TANDEM GROUP PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

Chairman's statement

Introduction
I am pleased to present the results for the year ended 31 December 2013.

Although the first half of the year was disappointing with revenues nearly 22% behind the prior period due to a prolonged period of poor weather, in the second half the Group recovered strongly with revenue more than 17% ahead of the prior year second half. I am happy to report that the strong second half performance has been carried forward into 2014.

Results
Revenue for the year ended 31 December 2013 reduced by 2% to £28,347,000 compared to £28,952,000 in the year ended 31 December 2012.

Profit before taxation and non-underlying items improved from £768,000 for the year ended 31 December 2012 to £823,000 for the year ended 31 December 2013.

The prior year profit was restated for changes to the pension accounting standard, IAS19. The impact of this was a reduction in reported 2012 profit before tax of £62,000 from £830,000 to £768,000.

Non-underlying items included exceptional restructuring costs of £142,000, a fair value adjustment for foreign currency derivative contracts which totalled £516,000 and £149,000 in respect of pension finance costs also required to be disclosed under IAS19. The Board considers that none of these charges reflect the underlying performance of the Group and accordingly have changed the presentation of the Consolidated income statement to reflect this.

Net assets increased to £5,640,000 at 31 December 2013 compared to £5,562,000 at 31 December 2012.

Further details of operational activities and a detailed segment review of performance can be found in the Strategic report.

Dividend
In accordance with our progressive dividend payment policy, we are proposing to pay a final dividend of 2.30 pence per share (year ended 31 December 2012 – 2.20 pence per share) which, when combined with the interim dividend of 1.15 pence per share (year ended 31 December 2012 – 1.10 pence per share), gives a total dividend of 3.45 pence for the year (year ended 31 December 2012 – 3.30 pence per share).

Subject to shareholder approval at the Annual General Meeting to be held on 10 June 2014, the final dividend will be paid on or around 13 June 2014 to shareholders on the share register as at 16 May 2014. The ex-dividend date will be 14 May 2014.

Pensions
The Group operates two defined benefit pension schemes. Both schemes are closed to new members and there are no active members in either scheme. In the year to 31 December 2013 £242,000 (year ended 31 December 2012 - £239,000) was paid into the schemes to reduce the actuarially calculated funding deficits and £69,000 (year ended 31 December 2012 - £75,000) was paid out in government levies and administration costs.

Property acquisition
In February 2013 we acquired the freehold on our property in Castle Bromwich. The cost of the acquisition was £2.6 million, satisfied by means of a new 5 year term loan of £1.6 million provided by the Company's bankers and the balance from existing cash resources.

Environmental matters
In February 2014 we completed the installation of a solar PV system at our Castle Bromwich site. Costing £247,000, the system has the capacity to generate up to 250 kWp from 999 panels fitted to the roof and we anticipate a payback period of approximately 6 years. Electricity for the site will be self-generated for much of the year, we will benefit from a guaranteed feed-in tariff for the next 20 years and we have signed an agreement to sell any excess electricity generated.

Employees
We have teams of highly dedicated and hard working employees who are committed to the ongoing success of the Group. The Board thanks them all for their efforts and continuing contribution to the profitability of the businesses during the year.

Strategy
We continue to be clearly focussed on our Group strategic objective to maintain our position as a leading supplier to the UK bicycle and the outdoor and wheeled toy markets. We continue to invest in the appropriate infrastructure, logistics and back office systems to facilitate this strategy.

Restructuring
Following the closure of the Brigg site we have consolidated the warehouse operation into our existing Scunthorpe distribution centre and taken a new office lease nearby.

As previously reported, the management team has been streamlined and restructured and now reports directly to the Group CEO, Steve Grant. We expect these changes to improve operational efficiency, reduce overhead and further develop the business.

Outlook
The year has started positively both in own brands and licensed product. Our new range of products for 2014 have been well received at the various trade and road shows attended in January. Although extremely wet in some parts of the UK, the weather has generally been milder and there are more encouraging signs emerging from the macro economy.

The breadth of new licences agreed for 2014 and beyond in our sports, leisure & toys business demonstrates our continuing commitment to provide a platform for growth. In our bicycles business, a number of new product developments, for example our 'Academy' range of premium junior cycles, will support us in taking market share in a mature leisure cycling market.

