

PRS & Urban Regeneration Specialists

HALF YEARLY REPORT
JUNE 2017



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Sigma Capital
Group plc

Highlights

Summary

- > A landmark period for the Group. The successful flotation of The PRS REIT plc ("the REIT") on the Main Market of the London Stock Exchange in Q2 marks the most significant milestone to date in the roll-out of Sigma's Private Rented Sector model
- > The REIT is utilising Sigma's PRS delivery and management platform to deploy its initial capital resource of up to £450m (including gearing once in place) and to create an income-generating portfolio of newly-constructed, high quality rental homes across cities and towns in England
- > Sigma's partnership with the REIT significantly enhances the quality and visibility of the Company's revenues and earnings

Operational Key Points

- > Main focus for management in H1 was the launch and IPO of the REIT, the UK's first quoted REIT to focus on PRS opportunities
- > £250m (gross) of equity funding was successfully raised for the REIT in a significantly oversubscribed issue on 31 May 2017
 - > the UK Government's Home and Communities Agency invested £25m
- > Sigma's subsidiary, Sigma PRS Management Limited, was appointed as Investment Adviser to the REIT
 - > first tranche of the REIT's capital is being invested into the planned First Acquisition Portfolio and an Initial Development Portfolio
 - > IPO funds expected to be fully committed in H1 2018
- > Continued progress with existing Managed PRS activities
- > Continued expansion of PRS activities into new regions, including South Yorkshire and the East Midlands, with sites currently being assessed in the South West

Financial Key Points

- > Revenue of £1.8m (2016: £2.8m)
- > Profit from operations £0.80m (2016: £0.93m)
- > Profit before tax of £1.01m (2016: £1.22m)
- > Earnings per share of 1.14p (2016: 1.38p)
- > Net assets per share of 41.9p (2016: 37.9p restated)
- > Net cash of £5.2m (2016: £17.5m)
- > Company remains on track to deliver the Board's expectations for the full year

David Sigsworth, Chairman of Sigma, said:

“The first half has been a landmark period for Sigma, with the launch of The PRS REIT plc – the first quoted real estate investment trust to address opportunities in the PRS sector – and its associated fund-raising of £250m, marking the most significant milestone to date in the roll-out of our PRS model. We were delighted that the REIT was so well received by a large number of leading UK institutional fund managers and that the UK Government’s Homes and Communities Agency has taken a 10% shareholding.

The REIT will be utilising Sigma’s PRS platform and, under the terms of our contract, Sigma will receive fees for delivering new rental homes to the REIT and additional fees for managing the REIT’s assets. Sigma will also generate development profits on assets it builds and sells into the REIT.

These new revenues will complement our existing PRS activities and also significantly improve visibility of our revenue streams, and enhance the quality of our earnings. The process of investing the first tranche of the REIT’s capital is now well underway and it is anticipated that all the REIT’s IPO funding will be fully committed by the end of H1 2018.

The potential to scale our activities further is substantial. The structural undersupply of rental homes in the UK, especially family homes, together with growing demand, underpin the long term positive prospects of the sector.

Looking ahead over the remainder of the year and beyond, Sigma is on track to deliver the Board’s expectations, and we view 2018 as a pivotal year for Sigma’s profitability as we benefit from our engagement with the REIT and take full advantage of our PRS platform.”

INTRODUCTION

The six months under review have been a landmark period for Sigma. The main focus of the management team's attention during this period was on preparing for the launch of The PRS REIT plc ("the REIT"), the first quoted real estate investment trust to address opportunities in the PRS sector, including an associated equity fund-raising of £250m gross. The REIT's IPO took place at the end of May 2017, when it joined the Main Market of the London Stock Exchange (Specialist Fund Segment) and its fund-raising was significantly oversubscribed. As previously reported, a large number of leading UK institutional fund managers participated and the UK Government's Homes and Communities Agency ("HCA") backed the initiative, taking a 10% shareholding.

