TANDEM GROUP PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Chairman's statement

Introduction
I am pleased to present the results for the year ended 31 December 2016.

Results
Revenue increased to £38,414,000 for the year ended 31 December 2016 from £34,385,000 in the year ended 31 December 2015. This was an increase of 12%.

Operating profit after exceptional items and before finance costs and taxation was £1,379,000 for the year ended 31 December 2016 compared to £1,287,000 for the year ended 31 December 2015, an increase of 7%. Operating profit included a credit of £552,000 which was received from the vendors of the previously acquired Pro Rider and ESC businesses to compensate for the additional import duty costs on product imported prior to acquisition.

Non-underlying items, which do not represent the ongoing trading performance of the Group, were a charge of £106,000 (year ended 31 December 2015 - £85,000).

Cash and cash equivalents increased from £878,000 to £1,101,000 at 31 December 2016.

Net assets also increased during the year from £7,819,000 at 31 December 2015 to £8,214,000 at 31 December 2016.

Dividend
We are proposing to pay a final dividend of 2.60 pence per share (year ended 31 December 2015 – 2.50 pence per share) which, when combined with the interim dividend of 1.30 pence per share (year ended 31 December 2015 – 1.25 pence per share), gives a total dividend of 3.90 pence for the year (year ended 31 December 2015 – 3.75 pence per share).

Subject to shareholder approval at the Annual General Meeting to be held on 22 June 2017, the final dividend will be paid on or around 3 July 2017 to shareholders on the share register as at 19 May 2017. The ex-dividend date will be 18 May 2017.

Pensions
The Group operates two defined benefit pension schemes with both schemes closed to new members. There are no active members in either scheme. There was an increase in the deficit in both schemes from £3,608,000 at 31 December 2015 to £4,215,000 at 31 December 2016. This reflected the low yields in Government gilts which adversely impacted the discount rate used to calculate scheme liabilities.

During the year to 31 December 2016 total payments in respect of these schemes were £368,000 (year ended 31 December 2015 - £403,000) comprising deficit contributions of £260,000 (year ended 31 December 2015 - £256,000) and government levies and administration costs of £108,000 (year ended 31 December 2015 - £147,000).

Employees
The Board welcomes new employees who have joined our Northampton business during the year and thanks all employees for their hard work and dedication during the year.

Strategy
Our strategic objective continues to be to develop and enhance our product ranges and seek to maintain our position as a leading distributor to the UK sports, leisure, bicycle and toy markets and online retailer in the leisure and mobility markets.

Import duty
During the year the vendors of both Pro Rider and ESC businesses settled all liabilities prior to the acquisition date of both businesses and in the case of Pro Rider to February 2016. In total, £552,000 was received by the Group.

Outlook
In our sports, leisure and toys division, we have agreed several new licences, most notably Cars 3, PJ Masks and Transformers. All three licences have the potential to do well during the year.

The London Toy Fair exhibition was a great success and enabled us to showcase the largest range of product that we have had for many years. The feedback on certain categories was extremely positive and we expect to reap the rewards of this throughout 2017.

We have once again secured the majority of the 2017 gazebo business with a significant national retailer and continue to identify new national customers and online marketplaces to sell our ranges.

The newly launched direct to consumer retail websites continue to show growth in traffic with more visitors and page views and we expect this to continue as we increase our digital marketing campaigns.

In our bicycles division we have launched a new range of lightweight children's cycles under the 'Squish' brand. This was exceptionally well received at our January trade show and we are encouraged by the potential of these products.

In addition, we have launched an entry level range of value cycles under our 'British Eagle' brand. This is targeted at the new cyclist and provides opportunities for our dealer base to offer the consumer a quality bicycle at an affordable price.

Following the expansion of the mobility range we believe we have a very credible range of mobility products to satisfy a wide range of budgets and we expect sales to increase in 2017.

M P J Keene
Chairman

12 April 2017

Operating and Financial Review

Revenue and operating profit
Group revenue for the year ended 31 December 2016 was £38,414,000, an increase of 12% compared to £34,385,000 in the prior year.

As we reported in our trading update on 7 March, margin reduced during the second half of the year as a result of sterling weakness and increased import duty on some of our products. To compensate for this we implemented a price increase in the latter part of the year, negotiated better buying prices with suppliers and where this could not be achieved, re-sourced to new factories. As a result of these actions we expect to see an improvement in margin in 2017.

