

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain

Tanfield Group Plc

("Tanfield", or "the Company")

Interim Results for the six-month period to 30 June 2023

Tanfield, an investing company as defined by AIM Rules, announces its half year results for the period ending 30 June 2023. The unaudited financial information will shortly be available on the Company website at www.tanfieldgroup.com.

Background

- Tanfield is a 49% shareholder in the equity of Snorkel International Holdings LLC ("Snorkel") following the joint venture between the Company and Xtreme Manufacturing LLC ("Xtreme") (the "Contemplated Transaction"), a company owned by Don Ahern of Ahern Rentals Inc, relating to Snorkel, in October 2013.
- The Snorkel investment is valued at £19.1m. The outcome of the US Proceedings referenced below could have an impact on this valuation.
- On 22 October 2019, the Company announced that it had received a Summons and Complaint, filed in Nevada (the "US Proceedings") by subsidiaries of Xtreme, relating to the Contemplated Transaction.
- On 24 October 2019, the Company announced it had become necessary to issue and serve a claim in the English High Court (the "UK Proceedings") against its former solicitors acting for the Company at the time of the Contemplated Transaction. On 18 October 2022, the Company announced that it had settled its claims in relation to the UK Proceedings on a no-fault basis.
- The Company's loss in H1 2023 reduced to £154k (H1 2022: £499k) primarily as a consequence of a reduction in legal expenditure following the settlement of the UK Proceedings, and the elimination of finance expenses following the repayment of borrowings, in late 2022.

Overview of investments

As announced on 18 May 2023, in the first quarter of 2023 Snorkel's sales increased by 4.4% to US\$43.5m (Q1 2022: US\$41.7m). Whilst the increase in sales was a fairly modest US\$1.8m in value, the EBITDA for the first quarter of 2023 improved to a US\$0.2m profit (Q1 2022: US\$3.5m loss), an improvement of some US\$3.7m. Further information relating to the recent performance of Snorkel can be found in the 18 May 2023 announcement.

The Company is now focussed on the US Proceedings which are continuing, with a jury trial currently scheduled to take place in early 2024. However, the Board expect the trial date will be rescheduled to around the summer of 2024. The Board continue to believe that a positive outcome to those proceedings is possible. So far as it is necessary, the Company will continue to vigorously defend its position whilst continuing to seek advice.

Further updates will be provided to Shareholders as and when appropriate.

For further information:

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDING 30 JUNE 2023

	Six months to 30 Jun 23 (unaudited)	Six months to 30 Jun 22 (unaudited)	Year to 31 Dec 22 (audited)
	£000's	£000's	£000's
Revenue	-	-	-
Staff costs	(77)	(52)	(242)
Other operating income	11	10	6,900
Other operating expenses	(140)	(269)	(1,163)
(Loss)/profit from operations	(206)	(311)	5,495
Finance expense	-	(188)	(565)
Finance income	52	-	16
(Loss)/profit before tax	(154)	(499)	4,946
Taxation	-	-	-
(Loss)/profit & total comprehensive income for the period attributable to equity shareholders	(154)	(499)	4,946
(Loss)/profit per share			3.04
Basic and diluted (p)	(0.09)	(0.31)	

BALANCE SHEET

AS AT 30 JUNE 2023

	30 Jun 23 (unaudited) £000's	30 Jun 22 (unaudited) £000's	31 Dec 22 (audited) £000's
Non current assets			
Non current Investments	19,100	19,100	19,100
	19,100	19,100	19,100
Current assets			
Trade and other receivables	53	67	30
Cash and cash equivalents	3,652	1,368	3,824
	3,705	1,435	3,854
Total assets	22,805	20,535	22,954
Non-current liabilities			
Borrowings	-	2,958	-
	-	2,958	-
Current liabilities			
Trade and other payables	69	132	64
	69	132	64
Total liabilities	69	3,090	64