The establishment of the REIT marks the most significant milestone to date in the roll-out of our PRS model. At the core of the model is our PRS delivery and management platform, formally launched in November 2014, when we partnered on our first project with Gatehouse Bank. Since November 2014, our platform has deployed in excess of £200m of capital for Gatehouse Bank and UK PRS Properties, and c. £70m of our own assets, and to date has completed 1,541 new, high quality rental homes. A further 1,095 PRS homes are currently under construction or with contracts agreed and moving to construction stage.

The REIT will be utilising Sigma's platform and, under the terms of our contract with the REIT, Sigma will receive fees for delivering new rental homes to the REIT and additional fees for managing the REIT's assets. Sigma will also generate development profits on assets it builds and sells into the REIT.

We expect to achieve a margin of between 8% and 10% on sites developed by us and sold into the REIT, depending on their independent valuation prior to the sale, as well as a development management fee of 4% of gross development costs on those sites developed by the REIT itself. We will also collect rental income on assets we develop for the REIT prior to site completion and sale to the REIT. These payments will be one-off sums. Alongside this, our work with the REIT will generate a steady stream of

recurring revenues from each site in the form of a 1% annual asset management charge based on the REIT's adjusted net assets.

The scale of the REIT's investment plans together with the repeatability of the model outlined above and the recurring nature of the asset management fees significantly transform the visibility of the Group's revenues and earnings. The potential to scale further is substantial, since the REIT's model allows for further material fundraisings and Sigma can deploy its Revolving Credit Facility to expand its own PRS delivery.

These new recurring revenue streams add to Sigma's existing contracted income, which includes asset management fees from our first two partnerships, with Gatehouse Bank and UK PRS Properties.

Our subsidiary, Sigma PRS Management Limited, Investment Adviser to the REIT, is now well underway with investing the first tranche of the REIT's capital, and expects to fully commit all the REIT's IPO funding in H1 2018. Once gearing is in place, the REIT will have a total capital resource of up to £450m to be deployed. We continue to appraise further opportunities for our pipeline and are extending our reach into new geographic areas.

A full review of both the Group's Managed and Self-funded PRS activities is provided below. The review also includes details of the first deployments of the REIT's capital. The REIT has today also published its first update that covers a full three month period, to 29 September 2017.

As we previously reported, the planning and preparations for the launch of The PRS REIT plc, which required a first acquisition portfolio and an initial development portfolio, meant that we altered our development schedules, impacting revenues in the period. However, our expectations for the full year to 31 December 2017 are unchanged, and with the foundations now in place for visible and recurring fee income, the quality of the Group's earnings is transformed.

Looking further ahead, we view 2018 as a pivotal year for Sigma's profitability with the deployment of the REIT's enlarged capital base taking full advantage of our PRS platform.

Chairman's Statement (continued)

FINANCIAL RESULTS

Sigma's revenues in the six months to 30 June 2017 were £1.8 million (2016: £2.8 million). Managed PRS activities contributed £1.7m to the total, including one month of maiden revenues from The PRS REIT plc. Gross profit for the period was £1.7 million (2016: £2.2 million). As expected, administrative expenses increased to £2.2 million (2016: £1.7 million), reflecting our expanding activities in PRS and the strengthening of our team.

Profit before tax for the period was £1.0 million (2016: £1.2 million). Our Self-funded PRS activities contributed £1.1 million, regeneration activities delivered £0.2 million and legacy venture capital activities accounted for £0.3 million. These were offset by Managed PRS activities which incurred a loss of £0.5 million. However, we expect this to reverse as our work with The PRS REIT plc gains increasing momentum. The Group's basic earnings were 1.14 pence per share (2016: 1.38 pence per share).

Net assets per share at 30 June 2017 increased to 41.9 pence (2016: 37.9 pence restated) and cash balances at the period end stood at £5.2 million (2016: £17.5 million).

OPERATIONAL REVIEW

MANAGED PRS ACTIVITIES

The successful launch of The PRS REIT plc on the Main Market of the London Stock Exchange on 31 May 2017 was a landmark moment for the Group. The REIT attracted notable investors, including the Homes and Communities Agency, an agency of the UK's Central Government, local authority pension funds, some of the largest pension funds in Europe, as well as private wealth managers and qualifying private investors. Over 60 institutions participated in the IPO and there have been expressions of interest for further investment as the REIT's portfolio stabilises, and starts to generate the target dividend returns.