Group revenue for the first quarter was well ahead of the corresponding period in the prior year. Although we were required to record a significant foreign currency fair value adjustment at 31 December 2013 this will unwind as foreign currency contracts mature which should enhance 2014 profitability although we continue to remain conscious of the impact of fluctuations in the US dollar.

M P J Keene
Non-Executive Chairman

4 April 2014

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Operating and Financial Review

Revenue and profit
Group revenue for the year ended 31 December 2013 reduced by 2.1% from £28,952,000 to £28,347,000.

Despite a particularly challenging first half of the year the second half of the year saw a significant turnaround in performance with revenue in the 6 month period to 31 December 2013 of £17,096,000, 17.3% ahead of the same period last year.

Gross profit margin, at 29.2% (year ended 31 December 2012 – 29.7%), was slightly below the prior year reflecting a reduced margin in a competitive cycling market.

In accordance with our ongoing drive to control overheads, operating expenses reduced by 4.0% to £7,314,000 (year ended 31 December 2012 - £7,617,000).

Operating profit for the year ended 31 December 2013 was £972,000 which was marginally ahead of the previous year (year ended 31 December 2012 - £971,000). However, due to the impact of non-underlying items explained below, net profit for the year ended 31 December 2013 was £354,000 (year ended 31 December 2012 restated - £611,000).

The prior year profit was restated to take account of the transitional provisions required by amendments to IAS19, notably relating to the measurement of the expected return on assets. In the Consolidated income statement, the restatement relates to pension scheme finance cost. The net adjustment to the Consolidated income statement is matched by an equal and opposite adjustment relating to the re-measurement of defined benefit plans in the Consolidated statement of comprehensive income. As a result there was a reduction to the previously stated profit for the year ended 31 December 2012 of £62,000.

Non-underlying items
Non-underlying items are material items which have arisen from unusual non-recurring or non-trading events. For the year ended 31 December 2013 non-underlying items comprised exceptional costs of Group restructuring, the finance cost related to the Group's pension schemes calculated in accordance with IAS19 and the impact of the fair value adjustment in respect of derivative foreign exchange contracts under IAS39.

Finance costs
Total finance costs for the year ended 31 December 2013 increased to £814,000 from £203,000 restated for the year ended 31 December 2012. This comprised interest payable on bank overdrafts and invoice finance facilities which increased from £66,000 last year to £149,000 partly due to interest in respect of the Group's mortgage loan detailed in the 'Capital expenditure' section below.

The remaining charges were included in the non-underlying items described above and related to pension finance costs in accordance with IAS19 of £149,000 (restated for year ended 31 December 2012 - £137,000) and the impact of the fair value adjustment in respect of derivative foreign exchange contracts under IAS39 which was £516,000 (year ended 31 December 2012 - £nil).

Taxation
The tax credit in the year of £338,000 comprised credits in respect of the recognition of trading losses, movements in the pension schemes' liabilities and deferred tax in relation to fair value movements on derivatives totalling £327,000 (year ended 31 December 2012 - £105,000 expense)and a current tax credit of £11,000 (year ended 31 December 2012 - £52,000 expense).

Capital expenditure
In February 2013 the Group completed the purchase of the freehold on its property in Castle Bromwich, Birmingham for cash consideration (before expenses) of £2,600,000. The consideration was satisfied by means of a new 5 year term loan provided by the Company's bankers and the balance from existing cash resources.

In October 2013 the Group entered into an agreement to implement a solar PV system at its Castle Bromwich site. The cost of the project was £247,000 and was completed in February 2014.

Cash flows, working capital and net debt
Net cash inflow from operating activities before movements in working capital for the year ended 31 December 2013 decreased to £954,000 compared to £1,061,000 in the prior year.

Total cash generated from operations was £1,629,000 compared to £412,000 last year. This was improved principally due to favourable movements in working capital, in particular a reduction in stock in our Claud Butler and corporate bicycle businesses.

Net cash outflows from investing activities increased significantly to £2,892,000 compared to £150,000 in the year ended 31 December 2012 due to the purchase of the Castle Bromwich freehold.

Net cash inflows from financing activities were £2,960,000 in the year ended 31 December 2013 following a new 5 year mortgage loan of £1,610,000 from the Group's bankers and an inflow of £1,535,000 from invoice finance facilities. The compared to a cash outflow from financing activities of £748,000 in the previous year.

