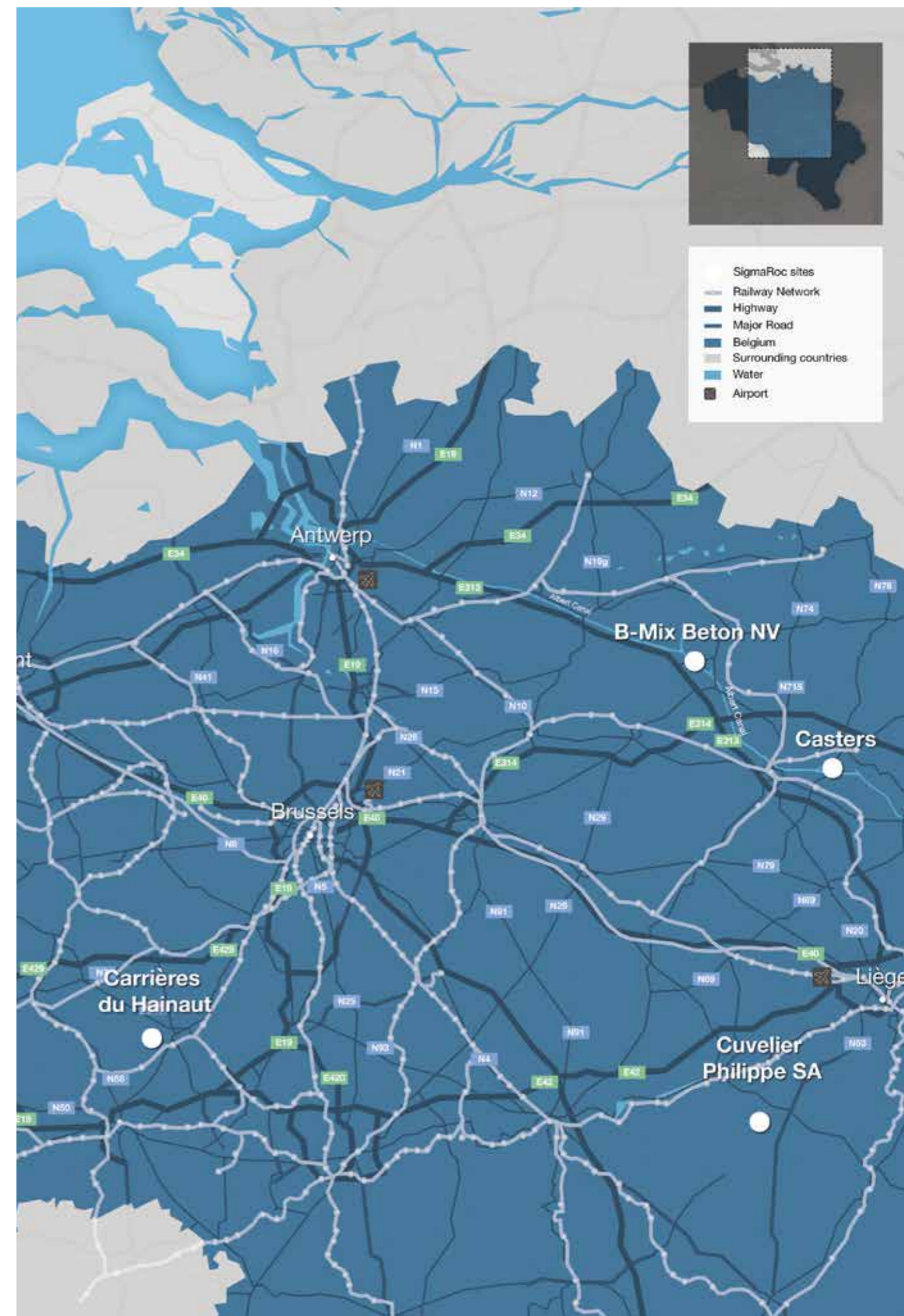
CDH will continue as a Europe wide dimension stone platform under Managing Director Christophe Huyghebaert, turning over approximately €44m per year.

A new integrated concrete and construction aggregates platform will be created to include GDH, Stone Holdings, B-Mix and Casters. The new platform will be managed by Emmanuel Maes and Pascal Lesoinne, with initial annual sales of around €36m per year.

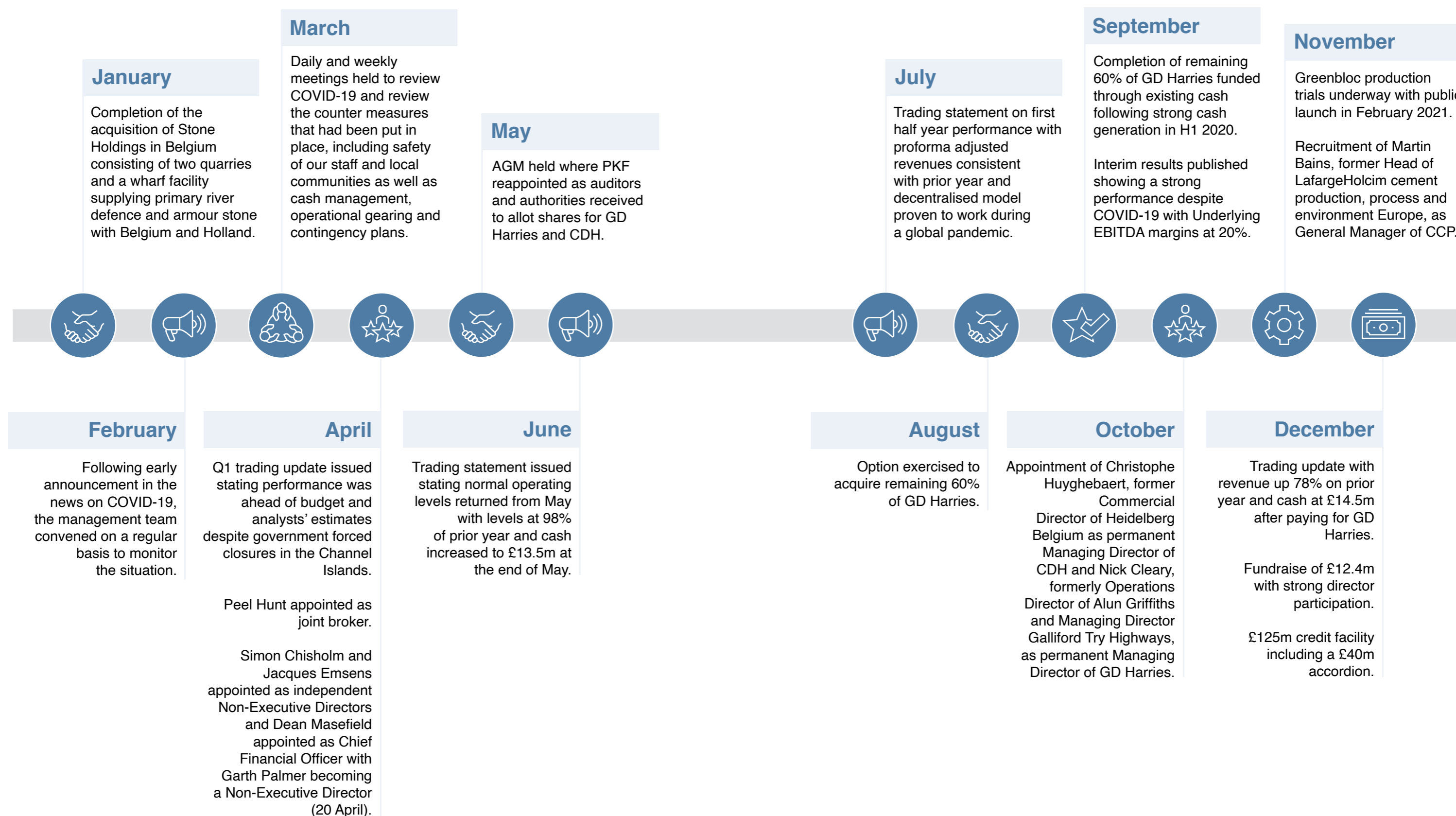
Option to acquire 11ha of quayside industrial land

Alongside the Acquisitions, SigmaRoc is also pleased to announce it has entered into an option agreement (the 'Option') with Jabo N.V., granting it the right to acquire 11 hectares of quayside industrial land in Tessenderlo, for a consideration of €9m. The land subject to the Option includes approximately 260m of quayside along the Albert Canal, one of the busiest national shipping lanes in Belgium, and houses the B-Mix concrete business, as well as a significant unutilised area.

Should the Option be exercised, SigmaRoc estimates it would utilise approximately 4 hectares for the B-Mix business and is exploring opportunities to utilise the remaining land as part of its strategy for further expansion in the Belgian market. Should opportunities not be identified which meet the Group's investment criteria, the sale or development of the land would be considered.



2020 Timeline of Key Events



Business Review



STRATEGIC REPORT

Business Model

Every acquisition is made on the basis that it can stand on its own two feet and not just be a route to market. Historically in our industry, standalone business have been purchased due to their individual success, often to only become routes to market and have their value eroded.

Our decentralised business model allows us to ensure that all our product and service offerings perform the best they can, leveraging group opportunities where it is in their best interest. This has allowed us to build a competitive construction materials group focussed on the long term benefits our industry has to offer.

The ability to extract the maximum value of every product and service we offer has been conceived on 5 simple statements:

Commodity market set apart by quality of product and service

A family approach of being local and personally known to the customer base, with the management skill and approach of a Major allows our business to compete with anyone.

Local products that do not travel

Construction materials are a local product, consumed and produced locally, due to their high mass to price ratio. This brings a particular dynamic to the sector, focussed on local and fragmented.

Synergies are local not global

Each local market is different, with its own particularities, competitive pressures and local history. Our platform structure allows local synergies to be maximised that are best for each platform ensuring true cost savings and empowered businesses.

Agility and speed

Autonomous local managers fully understand requirements of local markets; each decentralised business can decide what is best for it at any moment in time allowing nimble reactions to changing economic environments as well as major events such as COVID-19.

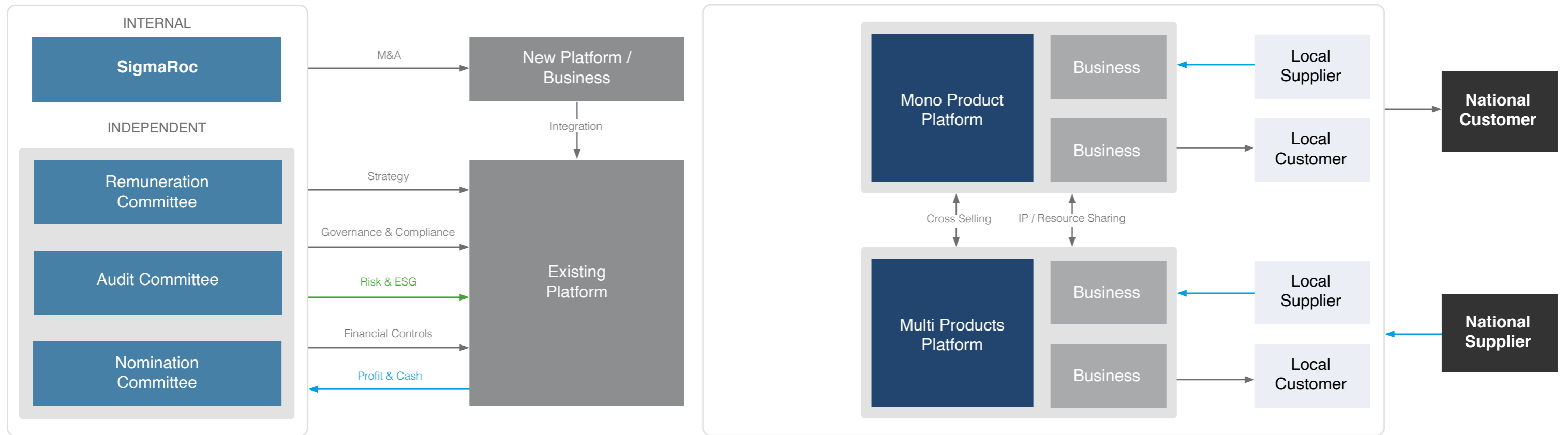
Decentralised approach

A decentralised approach that extracts maximum competitive value from each business; reducing unnecessary central costs and ensuring self-sustaining value driven businesses; by empowering autonomous management.

Our decentralised model allows our platforms and businesses to focus on their delivery whilst a lean group level structure ensures governance and performance of the operations and the ability to engage in proactive investment activities.



Our Business Model



Our Strategy

Our strategy continues to follow our original three 'core principles'. As we continued to grow, during 2020, we introduced a fourth Principle: Innovation. This principle can already be seen in our development of our Greenbloc (p.17).

Invest



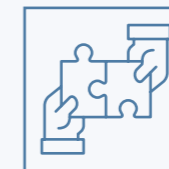
- Only in businesses with solid intrinsic value;
- Only in businesses with the potential to be improved and grown;
- Only in businesses which can be bought at an attractive valuation.

Improve



- The motivation of management to drive growth;
- The ultimate offering to the local market and community;
- The operational and financial performance of the business.

Integrate



- By building platforms of compatible businesses;
- By unlocking those synergies which do not come at a significant cost;
- By recognising the value of what previous owners built.

Innovate



- By providing product and service solutions to current and future problems;
- By embracing technological advance within the running of our businesses;
- By challenging the status quo to drive our businesses and industry forward to meet social and environmental challenges ahead.

Acquisitions

During the year we continued to **Invest**; completing on GD Harries and paving the way for our recently announcement expansion of Belgium with the acquisition of B-Mix & Casters using our equity raise towards the end of the year. We look to continue our investment journey with our buy and build approach.

Our platforms continue to focus on **Improving** their businesses, including our greatest assets; our people. We were able to ensure provision of improved employee benefits for existing employees as well as offering jobs to many who had found themselves recently made redundant by others. We will continue to responsibly drive maximum value of all our assets with focus on our newly acquired business such as GD Harries and B-Mix & Casters.

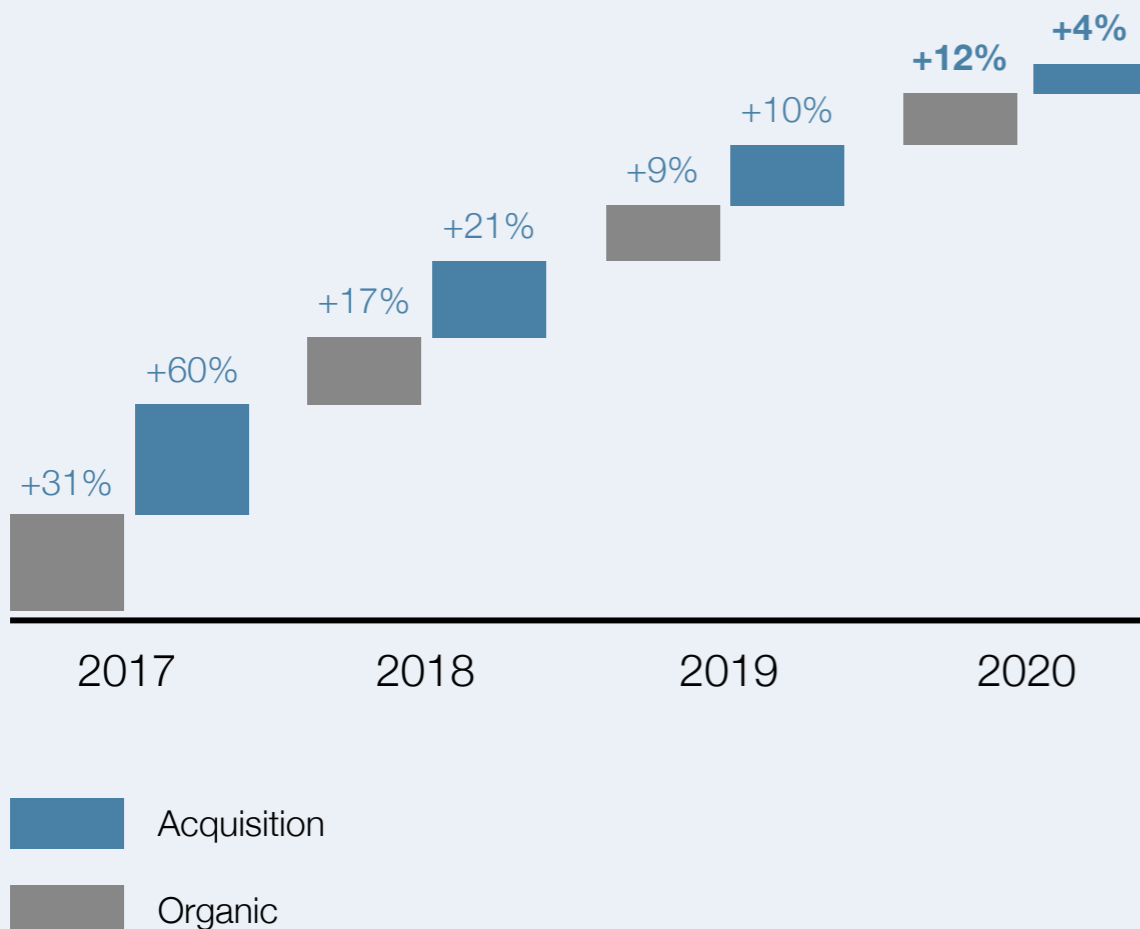
Recently acquired businesses, such as CDH and GD Harries, continued to be Integrated, creating various opportunities. As with all our previous businesses we will look to integrate our newly acquired business and continue to unlock synergies where appropriate.

Having introduced the **Innovation** part of our strategy, we were quickly able to bring to market Greenbloc, a significant product in our proactive approach to sustainability. With a suitability roadmap under development, Innovation will become an area of opportunity.

Based on our strategy, since inception and during 2020, we have been able to continue to grow through acquisition and organic growth.

With each business, by adhering to our investment principles and applying our Improvement and Integration programs, we have ensured both improved performance and value.

Underlying EBITDA Growth by type versus prior year



Multiple statistic based on purchase multiple

15/10/2019 CARRIÈRES DU HAINAUT

6.8x

CDH's Underlying EBITDA for past 12 months

11/09/2019 STONE HOLDINGS

4.4x

Underlying EBITDA for past three years

15/04/2019 GD HARRIES

7.6x

Underlying EBITDA for the previous financial year

25/01/2019 CCP

5.85x

Underlying EBITDA for the previous financial year

13/12/2017 POUNDFIELD

6.8x

Underlying EBITDA for the previous financial year

19/10/2017 ALLEN CONCRETE

6.25x

Underlying EBITDA for the previous financial year

15/04/2017 MV RONEZ SHIPPING ASSETS

2.5x

Underlying EBITDA for the previous financial year

05/01/2017 RONEZ

9.0x

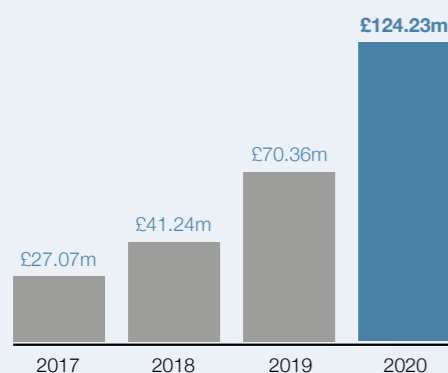
Underlying EBITDA for the previous financial year

Key Measures and Statistics

The following KPIs are used to measure our progress and are reviewed in relationship to our both our strategy and our risks and opportunities.

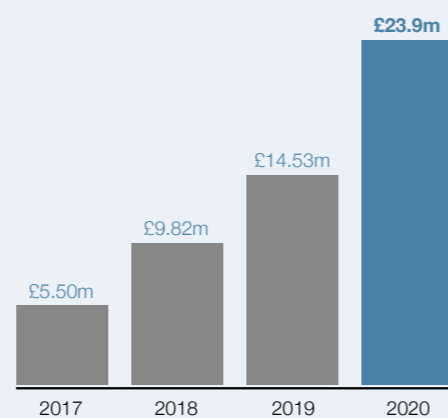
Financial

Revenue (£m)



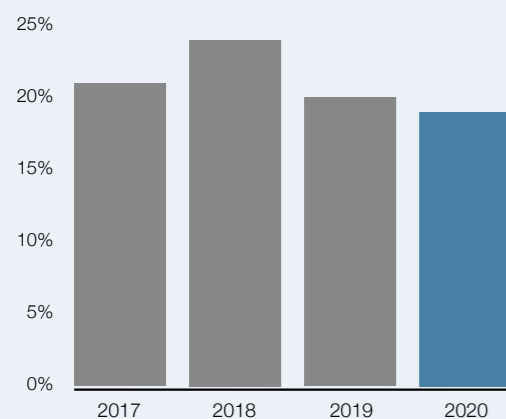
By measuring top line growth we can ensure that our business is continually improving as per our strategic principles. This year we seen year on year growth both organically and from acquisition.

EBITDA (£m)



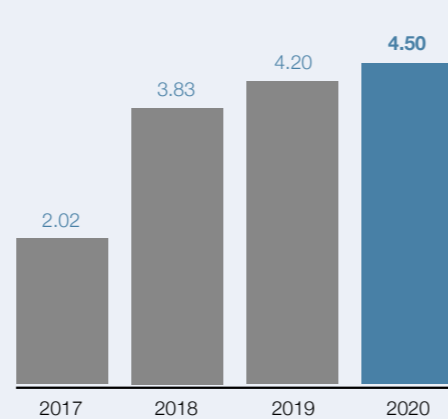
By measuring EBITDA growth we can ensure that our business continues to deliver. Despite a challenging year, through cost control and operational gearing we have been able to ensure a like for like year on year improvement as additional EBITDA growth through acquisition.

Underlying EBITDA Margins (%)



By measuring margin, we can ensure obtaining the best we can out of our businesses. We set ourselves a target of 20%. Despite a challenging year and the initial integration of lower margin businesses in Wales and Belgium we completed 2020 just behind our targets at 19%.

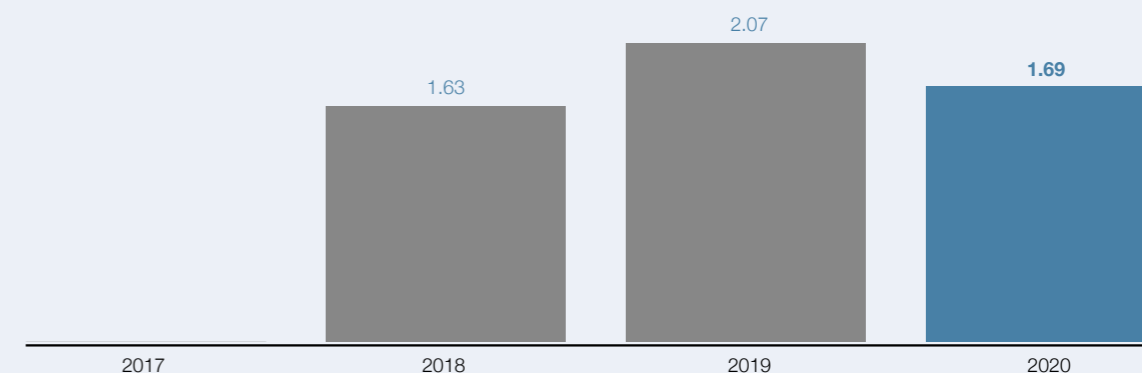
Underlying EPS (£p)



EPS is a significant indicator of performance to our Shareholders and as such is a key metric. With every acquisition and financial operating year we look to ensure EPS growth. Despite a challenging year in 2020, it proves to be no different a year in the improvement of our EPS.

Financial

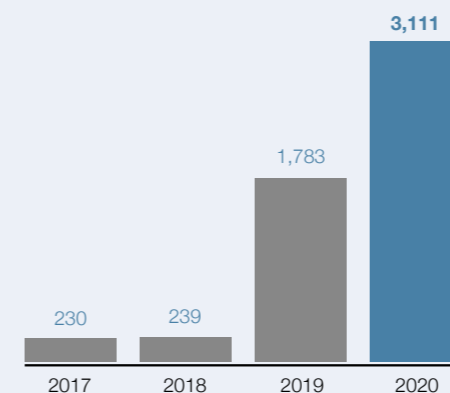
Leverage Ratio (net debt to Underlying EBITDA)



By committing to a self imposed leverage ratio of circa 40% below our covenants we are able to ensure we can generate enough cash flow to service the business and to pursue our investment strategy with out the risk of breaching our debt-servicing obligations. This year we completed a significant debt refinancing and we have been able to reduce our leverage ratio compared to last year through strong cash management.

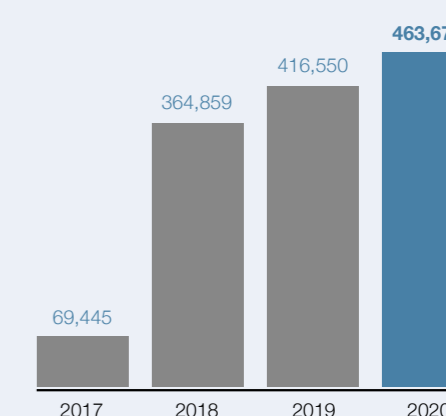
Operational

Aggregate Tonnage sold (thousand tonnes)



Aggregates and dimension stone volumes continue to grow with significant increase due to full operational year at CDH and increase like for like volumes.