In line with its stated strategy, the REIT will use gearing to enhance equity returns. The level of borrowing will be on a prudent basis and secured at the asset level, subject to a maximum of 45%

of gross asset value in accordance with the REIT's investment restrictions. Once the facilities are in place, this limit will provide a total of up to £450m of capital resource available for investment in newly-constructed, family rental homes across cities and towns in England.

Sigma's subsidiary, Sigma PRS Management Limited, has been appointed as Investment Adviser to the REIT for an initial five year term. Under the terms of the contract, the REIT has exclusive access or right of first refusal over Sigma's pipeline and will deploy its capital resource in two ways:

1. By acquiring newly-completed housing stock from Sigma or another third party. Currently, a First Acquisition Portfolio is being acquired on a site-by-site basis from Sigma as they complete, with four sites acquired or under contract to be acquired. On sale of the sites, Sigma is then able to commence new sites under the terms of our revolving credit facilities with the HCA.
2. By forward-funding new homes on the REIT's development sites, sourced by Sigma PRS Management Limited. Due to the planned scale of the REIT, this creates a significant potential quantum of development management fees each time we add a new development site into the REIT. Since its launch, we have six new sites in signed or agreed Design & Build contracts on the REIT's behalf, with many more in preparation.

Sigma PRS Management Limited has made excellent progress with the REIT since its launch. To date, the total value of PRS assets acquired, forward-purchased or under construction is in excess of £134.6m. This equates to approximately 926 new rental homes, together providing an estimated rental value of £8.4m per annum once the assets are fully let.

Of these new homes, approximately 496 will form part of the REIT's First Acquisition Portfolio. Sigma has constructed four sites, with one site acquired by the REIT in the period and three currently being acquired. Another four sites are under contract to be acquired from Sigma by the REIT. The total consideration for these sites, which are located across the North West, South

Yorkshire and Midlands regions, amounts to approximately £73m and together they will deliver an estimated rental income of around £4.45m per annum.

The balance of assets, 430 homes, will be delivered into the REIT's Initial Development Portfolio, with six Design & Build contracts already signed or agreed.

Detailed information on the First Acquisition Portfolio and the Initial Development Portfolio is provided in Supplementary Information at the end of this report.

Gatehouse Bank Phase 1

Our joint venture with Gatehouse Bank continued to perform very well. In February 2017, through our PRS platform, we completed the development stage of our first JV project, Project Thistle. This project comprised the delivery of 918 high quality, new family homes across multiple sites in the North West. They now generate an annual rental income of approximately £7.5m for Gatehouse Bank, and an asset management fee of approximately £483,000 per annum for Sigma. Sigma also holds a carried interest element, subject to agreed hurdle rates, which will be realised at the point the assets are sold, as previously reported.

UK PRS Properties (Phase 2)

Our UK PRS Properties venture (or Phase 2) was launched in December 2015 and is principally backed by the Kuwait Investment Authority and institutional shareholders from the State of Kuwait. We are delivering a portfolio of 684 new family homes with a development value of £94m in the North West and West Midlands.

To date, we have delivered 415 completed rental homes through our platform, with 269 additional units under construction. All the existing homes and those currently under construction are located in the North West of England, with a first site in the West Midlands also underway.

UK PRS Properties is seeking to raise investment debt on the initial assets, with a view to

deployment from the fourth quarter of 2017 onwards, on sites already allocated to UK PRS Properties, prior to the launch of the REIT.

SELF-FUNDED PRS ACTIVITIES

As previously reported, over the past 2 years, Sigma has acquired eight sites for development across the North West, North East and Midlands regions of England. The first site, of 50 new rental homes in Merseyside, was completed in November 2016 and an additional three sites, comprising 173 homes, have now been completed, with the remainder expected to be completed in 2018. This portfolio is contracted for purchase by The PRS REIT plc.

A further four sites in the North West and Midlands are under construction by Sigma for the REIT. These will deliver 273 new rental homes with the first homes scheduled for handover in October 2017.