Net debt at 31 December 2013 comprising cash and cash equivalents, invoice financing liabilities and borrowings was £3,116,000 compared to £1,496,000 at 31 December 2012 which reflected the purchase of the Castle Bromwich property in February 2013.

Dividends
Total dividends paid and proposed increased from 3.30 pence per share for the year ended 31 December 2012 to 3.45 pence per share for the year ended 31 December 2013, an increase of 4.5%. The dividend cover ratio was 2.2 (year ended 31 December 2012 – 4.4). It continues to be the Group's policy to progressively increase the dividend payment to shareholders where trading performance permits.

Earnings per share
Basic earnings per share reduced to 7.63 pence per share for the year ended 31 December 2013 compared to 13.22 pence per share in the year ended 31 December 2012. Diluted earnings per share reduced from 13.05 pence per share in the year ended 31 December 2012 to 7.54 pence per share in the year ended 31 December 2013.

Bicycles and accessories
Revenue in our bicycles and accessories businesses was £15,149,000 for the year ended 31 December 2013 compared to £16,979,000 in the prior year.

Operating profit for the year before the allocation of corporate charges and exceptional costs was £476,000 compared to £797,000 for the year ended 31 December 2012.

The first half of the year was significantly impacted by the poor weather. This was partially recovered in the second half of the year in our Dawes Cycles business which was 8.7% ahead of the second half of 2012. However, performance from both Claud Butler and the corporate bicycles division were behind expectation and meant that overall revenues for the year were 10.8% behind the previous year.

As we previously reported, significant changes were made at Claud Butler during the year. The management team was restructured and a number of support functions centralised. In February 2104, the Brigg site was closed and the business relocated to modern offices close to the distribution centre in Scunthorpe which have already improved operational efficiencies and reduced overhead.

We have strengthened our corporate bicycles division with additional sales and product development resources. The Falcon, Elswick, Townsend, British Eagle, Boss and Zombie ranges all underwent extensive redevelopment during the year and it was necessary to clear stock overhangs from the prior year. Coupled with intense price competition meant that it was a challenging year but we are optimistic about the future performance potential from this part of the business which is already gathering momentum in 2014.

Although there were some geographical variations, bicycle dealer attendances at our 2014 UK 'roadshows' were ahead of the previous year. In particular, we were pleased with the increased attendance generated by the new Claud Butler range. Revenue from our Dawes business has continued to grow in 2014 with our adult and junior heritage ranges performing strongly.

As a result, bicycles revenue for the first quarter was ahead of the first quarter in the prior year.

Sports, leisure and toys
Revenue in our sports, leisure and toys business for the year ended 31 December 2013 was £13,198,000 compared to £11,973,000 in the prior year.

Operating profit before the allocation of corporate charges was £1,038,000 for the year ended 31 December 2013 compared to £892,000 in the year ended 31 December 2012.

Despite a 25.5% decrease in revenue in the first six months of the year compared to the prior period, the second half saw a 40.1% increase against the second half of 2012. Overall revenue for the year was therefore 10.2% ahead against a reported reduction in overall toy market revenues of 1% in 2013 compared to the previous year.

There were several reasons for the strong second half performance. In licences, Peppa Pig, One Direction, Skylanders and Batman, with a new range of battery operated products, performed ahead of expectation. In own brands, our Hedstrom and Stunted scooter ranges continued to perform strongly with revenue ahead of the prior year. The weather also helped in the second half of the year. It was the warmest and sunniest summer since 2006 and the driest since 2003.

The annual toy fair exhibition held at London's Olympia took place in January and several new customers showed interest in our 2014 portfolios of products and licences. Feedback to the ranges was encouraging from both existing customers and licensors alike.

We are pleased to report that the improved performance has continued into 2014 and we have agreed new licences for 2014 and beyond including Transformers, Star Wars, Angry Birds, The Simpsons, Peter Rabbit, Mister Maker and Woolly & Tig.

Sports, leisure and toys revenue for the first quarter was significantly ahead of the same period in the prior year.