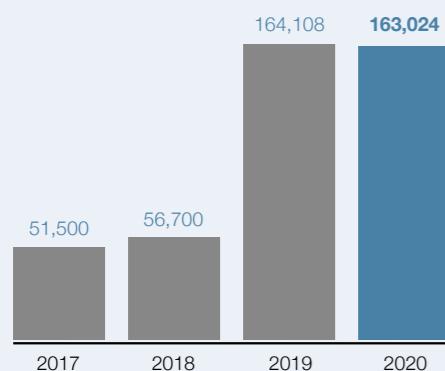
Concrete & Concrete Products sold (cubic metres)



Concrete and concrete product volumes continue to grow due to like for like volumes in GD Harries and our PPG platform with increase in manufacturing capacity, new products and projects.

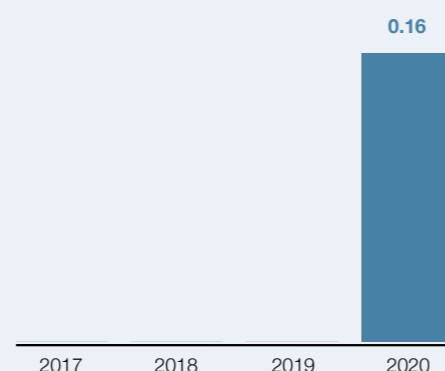
Operational

Asphalt and asphalt laid (tonnes)



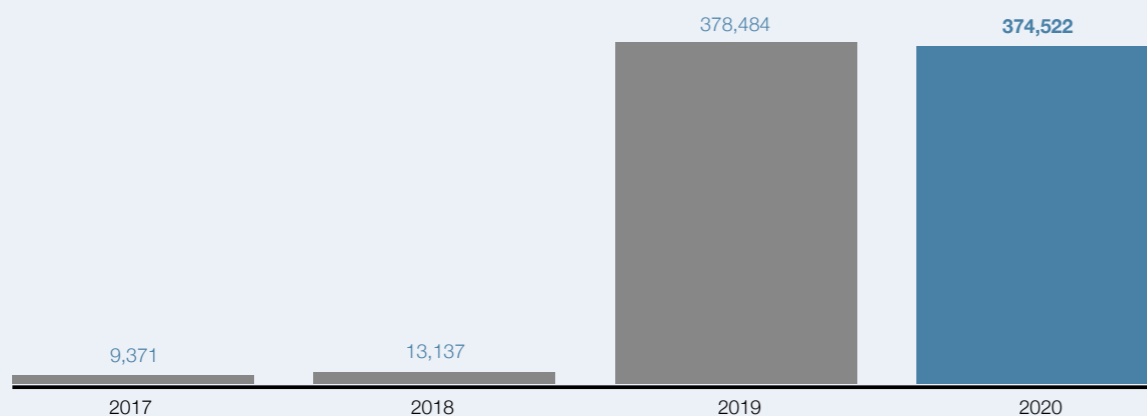
Asphalt and contracting volumes remain consistent across all our platforms.

Emissions intensity (tc02e/£ revenue kg)



As per the UK Government's SECR regime, we start our first year of reporting and have voluntarily committed to measuring all our businesses with regards to emissions.

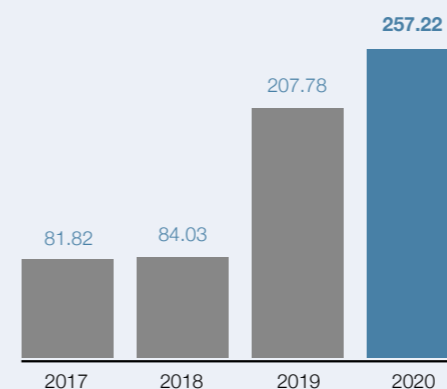
Reserve and resources (thousand tonnes)



Following the acquisition of GD Harries and CDH, mineral reserves and resources have increased significantly with each relevant business having adequate mineral to maintain operations for the future.

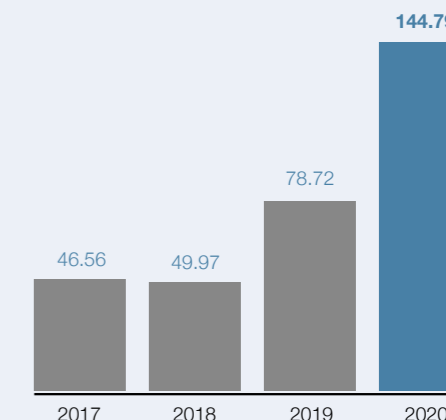
Assets

Total assets (£m)



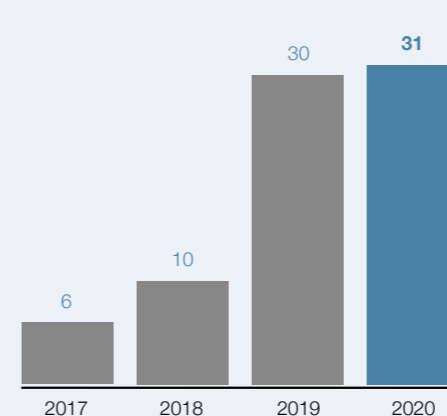
Total assets increased with the acquisition of GD Harries.

Tangible assets (£m)



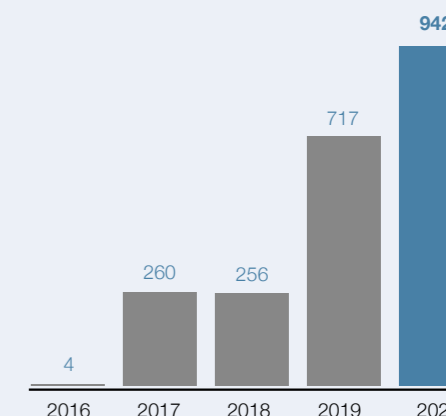
Tangible assets increased following the completion of the PPA process on CDH and the acquisition of GD Harries.

Number of sites



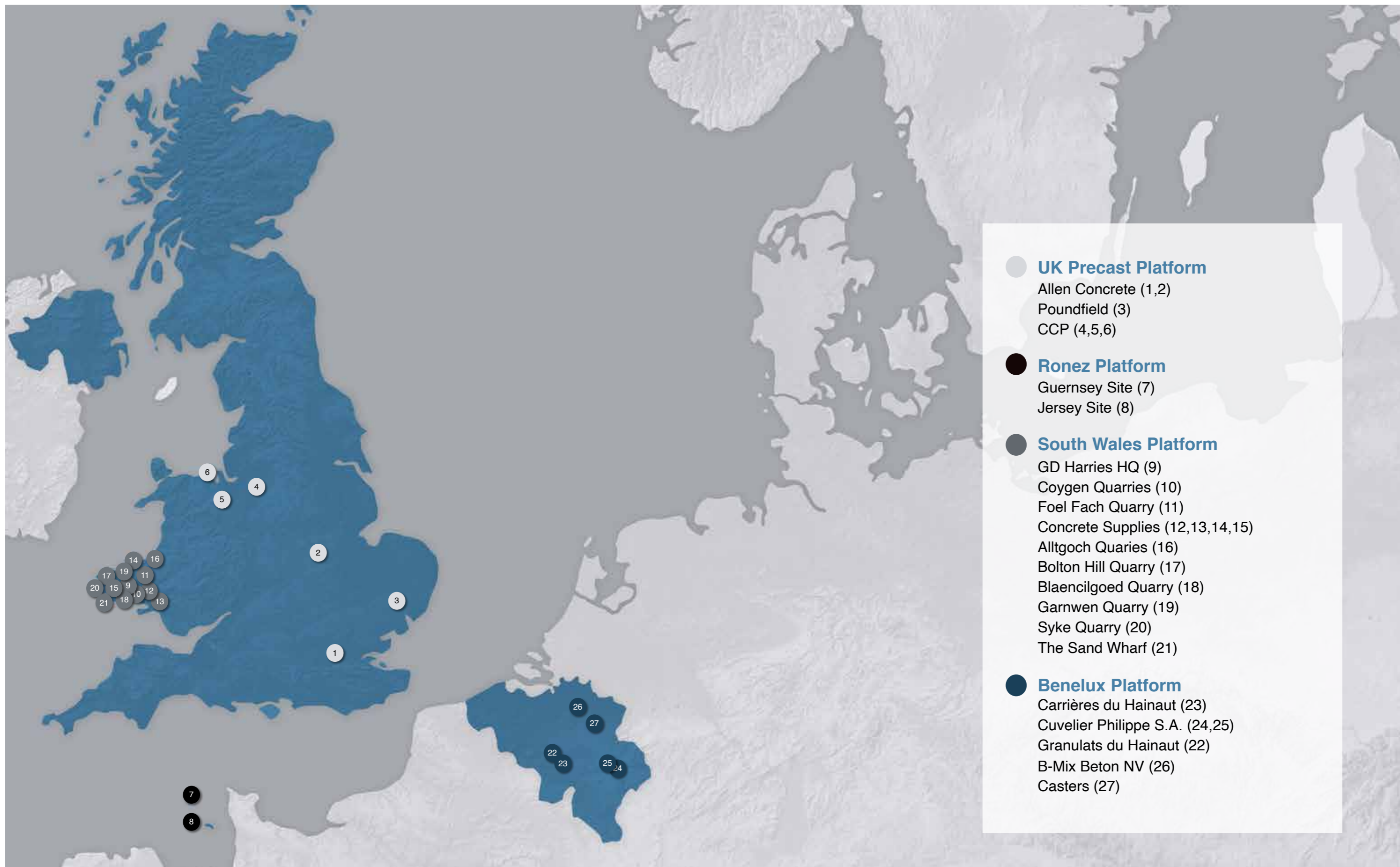
Our sites continue to be developed through platform integration to ensure optimal geographical reach, synergies and cross selling can be maximised where beneficial.

Personnel



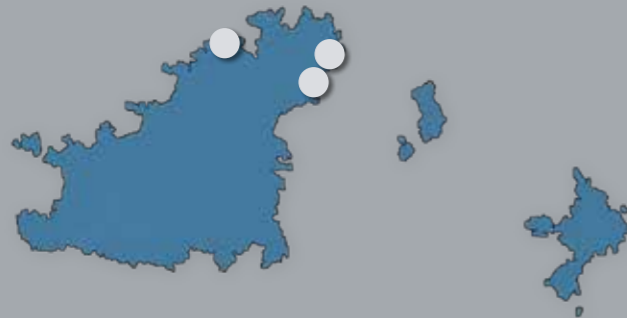
People are one of our key assets and through our growth our businesses are able to maximise a wide array of skills and knowledge from amongst each other. Our staff are currently distributed approximately 60:40 between UK and Europe.

Map of Assets



- **UK Precast Platform**
 Allen Concrete (1,2)
 Poundfield (3)
 CCP (4,5,6)
- **Ronez Platform**
 Guernsey Site (7)
 Jersey Site (8)
- **South Wales Platform**
 GD Harries HQ (9)
 Coygen Quarries (10)
 Foel Fach Quarry (11)
 Concrete Supplies (12,13,14,15)
 Alltgoch Quarries (16)
 Bolton Hill Quarry (17)
 Blaencilgoed Quarry (18)
 Garnwen Quarry (19)
 Syke Quarry (20)
 The Sand Wharf (21)
- **Benelux Platform**
 Carrières du Hainaut (23)
 Cuvelier Philippe S.A. (24,25)
 Granulats du Hainaut (22)
 B-Mix Beton NV (26)
 Casters (27)

Ronez



Ronez operations supply the Channel Islands with aggregates, ready-mixed concrete, asphalt and precast concrete products and services. Operating out of multiple sites across Jersey and Guernsey with satellite offerings on other islands, Ronez offers a full range of high-quality construction products and services.



Mike Osborne

Managing Director

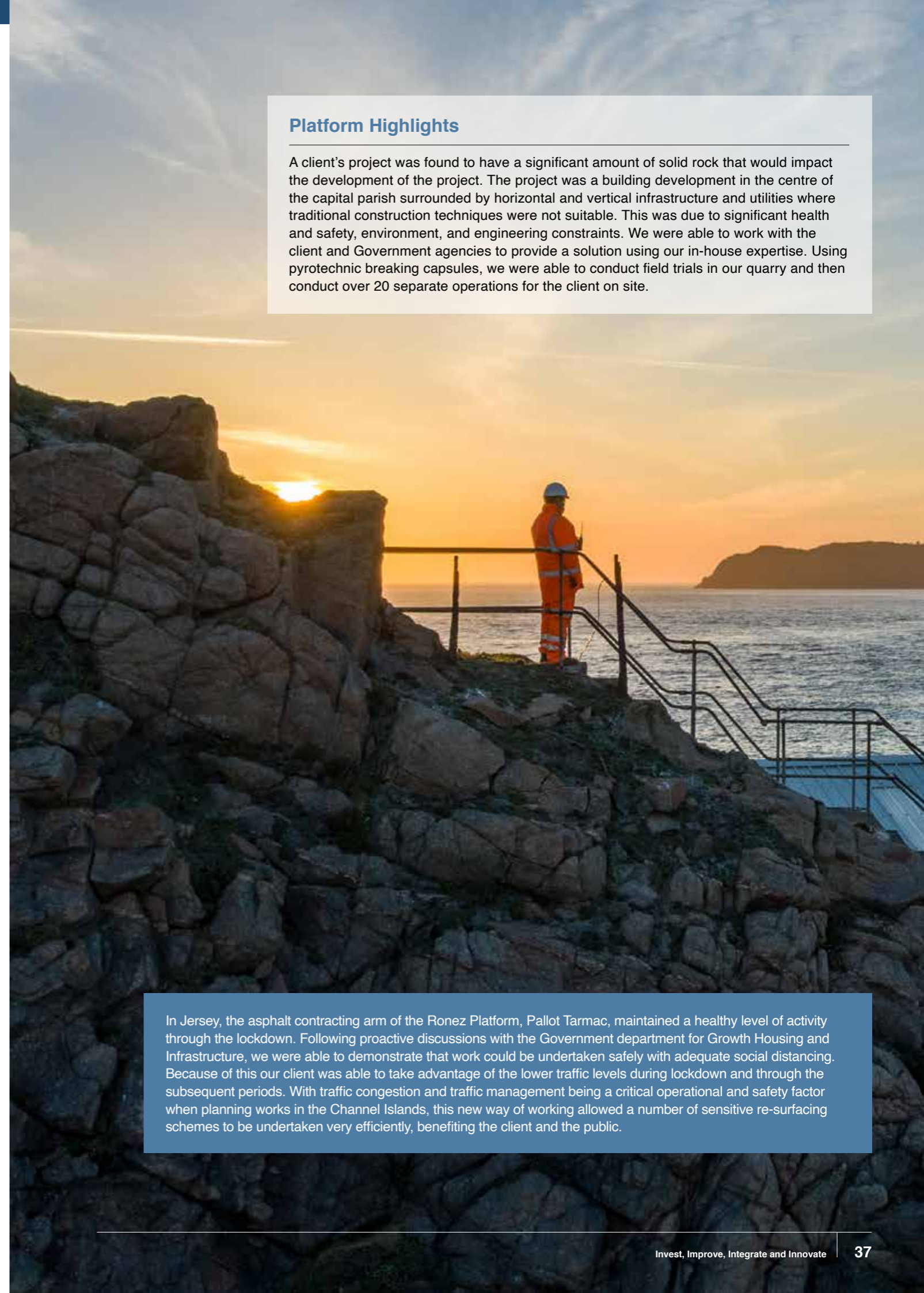
The creation of a shipping division, SigmaGsy, by SigmaRoc upon acquisition of Ronez has helped with transporting dry-bulk materials to and from our own sites as well as third party sites in the UK and Europe, resulting in higher profits and operational efficiency.

Ronez continues to be a cornerstone asset of SigmaRoc, delivering consistently strong results with a history of riding economic cyclic waves normally associated with the UK.



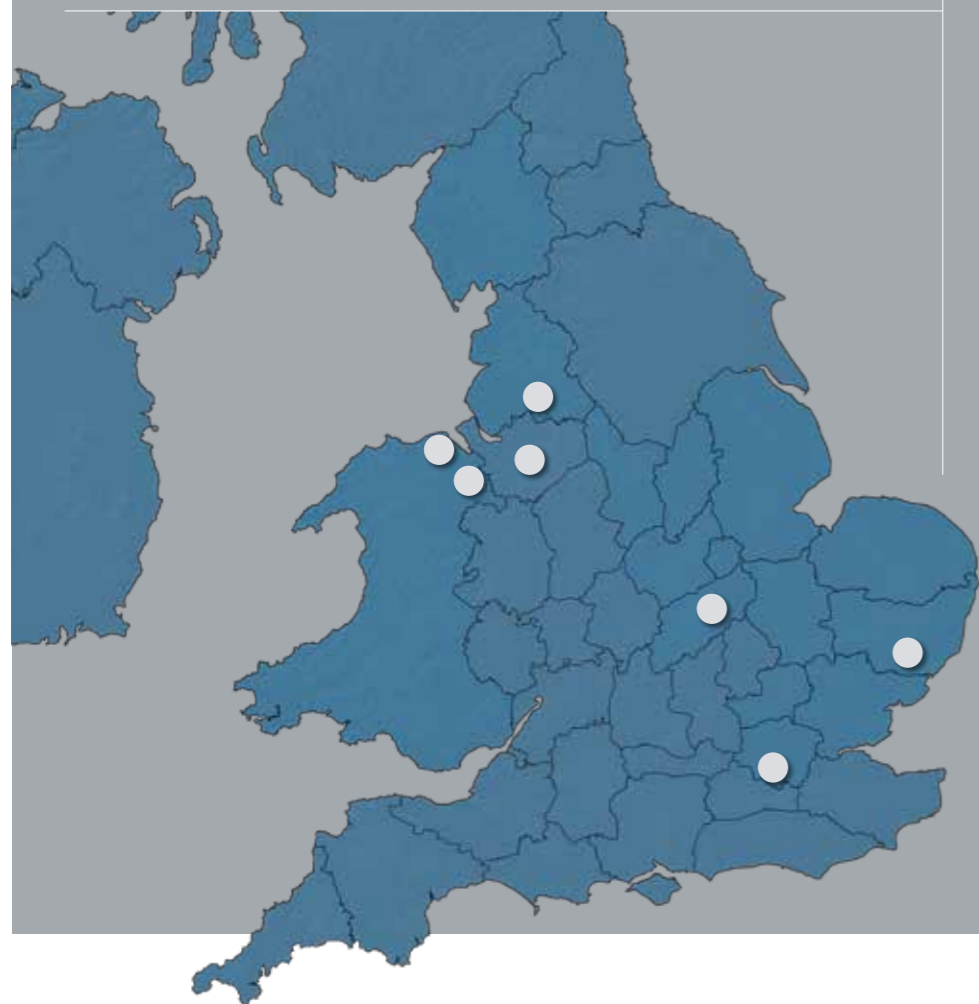
Platform Highlights

A client's project was found to have a significant amount of solid rock that would impact the development of the project. The project was a building development in the centre of the capital parish surrounded by horizontal and vertical infrastructure and utilities where traditional construction techniques were not suitable. This was due to significant health and safety, environment, and engineering constraints. We were able to work with the client and Government agencies to provide a solution using our in-house expertise. Using pyrotechnic breaking capsules, we were able to conduct field trials in our quarry and then conduct over 20 separate operations for the client on site.



In Jersey, the asphalt contracting arm of the Ronez Platform, Pallot Tarmac, maintained a healthy level of activity through the lockdown. Following proactive discussions with the Government department for Growth Housing and Infrastructure, we were able to demonstrate that work could be undertaken safely with adequate social distancing. Because of this our client was able to take advantage of the lower traffic levels during lockdown and through the subsequent periods. With traffic congestion and traffic management being a critical operational and safety factor when planning works in the Channel Islands, this new way of working allowed a number of sensitive re-surfacing schemes to be undertaken very efficiently, benefiting the client and the public.

PPG



PPG is a platform of companies managed by Michael Roddy specialising in manufacturing precast concrete products and blocks. The platform includes Allen Concrete, Poundfield Products and Cheshire Concrete Products.



Michael Roddy

Managing Director

With a triangulation of points from London, to East Coast to North West and sites in between, PPG supply a wide and diverse range of industries ranging from house builders and farmers to national sea defence projects and international contractors, be it direct or through merchants. The PPG companies are some of the most experienced and innovative in their industry; some operating for over 70 years, while others own a significant number of patents and licences.

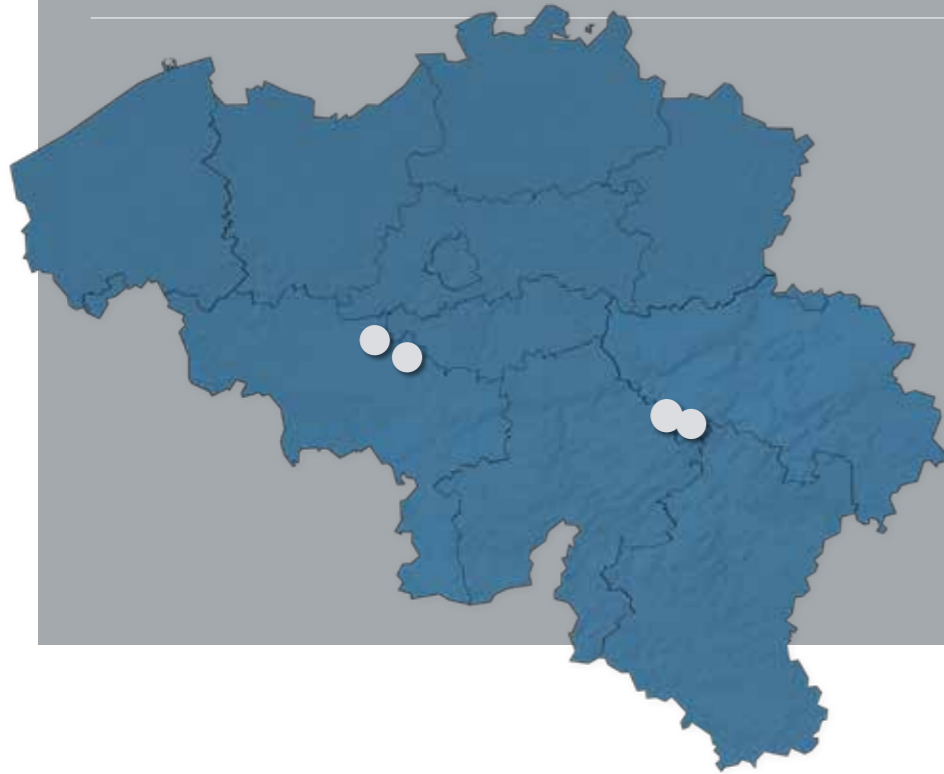
Platform Highlights

The Department for Transport announced in February 2020 that a new Moveable Barrier System would be deployed on the M20 to resolve current operational issues as well as to prepare for Brexit at Dover. The project allows for the separation of HGVs on one side of the motorway heading to cross-Channel ports, with all other traffic being managed on a contraflow system at times of disruption, while also allowing the motorway to retain three lanes, a hard shoulder and 70mph speed limits in both directions during normal traffic conditions. Compared to the speed restrictions and month-long overnight motorway closures required for Operation Brock, the new scheme causes less disruption to traffic with barriers being able to be deployed within hours from the hard shoulder.

Poundfield Products worked closely with Highways England and US based partner, Lindsay Transportation, to manufacture and deliver the 23,000, "Road Zipper" concrete barriers with interlocking pins that are key to the state-of-the-art technology.



Benelux



CDH is our first European Platform, based in Belgium. The growth of the platform continues to be led by Emmanuel Maes whilst the management of the existing business is led by recently appointed Christophe Huyghebaert, formerly Commercial Director Heidelberg. The current operations produced over 3 million tonnes of aggregates and dimension stone from our quarries in Belgium.



Emmanuel Maes

ExCo Europe



Christophe Huyghebaert

Managing Director

In 2020, we have two distinct product lines; Aggregates and Dimension Stone.

- Our Aggregate products supply a range of partners and construction companies with products for concrete, sea defence work, riverbank fortification and general horizontal and vertical.
- Our Dimension Stone products, one of only a handful of certified 'Pierre Bleue' globally, are part of Belgium's heritage and can be seen throughout buildings and infrastructure as well as being supplied globally on iconic projects such as the Abu Dhabi Louvre.

Our businesses in the Benelux is well positioned with reserves and resources of over 150 million tonnes of construction aggregates and over 28,000,000m³ of high quality Belgian Blue Stone. The business employs over 420 people and has a proud history, dating back 130 years, of extracting a highly sought-after material.

EMA communal area with Bluestone – Photo courtesy of Corné Bastiaansen



Platform Highlights

The European Medicines Agency (EMA) relocated from UK to the Netherlands; due to our Europe wide network we were able to work with the project and supply Bluestone for use in its construction and fit out. The building is 81m high and covers 39,000 square meters, housing offices, workplaces, meeting rooms and conference rooms for a total of 1,300 people from 30 countries over 19 floors. Sustainability is the key word of the entire complex that obtained the BREEAM Excellent certification.



South Wales



GD Harries is the cornerstone for SigmaRoc's South West platform. With 100% ownership completed in September 2020, we now have a significant footprint in the region with opportunities to expand the businesses organically and acquisitively. GD Harries was previously owned by Ian Harries, who has stayed on with the business whilst Nick Cleary has been appointed as Managing Director; previously MD of Galliford Try Highways and Operations Director at Alun Griffiths.

Platform Highlights

Working in connection with the Welsh government, we took the challenge of designing new products that meet new proposed asphalt specifications with an overarching objective of "Sustainability through Durability". Typically, the current specification creates products that have a 6 year life cycle, whereas the new specification aims to create a 20 year life cycle.

Our technical and production teams have worked to create designs that meet these specifications and throughout 2020 and into 2021 we have been conducting both multiple laboratory and field trials, with success. We look forward to continuing to work with the Welsh Government and their pipeline of further specifications.