Our PRS brand '*Simple Life*' (www.simplelifelifehomes.co.uk), launched at the end of last year, now markets all our new sites and over time, we are aiming for *Simple Life* to be recognised as the 'gold standard' for tenant experience. *Simple Life* will be managed by SDL Group, which has managed the letting of all our delivered PRS properties to date under the auspices of Sigma's in-house asset management and marketing teams.

GEOGRAPHIC REACH AND HOUSING TYPE

As we increase the scale of our PRS activities, we are expanding our geographic reach by launching sites in new regions. We are currently operating in the North West of England, South Yorkshire and in the East and West Midlands. We are also currently carrying out detailed assessments of development opportunities in the South West.

Our focus is on the delivery of traditional housing, with differing housing types so that we cater for a broad spectrum of demand, including smaller houses for young couples and families, but also larger house types as families grow and mature.

Chairman's Statement (continued)

REGENERATION PARTNERSHIPS

Our regeneration activities support our local authority partners and involve taking on projects that represent a good fit with our existing relationships and core PRS activities.

Construction, with our partners, Liverpool City Council and Countryside, is now well underway on the delivery of 200 market-for-sale homes at Gateacre, a 19-acre, former secondary school site in Liverpool. Since the show homes opened in January 2017, 109 homes have been sold or are reserved. As we previously announced, we have developed some 285 PRS units on behalf of Gatehouse Bank's Thistle and UK PRS Properties. These units are all complete and fully let.

We are continuing to work on other regeneration schemes as part of our partnership with Liverpool City Council, including a £36 million mixed-use development in Lime Street, in the centre of Liverpool. This development is anchored by a 400 bedroom student accommodation, a Premier Inn hotel and 30,000 sq. ft. of retail/leisure units, and completion is due for H2 2018.

OUTLOOK

Sigma's growth prospects have been transformed. The launch of The PRS REIT plc materially diversifies and significantly increases the scale of the capital streams supporting Sigma's expansion, and complements our Self-funded PRS and our other Managed PRS activities. Our partnership with the REIT also significantly improves visibility on our revenue streams, and development profit potential. The ability to sell the high quality PRS assets we develop into the REIT upon completion, gives us greater control over the ongoing roll-out of new homes, and consequently the creation of value for shareholders.

Together, all these factors mean that the quality of our earnings have been considerably improved. The Group's growth prospects should also materially benefit as we increase the capital base of the REIT, both through the planned debt financing and a further equity fundraisings.

Having navigated through a period of uncertainty prior to the launch of the REIT, Sigma's position as at the forefront of the Private Rented Sector has been significantly consolidated and we view the Group's prospects very positively. The successful launch of the REIT has been the clearest validation of our model and the efforts to date of our staff and delivery and funding partners, in particular Countryside Properties and the HCA.

The critical shortage of homes in the UK, especially family homes, together with the significant growth in the private rental market, underpins the long term positive prospects of this sector and we view Sigma's growth prospects with confidence.

David Sigsworth

Chairman

28 September 2017

The First Acquisition Portfolio

Sites funded and delivered by Sigma – First Acquisition Portfolio

The following sites comprising 223 new homes and forming part of the First Acquisition Portfolio are being/ have been acquired into the REIT:

Site	Units	Accommodation Type	Purchase/D&B Contracts Agreed	Gross Annual Rental	Purchase Price
Woodbine Road / Mackets, Halewood	50	2 & 3 bedroom houses	Jun- 17	£452,000	£7.34m
Coral Mill, Rochdale	45	2, 3 & 4 bedroom houses	Sep-17	£595,200	£9.77m
	24	2-bedroom apartments			
Durban Mill, Oldham	80	2, 3 & 4 bedroom houses	Sep-17	£695,700	£11.46m
Park Grange House (Norfolk Park), Sheffield	24	2 bedroom apartments	Sep-17	£206,600	£3.17m
Total	223			£1.95m	£31.74m

The sites below will provide a further 273 new homes and will be acquired by the REIT on or around the completion dates noted below:

Site	Units	Accommodation Type	Purchase/D&B Contracts Agreed	Estimated Completion Dates	Estimated Purchase Price
Galton Lock (Mafeking Road), Smethwick	63	2, 3 & 4 bedroom houses	Dec-16	Q2-18	£9.73m
Hamilton Square (Howe Bridge Mill), Atherton	59	2, 3 & 4 bedroom houses	Dec-16	Q1-18	£8.72m
Silkin Park, Telford	78	2, 3 & 4 bedroom houses	Mar-17	Q4-18	£11.84m
Our Lady's, Salford	73	2, 3 & 4 bedroom homes	Jun-17	Q2-18	£10.99m
Total	273				£41.28m

The Initial Development Portfolio

Sites funded and developed by the REIT – managed by Sigma PRS Management Limited

The sites below form part of the Initial Development Portfolio of the REIT.