S J Grant
Chief Executive Officer

J C Shears
Group Finance Director

4 April 2014

Consolidated income statement

	Note	Year ended 31 December 2013 Before non-underlying items £'000	Non-underlying items £'000	After non-underlying items £'000	Year ended 31 December 2012 restated £'000
Revenue	3	**28,347**	**—**	**28,347**	28,952
Cost of sales		**(20,061)**	**—**	**(20,061)**	(20,364)
Gross profit		**8,286**	**—**	**8,286**	8,588
Operating expenses		**(7,314)**	**—**	**(7,314)**	(7,617)
Operating profit before exceptional costs		**972**	**—**	**972**	971
Exceptional costs		**—**	**(142)**	**(142)**	—
Operating profit after exceptional costs		**972**	**(142)**	**830**	971
Finance costs		**(149)**	**(665)**	**(814)**	(203)
Profit before taxation		**823**	**(807)**	**16**	768
Tax credit/(expense)		**230**	**108**	**338**	(157)
Net profit for the year		**1,053**	**(699)**	**354**	611
Earnings per share	4			**Pence**	Pence
Basic				**7.63**	13.22
Diluted				**7.54**	13.05

Consolidated statement of comprehensive income

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 restated £'000
Net profit for the year	**354**	611
Other comprehensive income:		
Items that will be reclassified subsequently to profit and loss:		
Foreign exchange differences on translation of foreign operations	**(53)**	(93)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on pension schemes	**(16)**	(942)
Movement in pension schemes' deferred tax provision	**(128)**	63
Other comprehensive income for the year	**(197)**	(972)
Total comprehensive income for the year attributable to equity shareholders	**157**	(361)

All figures relate to continuing operations.

Consolidated balance sheet

	At 31 December 2013 £'000	At 31 December 2012 £'000
Non current assets		
Intangible fixed assets	**2,236**	2,236
Property, plant and equipment	**3,128**	348
Deferred taxation	**1,947**	1,749
	7,311	4,333
Current assets		
Inventories	**3,827**	4,783
Trade and other receivables	**5,374**	4,829
Cash and cash equivalents	**2,925**	1,498
	12,126	11,110
Total assets	**19,437**	15,443
Current liabilities		
Trade and other payables	**(3,557)**	(3,188)
Other liabilities	**(4,636)**	(2,994)
Derivative financial liability held at fair value	**(516)**	—
Current tax liabilities	**(222)**	(160)
	(8,931)	(6,342)
Non current liabilities		
Borrowings	**(1,405)**	—
Pension schemes' deficits	**(3,461)**	(3,539)
	(4,866)	(3,539)
Total liabilities	**(13,797)**	(9,881)
Net assets	**5,640**	5,562
Equity		
Share capital	**1,503**	1,503
Shares held in treasury	**(336)**	(361)
Share premium	**84**	13
Other reserves	**2,730**	2,783
Profit and loss account	**1,659**	1,624
Total equity	**5,640**	5,562

Consolidated statement of changes in equity

	Share capital £'000	Shares held in treasury £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2012	1,503	(337)	13	1,036	1,427	413	2,093	6,148
Net profit for the year (restated)	—	—	—	—	—	—	611	611
Re-translation of overseas subsidiaries	—	—	—	—	—	(93)	—	(93)
Net actuarial loss on pension schemes (restated)	—	—	—	—	—	—	(879)	(879)
Total comprehensive income for the year attributable to equity shareholders	—	—	—	—	—	(93)	(268)	(361)
Share based payments	—	—	—	—	—	—	5	5
Exercise of share options	—	—	—	—	—	—	—	—
Share buyback	—	(24)	—	—	—	—	(58)	(82)
Dividends paid	—	—	—	—	—	—	(148)	(148)
Total transactions with owners	—	(24)	—	—	—	—	(469)	(586)
Balance at 1 January 2013	1,503	(361)	13	1,036	1,427	320	1,624	5,562
Net profit for the year	—	—	—	—	—	—	354	354
Re-translation of overseas subsidiaries	—	—	—	—	—	(53)	—	(53)
Net actuarial loss on pension schemes	—	—	—	—	—	—	(144)	(144)
Total comprehensive income for the year attributable to equity shareholders	—	—	—	—	—	(53)	210	157
Share based payments	—	—	—	—	—	—	8	8
Exercise of share options	—	25	71	—	—	—	(26)	70
Dividends paid	—	—	—	—	—	—	(157)	(157)
Total transactions with owners	—	25	71	—	—	—	35	78
Balance at 31 December 2013	**1,503**	**(336)**	**84**	**1,036**	**1,427**	**267**	**1,659**	**5,640**