Ian Harries

Chairman



Nick Cleary

Managing Director

GD Harries is one of Wales' largest independent suppliers of aggregates. Founded by Mr. Gerald D. Harries, his son – Ian Harries – still remains committed to the business and SigmaRoc.

Based in West Wales, the platform now operates out of seven granite and limestone quarries; incorporating three asphalt plants, six concrete plants, and a wharf operation, as well as a civil engineering division delivering significant infrastructure projects.

Risk

The Group's risk appetite is reviewed annually and approved by the Board in order to guide management. It defines the level of risk the Group is willing to accept in pursuit of its strategy as well as considering ESG risks. The Group also look at how we change any risks into opportunities.

Sustainability & Risk is managed by our Technical Director, Charles Trigg, a co-founder of SigmaRoc who currently oversees M&A and Integration, Projects & Capex, HR & benefits, Insurance and now Sustainability & Risk. The Group has key members that contribute to Sustainability & Risk with specialities in legal, safety and systems.

Board

Responsible for the risk management and internal control and for reviewing effectiveness, with specific oversight of Code of Conduct and ESG risks.

Audit Committee

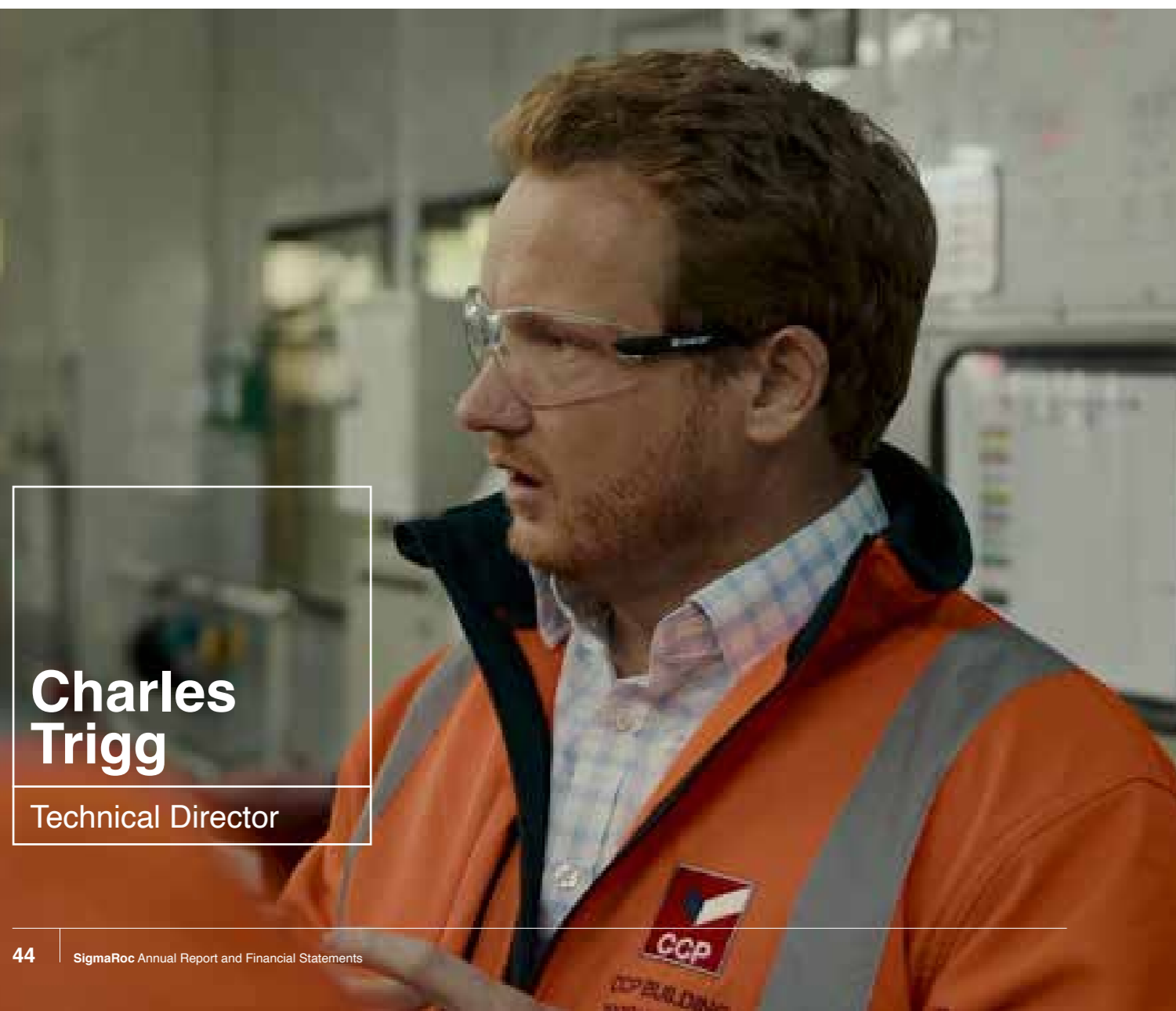
Reviews the suitability and effectiveness of risk management processes and internal controls on behalf of the Board.

Risk Representative

Responsibility for managing and reporting to the Board on the key risks, controls and opportunities, including ESG, within the Group.

Senior Management Team

Directors and senior managers identify, assess and manage the key risks, controls, ESG matters and opportunities and report them to the Risk representative. Their key responsibilities include ensuring an effective risk culture is in place, with risk and opportunity management embedded in their businesses.



Charles Trigg
Technical Director

Risk	Description	Mitigation
Competition & Margins	<p>Increase in costs or prices; reliance on key suppliers and key customers, including national merchants, could impact supply and profitability.</p> <p>A number of existing competitors compete on range, price, quality and service. Potential new low-cost competitors may be attracted into the market through increased demand.</p>	<p>Operate a strategic purchasing plan to minimise key supplier risks, notably in cement and bitumen.</p> <p>Seek to offset rising commodity prices through our product pricing strategy and hedging programmes.</p> <p>Maintain a diverse customer and project base focuses on quality, service, reliability continuing focus on new product development.</p> <p>Operate a decentralised model matching focus of independents and new entrants.</p>
Economic and political	<p>The Group is dependent on the level of activity in its end markets. Accordingly, it is susceptible to economic downturn, the impact of Government policy, interest rates and any political and economic uncertainty, such as COVID-19.</p> <p>Difficult economic conditions could also increase our exposure to credit risk from our customers.</p>	<p>The Group has a strong focus on operational gearing, allowing it to be flexible during economically disruptive events.</p> <p>The Group has a diverse product portfolio across multiple end markets and jurisdictions.</p> <p>The Group's relationship with suppliers and customers allow for management of risk including credit risk and where necessary credit risk insurance is sourced.</p>
Environment & Climate Change	<p>Operational impact on the environment or the effects of climate change could expose the Group to regulatory breaches, significant disruption, reputational risk or a reduction in demand for our products.</p>	<p>Committed to reducing level of carbon emissions, reuse and recycling schemes and implementation of sustainability initiatives.</p> <p>Group now falls under SECR and has committed to monitoring all of its operations, not just the UK, through an independent external organisation.</p> <p>Management, training and control systems are in place to prevent environmental incidents.</p> <p>Promotion of EMS and ISO14001 accreditation of which currently 50% of our businesses have.</p>
Finance, Liquidity and Currency	<p>Foreign exchange risk: As the Group transacts in currencies other than Sterling, exchange rate fluctuations may adversely impact the Group's results.</p> <p>Credit risk: Through its customers, the Group is exposed to a counterparty risk that accounts receivable will not be settled leading to a financial loss to the Group.</p> <p>Liquidity risk: Insufficient funds could result in the Group being unable to fund its operations or to continue to invest organically or to undertake acquisitions.</p> <p>Interest rate risk: Movements in interest rates could adversely impact the Group and result in higher financing payments to service debt.</p>	<p>Foreign exchange risk: The Group undertakes limited foreign exchange transactions as it sells domestically or in domestic currency with largely local input costs. Some M&A, Opex and Capex requires foreign exchange purchases and management considers foreign exchange hedging strategies where significant exposures may arise.</p> <p>Credit risk: Customer credit risk is managed by each subsidiary. The Group principally manages credit risk through management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter.</p> <p>Liquidity risk: Ensure sufficient funding and facilities in place to meet any foreseeable peak in borrowing requirements and liabilities by maintain strong relationships with our banks and shareholders. Internal, we continuously monitoring forecasts and cash flows to ensure that we maintain significant headroom and have self-imposed 2 times leverage.</p> <p>Interest rate risk: The Group finances its operations through a mixture of retained profits and bank borrowings, based on floating rates. Interest rate fixing has been reviewed but none have been entered into during the year or at the year end.</p>

Risk	Description	Mitigation
Health and Safety	Failure to manage health and safety risks could cause harm to our employees or those around us and expose the Group to significant potential disruption, regulatory breaches, liabilities and reputational damage.	<p>We safeguard the health and safety of employees, contractors and others working on behalf of the Group, with experienced health and safety professionals who provide relevant training and help develop a strong culture alongside the management teams; all of which is overseen and audited by our group HSEQ director and the support of consultants where necessary.</p> <p>We are constantly improving communication and reporting across the Group through simple and effective systems and processes such as our HS Engagement & Monitoring software, Visible Felt Leadership, HS Committees, back to work and pitstops.</p>
IT & Cyber	<p>Disruption to the IT environment could affect our operational performance and lead to reputational damage, regulatory penalties or significant financial loss.</p> <p>Failure to keep up to date with advances in technology could impact demand and our ability to access the market.</p>	<p>IT support teams and service providers continue to monitor and respond to new and expanding cyber risks by implementing best practice in IT security management, back-up systems and risk management software courtesy of our cyber insurance providers.</p> <p>Outdated software and hardware are updated and cloud solutions embraced to minimise negative impacts and allow continual operations.</p>
Legal & Regulatory	<p>Exposure to developments that lead to political, legal and regulatory changes requiring significant changes to Group operations which could impact the Group's financial results, together with any associated negative reputational damage.</p> <p>Inadvertent failure to comply with elements of a significantly increased governance, legislative and regulatory business environment.</p> <p>A legal or regulatory breach could result in disruption to operations, financial consequence and reputational damage.</p>	<p>Group general counsel and engagement of external specialists to monitor legislative changes and conduct ongoing training.</p> <p>Hold appropriate business accreditations and insurances and ensure there are compliance procedures, policies, ISO standards and independent audit processes which seek to ensure that regulatory and compliance procedures are fully complied with.</p>
M&A	<p>Overpay; fail to integrate; fail to deliver the expected returns from an acquisition.</p> <p>Failure to identify potential acquisitions to sustain our growth strategy or not be an acquirer of choice.</p>	<p>Strong acquisition track record supported by our specialist advisers and rigorous due diligence processes.</p> <p>All acquisitions are approved by the Board and all acquisitions are subject to detailed due diligence processes which are executed by project teams, with progress monitored by the Board.</p> <p>We have developed a management structure which facilitates our growth strategy and, where appropriate, we make arrangements to retain acquired senior management and minimise negative change upon acquiring businesses.</p> <p>The Board uses its networks and reputation to review wider acquisition opportunities and our businesses are all tasked with bringing forward potential acquisition targets for review at Group level.</p>

Risk	Description	Mitigation
Operational disruption and key equipment failure	A material disruption at one of the Group's operational sites or at one of the Group's suppliers' facilities, could prevent the Group from meeting customer demand.	<p>The Group has the ability to transfer some of its production across its network of plants and is able to engage subcontractors to reduce the impact of certain production disruptions. In relation to supplier disruption or failure, further third-party suppliers have been identified who can maintain service in the event of a disruption.</p> <p>The Group's wide geographical spread mitigates this risk to some extent and allows it to manage its production facilities to mitigate the impact of such disruption.</p>
Quality	The nature of the Group's business may expose it to warranty claims and to claims for product liability, construction defects, project delay, property damage, personal injury and other damages. Any damage to the Group's brands, including through actual or alleged issues with its products, could harm our business, reputation and the Group's financial results.	The Group operates comprehensive quality control procedures across its sites with both internal and external audit reviews of product quality completed to ensure conformance with internationally recognised standards. All accredited staff undergo rigorous training programmes on quality and the technical teams carry out regular testing of all of our products to provide full technical data on our product range.
Raw Materials sourcing & internal resources	<p>The Group is susceptible to significant increases in the price of raw materials, utilities, fuel oil and haulage costs and decreases in availability.</p> <p>Risks exist around our ability to pass on increased costs through price increases to our customers.</p>	<p>Resource expansion plans developed at all sites to ensure timely access to future materials.</p> <p>The Group focuses on its multiple supplier relationships, flexible contracts and the use of hedging instruments.</p> <p>Ensure businesses are self-sufficient with ability to increase resources through subcontractors during peak demands.</p>
Recruitment and retention	<p>Failure to recruit, develop and retain the right people.</p> <p>Failing to create a corporate culture that is based upon ethical values and behaviours.</p>	<p>The Board, newly appointed Nomination Committee, and senior management teams conduct reviews and plan succession for key roles.</p> <p>The Board and the newly appointed Remuneration Committee review all key aspects of remuneration to ensure appropriate packages are in place to assist in the attraction and retention of key employees.</p> <p>Each business has a grading and employee benefit structure with review of incentive plans underway to give help support long term employee commitment.</p> <p>A focus on identifying internal talent and recruitment of upcoming talent is under review to ensure succession planning and maintain a dynamic talent pool which is supported with development plans.</p>
Technology & New Business Models	<p>Reduction in demand for traditional products.</p> <p>Risk of new competitors and new substitute products appearing.</p> <p>Failure to react to market developments, including digital and technological advances.</p>	Digital and product development groups that work local and cross business reviewing both our industry and external offerings and opportunities.



Dean Masefield

Chief Financial Officer

STRATEGIC REPORT

Chief Financial Officer's Report

Following my first year as an executive Board member and Chief Financial Officer, having taken over from Garth Palmer in 2020, I would like to begin this report by thanking the Board and shareholders for the opportunity.

I am very pleased to report a strong year financially for the Group, during which we exceeded our ambitious financial targets, while continuing to expand our business during a global pandemic crisis. We completed the acquisition of the remaining parts of Stone Holdings and GD Harries as well as a full debt refinancing.

In our full 2020 financial year, the Group generated revenue of £124.2 million (2019: £70.4 million) and Underlying EBITDA of £23.9 million (2019: £14.5 million). The Underlying

profit before taxation for the Group for the year ended 31 December 2020 was £12.2 million (2019: £8.4 million).

The loss for the Company for the year ended 31 December 2020 before taxation amounts to £5.8 million (2019: loss £4.7 million), which includes £2 million of non-underlying expenses.

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 2021.

	2020	2019
Cash and cash equivalents	£27,451,984	£9,867,696
Revenue	£124,231,115	£70,362,472
Underlying EBITDA	£23,896,126	£14,534,647
Capital expenditure	£6,451,893	£3,384,363

Cash generated from operations was £28.5 million (2019: £2.1 million) with a net increase in cash of £17.5 million (2019: net increase of £6.1 million). In December 2020 the Group raised, in aggregate, £12.4 million in relation to future acquisitions.

Revenue and Underlying EBITDA exceeded expectations and management forecasts.

Capital expenditure relates to purchase of new plant and machinery and improvements to existing infrastructure across the Group.

PPA

BDO UK undertook the PPA exercise required under IFRS 3 to allocate a fair value to the acquired assets of CDH.

The PPA process resulted in a reduction of goodwill recorded on the Statement of Financial Position of the Group for CDH from £51 million to £7.2 million. The reduction was to transfer the value of goodwill to tangible assets for land and buildings, land and mineral reserves, intangible assets for trade name and deferred tax assets.

Non-underlying items

The Company's loss after taxation for 2020 amounts to £5.8 million, of which £2 million relates to non-underlying items, while the Group's non-underlying items totaled £5 million for the year. These items relate to eight categories:

1. £1.4 million amortisation of acquired assets and adjustments to acquired assets.
2. £1.4 million in exclusivity, introducer, consulting, legal fees and other direct costs relating to acquisitions.

During the year the Group acquired the remaining shares in GD Harries and Stone Holdings SA.

3. £0.8 million legal and restructuring expenses relating to the rebranding and alignment of all subsidiaries across the Group.
4. £0.3 million in share based payments relating to grants of options.
5. £0.3 million on unwinding of discounts on deferred consideration payments for CDH and CCP.
6. £0.6 million in other exceptional costs which primarily relate to non-cash balance sheet adjustments and COVID-19 costs.
7. £0.1 million in discontinued operations including the trading expenses, stock adjustments and redundancies incurred at the Bury site for the 2020FY.
8. £0.1 million for provision of legal fees.

Interest and tax

Net finance costs in the year totaled £2.7 million (2019: £2.0 million) including associated interest, bank finance facilities, as well as interest on finance leases (including IFRS 16 adjustments), hire purchase agreements and non-cash adjustment for unwinding of discounts on deferred consideration payments for CDH and CCP.

A tax charge of £0.7 million (2019: £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 and Belgium based operations.

Earnings per share

Basic EPS for the year was 2.55 pence (2019: 0.92 pence), adjusted for the non-underlying items mentioned above. Underlying basic EPS for the year totaled 4.50 pence (2019: 4.20 pence).

Statement of financial position

Net assets at 31 December 2020 were £124 million (2019: £102 million). Net assets are underpinned by mineral resources, land & buildings and plant & machinery assets of the Group.

Cash flow

Cash generated by operations was £28.5 million (2019: £2.1 million). The Group spent £8.4 million on acquisitions net of cash acquired and £6.5 million on capital projects. The Group raised £12.0 million net of fees through the issue of equity and repaid net borrowings of £6.4 million. The net result was a cash inflow for the year of £17.5 million.

Net debt

Net debt at 31 December 2020 was £43.8 million (2019: £49.8 million), and was refinanced on 21 December 2020.

Bank facilities

In December 2020 the Company entered a new Syndicated Senior Credit Facility of up to £125 million (the 'Credit Facility') led by Santander UK and including several major UK and European banks. The Credit Facility, which comprises an £85 million committed term facility and a £40 million accordion option, will provide the Group with further capacity and flexibility to support its ongoing buy-and-build strategy, as well as reducing like-for-like borrowing costs.

The Group's new Debt Facilities have a maturity date of 21 December 2025 and are subject to a variable interest rate based on LIBOR plus a margin depending on EBITDA. As at 31 December 2020, total undrawn facilities available to the Group via the new Debt Facilities amounted to £63.7 million.

The Group's new Debt 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; and
- A maximum adjusted leverage ratio, which is the ratio of total net debt, including further borrowings such as deferred consideration, to adjusted EBITDA, of 3.5x in 2020. As at 31 December 2020, the Group comfortably complied with its bank facility covenants.

Capital Allocations

We prioritise the maintenance of a strong balance sheet and deploy our capital responsibly, allowing us to commit significant organic investment to our business whilst continuing to pursue acquisitions to accelerate our strategic development. This conservative approach to financial management will enable us to continue pursuing capital growth for our shareholders.

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 2019: nil).

Post Balance Sheet event

Post 2020 close we have conducted a series of activities worthy of mention in this annual report. Further information is set out in note 38.

Employee Benefits

All of our UK employees, almost 400, have been offered both Private Medical Insurance and Group Life Assurance. Our benefits provider commented that the uptake of this offering from our employees was unprecedented with many adding family members.

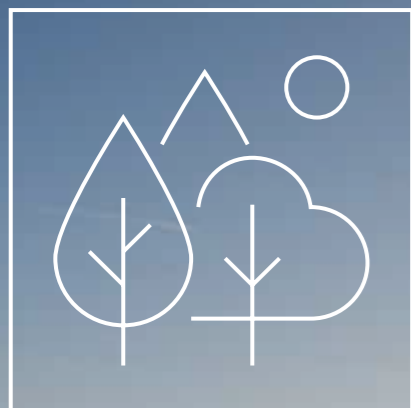
SigmaRoc has also engaged Link Group to set up a Share Incentive Plan for all UK employees, an offering we already have in the Channel Islands. We are continuing to investigate Share Plans for our European operations.

This report was approved by the Board on 12 April 2021 and signed on its behalf.

Dean Masefield

Chief Financial Officer

Sustainability Report



SigmaRoc is committed to sustainability and disclosure and going forward will have a dedicated section in the annual report on sustainability. With sustainability being such a key subject, we have committed to a sustainability framework relevant to our size and industry following review of global frameworks such as TCFD, SASB and FTSE Russell, of which themselves align to the UN Sustainable Development Goals.



STRATEGIC REPORT Environment

SigmaRoc looks to follow four key statements with regards to our commitment to environmental responsibility:

- 1. Sustainable**
use of reserves and resources;
- 2. Responsible**
use of key resources including raw material, mineral and water;
- 3. Optimise**
energy use and minimise impact of our operations on the environment; and
- 4. Contribute**
to sustainable construction and address environmental aspects either through production or consumption.

2020 continued to be a very focused year with several areas delivering or creating the foundation to deliver some inspirational opportunities



Biodiversity

As our extractive operations continue, areas that have been long since mined have been nurtured overtime. This year we were proud to be able to give a large restored part of a previously working site back to the community where walking and cycling trails can be set up for the local communities to enjoy. We have also conducted land swaps where areas of our ownership have been swapped with local farmers, thereby allowing them more land whilst in return giving us better access to mineral with less environmental impact. We have also participated in smaller projects with more remote communities such as the planting of over 1,000 trees and the successful translocation of blue grass following ongoing operations at one of our sites.



Climate Change

This will be our first year of SECR reporting and whilst this is limited to the UK, in the interests of full disclosure, we have voluntarily exceeded the minimum requirements set out in the 2018 Regulations by also including energy use and greenhouse gas emissions for operations outside of the UK. Further SECR details can be found in the next section.

Over the year we have continued to embrace technology; this includes energy sourcing, consumption and energy management.

Energy sourcing

Continuing our commitment to renewable energy where possible, we have signed the contract for the third phase of the solar photovoltaic extension, to be installed in 2021, increasing energy generation from 950MWh to 3,800MWh. We continue to look at alternative energy options across our other sites and have been in discussions with various energy suppliers for the installation of solar farms to feed our plants with surplus being added to the grid.

Energy use

With regards to energy use, we have continued to extend our change over to LED lighting, and have successfully completed more sites, with others still transitioning. We have also extended our focus on energy to our mobile plant, with several aging machines being upgraded to more fuel-efficient models, and one of our primary haulage contractors upgrading their fleet to Euro 6 HGV. As we have shown commitment, so have our employees, with several identifying the UK Government backed cycle scheme which we have supported.

Energy monitoring

To ensure we are not using fuel unnecessarily we have also continued to roll out MachineMax that allows monitoring and management of our assets thereby reducing idle times and unnecessary operation.



Pollution and resources

We regularly review our production processes to minimise resource use and waste generation. This year has included ensuring where we do not already harvest rain water, we do so, thereby reducing the impact on water tables or potable water supply. In Belgium this has been taken one step further by ensuring a closed circuit which includes the supply of 40,000 families in the local community.

Where waste does occur, we continue to have dedicated recycling functions and actively look to reuse it by feeding waste material back into our process.

In addition to our own waste, we also review other industries waste to see what opportunities exist, such as for substitution in full or part of raw materials to minimise environmental impact. This includes working in conjunction with Natural UK to replace the use of conventional fibres in asphalt to using recycled, clean nappies from local recycling facilities.

Contribution to sustainable products and uses

In 2020 we developed Greenbloc, a cement free block that reduces the CO2 footprint of a traditional block by up to 77%. Further to this we also looked at our products to see how they themselves can reduce pollution and improve the environment. Through research and working in close partnerships with others, we are working with product ranges that not only offset aspects such as carbon, but also remove pollutions such as CO2, NOx and SOx.

Further information on our policies (biodiversity, environment and pollution) can be found at www.sigmaroc.com



Energy use and associated greenhouse gas emissions



Reporting period

The annual reporting period is 1 January to 31 December each year and the energy and carbon emissions are aligned to this period. GD Harries was fully acquired on 21 September 2020, meaning energy and emissions are only included for this subsidiary from the date of full control as per the operational control approach.



Quantification and reporting methodology

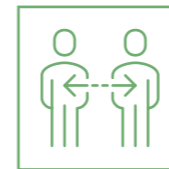
The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in the majority of emission calculations with the exception of electricity emission factors for Belgium, Jersey and Guernsey. These 'location-based' factors were sourced from the Association of Issuing Bodies, Jersey Electricity and Guernsey Electricity respectively and exclude transmission and distribution losses. The report has been reviewed independently by Briar Consulting Engineers Limited.

Electricity and gas consumption records were based on invoices, with some pro-rata and benchmark estimations carried out to complete missing data. Transport emissions were calculated from a combination of mileage and fuel records. Fuel used for off-highway fleet vehicles were reported separately from fuel used for other stationary machinery where possible. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations. For large unquoted organisations, the 2018 Regulations define mandatory emissions as purchased electricity, gas combustion and transport fuel purchased by the organisation (including company cars, off-highway fleet and expense claims for business mileage in personal or hire cars). Reporting energy and emission sources outside of these sources is considered voluntary and reported separately.

The emissions are further divided into their relevant scopes as per the GHG Protocol. The scopes are defined as:

- **Scope 1:** Direct GHG emissions that occur from sources owned or controlled by the organisation.
- **Scope 2:** Indirect GHG emissions from the generation of acquired and consumed electricity, steam, heating or cooling.
- **Scope 3:** Other indirect GHG emissions that occur as a consequence of the organisations activities but occur from sources not owned or controlled by the organisation.



