

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 2021

Tanfield, an investing company as defined by AIM Rules, announces its half year results for the period ending 30 June 2021. 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 and UK 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 against Ward Hadaway (the "UK Proceedings"), the solicitor acting for the Company at the time of the Contemplated Transaction, in order to fully protect the Company's rights pending the outcome of the US Proceedings.
- The Company's operating loss in H1 2021 reduced to £187k (H1 2020: £333k) as a consequence of lower legal fees during the period, with the retained loss for the period reducing to £268k (H1 2020: £369k).
- As announced on 3 June 2021, the Company continues to receive the support of its Shareholders via loan note subscriptions in order to provide the necessary funding for the ongoing US and UK Proceedings and other day to day costs.

Overview of investments

During the first 6 months of 2021, Snorkel appears to be recovering from the impact of the global COVID-19 pandemic which impacted its ability to operate as normal and required many of its global facilities to close for substantial periods.

As the recovery from the pandemic continues, Snorkel has seen sales in the first 6 months of 2021 increase to US\$71.7m, up from US\$60.2m for the same period in 2020. More recently, as announced on 24 August

2021, Snorkel saw a 140% increase in sales for the second quarter of 2021, achieving sales of US\$40.3m compared to US\$16.8m for the same period in 2020.

Also as announced on 24 August 2021, the Board remain of the opinion that gross profit margins generally do not appear to have been in line with the industry averages. Accordingly, steps to investigate the historic margins, which includes ensuring all related party transactions have taken place at an arm's length basis, have commenced and are ongoing.

The Board confirm that both the US and UK Proceedings are continuing to progress and that the Board believes a positive outcome to either/both proceedings is possible. So far as it is necessary, the Company will continue to vigorously defend and advance its position in both proceedings, whilst continuing to seek advice.

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

For further information:

Tanfield Group Plc

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDING 30 JUNE 2021

	Six months to 30 Jun 21 (unaudited) £000's	Six months to 30 Jun 20 (unaudited) £000's	Year to 31 Dec 20 (audited) £000's
Revenue	-	-	-
Staff costs	(51)	(37)	(83)
Other operating income	9	9	18
Other operating expenses	(145)	(305)	(532)
Loss from operations	(187)	(333)	(597)
Finance expense	(81)	(36)	(100)
Finance income	-	-	-
Net finance expense	(81)	(36)	(100)
Loss from operations before tax	(268)	(369)	(697)
Taxation	-	-	-
Loss & total comprehensive income for the period attributable to equity shareholders	(268)	(369)	(697)
Loss per share from operations			
Basic and diluted (p)	(0.16)	(0.23)	(0.43)

BALANCE SHEET

AS AT 30 JUNE 2021

	30 Jun 21 (unaudited) £000's	30 Jun 20 (unaudited) £000's	31 Dec 20 (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	36	28	24
Cash and cash equivalents	739	109	524
	775	137	548
Total assets	19,875	19,237	19,648
Current liabilities			
Trade and other payables	54	59	90
	54	59	90
Non-current liabilities			
Other payables	1,631	392	1,100
	1,631	392	1,100
Total liabilities	1,685	451	1,190
Equity			
Share capital	8,145	8,145	8,145
Share premium	17,336	17,336	17,336
Share option reserve	331	331	331
Special reserve	66,837	66,837	66,837
Merger reserve	1,534	1,534	1,534
Retained earnings	(75,993)	(75,397)	(75,725)
Total equity	18,190	18,786	18,458
Total equity and total liabilities	19,875	19,237	19,648

STATEMENT OF CHANGES IN EQUITY

	Share capital £000's	Share premium £000's	Share option reserve £000's	Merger reserve £000's	Special reserve £000's	Retained earnings £000's	Total £000's
Six months to 30 June 2021 (unaudited)							
At 1 January 2021	8,145	17,336	331	1,534	66,837	(75,725)	18,458
Comprehensive income							
Loss for the period	-	-	-	-	-	(268)	(268)
Total comprehensive income for the period	-	-	-	-	-	(268)	(268)
At 30 June 2021	8,145	17,336	331	1,534	66,837	(75,993)	18,190
Six months to 30 June 2020 (unaudited)							
At 1 January 2020	8,145	17,336	331	1,534	66,837	(75,028)	19,155
Comprehensive income							
Loss for the period	-	-	-	-	-	(369)	(369)
Total comprehensive income for the period	-	-	-	-	-	(369)	(369)
At 30 June 2020	8,145	17,336	331	1,534	66,837	(75,397)	18,786
Year to December 2020 (audited)							
At 1 January 2020	8,145	17,336	331	1,534	66,837	(75,028)	19,155
Comprehensive income							
Loss for the year	-	-	-	-	-	(697)	(697)
Total comprehensive income for the year	-	-	-	-	-	(697)	(697)
At 31 December 2020	8,145	17,336	331	1,534	66,837	(75,725)	18,458

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDING 30 JUNE 2020

	Six months to 30 Jun 21 (unaudited) £000's	Six months to 30 Jun 20 (unaudited) £000's	Year to 31 Dec 20 (audited) £000's
Loss from operations	(268)	(369)	(697)
Adjustment for:			
Finance costs	81	36	100
Changes in operating assets and liabilities / working capital:			
Increase in receivables	(12)	(16)	(1)
Decrease	(36)	(34)	(14)
Net cash used in operating activities	(235)	(383)	(612)
Cash flow from financing activities			
Proceeds from borrowings	450	356	1,000
Net cash generated by financing activities	450	356	1,000
Net increase/(decrease) in cash and cash equivalents	215	(27)	388
Cash and cash equivalents at the start of period	524	136	136
Cash and cash equivalents at the end of the period	739	109	524

1 Basis of preparation

The financial statements for the year ended 31 December 2020 were prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee interpretations as adopted by the European Union and with IFRS and their Interpretations issued by the IASB.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting policies from the transition and the Group will also continue to comply with IFRS and their interpretations issued by the IASB.

The Interim Report of the Company for the six months ended 30 June 2021 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 2020 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 2021 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:

Number of shares	Six months to 30 Jun 21 000's	Six months to 30 Jun 20 000's	Year to 31 Dec 20 000's
Weighted average number of ordinary shares for the purposes of basic earnings per share	162,907	162,907	162,907
Effect of dilutive potential ordinary shares from share options	-	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	162,907	162,907	162,907
Loss	Six months to 30 Jun 21 £000's	Six months to 30 Jun 20 £000's	Year to 31 Dec 20 £000's
From operations			
Loss for the purposes of basic earnings per share being net profit attributable to owners of the parent	(268)	(369)	(697)
Potential dilutive ordinary shares from share options	-	-	-
Loss for the purposes of diluted earnings per share	(268)	(369)	(697)
Loss per share from operations			
Basic and diluted (p)	(0.16)	(0.23)	(0.43)