Consolidated cash flow statement

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 restated £'000
Cash flows from operating activities		
Profit before taxation for the year	**16**	768
Adjustments:		
Depreciation of property, plant and equipment	**116**	85
Finance costs	**814**	203
Share based payments	**8**	5
Net cash flow from operating activities before movements in working capital	**954**	1,061
Change in inventories	**956**	407
Change in trade and other receivables	**(870)**	275
Change in trade and other payables	**589**	(1,331)
Cash generated from operations	**1,629**	412
Interest paid	**(151)**	(79)
Tax paid	**(62)**	(290)
Net cash flows from operating activities	**1,416**	43
Cash flows from investing activities		
Purchases of property, plant and equipment	**(2,896)**	(154)
Sale of property, plant and equipment	**4**	4
Net cash flows from investing activities	**(2,892)**	(150)
Cash flows from financing activities		
New loans	**1,610**	—
Loan repayments	**(98)**	—
Movement in invoice financing	**1,535**	(518)
Exercise of share options	**70**	—
Dividends paid	**(157)**	(148)
Payment to acquire own shares	**—**	(82)
Net cash flows from financing activities	**2,960**	(748)
Net change in cash and cash equivalents	**1,484**	(855)
Cash and cash equivalents at beginning of year	**1,498**	2,446
Effect of foreign exchange rate changes	**(57)**	(93)
Cash and cash equivalents at end of year	**2,925**	1,498

Notes to the preliminary results

1. General information

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet at 31 December 2013, the Consolidated statement of changes in equity, the Consolidated cash flow statement and the associated notes for the period then ended have been extracted from the Group's financial statements upon which the auditor's opinion is unqualified and does not include any statement under section 498 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2013 will be delivered to the Registrar of Companies following the Group's Annual General Meeting.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared under the historical cost convention and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The principal accounting policies adopted by the Group, which remain unchanged, with the exception of IAS19 'Employee Benefits', and have been applied consistently, are set out in the statutory financial statements for the year ended 31 December 2013.

Non-underlying items
Non-underlying items are material items which arise from unusual non-recurring or non-trading events. They are disclosed in aggregate on the Consolidated income statement where in the opinion of the Directors such disclosure is necessary in order to fairly present the results for the period. Non-underlying items comprise exceptional costs of Group restructuring, the finance cost related to the Group's pension schemes calculated in accordance with IAS19 and the impact of the movement in respect of derivative foreign exchange contracts held at fair value through the profit and loss in accordance with IAS39.

Change of accounting policies
Amendments to IAS 19 'Employee Benefits'
The 2011 amendments to IAS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

IAS 19 has been applied retrospectively in accordance with its transitional provisions. Consequently, the Group has restated its reported results in the comparative year ended 31 December 2012 with the effect of the application of IAS 19 a reduction to net profit of £62,000 and a reduction is basic and diluted earnings per share of 1.35 pence and 1.33 pence respectively. The impact of deferred tax movements in the consolidated income statement and statement of comprehensive income is considered immaterial to the financial statements.

Key areas of estimation uncertainty
Impairment of goodwill
The annual impairment assessment in respect of goodwill requires estimates of the value in use of cash generating units to which goodwill has been allocated to be calculated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows.

Pension scheme valuation
The liabilities in respect of defined benefit pension schemes are calculated by qualified actuaries and reviewed by the Group, but are necessarily based on subjective assumptions. The principal uncertainties relate to the estimation of the discount rate, life expectancies of scheme members, future investment yields and general market conditions for factors such as inflation and interest rates. Profits and losses in relation to changes in actuarial assumptions are taken directly to reserves and therefore do not impact on the profitability of the business, but the changes do impact on net assets.

Inventory provisioning
The Group reviews the net realisable value of and demand for its inventory on an ongoing basis to ensure recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices are the timing and success of future technological innovations, competitor actions, suppliers prices and economic trends. If total inventory losses differ, the Group's consolidated net income in the year would have improved or declined, depending upon whether the actual results were better or worse than expected.

Bad debt provision
At each reporting period, the Directors review outstanding debts and determine appropriate provision levels. The recovery of certain debts is dependent on the individual circumstances of customers. At the year end there are a number of debts which remain outstanding past their due date, which the Directors believe to be recoverable.