Organisational boundary

In the interests of full disclosure, SigmaRoc has voluntarily exceeded the minimum requirements set out in the 2018 Regulations by also including energy use and greenhouse gas emissions for operations outside of the UK. Therefore, energy use and emissions are reported for assets and operations in the UK, the Channel Islands and Belgium, covering the entire Group as defined by the operational control approach.

Streamlined Energy and Carbon Reporting (SECR)

CONTINUED

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2020			
	United Kingdom	Channel Islands	Belgium	Total
Mandatory energy:				
Gas	274,854	-	441,790	716,644
Purchased electricity	2,611,414	2,398,867	12,261,484	17,271,765
Transport (including off-highway fleet)	6,274,566	1,793,945	18,708,177	26,776,689
Total mandatory energy consumed	9,160,834	4,192,812	31,411,451	44,765,098
Voluntary energy:				
Gas oil (for stationary machinery)	12,704,112	14,123,496	4,752,326	31,579,934
Burning oil	5,077,170	-	714,895	5,792,065
Generated electricity ¹ (solar photovoltaic)	-	-	940,490	940,490
Total voluntary energy consumed	17,781,282	14,123,496	6,407,711	38,312,489
Total mandatory & voluntary energy consumed	26,942,117	18,316,308	37,819,162	83,077,587

¹ Solar photovoltaic electricity generated includes any exported energy to the grid

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission source	2020			
	United Kingdom	Channel Islands	Belgium	Total
Mandatory emissions:				
Scope 1				
Gas	50.5	-	94.8	145.3
Transport - Company owned fleet	1,471.6	431.6	4,784.9	6,688.1
Scope 2				
Purchased electricity (location-based)	608.8	368.7	1,877.6	2,855.1
Scope 3				
Transport – Business travel in employee-owned vehicles	41.5	-	-	41.5
Total gross mandatory emissions	2,172.4	800.2	6,757.3	9,730.0
Voluntary emissions:				
Scope 1				
Gas oil	3,261.5	3,625.9	1,220.0	8,107.4
Burning oil	1,252.4	-	176.3	1,428.7
Generated electricity consumed on site	-	-	-	-
Total gross voluntary emissions	4,513.9	3,625.9	1,396.3	9,536.1
Total gross mandatory & voluntary emissions	6,686.3	4,426.1	8,153.7	19,266.1
Intensity ratios: tCO ₂ e per £million turnover				
Mandatory emissions only	46.4	29.3	134.9	78.3
Mandatory & voluntary emissions	142.9	162.1	162.7	155.1



Intensity ratio

The intensity ratio is total gross emissions in metric tonnes CO₂ equivalent per total million-pound (£m) turnover. This is calculated separately for 'mandatory' emissions and 'mandatory & voluntary' emissions for the UK, Channel Islands and Belgium. This financial metric is considered the most relevant to the company's energy consuming activities and provides a good comparison of performance over time and across different organisations and sectors.



Energy efficiency action during current financial year

In the period 1 January to 31 December 2020 for UK operations, no specific energy efficiency actions were undertaken; however, in Belgium we have signed the contract for the third phase of the solar photovoltaic extension to be installed in 2021. This is set to increase energy generation from 950MWh to 3,800MWh.

SigmaRoc looks to follow four key statements with regards to our commitment to social responsibility:

Ensure

people leave work in the same or better condition than when they arrived;

Support

the physical and mental health of our employees and their families;

Attract

train, retain, and engage our workforce; and

Be a good neighbour

Source local, buy local, sell local, invest local.

Two key areas in 2020 following significant growth at the end of 2019 were:



Health and Safety

November 2019 saw the re-issue of the group Health & Safety policy and framework, and during 2020 all then supervisor and managers put through IOSH and or NEBOSH training to support them and their commitment to the new Health & Safety policy and framework.

In the spirit of a reset, we also took the opportunity to conduct a health and safety benchmark review by conducting full external audit of all our sites during 2020. We are proud to say that internal follow up has shown many actions and focal areas have been addressed and good work is on-going with those still remaining.

We can take comfort in that our overall incident rate has reduced by 6% and that our LTIFR has reduced again this year by 22% and that one of our businesses was one of the first in our industry to achieve the new ISO 45001. During 2021 at least 2 other businesses should achieve ISO 45001, subject to any ongoing travel restriction.

Health and safety engagement has seen positive trends both locally with local management teams engage with worker representatives, unions and local government and across the groups with the introduction of HighVizz, a mobile engagement and safety management system, as well as monthly cross business safety meetings and the Group safety committee.

The Group safety committee is chaired by our CEO, Max Vermorken and as of 2021 will be joined by Non-Executive Director Tim Hall. The committee:

- Reviews and agrees the framework and policy for Health, Safety and Wellbeing across the Group annually
- Determines each year Group focus areas and performance targets
- Monitors integrity of information and overall Group performance biannually
- Monitors progress and performance against audits and plans
- Reviews and challenges health and safety process and procedures across the Group
- Reviews and promotes engaging and proactive health, safety and wellbeing culture and focus

During a time of unprecedented global pandemic, we have leveraged our various programs such as Employee Assistance Programs, cash plans with access to medical and counselling services, buddy systems that allow peers to call each other even if it is to just say “hi, how you doing” and Rehabilitation programs that allow people to be returned to work, regardless if they are hurt at home or not to ensure that not only are our staff’s physical and mental health proactively supported, but also their loved ones at home.

As of 2020 we have engaged programs to review our entire employee benefits such as life assurance and healthcare to expand out offering throughout the businesses and through 2021 we remain committed to continuing to improve the health, mental wellbeing and safety of our staff, contractors and visitors.

We remain committed to continuing to improve the health, mental wellbeing and safety of our staff, contractors and visitors.



Helping with safety beyond ourselves

Our approach to health and safety extends beyond our own walls; by engaging our communities, we can help minimise health and safety matters with regards to visitors, contractors and customers coming on to our sites. After serving the maximum nine years term as a voluntary Board member of the Jersey Safety Council, Mike Osborne stood down during 2020 with Kirsten du Heaume being elected independently to serve on the council, keeping Ronez at the front of the behavioural safety agenda in Jersey. In Guernsey we are proud to have Seamus Gillespie as a committee member of Guernsey Occupational Safety and Health Association.

Clint White is responsible for group Health, Safety, Environment and Planning and has been with SigmaRoc since 2017. Clint is a qualified geologist and Health and Safety professional having worked around the world in both underground and open pit mining as well as oil and gas for such companies as Ineos Fluor, Laporte Minerals and British Petroleum. Clint is primarily responsible for ensuring that SigmaRoc businesses maintain robust systems for the delivery of a compliant and progressive health, safety and environmental culture with a focus on continuous improvement. During the pandemic, Clint has championed our COVID-19 response, ensuring that all those involved with our operations and services are protected and conform to the government criteria. Clint has led the setup and promotion of COVID-19 working polices, health screening, asset disinfecting and fumigation, testing and wellbeing programs for those that have been self-isolating or working from home.

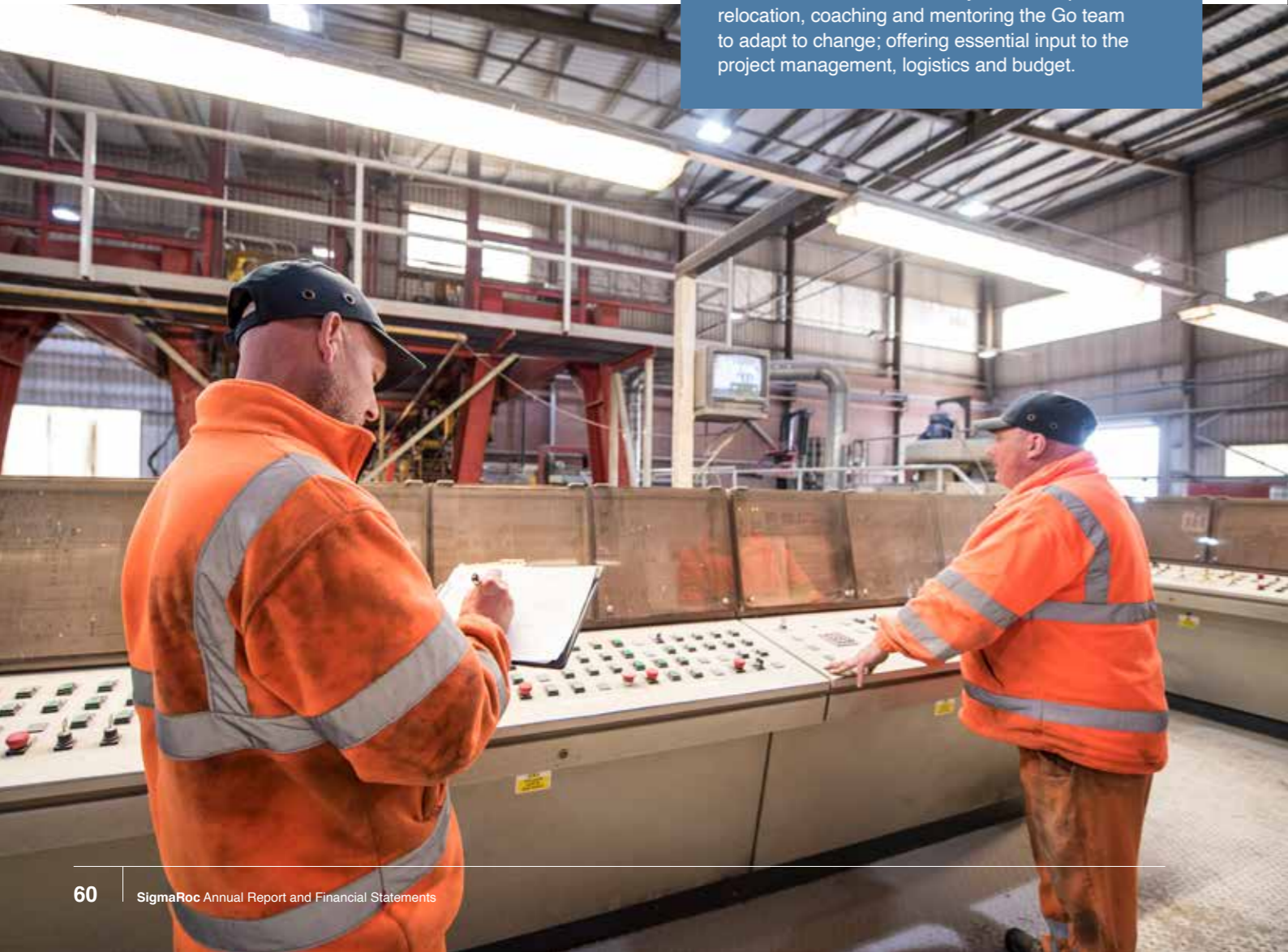


Employee and Communities Engagement

As we have grown and our presence and reputation has become stronger, ensuring we have the right people has been an important focus during 2020. It has been essential that we attract and recruit the best candidates for our jobs by focusing on their overall potential both in terms of technical capability but equally importantly in terms of their soft skills. By offering autonomy within our businesses, each employee can not only become part of the business, but they can help the business become part of the community. By being locally focused, each business can focus on what is important to their communities, be it support with local schools, sports teams or charities.



Mark De Carteret, Ronez's Technical & Quality Manager joined the Board of charity group, GO LBG, who provide training and support to disadvantaged people with a primary objective of getting them work ready in as close to a business environment as is practical. Mark contributed by providing hands on practical help; implementing a full suite of H&S policies and risk assessments together with providing much needed materials including procurement of uniforms and heaters with the support of Ronez. Mark has also taken a fundamental lead with the very ambitious premise relocation, coaching and mentoring the Go team to adapt to change; offering essential input to the project management, logistics and budget.



Retaining & Attracting

This year we have seen many of our staff achieve service levels that are a testament to the culture we look to have and retain in our businesses; a working environment where people feel part of a family. Across a business of close to 1,000 employees 32% have dedicated 15 years to our businesses.

As proud as it is to have such long serving members of staff, we have also focused on ensuring that those at the very start of their working lives have the opportunity to become long serving members of the team. This starts at the very beginning, even before people are job hunting and are in school looking at career directions.

Across our businesses we have engaged with; over 25 trainees and apprentices; informal and formal work

experience such as Project Trident providing work experience for school students under the mentorship of technical and operational staff; and cooperation with Universities and industrial training centers in the UK, Europe and America.

At the end of the year, nearly all of our workforce are directly employed by our businesses with almost 80% working in operational and manufacturing roles.

Working with local companies when help is needed

Our local presence and commitment led us to become aware of, engage with, and help support approximately 50 people facing redundancy in unprecedented times for a high-profile project who otherwise would have been made redundant. Since the end of the project, we have retained

people and helped others with finding jobs elsewhere.

Supporting our communities and committing to our industry

This year we have seen our support take many forms from supporting local charities, be it fundraising, material or services, to our teams volunteering their time, knowledge and skills.

It is our industry and our people that have led us to be where we are today, and it is testimony to our employees that they want to continue to support where they have come from, often volunteering time outside of normal working hours; Industry working parties, Board member of national industrial federations, director and committee roles of business councils and associations as well as offering educational commitments ranging from schools to universities.

Further information on our policies can be found at www.sigmaroc.com

SigmaRoc looks to follow four key statements with regards to our commitment to governance:

- | | | | |
|--|---|---|---|
| <p>1. Promote
QCA and Corporate Governance Codes;</p> | <p>2. Ensure
proactive Board oversight and independence of committees;</p> | <p>3. Focus
on risk management & mitigation (including cyber) and conversion of risk into generation of opportunity; and</p> | <p>4. Ensure
transparency and disclosure on both reporting and tax</p> |
|--|---|---|---|

Following significant growth at the end of 2019, in 2020 heavy emphasis has been placed on three main areas:



Corporate governance

We appointed two independent non-executive directors, including new independent chairs for the audit, remuneration and nominations committees (see page 68), and a highly qualified inhouse general counsel, with a specialty in ECM.

This has already led to a full review of all existing corporate governance handbook and going forward will ensure not only our compliance with the QCA Corporate Governance Code but alignment with best practice wherever possible.

In addition to the formal boards and committees we have also engaged an independent advisory board in Belgium, consisting of Emmanuel Maes (former CEO DeCloedt), Pascal Lesoinne (former CEO Heidelberg Belgium), Christophe de Limburg Stirum (Investor and entrepreneur specialising in Industrial companies) and Patrick Dolberg (former CEO Holcim Europe). The function of this board is to ensure that within Belgium and Europe we have a governance structure that can work on a local level where there are jurisdictional differences.



Risk Management

This year we adopted a risk management framework as per page 44 of this Annual Report. In the current business climate, where remote working and communication has become essential, we have also reviewed our cyber protection with both insurance policies in place as well as cyber risk management software that allow for testing and training of cyber security. In addition, through our service providers, security checks are performed on a regular basis both at Group and subsidiary level.



Anthony Brockbank, our General Counsel, is a qualified solicitor specialising in Corporate Finance, M&A and Equity Capital Markets. Anthony is a partner at Fieldfisher, Hobson Audley

and Linklaters and has over 30 years' experience in mergers and acquisitions, flotations and fundraisings with particular expertise in small and mid-size public company transactions on the Official List and AIM Market of the London Stock Exchange. Anthony is ranked by Chambers in Band 1 for capital markets work and as a leading individual in Legal 500.



Transparency

Engagement of a full time CFO to ensure adequate time was dedicated to ensuring accurate and transparent reporting as well as overall compliance. This has included the separation of our tax and audit partners as well as the appointment of a training provider on Criminal Finances Act 2017 that was undertaken in early 2021.

We continue to maintain our policies such as Anti Bribery & Corruption, which is overseen by the Board and trained annually and cascaded throughout the business, as well as our Whistleblowing policy. The Whistleblowing policy gives its employees, or indeed any other third party, the means to raise concerns in confidence and (if they wish) anonymously. The Audit Committee reviews reports on notifications received and ensures that arrangements

are in place for the proportionate and independent investigation of such matters and for follow up action.

We are also committed to having transparency with all of our Shareholders and as per last annual reports and interim reports we will continue to give a presentation webinar to all Shareholders with an online or moderated Q&A session.

Further information on our policies (Whistleblowing, Anti Slavery & Human Rights, Anti Bribery & Corruption) can be found at www.sigmaroc.com



Sustainability Roadmap



Development

In 2020 we committed to define SigmaRoc's framework following review of international and industry standards. We have agreed commitment statements have already started work and disclosure on various aspects, including safety and CO2 emissions and launch of sustainable products such as Greenbloc. Through ongoing engagement with investors we continue to identify areas of focus and disclosure.

Measure

2020 was our first year of collating information for SECR. We will continue to set up practical and meaningful measuring processes to help determine more relevant and quantifiable targets as well as our ongoing contribution to national industry bodies.

Analyse and Disclose

Having captured all practical and meaningful data, we can identify those areas of focus that will bring the biggest wins for the overall position and performance of the company. Short and long term targets will be able to be captured and disclosed.

Improve

We will continue to monitor, disclose and drive continual improvement.



Our Stakeholders

Stakeholders (in alphabetical order)		How we engage
Colleagues	<p>We have dedicated workforce of close to 1,000 across the Group.</p> <p>We recognise our dedicated workforce as a key driver of the value derived from the business.</p> <p>Our colleagues are experienced and continuously developed to fulfil their potential.</p> <p>All employees are offered a fair benefits and compensation package relative to their role and level in the organisation.</p> <p>We encourage share ownership where they are available and are working to set up where they are not currently in place.</p>	<p>Site presence and visual felt leadership.</p> <p>Employee groups and committees and unions.</p> <p>Focus on development training and succession planning.</p> <p>Decentralised approach with flat management allowing easy access to all staff.</p> <p>Employee benefit offerings that can also extend to family members.</p>
Customers and Suppliers	<p>All our businesses are decentralised and locally focused so that we know the customers and suppliers areas like they do.</p> <p>We work alongside our customers to provide "right first time" service and to seek proactive and innovative solutions to support requirements.</p> <p>"right first time" is key to success and ensuring customer loyalty as part of our long-term success.</p> <p>We recognise the huge role our suppliers play in its long-term success. We strive to ensure timely payments, maximise value to support the delivery of our customers' needs.</p> <p>We balance economic requirements with sustainability considerations over the whole supply chain.</p>	<p>Prioritise a local focus on both customers and suppliers.</p> <p>Engage directly from our sites so that the customer and supplier deal directly with the site they are supplying or buying from.</p> <p>Ensure timely payments are made to suppliers.</p> <p>Functional and intuitive websites and digital solutions focused on the customer.</p> <p>Ensure adequate checks and due diligence are done on customers and suppliers.</p>
Communities	<p>By being decentralised and local we are at the heart of the communities in which we operate allowing us to be knowledgeable, good, supportive and engaging neighbours.</p>	<p>Proactive approach and active participation in community and industry working groups, forums and committees.</p>
Investors	<p>All our Shareholders play an important role in the continued success of our business.</p> <p>We maintain purposeful and close relationships with them either directly or via wider mediums such as Q&A webinars and when allowed, conferences.</p> <p>We seek to be transparent and give clear and consistent messages across all communication channels.</p>	<p>Dedicated forums such as AGM, Annual and Interim Webinar Q&As.</p> <p>Annual and interim reports, trading statements and RNS.</p> <p>Regular phone calls and dialogues.</p> <p>Broker and NED contacts.</p> <p>Site visits, investor roadshows, investor conferences.</p>
Regulators / local Government	<p>We look to develop and sustain good relationships with many regulators who govern our businesses to ensure the success of our business and maintaining our license to operate.</p> <p>We are committed to adherence of legal and regulatory requirements.</p> <p>We are committed to have independent review / oversight be it internally or externally.</p> <p>We are committed to a sustainability framework following review of international standards.</p>	<p>Regular dialogue with Governments, Government agencies, regulators, and industry groups.</p> <p>Active membership of the industry bodies such Mineral Products Association and FedieX.</p> <p>Effective and clear policies to ensure governance.</p> <p>Education and training of staff to reinforce compliance with regulations.</p>

Governance Report

Board members

Existing members

Our Board comprises an executive leadership team with extensive experience of the international aggregates industry, supported by experienced non-executive directors who bring strong governance disciplines and a valuable external perspective to our business.



David Barrett
Executive Chairman

Appointed to board: August 2016

Independent: No

Committees: Nominations Committee

Background: Previously David co-founded London Concrete in 1997, subsequently building the business from one concrete plant in London to over a dozen plants around the capital. London Concrete was sold to Aggregate Industries and is currently the number one concrete supplier in London, with flagship projects such as the London Olympics, the Shard, the US embassy and the new Bloomberg building. Having previously worked with Pioneer, David retired from London Concrete in 2015 and is widely considered an expert in the industry.

Other Key Directorships: David also holds directorships in various London based Companies including Thames Aggregates Limited, Thames Recycling Limited and Capital Concrete Limited.



Max Vermorken
Chief Executive Officer

Appointed to board: August 2016

Independent: No

Committees: none

Background prior to SigmaRoc: Max was strategic advisor to the CEO of LafargeHolcim Ltd (“LafargeHolcim”) Northern Europe, the world’s largest construction materials group. His role included responsibility for the merger of Lafarge SA and Holcim Ltd in the region involving the only Day 1 integration of the two businesses following the hive-down and integration of two large asset portfolios – a mix which included two cement plants and a multitude of down-stream aggregates and construction materials assets. Prior to working for LafargeHolcim, Max worked in private equity at Luxembourg-headquartered The Genii Group, where he reported directly to its founding principals. Max holds a PhD in Financial Economics from University College London and Bachelor and Master degrees in both Civil Engineering and Financial Economics from University College London and the University of Brussels respectively.

Other Key Directorships: Max doesn’t hold any other directorships outside the group.



Dean Masefield
Chief Financial Officer

Appointed to board: April 2020

Independent: No

Committees: none

Background since joining Ronez: Dean has been responsible for the implementation and development of new accounting procedures and controls, ensuring that the business meets its reporting and statutory requirements, as well as contributing to the growth ambitions of the organisation. Dean has held a number of roles within the finance industry in Jersey, predominantly in trust companies and banks, including a Head of Finance role at BNP Paribas where he played a pivotal role in the migration of accounting systems from legacy systems. Dean started his career providing, audit, accountancy and tax services, whilst qualifying with BDO in Jersey. Dean is a fellow of the Institute of Chartered Accountants in England and Wales.

Other Key Directorships: Dean doesn’t hold any other directorships outside the group.



Simon Chisholm
Non-Executive Director

Appointed to board: April 2020

Independent: Yes

Committees: Chairman of Audit Committee; Chairman of the AIM and MAR Compliance Committee; Chairman of the Remuneration Committee; Chairman of the Nominations Committee

Background: Simon is the founder and managing director of Feros Advisers spending over 20 years working in the Investment arena including as a fund manager with Henderson. In 2013 Simon left Berenberg and established Feros Advisers in response to the significant regulatory and technological changes that are impacting investment managers and quoted companies. Simon joined Berenberg in 2003 and established an office for them in London. Over the next 10 years Simon was one of the principle architects in building the business from 3 people in London to around 140 and establishing the bank as a recognised brand name in the global investment community. Before joining the sell-side, Simon was a fund manager investing in European equities first at Singer & Friedlander and then at Henderson Global Investors and ran European Smaller Companies investment products. After University Simon joined Coopers and Lybrand and qualified as a Chartered Accountant

Other Key Directorships: Simon is currently an active director at Feros Advisers Ltd and Munnypot Ltd.



Jacques Emsens
Non-Executive Director

Appointed to board: April 2020

Independent: Yes

Committees: Member of the Audit Committee; Member of the Nominations Committee

Background: Jacques is a founding member of JPSeven and is a member of the Board of Sofina, and numerous other companies. Jacques has a long history in defining and implementing strategies of industrial businesses including Sibelco. Jacques holds a degree in Business Administration from the European University of Antwerp, from the Université Libre de Bruxelles and from the London Chamber of Commerce and Industry and speaks French, Dutch and English.

Other Key Directorships: Jacques holds directorships in multiple businesses including JPSeven, Sofina, Le Pain Quotidien.



Garth Palmer
Non-Executive Director

Appointed to board: January 2017

Independent: No

Committees: Member of the AIM and MAR Compliance Committee, Member of the Remuneration Committee

Background: Garth was CFO and an Executive Director of SigmaRoc from inception until April 2020 and remains as Company Secretary through his partnership at Heytesbury Corporate LLP who are engaged in the provision of corporate financial and company secretarial services. Garth holds a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in England and Wales. Garth began his career providing audit and corporate services in Perth, qualifying while at KPMG, before moving to London in 2005 where he provided compliance services, with a focus on U.S. Sarbanes-Oxley legislation, for numerous large companies across a range of industries. This led Garth to a Finance Manager role at Apple where he spent four years working on business process improvement, developing and implementing new and improved financial processes and systems. More recently, Garth has been working with AIM listed companies, predominantly within the mining and resources industries, providing corporate and financial consulting services.

Other Key Directorships: Garth holds directorships in multiple businesses including Sport:80 Limited, GT Corporate Limited and is a partner at Heytesbury Corporate LLP.



Tim Hall
Non-Executive Director

Appointed to board: April 2019

Independent: No

Committees: none

Background: Tim has spent his entire career in the aggregates industry, most recently as CEO of Breedon South, a business he helped build from inception. Prior to this he was Director of Tarmac Limited's Western Area; Managing Director of Tarmac Western Limited, the company formed by Anglo American from the former assets of Nash Rocks, Tilcon and Tarmac. He spent the previous 27 years with Nash Rocks, latterly as Managing Director. Tim brings a wealth of experience and knowledge of the industry to the Board and will be an asset in SigmaRoc's continued development, as he has been with Breedon. In particular, Tim's knowledge and network within the industry will benefit SigmaRoc's growth in the aggregates and construction materials market in the UK.

