8 June 2016

Tricorn Group plc
Final Results
For the year ended 31 March 2016

Tricorn Group plc ('Tricorn' or the 'Group'), (TCN.L) the AIM quoted tube manipulation specialist, announces its audited final results for the year ended 31 March 2016.

Highlights

- Significant improvements in the USA - business is now performing well
- Delivered circa £1m in efficiency gains, which coupled with new business wins, helped to mitigate the impact of weaker end markets
- £1.2m of net cash from operating activities
- Net debt reduced from previous year end
- Restructuring of manufacturing operations in China progressing as planned

Financial Summary

	2016	2015
	£'000	£'000
Revenue	**18,016**	21,186
Operating profit*	**33**	176
Loss before tax*	**(273)**	(55)
Net cash from operating activities	**1,222**	(742)
Cash and equivalents	**855**	694
Net debt	**(2,920)**	(3,125)
Loss per share – basic*	**(0.19)p**	(0.50)p

* All references to operating profit, loss before tax and loss per share are for continuing operations and before restructuring costs, intangible asset amortisation and share based payment charges.

Commenting on the results and the Group's prospects, Andrew Moss, Chairman of Tricorn, said:

"We have made significant improvements in the USA and our operation there is now performing well. The Group has delivered circa £1m in efficiency gains in the year which, coupled with new business wins, have helped to mitigate the impact of weaker end markets. In China the restructuring of our manufacturing operations is progressing as planned and once complete we expect this business to contribute positively to overall profitability. The Board expects that whilst underlying demand will remain challenging we are well positioned to make further progress in the current year."

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Notes to Editors:

Tricorn is a value added manufacturer and specialist manipulator of pipe and tubing assemblies to niche markets worldwide in the Energy and Transportation sectors.

Headquartered in Malvern, UK, Tricorn employs around 300 employees and has five manufacturing facilities in the UK, USA and China. It operates through three brands: Malvern Tubular Components, Maxpower Automotive and Franklin Tubular Products.

Chairman's and Chief Executive's statement

Performance in the year ended 31 March 2016

Revenue for the year at £18.016m was £3.170m lower than the previous year (2015: £21.186) as a result of further weakening in key end markets, particularly within the Energy division. In response the Board acted decisively to reduce costs delivering circa £1m of efficiency gains, which coupled with the benefit of new business wins, helped to mitigate the impact of lower volumes. Underlying operating profit for the year at £0.033m was £0.143m lower than the previous year (2015: £0.176m).

In the Transportation division, good progress continued to be made with the operations in both the USA and UK. The USA operation is now performing well and new business growth largely offset weaker end markets. In the UK revenue in the second half of the year was slightly ahead of the first half and, alongside the steps taken to reduce costs returned the operation to profit for the year. In China, the businesses were loss making and as market conditions in the region are less favourable than anticipated when we established these ventures, the Board has decided to combine the activities of its wholly owned facility and joint venture into a single operation.

The Energy division continued to make further improvements to operational performance but was challenged by the impact of significantly lower revenue levels as its customers experienced reduced demand from the majority of their key end markets.

Business Review

The Group operates two main business divisions focused on the transportation and energy sectors. From the Group's five manufacturing facilities, the businesses serve a global blue chip OEM customer base, many of whom have major facilities in the UK, USA, and China as well as elsewhere in the world.

With manufacturing operations now established in each of these key locations, the Group is ideally positioned to support its customers' facilities as they continue to seek to localise supply and technical support.

Transportation

The Transportation division is focused on rigid, nylon and hybrid tubular products for engines, braking systems, transportation lubrication, fuel sender sub-systems and hydraulic actuation in a variety of on and off road applications including construction, trucks and agriculture.

Revenue for the year ended 31 March 2016 was £12.538m (2015: £13.760m) and underlying operating profit increased to £0.043m (2015: underlying operating loss £0.250m).

In the USA Franklin Tubular Products made significant operational improvements with the business now profitable and performing well. Revenue for the year was broadly flat with new business growth offsetting weaker market demand.

In the UK, Maxpower Automotive started to benefit from the impact of new business growth and revenue was slightly higher in the second half of the year than the first half. The higher revenue combined with the actions taken to lower costs returned the operation to profit in the second half of the year and for the year as a whole.

In China, both the Group's wholly owned facility and joint venture were loss making and with less favourable market conditions in the region than anticipated when we established these ventures the Board has decided to combine the activities of both businesses. This significantly reduces operational gearing and concentrates the Group's manufacturing and engineering resources into a single location in Nanjing. Once the transfer is complete, which is expected to be by July 2016, the Board expects the business to contribute positively to overall profitability.