Operating expenses before non-underlying items were £8,744,000 in the year ended 31 December 2016 compared to £8,700,000 for the year ended 31 December 2015, reflecting the increase in turnover. Operating expenses are stated net of the £552,000 credit in respect of the import duty receipts previously discussed.

Due to margin pressure and additional import duty costs, operating profit before non-underlying items reduced to £1,236,000 for the year ended 31 December 2016 compared to £1,420,000 in the prior year.

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 2016 non-underlying items were £106,000 (year ended 31 December 2015 – £85,000) and comprised:

- acquisition and moving expenses of £nil (year ended 31 December 2015 – £140,000);

Exceptional income £143,000 (year ended 31 December 2015 – £7,000):
- exceptional restructuring costs of £191,000 (year ended 31 December 2015 - £47,000);
- the release of deferred consideration £334,000 in respect of the Pro Rider and ESC acquisitions (year ended 31 December 2015 – £54,000).

Finance costs £258,000 (year ended 31 December 2015 – £36,000):
- a fair value charge adjustment for foreign currency derivative contracts under IAS39 of £129,000 (year ended 31 December 2015 – £104,000 credit);
- pension finance costs under IAS19 of £129,000 (year ended 31 December 2015 - £140,000).

Tax credit £9,000 (year ended 31 December 2015 – £84,000):
- a deferred tax credit of £9,000 (year ended 31 December 2015 - £84,000) in respect of IAS39, IAS19 and share options.

Finance costs
Total net finance costs for the year ended 31 December 2016 were £465,000 compared to £242,000 for the year ended 31 December 2015.

Interest payable on bank loans, overdrafts, hire purchase and invoice finance facilities was £207,000 compared to £206,000 in the prior year. Finance costs in respect of the pension schemes provided in accordance with IAS19 were £129,000 compared to £140,000 for year ended 31 December 2015. There was a fair value charge of £129,000 in respect of derivative foreign exchange contracts against a credit of £104,000 in the prior year. This was calculated in accordance with IAS39. The net cost of pension schemes' finance costs and derivatives of £258,000 (year ended 31 December 2015 - £36,000) is included in non-underlying items.

Taxation
The tax expense for the year ended 31 December 2016 was £137,000 which compared to £44,000 last year.

There was an increase in current tax from £73,000 in the prior year to £173,000 for the year ended 31 December 2016. This comprised corporation tax from the overseas Hong Kong operation.

Deferred tax income of £36,000 comprised tax in respect of movements in trading losses and pension schemes' liabilities and compared to £29,000 in the prior year.

Net profit
Net profit for the year ended 31 December 2016 after non-underlying items, finance costs and taxation was £777,000 compared to £1,001,000 for the year ended 31 December 2015.

Capital expenditure
Capital additions for the year totalled £103,000 (year ended 31 December 2015 - £171,000) which included the upgrade of the Castle Bromwich security systems and additional racking of the Northampton warehouse.

Cash flows, working capital and net debt
Net cash inflow from operating activities before movements in working capital for the year ended 31 December 2016 was £693,000 compared to £1,254,000 in the prior year.

Total cash generated from operations was £1,800,000 compared to £1,711,000 last year.

Net cash outflows from investing activities were £130,000 in the year ended 31 December 2016 against £2,512,000 in the previous year.

There was a net cash outflow from financing activities of £1,275,000 in the year ended 31 December 2016 which compared to a net cash inflow of £51,000 in the year ended 31 December 2015.

Net debt, comprising cash and cash equivalents, invoice financing liabilities and borrowings, was £4,197,000 at 31 December 2016 compared to £5,650,000 at 31 December 2015.

Dividends
Total dividends paid and proposed for the year ended 31 December 2016 increased to 3.90 pence per share compared to 3.75 pence per share for the year ended 31 December 2015, an increase of 4%. The dividend cover ratio was 4.1 (year ended 31 December 2015 – 5.7). 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 was 16.0 pence per share for the year ended 31 December 2016 compared to 21.3 pence per share in the year ended 31 December 2015. Diluted earnings per share was 15.7 pence per share compared to 20.3 pence per share in the prior year.

Sports, leisure and toys
There was an increase in revenue for the year ended 31 December 2016 in the sports, leisure and toys businesses of approximately 43%. This included a full year's contribution from the ESC business.

A number of licences performed very strongly including Batman, Disney Princess, My Little Pony, Paw Patrol, Shopkins and Trolls. Our 'evergreen' licences such as Peppa Pig, Star Wars and Thomas & Friends also made substantial contributions.