Other Key Directorships: Tim holds directorships in multiple businesses including Langsun Developments Limited and T G Concrete Bridgnorth Limited.

Corporate Governance Report

The Directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board has decided to comply with 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. Dean Masefield, 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 2020 was the appointment of two independent non-executive Directors together with the appointment of Anthony Brockbank as Group General Counsel.

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

Establish a strategy and business model which promote long-term value for shareholders

Strategy & purpose: The Company invests in and acquires businesses 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.

The Group's aim is to create value for shareholders through the successful execution of its buy and build strategy in the construction materials sector.

Business model: The Group's business plan is to acquire high quality and well managed assets in the construction materials sector, providing the Group with a strong operating platform, diversified income streams and stable cash flows in order to grow the Group and execute on its strategy further.

The Group is run as a commercially-minded business, seeking to return an increase on investment capital to Shareholders. Proven methods of raising capital through recognised means available to publicly-listed companies are relied on to fund growth acquisitions. Following each acquisition, the Group seeks to implement operational efficiencies that improve safety, enhance productivity, increase profitability and ultimately create value for Shareholders.

Principle Two

Seek to understand and meet shareholder needs and expectations

Shareholder dialogue: The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about the Company, and in turn, helping these audiences understand the Company's business, is a key part of driving the business forward and the Company actively seeks dialogue with the market. The Company does so via investor roadshows, attending investor conferences, hosting capital markets days and through regular reporting.

Private Shareholders: The AGM is the main forum for dialogue between retail Shareholders and the Company. The Directors routinely attend the AGM and are available to answer questions raised by Shareholders. The results of the AGM are subsequently published on the Company's corporate website. Private Shareholder events are intended to be held periodically.

Institutional Shareholders: The Company actively seeks to build relationships with institutional Shareholders through calls, presentations, and visits. Shareholder relations are managed primarily by the CEO, but the Executive Chairman and Senior Independent Non-Executive Director are also available to meet with major shareholders to discuss issues of importance.

Principle Three

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engagement: Engaging with stakeholders strengthens relationships and helps make better business decisions to deliver on commitments. The Company is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and the Group's business, and to enable the Board to

understand and consider these issues in decision-making. With Shareholders, suppliers and customers, employees are one of the most important stakeholder groups and employees' engagement surveys and feedback are closely monitored.

Employees, contractors & suppliers: The Group has established a safe and healthy work environment, which complies with the relevant occupational health & safety laws. The Group ensures that the workforce is provided with sufficient training to develop the appropriate skills and knowledge to complete the tasks requested of them.

For the sake of occupational health & safety, all contractors and sub-contractors are treated in exactly the same manner as employees.

Communities: The Group has supported and given back to the community by participating in a selection of projects in recent years. Further details of the Group's environmental, social and governance related initiatives are in the relevant annual reports.

Modern slavery: As part of our mission to "do the right thing" we oppose modern slavery in all its forms and work to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay.

Principle Four

Risk Management

Embed effective risk management, considering both opportunities and threats, throughout the organisation

Risk register: To assist the Board with effectively managing risk across the Group the Company has established a risk register which is reviewed periodically.

Internal control: The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by executive management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company and the Group.

The Company recognises that maintaining sound controls and discipline is critical to managing the downside risks to its business plan.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

The Board presently considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

Principle Five

Maintain the board as a well-functioning, balanced team led by the chair

Board composition: The Board comprises the Executive Chairman, two Executive Directors, two Independent Non-Executive Directors and two Non-Executive Directors. The Board considers, after careful review, that the Independent Non-Executive Directors bring an independent judgement to bear.

The biographies of the members of the Board can be found on the Company's website (<https://www.sigmaroc.com/board/>).

The Board is satisfied that it has a suitable balance between independence and knowledge of the Group and its operations to discharge its duties and responsibilities effectively. The Board receives periodic updates from the management team. All directors are encouraged to use their independent judgement and to challenge all matters, whether strategic, operational or financial.

Membership of the Board, its activities, performance and composition are subject to periodic review.

Conflicts of interest: The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to, and, where appropriate, agreed with the rest of the Board.

Director	Formal quarterly meetings and meetings post change to Articles	
	Attended	Eligible to attend
Max Vermorcken	8	8
David Barrett	8	8
Dean Masefield	4	4
Garth Palmer	8	8
Simon Chisholm	4	4
Jacques Emsens	4	4
Tim Hall	8	8
Dominic Traynor	4	4
Patrick Dolberg	4	4

Principle Six

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

Suitability: The Board guides and monitors the business and affairs of the Company on behalf of the Shareholders by whom they are elected and to whom they are accountable.

The Board 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 Company complies with the QCA Code and full biographical details of the Directors and their skills and experience can be found on the Company's website (<https://www.sigmaroc.com/board/>)

Appointment, removal & re-election: The Nominations Committee makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

Independent advice: All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

Principle Seven

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Appraisal: The Chairman assesses the individual contributions of each member of the Board to ensure that their contribution is relevant and effective; they are committed; and where relevant, they have maintained their independence.

An evaluation of the Board will be carried out annually and on a three-yearly cycle the evaluations may be facilitated by an independent evaluator.

The Remuneration Committee will compare the performance of the Board with the requirements of its charter, the Company vision and KPIs.

Succession planning is considered by the Board as a whole. The Board will annually review and make recommendations relating to talent management and succession planning for the Board and the CEO.

Principle Eight

Promote a corporate culture that is based on ethical values and behaviours

Code of conduct: The Board has adopted a code of conduct which provides a framework for ethical decision-making and actions across the Group. The code of conduct reiterates the Group's commitment to integrity and fair dealing in its business affairs and its duty of care to all employees, contractors and stakeholders.

Each Board members adherence to the Group's code of conduct is assessed as part of the annual Board review & appraisal.

Anti-corruption and bribery: The Board has adopted an anti-corruption and bribery policy to further ensure honest and ethical conduct of employees. The Company also provides periodic training to employees to ensure they are aware of their responsibilities in relation to bribery and corruption.

The Company has a zero-tolerance approach to bribery and corruption. The Company's General Counsel is responsible for monitoring compliance with and maintaining the anti-corruption and bribery policy.

Principle Nine

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Board programme: The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Company in all matters except those that are reserved for specific shareholder approval.

The Board meets at least four times each year in accordance with its scheduled meeting calendar and maintains regular dialogue between Board members, in particular between the CEO, the Chairman and the non-executive Board members.

The Board and its Committees receive appropriate and timely information prior to each meeting, with a formal agenda being produced for each meeting, and Board and Committee papers distributed several days before meetings take place.

Roles & responsibilities: There is a clear division of responsibility at the head of the Company between the Chairman and the CEO.

The Board is supported by the Audit, Remuneration, AIM and MAR Compliance and Nominations committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

As the Group grows and develops the Board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Group.

Principle Ten

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Communication: The Company attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.

The Company announces significant developments via various outlets including the London Stock Exchange's Regulatory News Service (RNS).

The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.





**Simon
Chisholm**

Independent
Non-Executive Director

GOVERNANCE

Audit Committee Report

The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by the Audit Committee in light of an ongoing assessment of significant risks facing the Company and the Group. The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

Key Activities carried out in 2020

During the year, the Committee met formally three times and discussed the following:

- External audit tender process
- Audit planning
- Auditor's fees and independence
- Auditor's effectiveness
- Interim report and annual report
- Internal audit
- Internal controls and risk management
- Taxation
- Going concern and viability statement
- Significant accounting matters
- Plans for transition to new accounting standards
- Whistleblowing
- The Audit Committee's terms of reference

Meeting Attendance

The Committee is made up of Independent, Non-Executive Directors and shall meet not less than twice in each financial year.

Director	Meetings Attended	Eligible to attend
Dominic Traynor	1	1
Patrick Dolberg	1	1
Simon Chisholm	2	2
Jacques Emsens	2	2

Committee Duties

The Audit Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate:

- Monitor integrity of the financial statements and financial performance;
- Review financial statements, significant financial returns to regulators and any financial information of a sensitive nature;
- Review and challenge internal financial controls and risk management systems including the review of matters of a non-financial nature;
- Review and challenge accounting policies, accounting methods and adherence to accounting standards;
- Review and make recommendation with regards to the external auditor, including appointment, independence, objectivity, effectiveness. Performance and remuneration;
- Consults with the external auditor on the scope of their work and reviews all major points arising from the audit;
- Ensure fully functional whistleblowing policy.

Chair Statement

The Audit Committee was chaired by myself from 20 April 2020, prior to this it was chaired by Dominic Traynor, and comprises of Jacques Emsens as the other member. The Committee has relevant financial experience at a senior level as set out in their biographies on pages 68 and 69. The Audit Committee met 3 times formally in 2020 and also held informal discussions with the external auditor as appropriate. The principal activities of the Audit Committee in respect of the year ended 31 December 2020, and the manner in which it discharged its responsibilities, were as follows:

Financial Statements

The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the year ended 31 December 2020, and reviewed reports on the outcome of the audit. The Audit Committee also reviewed the 2020 Preliminary Results Announcement, the 2019 Annual Report, the 2020 Interim Results Announcement and the 2020 Interim Report.

Significant Accounting Matters

During the year, the Audit Committee considered key accounting issues, judgements and disclosures in relation to the Group's Financial Statements. The most significant of which was the risk of the value of inventory, the carrying value of investments and carrying value of tangible and intangible assets. The Audit Committee also received communications from management and the external auditor on a number of other accounting matters, the valuation of mineral reserves and resources, revenue recognition, restoration provisions, and the possible impact of Brexit on the Group.

Going Concern and Viability

The Audit Committee reviews supporting papers from management to support the Going Concern and Viability statements set out on page 85. This includes sensitivity analysis over key assumptions. Following this review, the Committee recommended to the Board the approval of both statements.

External Auditor

The external auditor, PKF Littlejohn LLP ('PKF'), attends meetings of the Audit Committee. The Audit Committee has the opportunity to meet with the external auditor without the executive directors being present to provide a forum to raise any matters of concern in confidence and together discusses and agrees the scope of the audit plan for the full year. The external auditor reports on the control environment in the Group, key accounting matters and mandatory communications. The Audit Committee also receives and reviews a report from the external auditor setting out to its satisfaction how its independence and objectivity is

safeguarded when providing non-audit services. The value of non-audit services provided by PKF in respect of the year ending 31 December 2020 amounted to £33,078 for tax services and due diligence and transactional services (2019: £189,381, principally in respect of tax services and due diligence and transactional services). During the year there were no circumstances where PKF was engaged to provide services prohibited by the FRC's 2016 ethical standard or which might have led to a conflict of interest.

The Audit Committee continues to be satisfied with the work of PKF and that they continue to remain objective and independent. Following the conclusion of the 2020 audit, the lead audit partner, Dominic Roberts, has served a tenure of five years.

Internal Audit

The Group does not have a formal internal audit function, the CFO performs a number of activities that an internal audit function would perform. The Audit Committee receive regular formal updates covering planned activities, findings of reviews performed and updates on agreed actions from previous reviews. The Audit Committee considers this is appropriate given the close involvement of the executive directors and senior management on a day-to-day basis. However, the need for an internal audit function will be kept under review by the Audit Committee on behalf of the Board.

This report was approved by the Board on 12 April 2021.

Simon Chisholm
Non-Executive Director

Key Activities carried out in 2020

During the year, the Remuneration Committee met formally twice and discussed the following:

- Executive salaries
- Annual bonuses
- Pay and benefit levels across the Group
- The Directors' Remuneration report

Meeting Attendance

During the year, the Remuneration Committee met formally twice and discussed the following:

Director	Meetings Attended	Eligible to attend
Simon Chisholm	1	1
Garth Palmer	1	1

Committee Duties

The Remuneration Committee shall be responsible for:

- Determining and agreeing with the Board the framework or broad policy for the remuneration of the executive offices and other senior managers;
- Take into account all factors which it deems necessary including the level of the Company's remuneration relative to other companies to ensure that members of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company; and
- Determining each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.

Chair Statement

Having been appointed as independent non-executive director on 20 April 2020 and chair of the Remuneration Committee on the same day, I am pleased to present the Directors' Remuneration report for the year ended 31 December 2020 and can report that all aspects of executive remuneration are in order.

Given the global pandemic, both the Chairman and CEO volunteered a reduction in salary to the Committee and depending on the impact in 2021 will consider the same again. This reduction was acknowledged and accepted by the Committee.

Going forward, I intend to review all aspects of our remuneration policy together with our advisers, to ensure it is appropriate for SigmaRoc given their growth to date and their future growth and development ambition. Upon completion, I intend to consult with our major shareholders to ensure we have alignment.

2020 was an extremely busy and successful year for the Group with the first full year contribution of CDH in Belgium and the completion of the remaining 60% of GD Harries, the successful debt refinance, giving access to £125 million including a £40 million accordion and a successful equity raise all in the midst of a global pandemic. With regards to remuneration, our success in 2020, as detailed in the Chairman, CEO and CFO reports on pages 8, 10 and 46 in the face of global adverse conditions led to the annual cash bonus qualifying to be paid in full, however it has been elected to pay the Chairman, CEO and CFO less than their full qualifying amount.

Policy Report

Base salary

Our objective is to provide a competitive base salary reflective of the skills and experience of the relevant individual. These are reviewed annually or on a significant change of responsibilities or change in market practice or a change in the size or complexity of the business. The Remuneration Committee also takes into account external market data and pay and employment conditions elsewhere in the Group and industry when considering increases to base salary levels. There are no performance criteria associated with receiving this benefit.

Annual cash bonus

To incentivise the delivery of annual financial, strategic and safety objectives, Executive Directors and senior management may participate in the annual bonus scheme. The Remuneration Committee sets performance measures and targets at the start of the financial year, or later if appropriate and based on the performance, bonuses are paid in cash shortly after the completion of the audit of the annual results. For Executive Directors, the maximum opportunity is 125 per cent of salary for the Chairman and CEO and 100 per cent of salary for the CFO. This level of incentive opportunity reflects the Committee's desire to retain a high proportion of remuneration on variable pay (which is not pensionable). Performance is assessed against financial targets and may be reduced or eliminated if safety performance or accident records reach unacceptable levels.

Remuneration Committee Report CONTINUED

Pension

Pensions are provided to aid recruitment and retention by allowing the Executive Directors to make provision for long-term retirement benefits. These are comparable with similar roles in similar companies. Executive Directors currently receive 10% of their base salary. There is no performance criteria associated with receiving this benefit.

Other benefits

To Group also provides competitive and cost-effective benefits that may include private medical insurance, car allowance, employee benefits insurance and the reimbursement of certain travel costs. There is no performance criteria associated with receiving this benefit.

Performance measured benefits

Remuneration performance measures are selected to align with the Group's key performance indicators and the interests of Shareholders. Performance targets are set so that they are stretching to achieve maximum pay-out but also ensure excessive risk exposure is mitigated. The Remuneration

Committee sets targets that are aligned with the Company's strategy as well as both external expectations and the economic environment. The 2020 annual bonus targets were linked to both underlying EBIT and EPS growth which tracks improvements in the profitability of the Group and returns to the shareholders. The health and safety of our workplace is fundamental to the Group and as such the annual bonus may be reduced or eliminated if safety performance or accident records reach unacceptable levels.

If due to changing circumstance such as material acquisitions or changes in market conditions; the Committee retains the ability to adjust or amend performance measures and targets to ensure that they are relevant to ensure they still incentive whilst minimising excessive risk exposure.

Non-Executive Directors

Non-executive directors each receive a market rate basic fee, subject to time commitment requirements, for holding the office of non-executive director which is set by the board as a whole.

Service agreements / letters of appointment of Directors and loss of office

Each of the directors has a service agreement or letter of appointment with the Company as follows:

Director	Attended	Notice Director	Notice Company
David Barrett	22 August 2016	12	12
Max Vermorken	22 August 2016	12	12
Dean Masefield	20 April 2020	12	12
Simon Chisholm	20 April 2020	6	6
Jacques Emsens	20 April 2020	6	6
Garth Palmer	5 January 2017	6	6
Tim Hall	18 April 2019	6	6

When it comes to payments and loss of office, the Board will always look to act in the Shareholders' interest.



Notice periods and payments in lieu of notice

The maximum notice period for executive directors is 12 months however the Committee retains the right to terminate an executive director's service agreement by making a payment in lieu of notice. The payment will include salary, cost of benefits and loss of pension provision for the notice period (or the unexpired portion of it).

Annual bonus

The payment of a bonus for the year in which the Executive Director leaves is determined by the Remuneration Committee, taking into consideration their contribution up to the leaving date and normal pro-rating for time in service during the year.

Other payments

In appropriate circumstances, other payments may also be made, such as in respect of accrued holiday and outplacement and legal fees.

Recruitment Remuneration

The Remuneration Committee will seek to ensure that when appointing a new executive director, their remuneration arrangements are in the best interests of the Company, and not more than is appropriate. The Committee will determine a new executive director's remuneration package in line with the policy set out above, however discretionary awards maybe made in appropriate circumstances, such as:

- An interim appointment to fill a role on a short-term basis;
- Provide relocation, travel and subsistence payments;
- Reflect remuneration arrangements provided by a previous employer; and
- Reimbursement of costs incurred as a consequence of resigning from their previous employment.

Annual Report on Remuneration

The remuneration of the Executive Directors for the year ended 31 December 2020 was as shown in the table below:

	31 December 2020					
	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued £	Total £
Executive Directors						
David Barrett	305,278	280,000	13,800	-	45,855	644,933
Dean Masefield ⁽¹⁾	125,000	90,000	5,792	12,500	66	233,358
Max Vermorken	395,000	380,000	13,800	39,500	109,634	937,934
Garth Palmer ⁽¹⁾	54,962	25,000	-	5,496	30,155	115,613
	880,240	775,000	33,392	57,496	185,710	1,931,838

(1) Garth Palmer was CFO until 20 April 2020 to which when he stepped down and stayed on the Board as a Non-Executive Director. Dean Masefield was appointed on this date.

The remuneration of the Executive Directors for the year ended 31 December 2019 was as shown in the table below:

	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued £	Total £
Executive Directors						
David Barrett	190,000	230,000	13,800	-	27,700	461,500
Garth Palmer	60,000	-	-	6,000	22,100	88,100
Max Vermorken	250,000	340,000	13,800	25,000	60,676	689,476
	500,000	570,000	27,600	31,000	110,476	1,239,076



Remuneration policy review

A review of the remuneration policy will take place in 2021 followed by consultation with our major shareholders.

Executive Directors' salaries

In light of the Chairman and CEO volunteered a reduction in salary in 2020 and despite SigmaRoc's usual salary review timetable for the business as a whole, all Executive Directors' have volunteered that their salaries are not automatically increased in line with the range of increases awarded to the wider workforce, but will be reviewed based on the ongoing global pandemic and any variations will be reported in the 2021 Directors' Remuneration report.

Non-Executive Directors' Fees

The basic fee for the non-executive directors for 2021 is £40,000.

Executive Directors bonus opportunity

For 2021, the executive Chairman and CEO will continue to have the opportunity to earn a bonus of up to 125 per cent of salary and the CFO up to 100 per cent of salary. The bonus will be subject to stretching performance conditions based on Underlying EBIT and EPS.

Directors' interest in share plans

Details of the Directors' interests in the Company's share-based incentive schemes are set out on page 84.

This report was approved by the Board on 12 April 2021.

Simon Chisholm
Non-Executive Director

Nominations Committee

A Nomination Committee has been agreed to be set up following significant growth last year in the Group. The Nomination Committee will keep the leadership of the Group under review, and ensure adequate resources are made available to support its future development.

Key activities carried out in 2020

2020 saw the agreement of the Board to enact a nominations committee of which Simon Chisholm is the chair as an independent non-executive Director and will be joined by our Chairman, David Barrett.

Committee Duties

The duties of the Nomination Committee are as follows:

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Evaluate the balance of skills, knowledge and experience on the Board;
- Keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- Give full consideration to succession planning for both executive and non-executive directors and other senior management in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;

- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- The Nomination Committee shall make recommendations to the Board as regards plans for succession for both executive and non-executive directors.

Chair Statement

It is a pleasure to be the Chairman of the Nominations Committee in a business that is exponentially growing. As we move in to 2021 and beyond following a strong end in 2020 and with funding in place for further expansion, I look forward to supporting the Group in ensuring that we have the best executive and senior management teams in place that suit the strategy, business model and culture of SigmaRoc.

This report was approved by the Board on 12 April 2021.

Simon Chisholm
Non-Executive Director

Directors Report

The Directors present their report, together with the audited Financial Statements, for the year ended 31 December 2020.

Principal Activities

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 four Non-Executive Directors. The Corporate Head Office of the Company is located in London, UK.

Risk Management

The Board is responsible for the Group's risk management and continues to develop policies and procedures that reflect the nature and scale of the Group's business. Further details

of the key areas of risk to the business identified by the Group are included on pages 44-47.

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

Results and Dividends

For the year to 31 December 2020, the Group's Underlying profit before tax was £12.2 million (2019: £8.4 million) and Underlying profit after tax was £11.5 million (2019: £7.9 million). Recognising the Group's strategy, current position on its journey, the Directors are not proposing to adopt a dividend policy yet.

Stated Capital

Details of the Company's shares in issue are set out in note 28 to the Financial Statements.

Directors

The following Directors served during the year:

Director	Position	Note
David Barrett	Chairman	
Max Vermorken	Chief Executive Officer	
Dean Masefield	Chief Financial Officer	Appointed 20 April 2020
Garth Palmer	Non-Executive Director	
Tim Hall	Non-Executive Director	
Simon Chisholm	Independent Non-Executive Director	Appointed 20 April 2020
Jacques Emsens	Independent Non-Executive Director	Appointed 20 April 2020
Dominic Traynor	Non-Executive Director	Resigned 18 May 2020
Patrick Dolberg	Independent Non-Executive Director	Resigned 18 May 2020



Directors & Directors' interests

The Directors who served during the year ended 31 December 2020 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

	31 December 2020		31 December 2019	
	Ordinary Shares	Options	Ordinary Shares	Options
Max Vermorken	549,529	11,807,349	447,511	11,807,349
David Barrett	2,609,189	5,638,674	2,175,640	5,638,674
Dean Masefield ¹	28,101	30,000	-	-
Garth Palmer	438,499	3,326,014	256,186	3,326,014
Tim Hall	329,176	750,000	300,000	750,000
Simon Chisholm ²	-	-	-	-
Jacques Emsens ³	-	-	-	-

(1) Appointed on 20 April 2020

(2) Appointed on 20 April 2020

(3) Appointed on 20 April 2020

Further details on options can be found in Note 29 to the Financial Statements.

Details on the remuneration of the Director's can be found in Note 10 to the Financial Statements.

Significant Shareholders

The Company is aware that, as at 18 March 2021, other than the Directors, the interests of Shareholders holding three per cent or more of the issued share capital of the Company were as shown in the table below:

Shareholder	Shares held	Percentage of holdings
M&G Investment Management	26,352,595	9.45%
BGF Investment Management Limited	21,792,872	7.82%
Ravenscroft	21,345,901	7.66%
Balliwick Investments	18,910,000	6.78%
Hermco Property Limited	18,502,502	6.64%
Chelverton Asset Management	17,952,460	6.44%
Slater Investments	14,582,422	5.23%
Janus Henderson Group plc	13,693,048	4.91%
Canaccord Genuity Wealth Management (Inst)	12,500,000	4.48%
Legal & General Investment Management	12,018,925	4.31%
Nigel Wray	10,580,048	3.80%

Employees

By being responsible for their own businesses, that are aligned with the overall Group's strategy, employees are fully aware of their impact and contribution as they are inherently responsible for their own success. The Group and each business is committed to employing the best they can, not only in skills and competence but also in their softer skills, regardless of who they are or where they have come from. Once engaged, each employee is nurtured and developed locally with opportunities within each business and platform offered openly.

Political Contribution

The Group did not make any contributions to political parties during either the current or the previous year.

Annual General Meeting

The Annual General Meeting will be held 56 Queen Anne Street, London, W1G 8LA on 19 May 2021 at 3pm. The formal notice convening the AGM, together with explanatory notes on the resolutions contained therein, is included in the separate circular accompanying this document and is available on the Company's website at www.sigmaroc.com.

Viability Statement

The directors have assessed the viability of the Group over a period to December 2022. This is the same period over which financial projections were prepared for the Group's strategic financial plan. In making their assessment the directors have taken into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 44 to 47 on its business model, future performance, solvency or liquidity. They also stress tested their analysis by running a number of credible scenarios and considered the availability of mitigating actions. Based on this assessment, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to December 2022. In making this statement, the directors have assumed that financing remains available and that mitigating actions are effective.

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 66.

Going concern

The Group meets its day-to-day working capital and other funding requirements through cash and banking facilities; which were renewed in December 2020 and of which more information can be found on page 50.

The impact of the COVID-19 pandemic on the Group's business, revenues and cash flow creates uncertainty. However, given the Group's robust balance sheet, solid performance through the COVID-19 pandemic to date and in conjunction with forecast projections, 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 Annual Report.



GOVERNANCE

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;
- 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; and

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

The Directors are responsible for keeping adequate accounting records 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.

Events after the reporting period

Events after the reporting period are set out in Note 38 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 2020, the Company had an average of 9 days (2019: 51 days) purchases outstanding in trade payables and the Group had an average of 74 days (2019: 82 days).

Future developments

Details of future developments for the Group are disclosed in the Chairman's Statement on page 8 and the CEO's Strategic Report on page 10.

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 12 April 2021.

