

The Tanfield Group Plc

("Tanfield", or "the Company")

Interim Results for the six-month period to 30 June 2015

Tanfield Group Plc, an investing company as defined by AIM Rules, announces its half year results for the period ending 30 June 2015. The unaudited financial statements are available on the Company website at www.tanfieldgroup.com.

Background

The Company is currently defined as an investing company that has two passive investments. This status resulted from the disposal of Smith Electric Vehicles in 2010 and the disposal of Snorkel Europe Limited in October 2013. Tanfield Group Plc currently owns 5.76% of Smith Electric Vehicles Corp. ("Smith") and 49% of Snorkel International Holdings LLC ("Snorkel").

The strategy of the Company in relation to these investments is to return as much as possible of any realised value to shareholders as events occur and circumstances allow, subject to compliance with any legal requirements associated with such distributions.

Summary

- Aggregate current estimated value of holdings £46.9m (\$73.1m), equivalent to approximately 33p per share, a 61% premium to the current market value of the Company*.
- Aggregate valuation comprises;
 - Snorkel holding £38.5m (\$60.1m) equivalent to approximately 27p per share. The holding value of \$60.1m has been converted at the current exchange rate and compares to a sterling holding value of £36.3m on the balance sheet based on the exchange rate at the date of receipt of the holding.
 - Smith estimated holding value of £6.9m (\$10.7m) based on the most recent valuation at which Smith received funds, as well as £1.5m (\$2.3m) in the joint venture, totalling £8.4m (\$13.0) equivalent to approximately 6p per share. The book value of the Smith holding on the balance sheet is £4.8m
- The aggregated book value of investments in the balance sheet is £41.1m equivalent to a value per share of 28.5 p
- The net book value of the Company is £39.6m equivalent to 27.5p per share

*based on the closing mid-price of the Company's shares on 24 July 2015

Overview of investments

Snorkel continues to develop its business as announced in the Company's final results announcement of 22 June 2015 with an increasing demand for its products in a competitive market. Smith are making progress towards achieving their plans to publicly list the business and raising funds to allow for the execution of its strategy.

For further information:

Tanfield Group Plc

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDING 30 JUNE 2015

	Six months to 30 Jun 15 (unaudited) £000's	Six months to 30 Jun 14 (unaudited) £000's	Year to 31 Dec 14 (audited) £000's
Revenue	-	-	-
Staff costs	(90)	(56)	(111)
Other operating income	15	9	18
Other operating expenses	(100)	(82)	(296)
Loss from operations	(175)	(129)	(389)
Finance expense	(34)	(139)	(91)
Finance income	-	7	624
Net finance (expense) income	(34)	(132)	533
Profit/(loss) from operations before tax	(209)	(261)	144
Taxation	-	-	-
(Loss)/profit & total comprehensive income for the period attributable to equity shareholders	(209)	(261)	144
(Loss)/earnings per share			
Earnings/(loss) per share from operations			
Basic (p)	(0.15)	(0.18)	0.1
Diluted (p)	(0.15)	(0.18)	0.1

BALANCE SHEET

AS AT 30 JUNE 2015

	30 Jun 15 (unaudited) £000's	30 Jun 14 (unaudited) £000's	31 Dec 14 (audited) £000's
Non current assets			
Non current Investments	41,053	37,563	41,053
	41,053	37,563	41,053
Current assets			
Trade and other receivables	154	2,574	131
Deferred consideration	-	341	-
Cash and cash equivalents	157	257	369
	311	3,172	500
Total assets	41,364	40,735	41,553
Current liabilities			
Trade and other payables	119	1,581	135
	119	1,581	135
Non-current liabilities			
Other payables	1,601	-	1,565
	1,601	-	1,565
Total liabilities	1,720	1,581	1,700
Equity			
Share capital	7,187	7,086	7,187
Share premium	16,455	16,262	16,455
Share option reserve	845	862	845
Special reserve	66,837	66,837	66,837
Merger reserve	1,534	1,534	1,534
Retained earnings	(53,214)	(53,427)	(53,005)
Total equity	39,644	39,154	39,853
Total equity and total liabilities	41,364	40,735	41,553

