

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 2022

Tanfield, an investing company as defined by AIM Rules, announces its half year results for the period ending 30 June 2022. 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.
- On 26 February 2021, Ward Hadaway was granted permission to join Foulston Siefkin, Tanfield's US based law firm who were retained in 2013 to draft the documents governed by US law relating to the Contemplated Transaction, into the UK Proceedings. As a result, the Company amended its claim to include Foulston Siefkin as a second defendant.
- The Company's operating loss in H1 2022 increased to £311k (H1 2021: £187k) as a consequence of increased legal fees during the period, with the retained loss for the period increasing further to £499k (H1 2021: £268k) as a consequence of increased finance expense.
- The Board believe that further loan funding may be necessary to ensure that the Company continues to protect its investment in Snorkel. As announced on 24 August 2022, the Company continues to receive the support of its Shareholders via loan note subscriptions in order to provide the necessary funding for its day-to-day running costs, including the ongoing costs of the US and UK Proceedings, and the Board are of the opinion that further funding will be made available.

Overview of investments

As announced on 24 August 2022, during the first 6 months of 2022 Snorkel has continued to recover from the impact of the global COVID-19 pandemic and has seen sales in the first 6 months increase to US\$88.6m, up from US\$71.7m for the same period in 2021. Further information relating to the recent performance of Snorkel can be found in the 24 August 2022 announcement.

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:

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Daryn Robinson

WH Ireland Limited – Nominated Advisor / Broker
James Joyce / Megan Liddell 020 7220 1666

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDING 30 JUNE 2022

	Six months to 30 Jun 22 (unaudited) £000's	Six months to 30 Jun 21 (unaudited) £000's	Year to 31 Dec 21 (audited) £000's
Revenue	-	-	-
Staff costs	(52)	(51)	(93)
Other operating income	10	9	19
Other operating expenses	(269)	(145)	(295)
Loss from operations	(311)	(187)	(369)
Finance expense	(188)	(81)	(145)
Finance income	-	-	-
Net finance expense	(188)	(81)	(145)
Loss from operations before tax	(499)	(268)	(514)
Taxation	-	-	-
Loss & total comprehensive income for the period attributable to equity shareholders	(499)	(268)	(514)
Loss per share from operations			
Basic and diluted (p)	(0.31)	(0.16)	(0.32)

BALANCE SHEET

AS AT 30 JUNE 2022

	30 Jun 22 (unaudited) £000's	30 Jun 21 (unaudited) £000's	31 Dec 21 (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	67	36	23
Cash and cash equivalents	1,368	739	588
	1,435	775	611
Total assets	20,535	19,875	19,711
Current liabilities			
Trade and other payables	132	54	72
	132	54	72
Non-current liabilities			
Other payables	2,958	1,631	1,695
	2,958	1,631	1,695
Total liabilities	3,090	1,685	1,767
Equity			
Share capital	8,145	8,145	8,145
Share premium	17,336	17,336	17,336
Share option reserve	-	331	-
Special reserve	66,837	66,837	66,837
Merger reserve	1,534	1,534	1,534
Retained earnings	(76,407)	(75,993)	(75,908)
Total equity	17,445	18,190	17,944
Total equity and total liabilities	20,535	19,875	19,711

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 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
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
Year to December 2021 (audited)							
At 1 January 2021	8,145	17,336	331	1,534	66,837	(75,725)	18,458
Comprehensive income							
Loss for the year	-	-	-	-	-	(514)	(514)
Total comprehensive income for the year	-	-	-	-	-	(514)	(514)
Transactions with owners in their capacity as owners:-							
Share based payments			(331)			331	-
At 31 December 2021	8,145	17,336	-	1,534	66,837	(75,908)	17,944

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDING 30 JUNE 2021

	Six months to 30 Jun 22 (unaudited) £000's	Six months to 30 Jun 21 (unaudited) £000's	Year to 31 Dec 21 (audited) £000's
Loss from operations	(499)	(268)	(514)
Adjustment for:			
Finance costs	188	81	145
Changes in operating assets and liabilities / working capital:			
(Increase)/decrease in receivables	(44)	(12)	1
Increase/(decrease) in payables	60	(36)	(18)
Net cash used in operating activities	(295)	(235)	(386)
Cash flow from financing activities			
Proceeds from borrowings	1,075	450	450
Net cash generated by financing activities	1,075	450	450
Net increase in cash and cash equivalents	780	215	64
Cash and cash equivalents at the start of period	588	524	524
Cash and cash equivalents at the end of the period	1,368	739	588

1 Basis of preparation

The Interim Report of the Company for the six months ended 30 June 2022 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 2021 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 2022 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 22	Six months to 30 Jun 21	Year to 31 Dec 21
Number of shares	000's	000's	000's
Weighted average number of ordinary shares for the purposes of basic earnings per share	162,907	162,907	162,907
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	(499)	(268)	(514)
Loss per share from operations			
Basic and diluted (p)	(0.31)	(0.16)	(0.32)