Dean Masfield
Chief Financial Officer



Independent Auditor's report to the Members of SigmaRoc plc

Opinion

We have audited the financial statements of SigmaRoc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 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 2020 and of the group's and parent company's profit and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international financial reporting standards as adopted by the EU in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the group's business model and analysed how those risks might affect the group's financial resources or ability to continue operations over the period from the date of signing the financial statements to May 2022. The risks that we considered most likely to affect the group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of trade receivables to cash, growth in revenues, reduction in expenses and operating cash outflows, and access to financial resources in the form of debt facilities if so required. We considered this through a review of the application of reasonably foreseeable downside scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Materiality applied to the group financial statements was £1,240,000 (2019: £700,000) with performance materiality set at £868,000 (2019: £490,000). This amount has been determined taking into consideration the group's Revenue. Our determination 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.

Component materiality was applied and ranged from £900,000 to £125,000 (2019: £550,000 to £125,000), having regard to the mix of size and risk profile of the group across the components.

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £62,000 (2019: £35,000). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the Company's financial statements was £500,000 (2019: £350,000). The benchmark for determining materiality of the Company was 0.5% of gross assets owing to the investments held by the Company in its subsidiaries. We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £25,000 (2019: £17,500) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We note that the group have made a significant acquisition during the period and have also performed a purchase price allocation during the year

on the goodwill asset recognised in the prior year. Both of these areas are inherently complicated and require a significant amount of judgement by management. 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 head office in the United Kingdom oversees the accounting function of the group and its subsidiaries, however, each regional grouping of subsidiaries maintains the accounting records for the subsidiaries within it. During the year ended 31 December 2020, a full 12 months' of trading in the group's expanded operations in the Benelux region was included in the Group's result's for the first time. Given the nature of the location and language of the subsidiaries in the Benelux region, our audit of those subsidiaries was conducted by a local component auditor. The subsidiaries audited by the component auditor were CDH Développement SA and its subsidiary undertakings, including Carrières du Hainaut SCA.

The audit was overseen and concluded in London where we acted as group auditor. As group auditor we maintained regular contact with the component auditor throughout all stages of the audit and we were responsible for the scope and direction of their work. We ensured that we challenged their findings in order to form an opinion on 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.

Independent Auditor's report to the Members of SigmaRoc plc CONTINUED

Key Audit Matter	How our scope addressed this matter
<p>Carrying value of investments, goodwill and intangible assets</p> <p>The group carries a material amount of separately identifiable goodwill, tangible fixed assets and intangible assets relating to the subsidiary undertakings previously acquired: Ronez Limited, Topcrete Limited, Poundfield Products (group) Limited, CCP Building Products Limited, Carrières du Hainaut, Stone Holdings SA and GD Harries (refer to note 17).</p> <p>There is a risk that these balances may not be fully recoverable or that incorrect assumptions and estimates could lead to misallocation of balances.</p> <p>The Company carries a material amount of investments in its Statement of Financial Position related to these subsidiaries (refer to note 18).</p> <p>There is a risk that the carrying value of these investments could be overstated.</p>	<ul style="list-style-type: none"> ■ 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 methodology applied and estimates contained. ■ 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 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. ■ We evaluated whether adequate disclosures have been disclosed included within the group financial statements.
<p>Inventory</p> <p>The group holds a material amount of inventory (see note 21). There is the risk that Inventory is not accounted for in line with IAS 2 - Inventories, and specifically that:</p> <ul style="list-style-type: none"> ■ Inventory is not valued with a 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 resaleable value. 	<ul style="list-style-type: none"> ■ We, and the component auditor, attended inventory counts performed at each subsidiary holding a material amount of inventory, ensuring accuracy of the count and subsequently reconciled the quantities, 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 compared carrying values per the year-end inventory listing to post year-end sales, to ensure that inventory was not being held at more than its net realisable value. ■ We assessed slow moving and possibly obsolete inventory by reviewing the post year-end inventory sheets for evidence of post year end sale or usage.

Key Audit Matter	How our scope addressed this matter
<p>Acquisition of G.D Harries</p> <p>During the year, the group acquired the remaining 60% of G.D. Harries.</p> <p>Management judgement is involved in determining the appropriate accounting treatment, including whether the acquisition met the definition of a business combination, date of transfer of control and accounting for consideration. Management judgement is also required in the assessment of the fair values of assets and liabilities acquired, and their associated useful lives, and the use of estimates in the determination of these values and the resultant intangible assets and goodwill recognised.</p> <p>As a result of acquisition accounting being applied, an assessment of the allocation of the purchase price was required, including recognition of intangible assets and goodwill arising in the consolidated financial statement.</p> <p>We therefore identified acquisition accounting in accordance with the requirements of IFRS 3 'Business Combinations' as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<ul style="list-style-type: none"> ■ We assessed management's assertion that this is a business combination under IFRS 3. ■ We agreed significant inputs used in the acquisition accounting to underlying purchase agreements and other supporting documentation. ■ We reviewed and corroborated the assets and liabilities within GD Harries nominal ledger at the date of acquisition by the group to ensure that the correct opening position was used by management when calculating their goodwill figure. ■ We assessed and challenged the key judgements and assumptions, such as revenue growth rates and discount rates, used by management in the valuation model; ■ We evaluated whether adequate disclosures have been included within the group financial statements in accordance with IFRS 3.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 strategic report and the directors' report for the financial year for which the

financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' 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 strategic report or the directors' 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.

Independent Auditor's report to the Members of SigmaRoc plc CONTINUED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006 and the British Standards Institution (BSI)
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with

those laws and regulations. These procedures included, but were not limited to:

- enquiries of management, review of minutes & review of legal / regulatory correspondence etc).
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address this in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

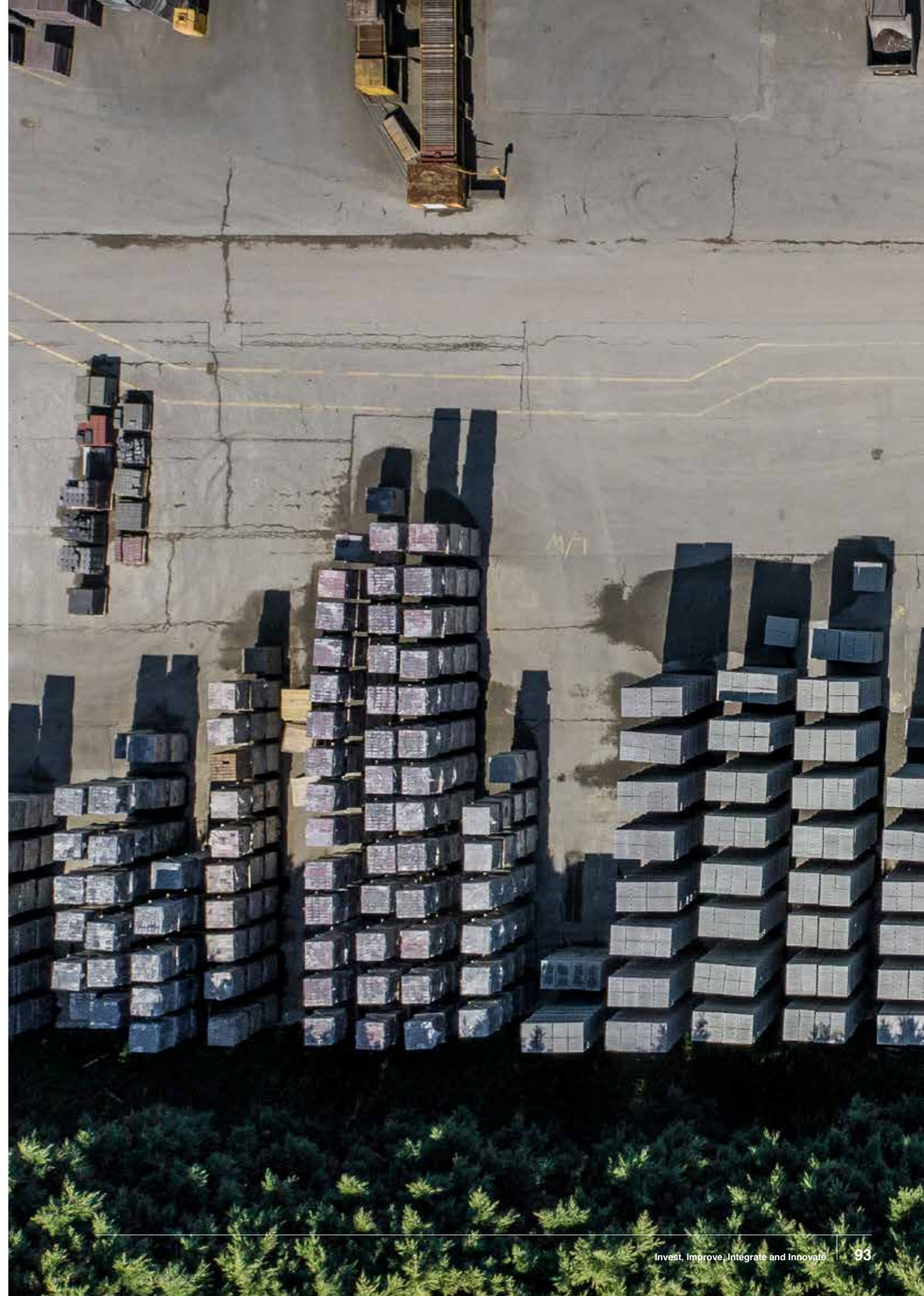
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Alistair Roberts (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD
12 April 2021



Definitions

‘2018 Regulations’

The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 that came into force on 1 April 2019

‘Accounts’ or ‘Annual Report’

the consolidated financial statements of the Group for the year ended 31 December 2020 together with the Chairman’s Statement, CEO’s Strategic Report, Directors’ Report and additional reports contained therein

‘Adjusted Leverage Ratio’

the comparison of net debt to Underlying EBITDA for the last twelve months adjusted for pre-acquisition earnings of subsidiaries acquired during the year

‘AGM’

an annual general meeting of the Company

‘Allen’ or ‘Allen Concrete’

Topcrete Limited and its subsidiary undertakings, including Allen (Concrete) Limited

‘Articles’

the Company’s Articles of Association

‘Board’ or ‘Directors’

The board directors of the Company, being the existing Directors (whose names are set out on page 66 of this document), proposed Directors or both, as the context may require

‘Capex’

capital expenditure on property, plant and equipment

‘Carrieres du Hainaut’ or ‘CDH’

CDH Développement SA and its subsidiary undertakings, including Carrières du Hainaut SCA

‘CEO’

Chief Executive Officer of the Company occupied by Max Vermorken

‘CFO’

Chief Financial Officer of the Company occupied by Garth Palmer as at the date of the Accounts and thereafter by Dean Masefield

‘Cheshire Concrete Products’ or ‘CCP’

CCP Building Products Limited and its subsidiary undertakings

‘CO2’

carbon dioxide

‘Company’ or ‘SigmaRoc’

SigmaRoc plc

‘Coronavirus’, ‘COVID’ or ‘COVID-19’

coronavirus (COVID-19) infectious disease and its pandemic outbreak

‘EBITDA’

earnings before interest, tax, depreciation and amortisation

‘EMS’

environmental management system

‘EPS’

earnings per share

‘ESG’

environment, social and governance

‘Financial Statements’

the consolidated income statement, consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, Company statement of changes in equity, cash flow statements and the accompanying notes to the financial statements

‘Foelfach’

Foelfach Stone Limited

‘FTSE Russell’

subsidiary of London Stock Exchange Group that produces, maintains, licenses, and markets stock market indices

‘GD Harries’

GD Harries (Holdings) Limited and its subsidiary undertakings including Gerald D. Harries & Sons Limited

‘GDH’

Granulats du Hainaut

‘GGBS’

ground-granulated blast-furnace slag

‘Group’

the Company and its subsidiary undertakings

‘HSEQ’

health, safety, environment and quality

‘H&S’

health & safety

‘IOSH’

Institution of Occupational Safety and Health

‘ISO’

International Organisation for Standardisation

‘ISO 14001’

international standard that specifies requirements for an effective EMS, provides a framework that an organisation can follow, rather than establishing environmental performance requirements

‘ISO 45001’

standard for management systems of occupational health and safety focused on reduction of occupational injuries and diseases, including promoting and protecting physical and mental health

‘JV’

joint venture

‘kWh’

kilowatt-hour

‘LIBOR’

London Interbank Offered Rate

‘LTIFR’

lost time injury frequency rate

‘M&A’

mergers & acquisitions

‘MD’

Managing Director of business or platform

‘NEBOSH’

The National Examination Board in Occupational Safety and Health

‘NOx’

nitrogen oxides

‘Ordinary Shares’

the ordinary shares of 1 penny each in the capital of the Company

‘Opex’

operating expenditure

‘PFA’

pulverised fuel ash

‘Poundfield’ or ‘Poundfield Products’

Poundfield Products (Group) Limited and its subsidiary undertakings, including Poundfield Products Limited

‘PPA’

purchase price allocation

‘QCA Code’

Quoted Companies Alliance’s Corporate Governance Code

‘RCF’

revolving credit facility

‘Ronez’

Ronez Limited and its subsidiary undertakings

‘Ronez Platform’

the Group’s construction materials platform covering the Channel Islands market including Ronez and SigmaGsy

‘Santander’

Santander plc

‘SASB’

sustainability accounting standards board

‘SECR’

streamlined energy and carbon reporting

‘SigmaBE’ or ‘Benelux Platform’

the Group’s construction materials platform covering the Benelux market including CDH and Stone

‘SigmaGsy’

SigmaGsy Limited

‘SigmaPPG’, ‘PPG’ or ‘PPG Platform’

the Group’s precast concrete products platform covering the UK market including Allen, Poundfield and CCP

‘SOx’

sulphur oxides

‘South Wales Platform’ or ‘SW Platform’

the Group’s construction materials platform covering the Southern Welsh market including GD Harries and Foelfach

‘Sterling’

pound sterling currency of the UK and Channel Islands

‘Stone’ or ‘Stone Holdings’

Stone Holdings S.A and its subsidiary Philippe Cuvelier S.A

‘TCFD’

task force on climate-related financial disclosures

‘tCO₂e’

tonnes of carbon dioxide equivalent

‘TIFR’

total incident frequency rate

‘UK’

United Kingdom

‘Underlying’*

Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an underlying profit measure throughout this Annual Report are defined on this basis

‘USA’

United States of America

* These measures are not defined by International Reporting Standards (IFRS) and therefore may not be directly comparable to similar measures adopted by other companies. These alternative performance measures should be considered in addition to and are not intended to be a substitute for, or superior to, IFRS measures but provide useful information on the performance of the group and underlying trends.

SIGMAROC PLC
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020			Year ended 31 December 2019		
		Underlying £	Non- underlying (Note 11) £	Total £	Underlying £	Non- underlying* (Note 11) £	Total £
Continued operations							
Revenue	7	124,231,115	-	124,231,115	70,362,472	-	70,362,472
Cost of sales	8	(90,028,317)	-	(90,028,317)	(50,924,209)	-	(50,924,209)
Profit from operations		34,202,798	-	34,202,798	19,438,263	-	19,438,263
Administrative expenses	8	(20,045,509)	(4,554,557)	(24,600,066)	(9,922,199)	(4,953,675)	(14,875,874)
Net finance (expense)/ income	12	(2,379,230)	(359,599)	(2,738,829)	(1,268,122)	(695,457)	(1,963,579)
Other net gains / (losses)	13 14	340,890	(65,035)	275,855	125,843	(529,948)	(404,105)
Foreign Exchange		33,151	-	33,151	(19,641)	-	(19,641)
Profit/(loss) before tax		12,152,100	(4,979,191)	7,172,909	8,354,144	(6,179,080)	2,175,064
Tax expense	15	(662,041)	-	(662,041)	(448,518)	-	(448,518)
Profit/(loss)		11,490,059	(4,979,191)	6,510,868	7,905,626	(6,179,080)	1,726,546
Profit/(loss) attributable to:							
Owners of the parent		11,490,059	(4,979,191)	6,510,868	7,905,626	(6,179,080)	1,726,546
		11,490,059	(4,979,191)	6,510,868	7,905,626	(6,179,080)	1,726,546
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	31	4.50	(1.95)	2.55	4.20	(3.28)	0.92
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	31	4.15	(1.80)	2.35	3.78	(2.96)	0.82

* 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 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Profit/(loss) for the year		6,510,868	1,726,546
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
FX translation reserve		2,379,173	(447,978)
		8,890,041	1,278,568
Total comprehensive income		8,890,041	1,278,568
Total comprehensive income attributable to:			
Owners of the parent		8,890,041	1,278,568
Total comprehensive income for the period		8,890,041	1,278,568

SIGMAROC PLC
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 COMPANY NUMBER: 05204176

	Consolidated		Company		
	Note	31 December 2020 £	31 December 2019 £	31 December 2020 £	31 December 2019 £
Non-current assets					
Property, plant and equipment	16	144,793,014	78,718,333	52,005	71,765
Intangible assets	16	48,803,895	80,243,724	-	-
Investments in subsidiary undertakings	18	-	-	101,249,110	94,370,845
Investment in equity-accounted associate	19	-	5,538,212	-	5,538,212
Other receivables		21,327	19,996	-	-
Deferred tax asset	15	1,411,980	-	-	-
		195,030,216	164,520,265	101,301,115	99,980,822
Current assets					
Trade and other receivables	20	20,342,578	22,232,596	997,856	787,825
Inventories	21	14,247,379	11,160,574	-	-
Cash and cash equivalents	22	27,451,984	9,867,696	11,521,206	3,935,831
Derivative financial asset		151,770	-	151,770	-
		62,193,711	43,260,866	12,670,832	4,723,656
Total assets		257,223,927	207,781,131	113,971,947	104,704,478
Current liabilities					
Trade and other payables	23	46,522,548	37,158,011	14,215,450	16,844,018
Current tax payable		706,698	884,871	-	-
Borrowings	24	3,611,169	4,461,336	20,653	24,827
		50,840,415	42,504,218	14,236,103	16,868,845
Non-current liabilities					
Borrowings	24	67,688,396	55,194,015	22,341	41,671
Deferred tax liabilities	15	3,871,086	1,098,148	-	-
Provisions	25	6,160,325	6,936,754	-	-
Other payables	23	5,100,196	-	5,100,196	-
		82,820,030	63,228,917	5,122,537	41,671
Total liabilities		133,660,445	105,733,135	19,358,640	16,910,516
Net assets		123,563,482	102,047,996	94,613,307	87,793,962
Equity attributable to owners of the parent					
Share capital	28	2,787,393	2,537,393	2,787,393	2,537,393
Share premium	28	107,417,822	95,358,556	107,417,822	95,358,556
Share option reserve	29	847,392	531,213	847,392	531,213
Other reserves	30	3,292,913	913,740	1,361,718	1,361,718
Retained earnings		9,217,962	2,707,094	(17,801,018)	(11,994,918)
Total equity		123,563,482	102,047,996	94,613,307	87,793,962

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 2020 was £5,806,100 (year ended

31 December 2019: £4,699,471).

The Financial Statements were approved and authorised for issue by the Board of Directors on 12 April 2021 and were signed on its behalf by:
Dean Masfield, Chief Financial Officer

SIGMAROC PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
Balance as at 1 January 2019		1,367,056	50,136,904	352,877	1,361,718	910,556	54,129,111
Profit for the year		-	-	-	-	1,726,546	1,726,546
Currency translation differences		-	-	-	(447,978)	-	(447,978)
Total comprehensive income for the period		-	-	-	(447,978)	1,726,546	1,278,568
Contributions by and distributions to owners							
Issue of share capital		1,101,788	44,071,478	-	-	-	45,173,266
Issue costs	28	-	(1,531,276)	-	-	-	(1,531,276)
Share based payments		68,549	2,681,450	178,336	-	-	2,928,335
IFRS 16 Adjustments		-	-	-	-	69,992	69,992
Total contributions by and distributions to owners		1,170,337	45,221,652	178,336	-	69,992	46,640,317
Balance as at 31 December 2019		2,537,393	95,358,556	531,213	913,740	2,707,094	102,047,996
Balance as at 1 January 2020		2,537,393	95,358,556	531,213	913,740	2,707,094	102,047,996
Profit for the year		-	-	-	-	6,510,868	6,510,868
Currency translation differences		-	-	-	2,379,173	-	2,379,173
Total comprehensive income for the period		-	-	-	2,379,173	6,510,868	8,890,041
Contributions by and distributions to owners							
Issue of share capital		243,127	12,156,369	-	-	-	12,399,496
Issue costs	28	-	(440,735)	-	-	-	(440,735)
Share based payments		6,873	343,632	316,179	-	-	666,684
Total contributions by and distributions to owners		250,000	12,059,266	316,179	-	-	12,625,445
Balance as at 31 December 2020		2,787,393	107,417,822	847,392	3,292,913	9,217,962	123,563,482

SIGMAROC PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Share capital £	Share premium £	Share option reserve £	Other reserves £	Retained earnings £	Total £
Balance as at 1 January 2019		1,367,056	50,136,904	352,877	1,361,718	(7,294,779)	45,923,776
Profit/(Loss)		-	-	-	-	(4,699,471)	(4,699,471)
Total comprehensive income for the period		-	-	-	-	(4,699,471)	(4,699,471)
Contributions by and distributions to owners							
Issue of share capital		1,101,788	44,071,478	-	-	-	45,173,266
Issue costs	28	-	(1,531,276)	-	-	-	(1,531,276)
Share based payments		68,549	2,681,450	178,336	-	-	2,928,335
IFRS 16 Adjustments		-	-	-	-	(668)	(668)
Total contributions by and distributions to owners		1,170,337	45,221,652	178,336	-	(668)	46,569,657
Balance as at 31 December 2019		2,537,393	95,358,556	531,213	1,361,718	(11,994,918)	87,793,962
Balance as at 1 January 2020		2,537,393	95,358,556	531,213	1,361,718	(11,994,918)	87,793,962
Profit/(Loss)		-	-	-	-	(5,806,100)	(5,806,100)
Total comprehensive income for the period		-	-	-	-	(5,806,100)	(5,806,100)
Contributions by and distributions to owners							
Issue of share capital		243,127	12,156,369	-	-	-	12,399,496
Issue costs	28	-	(440,735)	-	-	-	(440,735)
Share based payments		6,873	343,632	316,179	-	-	666,684
Total contributions by and distributions to owners		250,000	12,059,266	316,179	-	-	12,625,445
Balance as at 31 December 2020		2,787,393	107,417,822	847,392	1,361,718	(17,801,018)	94,613,307

SIGMAROC PLC
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated		Company	
		Year ended 31 December 2020 £	Year ended 31 December 2019 £	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Cash flows from operating activities					
Profit/(loss)		6,510,868	1,726,545	(5,484,197)	(4,699,471)
Adjustments for:					
Depreciation and amortisation	16 17	10,886,578	6,125,957	28,951	19,472
Share option expense		316,179	178,336	316,179	178,336
Loss/(gain) on sale of PP&E		(372,966)	41,438	-	-
Net finance costs		2,738,829	1,963,579	203,280	361,796
Income tax expense		662,041	448,518	-	-
Share of earnings from associates		(293,975)	(84,018)	-	-
Non-cash items		649,799	(2,852,839)	350,505	(1,257,541)
(Increase)/decrease in trade and other receivables		7,558,948	(838,384)	(211,035)	(620,575)
(Increase)/decrease in inventories		(1,008,047)	490,462	-	-
(Decrease)/increase in trade and other payables		2,713,707	(4,522,142)	(135,808)	1,356,158
Increase in provisions		-	91,407	-	-
Income tax paid		(1,894,398)	(615,128)	-	-
Net cash flows from operating activities		28,467,563	2,153,731	(4,932,125)	(4,661,825)
Investing activities					
Purchase of property, plant and equipment	16	(6,451,893)	(3,384,363)	(8,886)	(32,535)
Sale of property, plant and equipment		895,962	48,475	-	-
Purchase of intangible assets	17	(152,617)	(3,611)	-	-
Acquisition of businesses (net of cash acquired)		(8,382,804)	(35,931,107)	(10,116,675)	(36,741,325)
Financial derivative		(151,770)	-	(151,770)	-
Interest received		185,704	773	37,813	773
Net cash used in investing activities		(14,057,418)	(39,269,833)	(10,239,518)	(36,773,087)
Financing activities					
Proceeds from share issue		12,399,496	45,173,266	12,399,496	45,173,266
Cost of share issue		(440,735)	(1,531,274)	(440,735)	(1,531,274)
Proceeds from borrowings		67,645,725	20,171,691	-	-
Cost of borrowings		(858,562)	(184,000)	-	-
Repayment of borrowings		(73,148,153)	(18,720,774)	(23,032)	(10,000,000)
Net loans with subsidiaries		-	-	10,809,549	11,655,492
Interest paid		(2,486,688)	(1,678,500)	(695)	(40,927)
Repayment of finance lease obligations		-	-	-	-
Net cash used in financing activities		3,111,083	43,230,409	22,744,583	45,256,557
Net increase/(decrease) in cash and cash equivalents		17,521,228	6,114,307	7,572,940	3,821,645
Cash and cash equivalents at beginning of period		9,867,696	3,771,735	3,935,831	115,756
Exchange losses on cash		63,060	(18,346)	12,435	(1,570)
Cash and cash equivalents and end of period	22	27,451,984	9,867,696	11,521,206	3,935,831

Major non-cash transactions

During the year ended 31 December 2020 there were share based payments of £350,505 to CDH employees and consultants and non-cash additions of property, plant and equipment. The remainder of non-cash movements are not considered material.

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

The Group has adopted the following standards from 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3
- Definition of a business
- Amendments to IAS 1 and IAS 8 – Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The adoption of these standards has not had a material impact on the Financial Statements.