Equity			
Share capital	8,145	8,145	8,145
Share premium	17,336	17,336	17,336
Special reserve	66,837	66,837	66,837
Merger reserve	1,534	1,534	1,534
Retained earnings	(71,116)	(76,407)	(70,962)
Total equity	22,736	17,445	22,890
Total equity and total liabilities	22,805	20,535	22,954

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share option reserve	Merger reserve	Special reserve	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Six months to 30 June 2023 (unaudited)							
At 1 January 2023	8,145	17,336	-	1,534	66,837	(70,962)	22,890
Comprehensive income							
Loss for the period	-	-	-	-	-	(154)	(154)
Total comprehensive income for the period	-	-	-	-	-	(154)	(154)
At 30 June 2023	8,145	17,336	-	1,534	66,837	(71,116)	22,736
Six months to 30 June 2022 (unaudited)							
At 1 January 2022	8,145	17,336	-	1,534	66,837	(75,908)	17,944
Comprehensive income							
Loss for the period	-	-	-	-	-	(499)	(499)
Total comprehensive income for the period	-	-	-	-	-	(499)	(499)
At 30 June 2022	8,145	17,336	-	1,534	66,837	(76,407)	17,445
Year to December 2022 (audited)							
At 1 January 2022	8,145	17,336	-	1,534	66,837	(75,908)	17,944
Comprehensive income							
Profit for the year	-	-	-	-	-	4,946	4,946
Total comprehensive income for the year	-	-	-	-	-	4,946	4,946
At 31 December 2022	8,145	17,336	-	1,534	66,837	(70,962)	22,890

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDING 30 JUNE 2023

	Six months to 30 Jun 23 (unaudited)	Six months to 30 Jun 22 (unaudited)	Year to 31 Dec 22 (audited)
	£000's	£000's	£000's
(Loss)/profit before tax	(154)	(499)	4,946
Adjustment for:			
Finance expense	-	188	565
Finance income	(52)	-	(16)
Changes in operating assets and liabilities / working capital:			
(Increase)/decrease in receivables	(23)	(44)	(7)
Increase/(decrease) in payables	5	60	(8)
Cash (used in)/generated by operations	(224)	(295)	5,480
Interest paid	-	-	(810)
Net cash (used in)/generated by operating activities	(224)	(295)	4,670
Cash flow from Investing Activities			
Interest received	52	-	16
Net used in investing activities	52	-	16
Cash flow from financing activities			
Proceeds from borrowings	-	1,075	1,375
Repayment of borrowings	-	-	(2,825)
Net cash (used in)/generated by financing activities	-	1,075	(1,450)
Net increase in cash and cash equivalents	(172)	780	3,236
Cash and cash equivalents at the start of period	3,824	588	588
Cash and cash equivalents at the end of the period	3,652	1,368	3,824

1 Basis of preparation

The Interim Report of the Company for the six months ended 30 June 2023 has been prepared in accordance with AIM Rule 18 and not in accordance with IAS34 "Interim Financial Reporting" therefore is not fully in compliance with IFRS.

The half year report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and does not include all of the information and disclosures required for full annual statements. It should be read in conjunction with the annual report and financial statements for the year ended 31 December 2022 which is available on request from the Company's registered office, c/o Weightmans LLP, 1 St James' Gate, Newcastle upon Tyne, NE99 1YQ or can be downloaded from the corporate website www.tanfieldgroup.com.

2 Accounting Policies

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2023 that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

3 Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	Six months to 30 Jun 23	Six months to 30 Jun 22	Year to 31 Dec 22
	000's	000's	000's
Number of shares			
Weighted average number of ordinary shares for the purposes of			

basic earnings per share	162,907	162,907	162,907
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Loss From operations	£000's	£000's	£000's
Loss for the purposes of basic earnings per share being net profit attributable to owners of the parent	(154)	(499)	4,946
Loss per share from operations			(3.04)
Basic and diluted (p)	(0.09)	(0.31)	

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