Our own brands, particularly Kickmaster and Hedstrom, also performed well and were ahead of the previous year. We have been very pleased with the contribution from our portfolio of 'Airwave' gazebos and party tents and also by our 'Jack Stonehouse' radiator cover range. Revenue exceeded the prior year and we continued to expand our product offering.

We also experienced growth in our Ben Sayers golf business with both package sets and electric golf trolleys showing good growth.

Operating profit after corporate charges for the year ended 31 December 2016 for sports, leisure and toys was £1,538,000 compared to £788,000 in the prior year.

Bicycles and mobility
Revenue was approximately 26% behind the prior year. Both corporate and independent bicycle businesses encountered difficult trading conditions.

Unlike the prior year, there was no significant promotional contract in our corporate bicycles division and revenue reduced as a result. We continue to seek opportunities for future promotional business where it is possible to make an acceptable margin.

In our independent cycles businesses there was a continued downturn reflecting the overall trend in the UK leisure cycling market. Having been aware of and having reported challenging market conditions previously we made some significant changes during the second half of the year. The Claud Butler and Dawes sales teams were merged together with one team selling both brands. We have rationalised the product development department and improved efficiencies within our Scunthorpe premises where all Claud Butler and Dawes products are now warehoused together. As a result of these changes we expect to save approximately £1.0 million of overhead costs in the bicycles businesses in 2017.

Our Pro Rider mobility business continued to make a valuable contribution. During the period we extended our product offering and signed distribution agreements with three well known mobility brands to supplement our own range.

However, as a result of the decline in revenue and the challenging market environment there was a loss in the bicycles and mobility division after corporate charges of £239,000 (year ended 31 December 2015 - £564,000 profit).

S J Grant
Chief Executive Officer

J C Shears
Group Finance Director

12 April 2017

Consolidated income statement

	Note	31 December 2016 Before non-underlying items	Non-underlying items	After non-underlying items	31 December 2015 Before non-underlying items	Non-underlying items	After non-underlying items
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue		**38,414**	__	**38,414**	34,385	__	34,385
Cost of sales		**(28,434)**	__	**(28,434)**	(24,265)	__	(24,265)
Gross profit		**9,980**	__	**9,980**	10,120	__	10,120
Operating expenses		**(8,744)**	__	**(8,744)**	(8,700)	(140)	(8,840)
Operating profit before exceptional income		**1,236**	__	**1,236**	1,420	(140)	1,280
Exceptional income		__	**143**	**143**	__	7	7
Operating profit after exceptional income		**1,236**	**143**	**1,379**	1,420	(133)	1,287
Finance costs		**(207)**	**(258)**	**(465)**	(206)	(36)	(242)
Profit before taxation		**1,029**	**(115)**	**914**	1,214	(169)	1,045
Tax (expense)/credit		**(146)**	**9**	**(137)**	(128)	84	(44)
Net profit for the year		**883**	**(106)**	**777**	1,086	(85)	1,001
Earnings per share	4			**Pence**			Pence
Basic				**16.0**			21.3
Diluted				**15.7**			20.3

Consolidated statement of comprehensive income

	31 December 2016	31 December 2015
	£'000	£'000
Net profit for the year	**777**	1,001
Other comprehensive income:		
Items that will be reclassified subsequently to profit and loss:		
Foreign exchange differences on translation of foreign operations	**322**	51
Items that will not be reclassified subsequently to profit or loss:		
Deferred tax credit on share based payments	__	75
Actuarial (loss)/gain on pension schemes	**(738)**	423
Movement in pension schemes' deferred tax provision	**57**	(223)
Other comprehensive income for the year	**(359)**	326
Total comprehensive income for the year attributable to equity shareholders	**418**	1,327

All figures relate to continuing operations.

Consolidated balance sheet

	At 31 December 2016 £'000	At 31 December 2015 £'000
Non current assets		
Intangible fixed assets	**5,625**	5,612
Property, plant and equipment	**3,141**	3,267
Deferred taxation	**1,918**	1,825
	10,684	10,704
Current assets		
Inventories	**7,624**	6,227
Trade and other receivables	**3,910**	5,468
Derivative financial asset held at fair value	**117**	246
Cash and cash equivalents	**1,101**	878
	12,752	12,819
Total assets	**23,436**	23,523
Current liabilities		
Trade and other payables	**(5,571)**	(5,316)
Other liabilities	**(3,226)**	(4,034)
Current tax liabilities	**(133)**	(244)
	(8,930)	(9,594)
Non current liabilities		
Other payables	**(5)**	(8)
Other liabilities	**(2,072)**	(2,494)
Pension schemes' deficits	**(4,215)**	(3,608)
	(6,292)	(6,110)
Total liabilities	**(15,222)**	(15,704)
Net assets	**8,214**	7,819
Equity		
Share capital	**1,503**	1,503
Shares held in treasury	**(272)**	(316)
Share premium	**232**	127
Other reserves	**3,266**	2,944
Profit and loss account	**3,485**	3,561
Total equity	**8,214**	7,819