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
For the 6 month period ended 30 June 2015							
At 1 January 2015	7,187	16,455	845	1,534	66,837	(53,005)	39,853
Comprehensive income							
Loss for the period	-	-	-	-	-	(209)	(209)
Total comprehensive income for the period	-	-	-	-	-	(209)	(209)
At 30 June 2015	7,187	16,455	845	1,534	66,837	(53,214)	39,644
For the 6 month period ended 30 June 2014							
At 1 January 2014	6,975	16,262	1,904	1,534	66,837	(54,208)	39,304
Comprehensive income							
Loss for the period	-	-	-	-	-	(261)	(261)
Total comprehensive income for the period	-	-	-	-	-	(261)	(261)
Transactions with owners in their capacity as owners:-							
Share options exercised	111	-	(1,042)	-	-	1,042	111
At 30 June 2014	7,086	16,262	862	1,534	66,837	(53,427)	39,154
For the year ended 31 December 2014							
At 1 January 2014	6,975	16,262	1,904	1,534	66,837	(54,208)	39,304
Comprehensive income							
Profit for the year	-	-	-	-	-	144	144
Total comprehensive income for the year	-	-	-	-	-	144	144
Transactions with owners in their capacity as owners:-							
Issuance of new shares	212	193	-	-	-	-	405
Share based payments	-	-	(1,059)	-	-	1,059	-
At 31 December 2014	7,187	16,455	845	1,534	66,837	(53,005)	39,853

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDING 30 JUNE 2015

	Six months to 30 Jun 15 (unaudited) £000's	Six months to 30 Jun 14 (unaudited) £000's	Year to 31 Dec 14 (audited) £000's
Loss before interest and taxation	(175)	(129)	(389)
(Loss)/profit on current asset currency fluctuations	-	(95)	55
Operating cash flows before movements in working capital	(175)	(224)	(334)
(Increase)/decrease in receivables	(28)	337	109
Increase/(decrease) in payables	25	(305)	(186)
Net cash used in operations	(178)	(192)	(411)
Interest paid	(34)	(44)	-
Net cash used in operating activities	(212)	(236)	(411)
Cash flow from Investing Activities			
Interest received	-	7	-
Net cash from investing activities	-	7	-
Cash flow from financing activities			
Proceeds from issuance of ordinary shares net of costs	-	111	405
Net cash from financing activities	-	111	405
Net decrease in cash and cash equivalents	(212)	(118)	(6)
Cash and cash equivalents at the start of period	369	375	375
Cash and cash equivalents at the end of the period	157	257	369

1 Basis of preparation

The Interim Report of the Company for the six months ended 30 June 2015 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 2014 which is available on request from the Company's registered office, Sandgate House, 102 Quayside, Newcastle upon Tyne NE1 3DX or can be downloaded from the corporate website www.tanfieldgroup.com.

2 Accounting Policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those financial statements. In particular, the accounts have been prepared on a going concern basis, and as set out on page 17 of those financial statements.

3 Earnings/(loss) per share

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

Number of shares	Six months to 30 Jun 15 000's	Six months to 30 Jun 14 000's	Year to 31 Dec 14 000's
Weighted average number of ordinary shares for the purposes of basic earnings per share	143,741	141,427	141,755
Effect of dilutive potential ordinary shares from share options	635	720	584
Weighted average number of ordinary shares for the purposes of diluted earnings per share	144,376	142,147	142,339

Earnings	Six months to 30 Jun 15 £000's	Six months to 30 Jun 14 £000's	Year to 31 Dec 14 £000's
From operations			
Earnings/(loss) for the purposes of basic earnings per share being net profit attributable to owners of the parent	(209)	(261)	144
Potential dilutive ordinary shares from share options	-	-	-
Earnings/(loss) for the purposes of diluted earnings per share	(209)	(261)	144

Earnings/(loss) per share from operations			
Basic (p)	(0.15)	(0.18)	0.10
Diluted (p) ^a	(0.15)	(0.18)	0.10

^aIAS33 defines dilution as a reduction in earnings per share or an increase in loss per share resulting from the assumption that options are exercised. As the potential dilutive ordinary shares from share options reduce the loss per share these shares are omitted from the dilutive loss per share calculation in June 2014 and June 2015.