The Baytree Lane Design & Build contract was entered into at the REIT's admission to the Main Market, with Sigma negotiating and agreeing a further five D&B contracts on behalf of the REIT during the period. These contracts together will deliver 430 PRS units.

Site	Units	Accommodation Type	Purchase/D&B Contracts Agreed	Estimated Completion Dates	Approximate Delivery Cost
Baytree Lane, Middleton	110	2, 3 & 4 bedroom homes	Jun-17	Q3-18	£16.40m
Tintern Avenue, Middleton	88	2, 3 & 4 bedroom houses	Jul-17	Q4-18	£12.04m
East Hill, Sheffield	58	3 & 4 bedroom houses	Sep-17	Q1-19	£8.85m
Manor Top Phase One, Sheffield	78	3 & 4 bedroom houses	Sep-17	Q1-19	£10.80m
Woodford Lodge Phase 1, Winsford	14	2, 3 & 4 bedroom houses	Aug-17	Q2-18	£7.80m
Woodford Lodge Phase 2, Winsford	40	2, 3 & 4 bedroom houses	Sep-17	Q4-18	
Tower Hill Phase 2, Kirkby	42	3 & 4 bedroom houses	Sep-17	Q4-18	£5.70m
Total	430				£61.59m

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2017

	Notes	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Revenue	4	1,810	2,820	5,383
Cost of sales		(66)	(588)	(460)
Gross profit		1,744	2,232	4,923
Other operating income				
Unrealised gain on the revaluation of investments		251	-	23
Unrealised (loss) / gain on revaluation of investment property		(116)	448	2,017
Realised gain on sale of investment property		1,082	-	-
Administrative expenses		(2,161)	(1,747)	(3,598)
Profit from operations		800	933	3,365
Finance income net of finance costs		74	285	290
Share of profit of associated company		137	-	443
Exceptional items		-	-	(428)
Profit before tax		1,011	1,218	3,670
Taxation	5	-	-	(105)
Profit after tax and for the period		1,011	1,218	3,565
Earnings per share attributable to the equity holders of the Company:				
Basic earnings per share	6	1.14	1.38	4.02
Diluted earnings per share	6	1.13	1.36	3.97

All of the Group activities are classed as continuing and there were no comprehensive gains or losses in any period other than those included in the statement of comprehensive income.

Consolidated Statement of Financial Position

At 30 June 2017

	Notes	As at 30 June 2017 (unaudited) £'000	As at 30 June 2016 restated (unaudited) £'000	As at 31 December 2016 (audited) £'000
ASSETS				
Non-current assets				
Goodwill and other intangibles		535	553	544
Property and equipment		1,130	922	1,111
Investments in joint ventures		1,030	449	892
Investment property		34,237	7,505	24,825
Fixed asset investments		2	2	2
Financial assets at fair value through profit and loss		827	553	576
Trade and other receivables		3,969	3,593	4,126
		41,730	13,577	32,076
Current assets				
Trade receivables		748	472	323
Other current assets		2,617	4,117	2,622
Cash and cash equivalents		5,167	17,546	6,125
		8,532	22,135	9,070
Total assets		50,262	35,712	41,146
LIABILITIES				
Non-current liabilities				
Interest bearing loans and borrowings		9,125	-	481
Current Liabilities				
Trade and other payables		3,576	1,979	4,226
Interest bearing loans and overdrafts		55	-	55
Deferred tax liability		297	192	297
Total liabilities		13,053	2,171	5,059
Net assets	7	37,209	33,541	36,087
EQUITY				
Called up share capital		887	886	887
Share premium account		31,885	31,857	31,885
Other capital reserves		(222)	(222)	(222)
Retained earnings		4,659	1,020	3,537
Total equity		37,209	33,541	36,087