Consolidated statement of changes in equity

	Share capital	Shares held in treasury	Share premium	Merger reserve	Capital redemption reserve	Translation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	1,503	(336)	84	1,036	1,427	430	2,442	6,586
Net profit for the year	—	—	—	—	—	—	1,001	1,001
Re-translation of overseas subsidiaries	—	—	—	—	—	51	—	51
Net actuarial gain on pension schemes	—	—	—	—	—	—	200	200
Total comprehensive income for the year attributable to equity shareholders	—	—	—	—	—	51	1,201	1,252
Share based payments	—	—	—	—	—	—	14	14
Deferred tax on share options	—	—	—	—	—	—	75	75
Exercise of share options	—	20	43	—	—	—	—	63
Dividends paid	—	—	—	—	—	—	(171)	(171)
Total transactions with owners	—	20	43	—	—	—	(82)	(19)
At 1 January 2016	1,503	(316)	127	1,036	1,427	481	3,561	7,819
Net profit for the year	—	—	—	—	—	—	777	777
Re-translation of overseas subsidiaries	—	—	—	—	—	322	—	322
Net actuarial loss on pension schemes	—	—	—	—	—	—	(681)	(681)
Total comprehensive income for the year attributable to equity shareholders	—	—	—	—	—	322	96	418
Share based payments	—	—	—	—	—	—	13	13
Exercise of share options		44	105	_	_	_	_	149
Dividends paid	—	—	—	—	—	—	(185)	(185)
Total transactions with owners	—	44	105	—	—	—	(172)	(23)
At 31 December 2016	**1,503**	**(272)**	**232**	**1,036**	**1,427**	**803**	**3,485**	**8,214**

Consolidated cash flow statement

	31 December 2016 £'000	31 December 2015 £'000
Cash flows from operating activities		
Net profit for the year	**777**	1,001
Adjustments:		
Depreciation of property, plant and equipment	**186**	193
Amortisation of intangible fixed assets	**31**	16
Profit on sale of property, plant and equipment	**(5)**	—
Waiver of deferred consideration	**(651)**	—
Contribution to defined benefit plans	**(260)**	(256)
Finance costs	**465**	242
Tax expense	**137**	44
Share based payments	**13**	14
Net cash flow from operating activities before movements in working capital	**693**	1,254
Change in inventories	**(1,397)**	(137)
Change in trade and other receivables	**1,558**	1,814
Change in trade and other payables	**946**	(1,220)
Cash generated from operations	**1,800**	1,711
Interest paid	**(207)**	(108)
Tax paid	**(287)**	(120)
Net cash flows from operating activities	**1,306**	1,483
Cash flows from investing activities		
Acquisition of subsidiary net of cash acquired	**—**	(2,057)
Acquisition of subsidiaries deferred consideration paid	**(32)**	(290)
Purchases of intangible fixed assets	**(44)**	(39)
Purchases of property, plant and equipment	**(59)**	(132)
Sale of property, plant and equipment	**5**	6
Net cash flows from investing activities	**(130)**	(2,512)
Cash flows from financing activities		
New loans	**—**	1,500
Loan repayments	**(407)**	(182)
Finance lease repayments	**(24)**	(23)
Movement in invoice financing	**(808)**	(1,136)
Exercise of share options	**149**	63
Dividends paid	**(185)**	(171)
Net cash flows from financing activities	**(1,275)**	51
Net change in cash and cash equivalents	**(99)**	(978)
Cash and cash equivalents at beginning of year	**878**	1,805
Effect of foreign exchange rate changes	**322**	51
Cash and cash equivalents at end of year	**1,101**	878

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 2016, 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 2016 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, are set out in the statutory financial statements for the year ended 31 December 2016.

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 one off acquisition costs, non-recurring relocation costs, exceptional costs of Group restructuring, the finance cost related to the Group's pension schemes calculated in accordance with IAS19, 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 and the release of the over provision in respect of contingent consideration.

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.