New IFRS Standards and Interpretations not adopted.

At the date on which these Financial Statements were authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the year ended 31 December 2020 that are expected to materially impact the Group's Financial Statements.

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 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

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

Associates are entities over which the Group has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

CDH use Belgian GAAP rules to prepare and report their financial statements. The Group reports using IFRS standards and in order to comply with the Group's reporting standards, management of CDH processed several adjustments to ensure the financial information included at a Group level complies with IFRS. CDH will continue to prepare their company financial statements in line with the Belgian GAAP rules.

2.3. Going Concern

As described in in the CEO's strategic report, the Group is managing the impact of the COVID-19 pandemic on its business and the uncertainty it creates. The Executive management team have prepared a range of simulated scenarios based on reductions in revenues, and from these, they believe that the Group has a sufficiently robust balance sheet to endure the Coronavirus pandemic. Further information as to the Group's plans to both prepare for and mitigate the effect of the COVID-19 outbreak is available in the Coronavirus update on page 13.

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.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

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 acquire over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire. 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 CDH as at the completion date. As a result of this exercise, goodwill in CDH decreased from £51 million to £7.2 million with the corresponding movement being property, plant and equipment and intangible assets. The current accounting policies regarding the subsequent treatment intangible assets will apply to fair value uplift attributable to the PPA.

Amortisation is provided on intangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Goodwill	0%
Customer relations	7% – 12.5%
Intellectual property	10% – 12%
Research and Development	10% – 20%
Branding	5% – 10%
Other intangibles	0%

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 is not amortised however 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, discounted to present value using a pre tax discount rate reflective of the time value of money and risks specific to the business unit. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangibles consist of an option over gravel in Poundfield and capitalised development costs for assets produced that assist in the operations of the Group and incur revenue. The option for gravel is amortised based on units of production and the development costs are amortised over the life of the asset. 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 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.

Where the Group has a legal or constructive obligation for restoration of a site the costs of restoring this site is provided for. The initial cost of creating this provision is capitalised within property, plant and equipment and depreciated over the life of the site. The provisions are discounted to their present value at a rate which reflects the time value of money and risks specific to the liability. Changes in the measurement of a previously capitalized provision are accordingly added or deducted from the value of the asset.

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. The Group holds call options to cover their exposure relative to fluctuations against the Euro. They hold call options to purchase €4,000,000 on 30 June 2021 and €6,000,000 on 31 December 2021, such call options being bought for £190,145. These were purchased on 11 December 2020 and as the value is deemed to be immaterial to the Group, hedge accounting is not required.

(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 another 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.

Foreign Currency Translation Reserve – represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.

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.

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 a non IFRS measure, but the Group have disclosed these 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 or 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. Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. The Group operates several business units which are constantly reviewed to ensure profitability. During 2019 it was determined that the flagging & paving division at CCP's Bury site was loss making and therefore it was decided that the operations at this site be discontinued. For further information, refer to note 14.

2.25. 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 under IFRS 16. 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. Other leases are either small in value or cover a period of less than 12 months.

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. The lease liabilities are shown in note 24.

Rent payable under operating leases on which the short term exemption has been taken, less any lease incentives received, is charged to the income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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.

31 December 2020				
	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
Borrowings	3,611,169	2,768,017	64,407,879	512,500
Trade and other payables	46,522,548	708,737	361,511	4,029,948
	50,133,717	3,476,754	64,769,390	4,542,448

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.

a) Market Risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. 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.

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 2020 is as follows:

	Consolidated	
	31 December 2020 £	31 December 2019 £
Total borrowings (Note 24)	71,299,565	59,655,351
Less: Cash and cash equivalents (Note 22)	(27,451,984)	(9,867,696)
Net debt	43,847,581	49,787,655
Total equity	123,563,482	102,047,996
Total capital	167,411,063	151,835,651
Gearing ratio	0.26	0.33

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 PPAs included the revaluation of land and minerals based on the estimated remaining reserves within St John's, Les Vardes, Aberdo and Carrières du Hainaut 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 £39,965,803 as at 31 December 2020 (31 December 2019: £73,004,627). 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 2020 (31 December 2019: £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 2020 of £891,125 (31 December 2019: £718,822) and relate to the removal of the plant and equipment held at quarries in the Channel Islands and United Kingdom. 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 a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

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 29 to the Financial Statements.

e) Valuation and timing of deferred consideration

As part of the acquisition of GD Harries, the Group has agreed to pay royalty payments over the next 10 years with a minimum total value of £10m. The estimated present value of these payments is £4.69m. In determining this value, management must make critical estimates as to timing, value and cost of money of these payments.

5. Dividends

No dividend has been declared or paid by the Company during the year ended 31 December 2020 (2019: 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, Channel Islands and Belgium. The Belgium segment was included as a key geographical segment in October 2019 when the Group acquired CDH Développement SA. Activities in the United Kingdom, Channel Islands and Belgium relate to the production and sale of construction material products and services.

31 December 2020				
	United Kingdom £	Channel Islands £	Belgium £	Total £
Revenue	46,790,487	27,324,939	50,115,689	124,231,115
Profit from operations per reportable segment	10,016,729	9,230,303	14,955,766	34,202,798
Additions to non-current assets	32,030,117	(1,891,258)	371,094	30,509,953
Reportable segment assets	107,559,239	49,214,403	100,450,285	257,223,927
Reportable segment liabilities	76,031,131	5,369,328	52,259,986	133,660,445
31 December 2019				
	United Kingdom £	Channel Islands £	Belgium £	Total £
Revenue	32,964,660	29,241,597	8,156,215	70,362,472
Profit from operations per reportable segment	8,170,774	9,198,697	2,068,792	19,438,263
Additions to non-current assets	20,908,087	(1,689,474)	76,354,868	95,573,481
Reportable segment assets	72,555,343	49,710,145	85,515,641	207,781,129
Reportable segment liabilities	51,548,505	4,796,404	49,388,226	105,733,135

7. Revenue

Consolidated		
	31 December 2020 £	31 December 2019 £
Upstream products	13,333,702	6,972,097
Value added products	105,428,101	56,086,965
Value added services	3,921,116	6,652,397
Other	1,548,196	651,013
	124,231,115	70,362,472

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 2020 £	31 December 2019 £
Cost of sales		
Changes in inventories of finished goods and work in progress	(1,757,994)	(680,415)
Production cost of goods sold	11,975,751	6,869,232
Distribution and selling expenses	8,136,509	5,921,567
Raw materials and consumables used	27,740,858	19,320,078
Employee benefit expenses	29,507,527	12,792,817
Depreciation and amortisation expense	9,364,796	4,912,383
Other costs of sale	5,060,870	1,788,547
Total cost of sales	90,028,317	50,924,209
Administrative expenses		
Operational admin expenses	17,270,000	9,922,199
Corporate admin expenses	7,330,006	4,953,675
Total administrative expenses	24,600,066	14,875,874

Corporate administrative expenses include £2,047,521 of non-underlying expenses (refer to note 11).

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

	Consolidated	
	31 December 2020	31 December 2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company and Consolidated Financial Statements	193,994	171,165
Fees payable to the Company's auditor and its associates for tax services	9,028	30,572
Fees paid or payable to the Company's auditor and its associates for due diligence and transactional services	24,050	140,932
Fees paid to the Company's auditor for other services	-	17,877
	227,072	360,546

9. Employee Benefits Expense

	Consolidated		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Staff costs (excluding directors)	£	£	£	£
Salaries and wages	31,638,511	16,823,415	1,423,765	902,710
Post-employment benefits	114,443	107,206	51,896	36,430
Social security contributions and similar taxes	431,962	134,524	211,651	59,217
Other employment costs	7,938,620	867,944	65,420	20,724
	40,123,536	17,933,089	1,752,732	1,019,081

	Consolidated		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Average number of FTE employees by function	#	#	#	#
Management	58	63	5	3
Operations	744	576	-	-
Administration	140	78	2	1
	942	717	7	4

10. Directors' Remuneration

	31 December 2020					
	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued £	Total £
Executive Directors						
David Barrett	305,278	280,000	13,800	-	45,855	644,933
Dean Masefield ⁽¹⁾	125,000	90,000	5,792	12,500	66	233,358
Max Vermorken	395,000	380,000	13,800	39,500	109,634	937,934
Non-executive Directors						
Dominic Traynor ⁽²⁾	40,000	-	-	5,000	5,101	50,101
Patrick Dolberg ⁽³⁾	40,000	-	-	-	4,430	44,430
Timothy Hall	40,000	-	-	-	27,263	67,263
Garth Palmer ⁽⁴⁾	54,962	25,000	-	5,496	30,155	115,613
Simon Chisholm ⁽⁵⁾	28,030	-	-	2,803	-	30,833
Jacques Emsens ⁽⁶⁾	28,030	-	-	-	-	28,030
	1,056,300	775,000	33,392	65,299	222,504	2,152,495

	31 December 2019					
	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued £	Total £
Executive Directors						
David Barrett	190,000	230,000	13,800	-	27,700	461,500
Garth Palmer	60,000	-	-	6,000	22,100	88,100
Max Vermorken	250,000	340,000	13,800	25,000	60,676	689,476
Non-executive Directors						
Dominic Traynor	32,005	-	-	3,201	5,009	40,215
Patrick Dolberg	32,005	-	-	-	3,442	35,447
Timothy Hall	24,580	-	-	-	11,897	36,477
	588,590	570,000	27,600	34,201	130,824	1,351,215

(1) Appointed on 20 April 2020

(2) Resigned on 18 May 2020

(3) Resigned on 18 May 2020

(4) Garth Palmer was CFO until 20 April 2020 to which when he stepped down and stayed on the board as a Non-Executive director. His bonus was performance based for the period 1 January 2020 until 20 April 20.

(5) Appointed on 20 April 2020

(6) Appointed on 20 April 2020

The bonuses earned in the year by the Directors reflect the performance of the business, were based on industry standard criteria taking into account external market data, were recommended by the Remuneration Committee and approved by the Board.

Details of fees paid to companies and partnerships of which the Directors are related have been disclosed in Note 36.

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 2020 £	31 December 2019 £
Acquisition related expenses	1,371,797	2,615,860
Amortisation and remeasurement of acquired assets	1,408,964	1,213,574
Restructuring expenses	802,804	820,949
Equity & debt funding expenses	144,906	659,823
Discontinued operations	100,209	529,948
Share option expense	316,179	178,336
Unwinding of discount on deferred consideration	321,903	-
Net other non-underlying expenses & gains	512,429	160,590
	4,979,191	6,179,080

Acquisition related expenses include costs relating to the due diligence of prospective pipeline acquisitions, stamp duty on completed acquisitions and other direct costs associated with merger & acquisition activity including a completion bonus to certain employees in relation to the acquisition of CDH. During the year the Group acquired the remaining share capital in GD Harries and Stone Holdings S.A.

Amortisation and remeasurement of acquired assets are non-cash items which distort the underlying performance of the businesses acquired. Amortisation of acquired assets arise from certain fair value uplifts resulting from the PPA. Remeasurement of acquired assets arises from ensuring assets from acquisitions are depreciated in line with Group policy.

Restructuring expenses include advisory fees, redundancy costs and moving expenses. During the year these primarily related to the SigmaPPG platform.

Equity & debt funding expenses relates to consulting fees for the debt refinance.

Share option expense is the fair value of the share options issued during the year, refer to note 29 more information.

Unwinding of discount on deferred consideration is a non-cash adjustment relating to deferred consideration arising on acquisitions.

Discontinued operations include the trading expenses, stock adjustments and redundancies incurred at the Bury site for the period from January 2020 to December 2020. Refer to note 14 for more information.

Net other non-underlying expenses and gains include COVID-19 related costs such as purchases of face masks and other protective equipment, procurement and administration of testing kits, modifications to working environments to ensure safety and other associated costs.

12. Net Finance (Expense)/Income

	Consolidated	
	31 December 2020 £	31 December 2019 £
Convertible loan redemption interest premium	-	(500,000)
Convertible loan note interest expense	-	(39,452)
Other interest (expense)/income	(2,290,520)	(1,294,666)
Other finance (expense)/income	(126,406)	(129,461)
Unwinding of discount on deferred consideration	(321,903)	
	(2,738,829)	(1,963,579)

13. Other Net Gains/(Losses)

	Consolidated	
	31 December 2020 £	31 December 2019 £
Gain/(losses) on disposal of property, plant and equipment	372,966	(14,536)
Other gain/(loss)	(251,464)	56,361
Loss on call options	(38,375)	-
Share of earnings from associates	293,975	84,018
Loss on discontinued operations	(101,247)	(529,948)
	275,855	(404,105)

For more information on the loss on discontinued operations, please refer to note 14.

14. Discontinued Operations

From due diligence undertaken as part of the acquisition of CCP in January 2019, doubts existed over the viability of the flagging & paving division at its site in Bury. After a detailed review it was determined that the business unit was loss making and it was decided that the operations at this site be discontinued effective from 1 February 2019.

Financial information relating to the discontinued operation for the period is set out below.

	31 December 2020 £	31 December 2019 £
Income statement		
Revenue	-	811,862
Cost of sales	(150,038)	(1,103,550)
Gross profit	(150,038)	(291,688)
Administration	(55,781)	(146,429)
Other expenses	105,610	(91,831)
Loss from discontinued operation	(100,209)	(529,948)
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	(0.04)	(0.28)
	31 December 2020 £	31 December 2019 £
Cash movement		
Net cash outflow from operating activities	(94,040)	(125,846)
Net cash inflow from investing activities	287,500	(212,465)
Net cash inflow from financing activities	-	-
Net increase / (decrease) in cash generated by the subsidiary	193,460	(338,311)

15. Taxation

	Consolidated	
	31 December 2020 £	31 December 2019 £
Tax recognised in profit or loss		
Current tax	(789,683)	(448,518)
Deferred tax	127,642	-
Total tax charge in the Income Statement	(662,041)	(448,518)

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 2020 £	31 December 2019 £
Profit/(loss) before tax subject to charge	7,095,798	1,726,545
Tax at the applicable rate of 25.14%	1,784,309	359,294
Effects of:		
Expenditure not deductible for tax purposes	1,241,151	639,226
Deferred tax not recognised	(1,859,472)	237,384
Remeasurement of deferred tax for changes in tax rates	(435,771)	(1,041,015)
Income not taxable for tax purposes	(659,432)	-
Depreciation in excess of/(less than) capital allowances	613,251	227,160
Net tax effect of losses carried forward	(21,995)	26,469
Tax charge	662,041	448,518

The weighted average applicable tax rate of 25.14% (2019: 20.81%) used is a combination of the standard rate of corporation tax rate for entities in the United Kingdom of 19% (2019: 19%), 20% on quarrying of minerals and rental property (2019: 20%) in Jersey and Guernsey and 30% (2019: 33.99%) in Belgium.

	Tax losses	Temporary timing differences	Total
At 1 January 2020	-	-	-
Charged/(credited) directly to equity	402,088	1,009,892	1,411,980
At 31 December 2020	402,088	1,009,892	1,411,980

	Tax losses	Temporary timing differences	Total
At 1 January 2020	-	1,098,148	1,098,148
Acquisition of subsidiary		2,900,580	2,900,580
Charged/(credited) directly to income statement	(127,642)	-	(127,642)
At 31 December 2020	(127,642)	3,998,728	3,871,086

Deferred income tax assets of £1,411,980 (2019: nil) are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. Deferred tax liabilities of £3,871,086 (2019: 1,098,148) are recognised in full.

16. Property, Plant and Equipment

Cost	Consolidated						Total £
	Office Equipment £	Land and minerals £	Land and buildings £	Plant and machinery £	Furniture and vehicles £	Construction in progress £	
As at 1 January 2019	383,440	37,855,548	22,472,510	17,970,282	7,437,362	1,932,082	88,051,224
Acquired through acquisition	3,194,969	14,844,352	13,385,643	57,825,258	9,642,516	-	98,892,738
Transfer between classes	-	(4,600,000)	5,760,000	-	-	(1,160,000)	-
Fair value adjustment	-	1,762,000	-	-	-	-	1,762,000
IFRS 16 Adjustment	22,689	-	584,785	875,388	-	-	1,482,862
Additions	139,414	145,140	435,886	1,403,634	869,033	391,256	3,384,363
Disposals	(1,173)	-	(4,105,000)	(81,860)	(117,000)	(317,126)	(4,477,693)
Forex	(47,800)	(243,375)	(161,148)	(881,369)	(154,468)	-	(1,488,160)
As at 31 December 2019	3,691,539	49,763,665	38,372,676	77,111,333	17,677,443	846,212	187,462,868
As at 1 January 2020	3,691,539	49,763,665	38,372,676	77,111,333	17,677,443	846,212	187,462,868
Acquired through acquisition	302,871	15,085,384	1,138,624	17,420,145	6,503,077	-	40,450,102
Transfer between classes	-	-	-	133,245	-	(133,245)	-
Fair value adjustment	-	35,954,347	5,322,372	(48,419)	-	-	41,228,300
Additions	66,574	2,937,442	570,150	1,472,808	870,548	534,371	6,451,893
Disposals	-	(192,147)	-	(580,752)	(780,076)	-	(1,552,975)
Forex	164,480	830,659	544,608	2,989,989	265,970	-	4,795,706
As at 31 December 2020	4,225,464	104,379,350	45,948,430	98,498,349	24,536,962	1,247,338	278,835,894
Depreciation							
As at 1 January 2019	321,323	6,950,843	13,405,493	11,192,348	6,209,206	-	38,079,213
Acquired through acquisition	2,812,176	703,698	8,309,696	49,944,448	4,789,797	-	66,559,815
Transfer between classes	-	(63,594)	63,594	-	-	-	-
IFRS 16 Adjustment	-	-	153,779	292,103	-	-	445,882
Charge for the year	130,206	1,010,954	1,089,546	2,019,029	820,604	-	5,070,339
Disposals	(159)	-	(200,298)	(51,769)	(117,000)	-	(369,226)
Forex	(42,585)	(11,537)	(132,643)	(777,290)	(77,433)	-	(1,041,488)
As at 31 December 2019	3,220,961	8,590,364	22,689,167	62,618,869	11,625,174	-	108,744,535
As at 1 January 2020	3,220,961	8,590,364	22,689,167	62,618,869	11,625,174	-	108,744,535
Acquired through acquisition	197,810	1,164,293	39,368	8,062,189	3,246,089	-	12,709,749
Charge for the year	250,226	1,579,146	1,904,968	3,898,612	2,403,723	-	10,036,675
Disposals	-	-	-	(496,507)	(530,725)	-	(1,027,232)
Forex	148,051	39,536	451,292	2,654,356	285,917	-	3,579,152
As at 31 December 2020	3,817,048	11,373,339	25,084,795	76,737,519	17,030,178	-	134,042,879
Net book value							
As at 31 December 2019	470,578	41,173,301	15,683,509	14,492,464	6,052,269	846,212	78,718,333
As at 31 December 2020	408,416	93,006,011	20,863,635	21,760,830	7,506,784	1,247,338	144,793,014

The depreciation on the right of use assets for the year ended 31 December 2020 was £1,367,375 (2019: £611,627) and the net book value is £5,475,572 (2019: £6,969,922).

	Company			Total £
	Office Equipment £	Land & Buildings £	Motor Vehicle £	
Cost				
As at 1 January 2019	12,600	-	-	12,600
Additions	8,207	-	24,328	32,535
IFRS 16 Adjustment	-	54,363	-	54,363
Disposals	-	-	-	-
As at 31 December 2019	20,807	54,363	24,328	99,498
As at 1 January 2020	20,807	54,363	24,328	99,498
Additions	8,886	-	-	8,886
Disposals	-	-	-	-
Forex	-	-	305	305
As at 31 December 2020	29,693	54,363	24,633	108,689
Depreciation				
As at 1 January 2019	8,261	-	-	8,261
Charge for the year	6,072	13,313	87	19,472
Disposals	-	-	-	-
As at 31 December 2019	14,333	13,313	87	27,733
As at 1 January 2020	14,333	13,313	87	27,733
Charge for the year	7,456	13,313	8,182	28,951
Disposals	-	-	-	-
As at 31 December 2020	21,789	26,626	8,269	56,684
Net book value				
As at 31 December 2019	6,474	41,050	24,241	71,765
As at 31 December 2020	7,904	27,737	16,364	52,005

The depreciation on the right of use assets for the year ended 31 December 2020 was £13,313 (2019: £13,313) and the net book value is £27,737 (2019: £41,050).

17. Intangible Assets

	Consolidated						Total £
	Goodwill £	Customer Relations £	Intellectual property £	Research & Development £	Branding £	Other Intangibles £	
Cost & net book value							
As at 1 January 2019	16,826,369	850,846	684,556	-	613,000	-	18,974,771
Additions	-	-	-	3,611	-	-	3,611
Additions through business combination	61,717,258	-	(83,843)	1,210,452	400,000	414,018	63,657,885
Price Purchase Allocation - CCP	(5,539,000)	3,480,000	-	-	297,000	-	(1,762,000)
Amortisation	-	(481,324)	(44,481)	(26,174)	(43,969)	(13,788)	(609,736)
Forex	-	-	-	(20,807)	-	-	(20,807)
As at 31 December 2019	73,004,627	3,849,522	556,232	1,167,082	1,266,031	400,230	80,243,724
As at 1 January 2020	73,004,627	3,849,522	556,232	1,167,082	1,266,031	400,230	80,243,724
Additions	-	-	-	152,617	-	-	152,617
Additions through business combination	7,887,073	-	-	-	-	-	7,887,073
Price Purchase Allocation – CDH	(43,779,628)	-	-	-	2,292,000	-	(41,487,628)
Amortisation	-	(516,930)	(84,860)	(88,323)	(159,790)	-	(849,903)
Forex	2,853,731	-	-	4,511	-	(230)	2,882,103
As at 31 December 2020	39,965,803	3,332,592	471,372	1,235,887	3,398,241	400,000	48,803,895

An adjustment has been made to reflect the initial accounting for the acquisition of Carrières Du Hainaut ('CDH') by the Company, being the elimination of the investment in CDH against the non-monetary assets acquired and recognition of goodwill. In 2020, the Company determined the fair value of the net assets acquired pursuant to the acquisition of CDH, via a Purchase Price Allocation ('PPA') exercise. The PPA's determined a decrease of £43.8m of goodwill in CDH with the corresponding movement to be recognised as Trademarks and Licences, uplift the value of the Land and Buildings and Land and Minerals and recognition of a deferred tax asset.

The goodwill is total is made up of £21.2m for the PPG Platform, £8.9m for the Benelux platform, £6.2m for the South Wales platform and £3.7m for the Ronez platform.

The intangible asset classes are:

- Goodwill is the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets.

- Customer relations is the value attributed to the key customer lists and relationships.
- Intellectual property is the patents owned by the Group.
- Research and development is the acquiring of new technical knowledge and trying to improve existing processes or products or developing new processes or products.
- Branding is the value attributed to the established company brand.
- Other intangibles consist of an option over gravel in Poundfield and capitalised development costs for assets produced that assist in the operations of the Group and incur revenue.

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 seven operating segments are considered to be Ronez in the Channel Islands, Topcrete in the UK, Poundfield in the UK, CCP in the UK, GD Harries in the UK, CDH in Belgium and Stone in Belgium.

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 2020 and the three-year plan to 2021 and 2022. 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 2 per cent and therefore provides plenty of headroom.

Discount rate

Forecast cash flows for each operating segment have been discounted at rates of 8 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% increase in the discount rate would not cause an impairment and the annual growth rate is assumed to be 2%.

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 an exit. This additional analysis indicated the existence of continued headroom for all segments.

18. Investment in Subsidiary Undertakings

	Company	
	31 December 2020 £	31 December 2019 £
Shares in subsidiary undertakings At beginning of the year	94,370,845	55,481,505
Additions	25,667,619	45,723,272
Disposals	-	-
At period end	120,038,464	101,204,777
Loan from Group undertakings	(18,789,354)	(6,833,932)
Total	101,249,110	94,370,845

Investments in Group undertakings are stated at cost less impairment. During the year the Company acquired the remaining 60% in GD Harries (Holdings) Limited and 51% in Stone Holdings.

Details of subsidiaries at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Company	Share capital held by Group	Principal activities
SigmaFin Limited	England	£45,181,877		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 Precast Limited	England		£63,568	Pre-cast concrete producer
Greenbloc Limited	England		£1	Dormant
CCP Building Products Limited	England	£50		Construction materials
Cheshire Concrete Products Limited	England		£1	Dormant
Clwyd Concrete Products Limited	England		£100	Dormant
Country Concrete Products Limited	England		£100	Dormant
CCP Trading Limited	England		£100	Dormant
CCP Aggregates Limited	England		£100,000	Construction materials
CDH Développement SA	Belgium	€23,660,763		Holding company
Carrières du Hainaut SCA	Belgium		€16,316,089	Construction materials
Coordination du Hainaut SCS	Belgium		€45,184,400	Financing company
CDH International SCA	Belgium		€62,000	International marketing
CDH Management 2 SPRL	Belgium		€760,000	Holding company
GD Harries (Holdings) Limited	England		£54,054	Construction materials
Gerald D. Harries & Sons Limited	England		£112	Construction materials
Stone Holding Company SA	Belgium		€100	Construction materials
Cuvelier Philippe SA	Belgium		€750	Construction materials

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 Precast Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Greenbloc Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
CCP Building Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Cheshire Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Clwyd Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Country Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Trading Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Aggregates Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CDH Développement SA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Carrières du Hainaut SCA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Coordination du Hainaut SCS	Rue de Cognebeau 245, B-7060 Soignies, Belgium
CDH International SCA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
CDH Management 2 SPRL	Rue de Cognebeau 245, B-7060 Soignies, Belgium
GD Harries (Holdings) Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
Gerald D. Harries & Sons Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
Stone Holding Company SA	Avenue Louise 292, BE-1050 Ixelles, Belgium
Cuvelier Philippe SA	Avenue Louise 292, BE-1050 Ixelles, Belgium

For the year ended 31 December 2020 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 Precast Limited
■ Greenbloc Limited
■ CCP Building Products Limited
■ Cheshire Concrete Products Limited
■ Clwyd Concrete Products Limited
■ Country Concrete Products Limited
■ CCP Trading Limited
■ CCP Aggregates Limited
■ GD Harries (Holdings) Limited
■ Gerald D. Harries & Sons Limited

Impairment review

The performance of all companies for the year ended 31 December 2020 are in line with forecasted expectations and as such there have been no indications of impairment.