Key judgements

Deferred tax assets
In determining the deferred tax asset to be recognised the Directors carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Estimates and judgements used in the financial statements are based on historical experience and other assumptions that the Directors and management consider reasonable and are consistent with the Group's latest budgeted forecasts where applicable. Judgements are based on the information available at each balance sheet date. Although these estimates are based on the best information available to the Directors, actual results may ultimately differ from those estimates.

3. Segmental reporting

For management purposes the Group is organised into two operating segments. The revenues, results and net assets for these segments are shown below:

	Bicycles and accessories £'000	Sports, leisure and toys £'000	Total £'000
Year ended 31 December 2013			
Revenue	**15,149**	**13,198**	**28,347**
Segment result before corporate charges	**476**	**1,038**	**1,514**
Allocation of corporate charges	**(188)**	**(346)**	**(534)**
Segment result after corporate charges	**288**	**692**	**980**
Unallocated corporate charges			**(8)**
Operating profit			**972**
Exceptional costs			**(142)**
Finance costs			**(814)**
Profit before taxation			**16**
Tax credit			**338**
Net profit for the year			**354**
Segment assets	**8,064**	**5,843**	**13,907**
Unallocated assets			**5,530**
Total assets			**19,437**
Segment liabilities	**(3,443)**	**(5,117)**	**(8,560)**
Unallocated liabilities			**(5,237)**
Total liabilities			**(13,797)**
Consolidated net assets			**5,640**
Capital additions			
Group	**—**	**—**	**2,745**
Segments	**14**	**137**	**151**
	14	**137**	**2,896**
Depreciation and goodwill impairment	**46**	**70**	**116**
Year ended 31 December 2012			
Revenue	16,979	11,973	28,952
Segment result before corporate charges	797	892	1,689
Allocation of corporate charges	(409)	(307)	(716)
Segment result after corporate charges	388	585	973
Unallocated corporate charges			(2)
Operating profit			971
Finance costs			(203)
Profit before taxation			768
Tax expense			(157)
Net profit for the period			611
Segment assets	7,797	3,116	10,913
Unallocated assets			4,530
Total assets			15,443
Segment liabilities	(3,289)	(2,796)	(6,085)
Unallocated liabilities			(3,796)
Total liabilities			(9,881)
Consolidated net assets			5,562
Capital additions	94	60	154
Depreciation and goodwill impairment	39	46	85

The Group's revenues and non current assets are divided into the following geographical areas:

Year ended 31 December 2013	**United Kingdom £'000**	**Europe £'000**	**Rest of the World £'000**	**Total £'000**
Revenue	**25,941**	**1,440**	**966**	**28,347**
Non current assets	**5,361**	**—**	**3**	**5,364**

Year ended 31 December 2012	United Kingdom £'000	Europe £'000	Rest of the World £'000	Total £'000
Revenue	26,588	1,521	843	28,952
Non current assets	2,578	—	6	2,584

There was one customer (year ended 31 December 2012 – one) whose revenue from transactions amounted to 10% or more of the Group's revenue.

4. Earnings per share

The calculation of earnings per share is based on the net profit and ordinary shares in issue during the year as follows:

	Year ended 31 December 2013 £'000	Year ended 31 December restated 2012 £'000
Net profit for the year	**354**	611
Weighted average shares in issue (excluding shares held in treasury) used for basic earnings per share	**4,637,337**	4,620,109
Weighted average dilutive shares under option	**60,245**	60,312
Average number of shares used for diluted earnings per share	**4,697,582**	4,680,421
	Pence	Pence
Basic earnings per share	**7.63**	13.22
Diluted earnings per share	**7.54**	13.05

5. Dividend

The Directors are proposing a final dividend of 2.30 pence per ordinary share (year ended 31 December 2012 – 2.20 pence) payable to shareholders on the register on 16 May 2014 and will be paid on or around 13 June 2014.

6. Annual report and accounts

The annual report and accounts will be posted to shareholders shortly and will be available on the Company's website, www.tandemgroup.co.uk.

7. Annual General Meeting

The Annual General Meeting will be held at 11:00 a.m. on 10 June 2014 at 35 Tameside Drive, Castle Bromwich, Birmingham, B35 7AG.