Financial instruments valuation

Forward contracts and options are used to minimise the impact of foreign exchange fluctuations on the group. An asset or liability is recognised representing the fair value of the instruments in place at the year end. The fair value is calculated using certain estimates and valuation models by reference to significant inputs including; implied volatilities in foreign currency and historical movements in foreign currency exchange rates. Changes in the fair value of the instruments are recognised in profit or loss in the income statement.

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.

Intangible asset valuation
In attributing value to intangible assets arising on acquisition, management has made certain assumptions in terms of cash flows attributable to intellectual property and customer relationships. The key assumptions relate to the trading performance of the acquired business, royalty rates applied in the royalty relief calculation and discount rates applied to calculate the present value of future cash flows. The Directors consider the resulting valuation to be a reasonable approximation as to the value of the intangibles acquired.

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.

Pension deficit
In accordance with the winding up provisions of the Trust deeds the Directors have concluded that the Group has a discretionary right to receive returns of contributions if the schemes were to be in surplus. Accordingly any excess funding has not been recognised on the balance sheet.

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:

31 December 2016	Sports, leisure and toys £'000	Bicycles and mobility £'000	Total £'000
Revenue	26,975	11,439	38,414
Segment result before corporate charges	2,233	124	2,357
Allocation of corporate charges	(695)	(363)	(1,058)
Segment result after corporate charges	1,538	(239)	1,299
Unallocated corporate charges			(63)
Operating profit			1,236
Exceptional income			143
Finance costs			(465)
Profit before taxation			914
Tax expense			(137)
Net profit for the year			777
Segment assets	12,666	6,912	19,578
Unallocated assets			3,858
Total assets			23,436
Segment liabilities	(5,427)	(2,728)	(8,155)
Unallocated liabilities			(7,067)
Total liabilities			(15,222)
Consolidated net assets			8,214
Capital additions			
Group			—
Segments	83	20	103
			103
Depreciation			
Group			38
Segments	75	73	148
			186

31 December 2015	Sports, leisure and toys £'000	Bicycles and mobility £'000	Total £'000
Revenue	18,907	15,478	34,385
Segment result before corporate charges	1,300	895	2,195
Allocation of corporate charges	(512)	(331)	(843)
Segment result after corporate charges	788	564	1,352
Unallocated corporate charges			(72)
Operating profit			1,280
Exceptional income			7
Finance costs			(242)
Profit before taxation			1,045
Tax expense			(44)
Net profit for the year			1,001
Segment assets	9,834	9,057	18,891
Unallocated assets			4,632
Total assets			23,523
Segment liabilities	(4,554)	(3,679)	(8,233)
Unallocated liabilities			(7,471)
Total liabilities			(15,704)
Consolidated net assets			7,819
Capital additions			
Group			1
Segments	90	80	170
			171
Depreciation			
Group			38
Segments	80	75	155
			193

Depreciation is included within operating expenses in the consolidated income statement.

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

31 December 2016	**United Kingdom £'000**	**Europe £'000**	**Rest of the World £'000**	**Total £'000**
Revenue	**34,871**	**2,439**	**1,104**	**38,414**
Non current assets	**8,766**	**—**	**—**	**8,766**

31 December 2015	United Kingdom £'000	Europe £'000	Rest of the World £'000	Total £'000
Revenue	32,247	1,064	1,074	34,385
Non current assets	8,873	—	6	8,879

There was one customer (year ended 31 December 2015 – 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:

	31 December 2016 £'000	31 December 2015 £'000
Net profit for the year	**777**	1,001
Weighted average shares in issue (excluding shares held in treasury) used for basic earnings per share	**4,863,496**	4,696,752
Weighted average dilutive shares under option	**84,530**	241,974
Average number of shares used for diluted earnings per share	**4,948,026**	4,938,726
	Pence	Pence
Basic earnings per share	**16.0**	21.3
Diluted earnings per share	**15.7**	20.3

5. Dividend

The Directors are proposing a final dividend of 2.60 pence per ordinary share (year ended 31 December 2015 – 2.50 pence) payable to shareholders on the register on 19 May 2017 and will be paid on or around 3 July 2017.

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 22 June 2017 at 35 Tameside Drive, Castle Bromwich, Birmingham, B35 7AG.

For further information contact:

Tandem Group plc
Steve Grant, Chief Executive
Jim Shears, Group Finance Director and Company Secretary
Telephone 0121 748 8075

Nominated Adviser
Cairn Financial Advisers LLP
Tony Rawlinson
James Caithie
Telephone 020 7213 0880