19. Investment in Equity Accounted Associates

On 18 April 2019, the Company acquired a 40% equity interest in GD Harries (Holdings) Limited ('GD Harries'), a quarrying group located in South Wales for a cash consideration of £4.89 million. GD Harries is based in South Wales and owns six quarries as well as concrete and tarmac plants and is a provider of aggregates for commercial and domestic customers.

On 11 September 2019, the Company acquired 49% equity interest in Stone Holdings SA ('Stone') for a cash consideration of £563k (€658k). Stone is based in Belgium and operates two quarries and a wharf and contracting business which focusses on armour rock for river and sea defence work.

On 21 September 2020, the Company acquired the remaining 60% of the share capital in GD Harries and its subsidiaries.

On 1 January 2020, the Company acquired a further 25% of Stone for £287k (€339k), and was therefore treated as a subsidiary of the Group for the full 2020 financial year.

On 7 August 2020, the Company acquired the remaining 26% of Stone for £287k (€339k).

Further details on the acquisitions are in note 34 Business Combinations.

For the period 1 January 2020 to 21 September 2020, GD Harries is included in the consolidated financial statements using the equity method.

Name	Country of incorporation	Proportion of ownership interest held	
		31 December 2020	31 December 2019
GD Harries	United Kingdom	-	40%
Stone Holdings SA	Belgium	-	49%

Summarised financial information

	21 September 2020 £	31 December 2019 £
GD Harries		
Current assets	9,222,637	10,275,551
Non-current assets	27,864,288	26,343,207
Current liabilities	(17,329,654)	(11,234,400)
Non-current liabilities	(7,354,166)	(10,939,312)
	For the period 1 January 2020 to 21 September 2020	For the period 19 April 2019 to 31 December 2019
Revenues	18,479,517	18,982,758
Profit after tax from continuing operations	293,975	83,054
	1 January 2020 £	31 December 2019 £
Stone Holdings		
As 31 December 2020		
Current assets	830,404	830,404
Non-current assets	3,586,218	3,586,218
Current liabilities	(1,716,439)	(1,716,439)
Non-current liabilities	(549,671)	(549,671)
	For the period 1 January 2019 to 1 January 2020	For the period 11 September 2019 to 31 December 2019
Revenues	-	482,704
Profit after tax from continuing operations	-	964

20. Trade and Other Receivables

	Consolidated		Company	
	31 December 2020 £	31 December 2019 £	31 December 2020 £	31 December 2019 £
Trade receivables	18,074,224	14,662,423	876,972	533,606
Prepayments	1,142,601	1,111,141	113,715	247,050
Other receivables	1,125,753	6,459,032	7,169	7,169
	20,342,578	22,232,596	997,856	787,825

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
UK Pounds	14,366,762	15,939,755	997,856	787,825
Euros	5,975,816	6,292,841	-	-
	20,342,578	22,232,596	997,856	787,825

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.

21. Inventories

	Consolidated	
	31 December 2020 £	31 December 2019 £
Raw materials and consumables	5,705,723	3,695,360
Finished and semi-finished goods	7,872,034	7,416,751
Work in progress	669,622	48,463
	14,247,379	11,160,574

The value of inventories recognised as a credit and included in cost of sales was £1,757,994 (31 December 2019: £490,462).

22. Cash and Cash Equivalents

	Consolidated		Company	
	31 December 2020 £	31 December 2019 £	31 December 2020 £	31 December 2019 £
Cash at bank and on hand	27,451,984	9,867,696	11,521,206	3,935,831
	27,451,984	9,867,696	11,521,206	3,935,831

All of the Group's cash at bank is held with institutions with a credit rating of at least A-.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
UK Pounds	19,928,816	8,410,763	11,521,206	3,935,831
Euros	7,523,168	1,456,933	-	-
	27,451,984	9,867,696	11,521,206	3,935,831

23. Trade and Other Payables

	Consolidated		Company	
	31 December 2020 £	31 December 2019 £	31 December 2020 £	31 December 2019 £
Current liabilities				
Trade payables	16,287,914	10,306,033	147,026	763,808
Wages payable	4,307,610	4,072,972	133	-
Accruals	6,290,699	4,173,341	1,675,603	1,268,750
VAT payable / (receivable)	2,282,241	660,033	(38,859)	(85,508)
Deferred consideration	13,390,253	16,025,254	12,388,733	14,881,493
Other payables	3,963,831	1,920,378	42,814	15,475
	46,522,548	55,194,015	14,215,450	16,844,018
Non - Current liabilities				
Deferred consideration	5,100,196	-	5,100,196	-
	5,100,196	-	5,100,196	-

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
UK Pounds	38,548,115	27,130,229	19,315,646	16,844,018
Euros	13,074,629	10,027,782	-	-
	51,622,744	37,158,011	19,315,646	16,844,018

24. Borrowings

	Consolidated		Company	
	31 December 2020 £	31 December 2019 £	31 December 2020 £	31 December 2019 £
Non-current liabilities				
Syndicated Senior Credit Facility	61,235,485	-	-	-
Santander term facility	-	25,907,847	-	-
Bank Loans	-	26,216,013	-	-
Finance lease liabilities	6,452,911	3,070,155	22,341	41,671
	67,688,396	55,194,015	22,341	41,671
Current liabilities				
Finance lease liabilities	3,611,169	4,461,336	20,653	24,827
	3,611,169	4,461,336	20,653	24,827

In December 2020 the Group entered into a new Syndicated Senior Credit Facility of up to £125 million (the 'Credit Facility') led by Santander UK and including several major UK and European banks. The Credit Facility, which comprises an £85 million committed term facility and a £40 million accordion option. This new facility replaces all previously existing bank loans within the Group.

The restated facility is secured by a floating charge over the assets of SigmaFin Limited and CDH and is secured by a combination of debentures, security interest agreements,

pledges and floating rate charges over the assets of SigmaRoc Plc, SigmaFin Ltd, Carrieres du Hainaut and their subsidiary undertakings. Interest is charged at a rate between 1.5% and 3.25% above LIBOR ('Interest Margin'), based on the calculation of the adjusted leverage ratio for the relevant period. For the period ending 31 December 2020 the Interest Margin was 2.25%.

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

	Carrying amount and fair value	
	31 December 2020 £	31 December 2019 £
Santander term facility	61,235,485	25,907,847
Belgian bank loans	-	26,216,013
Convertible loan notes	-	-
Finance lease liabilities	10,064,080	7,531,491
	71,299,565	59,655,351

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 2020 £	31 December 2019 £
Finance lease liabilities – minimum lease payments		
		£
Not later than one year	3,611,673	4,461,336
Later than one year and no later than five years	5,823,464	2,902,039
Later than five years	628,944	168,116
	10,064,081	7,531,491
Future finance charges on finance lease liabilities	680,551	367,910
Present value of finance lease liabilities	10,744,632	7,899,401

For the year ended 31 December 2020, the total finance charges were £2,661,447.

The contracted and planned lease commitments were discounted using a weighted average incremental borrowing rate of 3%.

The present value of finance lease liabilities is as follows:

	Consolidated	
	31 December 2020 £	31 December 2019 £
Not later than one year	3,720,023	4,595,176
Later than one year and no later than five years	5,998,168	2,989,100
Later than five years	647,812	173,160
Present value of finance lease liabilities	10,366,003	7,757,436

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 2020	52,123,860	-	7,531,491	59,655,351
Increase/(decrease) through financing cash flows	1,540,341	-	(3,679,232)	(2,138,891)
Amortisation of finance arrangement fees	(126,406)	-	-	(126,406)
Increase through IFRS 16	-	-	-	-
Increase through obtaining control of subsidiaries	7,697,690	-	6,211,821	13,909,511
As at 31 December 2020	61,235,485	-	10,064,080	71,299,565

25. Provisions

	Consolidated	
	31 December 2020 £	31 December 2019 £
As at 1 January	6,936,754	632,011
Acquired on business combination	172,303	6,620,250
Deduction	(948,705)	(315,507)
	6,160,352	6,936,754

The provision total is made up of £632,011 as a restoration provision for the St John's and Les Vardes sites, £86,812 for the Aberdo site and £172,303 for quarries in Wales which are all based on the removal costs of the plant and machinery at the sites and restoration of the land. Cost estimates in Jersey and Guernsey are not increased on an annual basis – there is no legal or planning obligation to enhance the sites through restoration. The commitment is to restore the site to a safe environment; thus the provision is reviewed on an annual basis. The estimated expiry on the quarries ranges between 5 – 35 years.

Of the remaining amount £1.5m is to cover the loss on the Holcim contract in CDH, £150,000 for legal fees and £3.6m is the provision for early retirement in Belgium, where salaried workers can qualify for early retirement based on age and the number of years of service. The provision for early retirement consists of the estimated amount that will be paid by the employer to the “early retired workers” till the age of the full pension. Refer to note 26 for more information.

The future reclamation cost value is discounted by 7.39% (2019: 12%) which is the weighted average cost of capital within the Group.

26. Retirement benefit schemes

The Group sponsors various post-employment benefit plans. These include both defined contribution and defined benefit plans as defined by IAS 19 Employee Benefits.

Defined contribution plans

For defined contribution plans outside Belgium, the Group pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the Group has no further payment obligation. The contributions are expensed in the year in which they are due. For the year ended, contributions paid into defined contribution plans amounted to £434k.

Defined benefit plans

The Group has group insurance plans for some of its Belgian employees funded through defined payments to insurance companies. The Belgian pension plans are by law subject to minimum guaranteed rates of return. In the past the minimum guaranteed rates were 3.25% on employer contributions and 3.75% on employee contributions. A law of December 2015 (enforced on 1 January 2016) modifies the minimum guaranteed rates of return applicable to the Group's Belgian pension plans. For insured plans, the rates of 3.25% on employer contributions and 3.75% on employee contributions will continue to apply to the contributions accumulated before 2016. For contributions paid on or after 1 January 2016, a variable minimum guaranteed rate of return with a floor of 1.75% applies. The Group obtained actuarial calculations for the periods reported based on the projected unit credit method.

Employee benefits amounts in the Statement of Financial Position	2020 £	2019 £
Assets	-	-
Liabilities	3,592,713	3,758,285
Net defined benefit liability at end of year	3,592,713	3,758,285

Amounts recognised in the Statement of Financial Position	2020 £	2019 £
Present value of funded defined benefit obligations	2,379,055	2,252,187
Fair value of plan assets	(2,213,854)	(2,095,797)
	165,201	156,390
Present value of unfunded defined benefit obligation	3,427,512	3,601,895
Unrecognised past service cost	-	-
Total	3,592,713	3,758,285
Amounts recognised in the Income Statement	2020 £	2019 £
Current service cost	128,321	61,871
Interest cost	18,894	3,308
Expected return on plan assets	(31,257)	(46,342)
Total pension expense	115,958	18,837
Changes in the present value of the defined benefit obligation	2020 £	2019 £
Defined benefit obligation at beginning of year	3,758,285	-
Current service cost	128,321	61,871
Interest cost	18,894	3,308
Benefits paid	(493,238)	(84,815)
Remeasurements	(31,257)	(46,342)
Acquired in business combination	-	3,824,263
Foreign exchange movement	211,707	-
Defined benefit obligation at end of year	3,592,712	3,758,285
Amounts recognised in the Statement of Changes in Equity	2020 £	2019 £
Prior year cumulative actuarial remeasurements	(46,342)	-
Remeasurements	(31,257)	(46,342)
Foreign exchange movement	2,610	-
Cumulative amount of actuarial gains and losses recognised in the Statement of recognised income / (expense)	(74,989)	(46,342)
Movements in the net liability/(asset) recognised in the Statement of Financial Position	2020 £	2019 £
Net liability in the balance sheet at beginning of year	3,758,285	-
Total expense recognised in the income statement	147,215	61,871
Contributions paid by the company	(493,238)	3,308
Amount recognised in the statement of recognised (income)/expense	(31,257)	(84,815)
Acquired in business combination	-	3,777,921
Foreign exchange movement	211,707	-
Defined benefit obligation at end of year	3,592,712	3,758,285

Principal actuarial assumptions as at 31 December 2020	
Discount rate	18%
Future salary increases	1.60%
Future inflation	1.68%

Post-retirement benefits

The Group operates both defined benefit and defined contribution pension plans.

Pension plans in Belgium are of the defined benefit type because of the minimum promised return on contributions required by law. The liability or asset recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have

terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Income Statement. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

27. Financial Instruments by Category

Consolidated	31 December 2020	
	Loans & receivables £	Total £
Assets per Statement of Financial Performance		
Trade and other receivables (excluding prepayments)	19,178,650	19,178,650
Cash and cash equivalents	27,451,984	27,451,984
	46,630,634	46,630,634

Consolidated	31 December 2020	
	At amortised cost £	Total £
Liabilities per Statement of Financial Performance		
Borrowings (excluding finance leases)	61,235,485	61,235,485
Finance lease liabilities	10,064,080	10,064,080
Trade and other payables (excluding non-financial liabilities)	51,622,744	51,622,744
	122,922,309	122,922,309

Consolidated	31 December 2019	
	Loans & receivables £	Total £
Assets per Statement of Financial Performance		
Trade and other receivables (excluding prepayments)	21,121,455	21,121,455
Cash and cash equivalents	9,867,696	9,867,696
	30,989,151	30,989,151

Company	31 December 2020	
	At amortised cost £	Total £
Liabilities per Statement of Financial Performance		
Borrowings (excluding finance leases)	52,123,860	52,123,860
Finance lease liabilities	7,531,491	7,531,491
Trade and other payables (excluding non-financial liabilities)	37,158,011	37,158,011
	96,813,362	96,813,362

Company	31 December 2020	
	Loans & receivables £	Total £
Assets per Statement of Financial Performance		
Trade and other receivables (excluding prepayments)	884,141	884,141
Cash and cash equivalents	11,521,206	11,521,206
	12,405,347	12,405,347

Company	31 December 2020	
	At amortised cost £	Total £
Liabilities per Statement of Financial Performance		
Borrowings (excluding finance leases)	-	-
Finance lease liabilities	42,994	42,994
Trade and other payables (excluding non-financial liabilities)	18,993,743	18,993,743
	19,036,737	19,036,737

Company	31 December 2019	
	Loans & receivables £	Total £
Assets per Statement of Financial Performance		
Trade and other receivables (excluding prepayments)	540,775	540,775
Cash and cash equivalents	3,935,831	3,935,831
	4,476,606	4,476,606

Company	31 December 2019	
	At amortised cost £	Total £
Liabilities per Statement of Financial Performance		
Borrowings (excluding finance leases)	-	-
Finance lease liabilities	66,498	66,498
Trade and other payables (excluding non-financial liabilities)	19,315,646	19,315,646
	19,382,144	19,382,144

28. Share Capital and Share Premium

	Number of shares	Ordinary shares £	Share premium £	Total £
Issued and fully paid				
As at 1 January 2019	136,705,557	1,367,056	50,136,904	51,503,960
Issue of new shares – 25 January 2019 (1)	35,135,101	351,351	13,596,828	13,948,179
Issue of new shares – 1 February 2019	1,976,888	19,770	730,230	750,000
Issue of new shares – 15 October 2019 (2)	79,921,640	799,216	30,894,594	31,693,810
As at 31 December 2019	253,739,186	2,537,393	95,358,556	97,895,949
As at 1 January 2020	253,739,186	2,537,393	95,358,556	97,895,949
Issue of new shares – 9 December 2020 (3)	25,000,000	250,000	12,059,266	12,309,266
As at 31 December 2020	278,739,186	2,787,393	107,417,822	110,205,215

(1) Includes issue costs of £457,215

(2) Includes issue costs of £1,074,061

(3) Includes issue costs of £440,736

On 9 December 2020 the Company raised £11,958,760 net of issue costs via the issue and allotment of 24,312,737 new Ordinary Shares at a price of 51 pence per share. On the same day the Company issued and allotted 687,263 new Ordinary Shares at a price of 51 pence per share as share based payments.

29. 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 2020	31 December 2019
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
15 April 2019	15 April 2026	0.46	3,216,978	3,216,978
30 December 2019	30 December 2026	0.46	2,704,353	2,704,353
30 December 2020	30 December 2026	0.46	5,921,331	-
			25,416,105	19,494,774

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
Vested 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%	24.81%
Expected dividend yield	-	-	-	-
Marketability discount	50%	-	-	50%
Total fair value	£46,900	£15,083	£76,418	£234,854
	2019 Options E	2019 Options F	2019 Options G	2019 Options H
Vested on	15/4/2019	30/12/2019	15/4/2020	30/12/2020
Life (years)	7	7	6	6
Share price	0.465	0.525	0.295	0.6575
Risk free rate	0.31%	0.55%	0.40%	0.50%
Expected volatility	4.69%	8.19%	17.46%	12.04%
Expected dividend yield	-	-	-	-
Total fair value	£49,638	£128,698	£21,259	£294,920

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life. The volatility is calculated by dividing the standard deviation of the closing share price from the prior six months by the average of the closing share price from the prior six months.

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 2020 is shown below:

	31 December 2020		31 December 2019	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at beginning of the year	19,494,774	0.40	13,573,443	0.40
Granted	-	-	17,777,991	0.46
Vested	5,921,331	0.46	-	-
Exercised	-	-	-	-
Outstanding as at year end	31,337,434	0.44	31,351,434	0.44
Exercisable at year end	25,416,105	0.42	19,494,774	0.42

30. Other Reserves

	Company			Total £
	Deferred share £	Capital redemption reserve £	Foreign currency translation reserve £	
As at 1 January 2019	761,679	600,039	-	1,361,718
Currency translation differences	-	-	(447,978)	(447,978)
As at 31 December 2019	761,679	600,039	(447,978)	913,740
As at 1 January 2020	761,679	600,039	(447,978)	913,740
Currency translation differences	-	-	2,379,173	2,379,173
As at 31 December 2020	761,679	600,039	1,931,195	3,292,913

31. Earnings Per Share

The calculation of the total basic earnings per share of 2.5548 pence (2019: 0.92 pence) is calculated by dividing the profit attributable to shareholders of £6,510,868 (2019: £1,726,546) by the weighted average number of ordinary shares of 255,310,224 (2019: 188,418,538) in issue during the period.

Diluted earnings per share of 2.3528 pence (2019: 0.82 pence) is calculated by dividing the profit attributable to shareholders of £6,510,868 (2019: £1,726,546) 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 277,113,850 (2019: 209,045,831). The weighted average number of shares is the opening balance of ordinary shares plus the weighted average of 1,571,038 shares.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in Note 29.

32. Fair Value Estimation

The Group holds call options to purchase €4,000,000 on 30 June 2021 and €6,000,000 on 30 December 2021.

The call options were bought on 11 December 2020 for £190,145 and as at 31 December they had a fair value of £151,770 resulting in a loss of £38,375. Refer to note 13 for more information.

33. 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.

34. Business Combinations

Stone Holdings SA

On 11 September 2019, the Company acquired 49% equity interest in Stone Holdings SA and its subsidiaries ('Stone') for a cash consideration of £563k (€658k). On 1 January 2020, the Group acquired an additional 25% of the share capital of Stone for cash consideration of £312k (€339k) and on 7 August 2020 the Group acquired the remaining 26% for £308k (€339). Stone is registered and incorporated in Belgium. Stone is based in Belgium and operates two quarries and a wharf and contracting business which focusses on armour rock for river and sea defence work. At the time of taking control of Stone they did not own the mineral reserves and held only a small amount of depreciated assets.

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

Total consideration	£
49% Initial cash consideration	551,886
Share of profit for 2019	816
Fair Value as at 31 December 2019 & Acquisition	552,702
26% Deferred cash consideration – 1 January 2020	287,206
25% Deferred cash consideration – 5 August 2020	287,206
Loans repaid	(321,500)
	805,614
Recognised amounts of assets and liabilities acquired	£
Cash and cash equivalents	71,510
Trade and other receivables	475,165
Inventories	161,445
Property, plant & equipment	275,535
Trade and other payables	(884,030)
Borrowings	(1,026,302)
Total identifiable net liabilities	(926,677)
Goodwill (refer to note 17)	1,732,291
Total consideration	805,614

GD Harries

On 16 April 2019, the Group acquired 40% of the share capital of GD Harries and its subsidiaries for cash consideration of £4.8m. On 21 September 2020, the Group acquired the remaining 60% of the share capital for cash consideration of £6.4 million (being £7.3 million less adjustments for various obligations assumed by the Group as part of the acquisition). Royalty payments are due over the next 12 years and total a minimum of £10m. A minimum amount of £160k is due each year. The royalty payments have been discounted at discount rate, reflecting the Group's cost of money and risks associated with the industry, of 7.39%. For the period that GD Harries was treated as an associate to the Group the share of profit attributed was £377,029.

In accordance with IFRS 3, the Company will perform a PPA within the 12 months of fully acquiring GD Harries.

GD Harries is registered and incorporated in the United Kingdom. The principal activity is the production of high-quality aggregates and supply of value-added construction materials.

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

	£
Total consideration	
Share of profit for 2019	83,054
Fair value as at 31 December 2019	4,973,846
Share of profit for period 1/1/20 – 21/9/20	293,975
Fair value as at 21 September 2020	5,267,821
60% cash consideration	6,442,922
Discounted Royalty payments	4,679,186
Loans repaid	893,266
	17,283,195
Recognised amounts of assets and liabilities acquired	£
Cash and cash equivalents	1,731,621
Trade and other receivables	4,823,982
Inventories	2,238,313
Property, plant & equipment	27,190,620
Tax liabilities	(2,843,842)
Trade and other payables	(8,462,138)
Provisions	(172,303)
Borrowings	(13,377,840)
Total identifiable net liabilities	11,128,413
Goodwill (refer to note 17)	6,154,782
Total consideration	17,283,195

35. Contingencies

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

36. 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 2020 £	31 December 2019 £
Ronez Limited	(12,878,274)	(9,625,760)
SigmaGsy Limited	(4,455,066)	(3,014,167)
SigmaFin Limited	(7,138,810)	(8,756,846)
Topcrete Limited	(8,178,013)	(1,022,931)
Poundfield Products (Group) Limited	6,363,536	7,088,761
Foelfach Stone Limited	457,326	442,858
CCP Building Products Limited	5,785,781	6,372,333
Carrières du Hainaut SCA	(6,186)	1,681,820
GD Harries (Holdings) Limited	1,233,517	-
Stone Holdings SA	368,321	-
	(18,447,868)	(6,833,932)

Loans granted to or from subsidiaries are unsecured, interest free and repayable in Pounds Sterling on demand from the Company.

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 total fee of £249,997 (2019: £370,000) for the provision of corporate management and consulting services to the Company. No balance was outstanding at the year-end.

Druces LLP, a limited liability partnership of which Dominic Traynor is a partner, invoiced a fee of £65,542 (2019: £330,072) for the provision of legal services for acquisitions. There was no balance outstanding at year end.

Julia Traynor, the wife of Non-Executive Director Dominic Traynor, invoiced a fee of £26,250 (2019: £40,000) for the provision of administrative and legal services to the Company in relation to prospective acquisitions. No balance was outstanding at the year-end.

Patrick Dolberg invoiced a fee of £45,000 (2019: £45,000) for the provision of consulting services to the Company in relation to prospective acquisitions. No balance was outstanding at the year-end.

37. Ultimate Controlling Party

The Directors believe there is no ultimate controlling party.

38. Events After the Reporting Date

Expansion of aggregates operations in Belgium

On 26 March 2021, the Group entered into an agreement to assume control of LaFargeHolcim's quarrying operations

which are located at the Group's CDH site. Prior to entering this agreement, production and commercialisation of the aggregates at the CDH site was undertaken by LaFargeHolcim under an inefficient royalty deal which was due to end in February 2023.

This agreement gives the Group full control over CDH's production assets and will enable the Group to drive operational efficiencies over time.

Acquisition of Belgian concrete assets

On 6 April 2021, the Group, in line with its stated strategy, completed the acquisitions of B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Popping NV (collectively 'B-Mix'), as well as Casters Beton NV ('Casters') from Groep Janssens N.V. for a combined cash consideration of €13m.

B-Mix and Casters operate four concrete plants in Tessenderlo and Genk in Belgium. In the year ended 31 December 2020 the businesses, in total, generated a turnover of €22m, EBITDA of €3.3m and a net profit of €1.5m. They will be immediately enhancing to the Group's underlying earnings, and the acquisitions were funded from the net cash proceeds generated by the Group's equity fundraising in December 2020.

No further financial information on these transactions is available at this time, due to the proximity of the acquisitions to the reporting date of these financial statements.

Alongside these acquisitions, the Group has also entered into an option agreement with Jabo N.V., granting it the right to acquire 11 hectares of quayside industrial land in Tessenderlo, for a consideration of €9m. The land subject to the Option includes approximately 260m of quayside along the Albert Canal which houses the B-Mix concrete business.





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