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Share capital £'000	Share premium account £'000	Other capital reserves £'000	Retained earnings £'000	Total equity £'000
At 31 December 2015	885	31,833	(222)	(690)	31,806
Prior year adjustment	-	-	-	449	449
At 31 December 2015 restated	885	31,833	(222)	(241)	32,255
Transactions with owners in their capacity as owners	-	-	-	-	-
Issue of shares	1	24	-	-	25
Profit for the period	-	-	-	1,218	1,218
Share-based payments	-	-	-	43	43
At 30 June 2016 restated	886	31,857	(222)	1,020	33,541
Transactions with owners in their capacity as owners	-	-	-	-	-
Issue of shares	1	28	-	-	29
Profit for the period	-	-	-	2,347	2,347
Share-based payments	-	-	-	170	170
At 31 December 2016	887	31,885	(222)	3,537	36,087
Transactions with owners in their capacity as owners	-	-	-	-	-
Profit for the period	-	-	-	1,011	1,011
Share-based payments	-	-	-	111	111
At 30 June 2017	887	31,885	(222)	4,659	37,209

Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	Notes	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Cash flows from operating activities				
Cash (used in)/generated from operations	8	(830)	(150)	2,353
Net cash (used in)/generated from operating activities		(830)	(150)	2,353
Cash flows from investing activities				
Purchase of property and equipment		(32)	(48)	(1,102)
Purchase of freehold property		-	(850)	-
Purchase of investment property at fair value through profit and loss		(18,642)	(7,057)	(22,808)
Disposal proceeds from investment property		10,195	-	-
Repayment of loans by PRS Fund		-	259	1,667
Interest received and other financial income		152	232	290
Net cash invested in investing activities		(8,327)	(7,464)	(21,953)
Cash flows from financing activities				
Bank loans		8,199	-	536
Issue of shares		-	25	54
Net cash generated from financing activities		8,199	25	590
Net decrease in cash and cash equivalents		(958)	(7,589)	(19,010)
Cash and cash equivalents at beginning of period		6,125	25,135	25,135
Cash and cash equivalents at end of period		5,167	17,546	6,125

1. General information

The Company is a limited liability company incorporated in England and with its registered office at Floor 3, 1 St Ann Street, Manchester, M2 7LR. The Company's trading office is situated at 18 Alva Street, Edinburgh EH2 4QG.

The Company is quoted on AIM.

This condensed consolidated interim financial information was approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 28 September 2017.

This condensed consolidated interim financial information has not been audited or reviewed by the Company's auditor.

2. Basis of presentation

This condensed consolidated interim financial information for the six months ended 30 June 2017 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

This condensed consolidated interim financial information does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The comparatives for the full year ended 31 December 2016 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

3. Accounting policies

The accounting policies applied by the Group in these unaudited half year results are consistent with those applied in the annual financial statements for the year ended 31 December 2016 as described in the Group's Annual Report for that year and as available on our website www.sigmacapital.co.uk.

No new standards that have become effective in the period have had a material effect on the Group's financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Notes (continued)

4. Segmental information

At 30 June 2017, the Group has just one business activity, property. The segment analysis for the period ended 30 June is as follows:

	Managed Property £'000	Owned PRS Property £'000	Regeneration £'000	Venture Capital £'000	Holding company £'000	Intra Group adjustments £'000	Total £'000
Six months ended 30 June 2017							
Revenue	1,661	123	23	3	-	-	1,810
Trading (loss)/profit	(523)	190	(19)	1	(57)	(9)	(417)
Unrealised profit on the revaluation of investments	-	-	-	251	-	-	251
Realised gain on disposal of investment property	-	1,082	-	-	-	-	1,082
Unrealised loss on revaluation of investment property	-	(116)	-	-	-	-	(116)
(Loss)/profit from operations	(523)	1,156	(19)	252	(57)	(9)	800
Finance income/(costs)	54	(77)	93	1	3	-	74
Share of associate	-	-	137	-	-	-	137
(Loss)/profit before tax	(469)	1,079	211	253	(54)	(9)	1,011

Six months ended 30 June 2016

Revenue	1,443	-	1,473	-	-	(96)	2,820
Trading profit/(loss)	100	-	847	(5)	(352)	(105)	485
Unrealised gain on revaluation of investment property	-	448	-	-	-	-	448
Profit/(loss) from operations	100	448	847	(5)	(352)	(105)	933
Finance income	167	-	64	2	52	-	285
Profit/(loss) before tax	267	448	911	(3)	(300)	(105)	1,218

	Managed Property £'000	Owned PRS Property £'000	Regeneration £'000	Venture Capital £'000	Holding company £'000	Intra Group adjustments £'000	Total £'000
Year ended 31 December 2016							
Revenue	3,136	66	2,171	10	0	0	5,383
Trading profit/(loss)	607	51	1,538	8	(812)	(67)	1,325
Unrealised gain on revaluation of investment property	-	2,017	-	-	-	-	2,017
Unrealised gain on the revaluation of investments	-	-	-	23	-	-	23
Profit/(loss) from operations	607	2,068	1,538	31	(812)	(67)	3,365
Finance income	87	-	128	2	73	-	290
Share of associate	-	-	443	-	-	-	443
Exceptional item	(428)	-	-	-	-	-	(428)
Profit/(loss) before tax	266	2,068	2,109	33	(739)	(67)	3,670
Total net assets							
Six months ended 30 June 2017	(2,984)	3,147	6,055	2,046	28,251	694	37,209
Six months ended 30 June 2016*	(2,409)	448	4,642	1,756	28,434	670	33,541
Year ended 31 December 2016	(2,515)	2,068	5,844	1,793	28,194	703	36,087

* restated

5. Taxation

The taxation expense is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year and after considering losses carried forward from previous years.

6. Earnings per share

The calculation of the basic earnings per share is for the six months ended 30 June 2017 (six months ended 30 June 2016; year ended 31 December 2016) and is based on the profits attributable to the shareholders of Sigma Capital Group plc divided by the weighted average number of shares in issue during the year.

	Profit attributable to shareholders £'000	Weighted average number of shares	Basic earnings per share Pence
Period ended 30 June 2017	1,011	88,715,715	1.14
Period ended 30 June 2016	1,218	88,541,540	1.38
Year ended 31 December 2016	3,565	88,649,088	4.02

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive ordinary shares, those share options granted where the exercise price is less than the average price of the Company's shares during the period. Diluted earnings per share is calculated by dividing the same profit attributable to equity holders of the Company as above by the adjusted number of ordinary shares in issue during the six months ended 30 June 2017 of 89,660,412 (2016: six months 89,829,217; full year 89,750,427). For the period ended 30 June 2016, the diluted earnings per share was 1.13 pence (2016: six months 1.36 pence, full year 3.97 pence).

7. Net assets

	Net assets £'000	Issued shares Number	Net assets per share P
Period ended 30 June 2017	37,209	88,715,715	41.9
Period ended 30 June 2016 (restated)	33,541	88,601,430	37.9
Year ended 31 December 2016	36,087	88,715,715	40.7

8. Cash used in operations

	Notes	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Profit before tax		1,011	1,218	3,565
<i>Adjustments for:</i>				
Share-based payments		111	43	213
Depreciation		13	9	23
Amortisation		9	8	17
Net finance income		(72)	(285)	(290)
Fair value profit on financial assets at fair value through profit or loss		(251)	-	(23)
Share of associate profit		(137)	-	(443)
Unrealised loss/(gain) on revaluation of investment property		116	(448)	(2,017)
Realised profit on the sale of investment property		(1,082)	-	-
<i>Changes in working capital:</i>				
Decrease in stocks		-	509	509
Trade and other receivables		102	(49)	(398)
Trade and other payables		(650)	(1,155)	1,197
Cash flows from operating activities		(830)	(150)	2,353

9. Copies of the interim financial statements

Copies of the Half Yearly Report 2017 will be sent to shareholders and copies will be available on request from the Company's office at 18 Alva Street, Edinburgh EH2 4QG no later than 31 October 2017 and on the Company's website, www.sigmacapital.co.uk.



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