Energy

The Energy division is focused on the design and manufacture of larger tubular assemblies and fabrications for diesel engines and radiator sets. The key markets served through its customers are power generation, mining, marine and oil and gas applications.

Revenue for the year at £5.478m was substantially down on the previous year (2015: £7.426m) with customers experiencing significantly lower demand from their key markets. Additionally, a customer transferred production of an engine series from the UK to the USA. Whilst this impacted Malvern Tubular Components in the second half of the year, the Group was able to retain this business through its USA operation, once again underlining the value of its expanded manufacturing footprint. The Malvern business reduced its cost base in response to the lower demand but none the less saw a marked reduction in underlying operating profit to £0.098m (2015: £0.611m).

Financial Review

The financial year 2015/16 has been challenging, with reduced demand across key markets. As a result the Group has focused on reducing its cost base and improving its cash generation.

With the actions taken during the year the Group was able to deliver an underlying operating profit of £0.033m (2015: £0.176m) on revenues which were down 15% on the prior year.

Income Statement
Revenue for the year, at £18.016m was down £3.170m on the prior year of £21.186m. The Group focused on labour efficiencies and reducing material costs but gross profit was down to £7.264m (2015: 7.634m) on the lower revenues.

After deducting administration and distribution costs, the Group delivered an underlying operating profit of £0.033m compared to the prior year's underlying operating profit of £0.176m.

Finance costs for the year were £0.207m (2015: net finance income £0.039m) and the Group made an underlying loss before tax for the year of £0.273m (2015: underlying loss before tax £0.055m).

Following the recent announcement by the Group of the merger of its wholly owned and joint venture activities in China, a level of restructuring cost has been incurred in the year covering staff compensation costs and the run out of its property lease. Total restructuring costs for the Group in the year were £0.270m (2015: 0.059m). After deducting restructuring costs, intangible asset amortisation and share based payment charges, the loss before tax for the year was £0.760m (2015: loss before tax for continuing operations £0.036m).

Basic loss per share (LPS) for continuing businesses was 1.64p (2015: LPS 0.46p) and after adjusting for one-off items, the underlying LPS was 0.19p (2015: LPS 0.50p). The Group is not recommending the payment of a final dividend (2015: nil pence).

Cash Flow
The focus on cost control and working capital management resulted in the Group generating net cash from operating activities of £1.222m (2015: net cash outflow £0.742m). Capital expenditure for the year was £0.781m (2015: £0.312m) as the Group invested, particularly in its UK facilities, on the back of recent contract wins. As a result 65% of the Group's capital investment in the year related to new business.

At 31 March 2016 the Group had reduced net debt to £2.920m (2015: £3.125m). Cash and cash equivalents were £0.855m (2015: £0.694m) and gearing was 48.5% (2015: 48.6%).

The Group uses short term borrowings to fund its operating activities, with selected capital additions and larger projects being financed by lease finance arrangements. At the year end the Group did not have any term debt in place.

Balance Sheet
Total assets of the Group as at 31 March 2016 were £12.363m, which was a reduction of £1.006m on the prior year with net working capital in the year reducing to £3.374m (2015: £4.539m).

On translation of its overseas assets and liabilities the Group made an exchange gain of £0.052m (2015: gain £0.281m). This is a non-cash movement which is not hedged and is treated as a movement in other comprehensive income. As a result, the translation reserve in shareholders' funds now shows a £0.107m surplus (2015: surplus £0.55m).

Outlook

We have made significant improvements in the USA and our operation there is now performing well. The Group has delivered circa £1m in efficiency gains in the year which, coupled with new business wins, have helped to mitigate the impact of weaker end markets. In China the restructuring of our manufacturing operations is progressing as planned and once complete we expect this business to contribute positively to overall profitability. The Board expects that whilst underlying demand will remain challenging we are well positioned to make further progress in the current year.

Andrew Moss	Mike Welburn
Chairman	Chief Executive

Group income statement
For year ended 31 March 2016

All of the activities of the Group are classed as continuing.

	Note	**2016 £'000 Underlying**	**2016 £'000 Non-underlying**	**2016 £'000 Group**	2015 £'000 Underlying	2015 £'000 Non-underlying	2015 £'000 Group
Revenue	3	**18,016**	**-**	**18,016**	21,186	-	21,186
Cost of sales		**(10,752)**	**-**	**(10,752)**	(13,552)	-	(13,552)
Gross profit		**7,264**	**-**	**7,264**	7,634	-	7,634
Distribution costs		**(969)**	**-**	**(969)**	(1,082)	-	(1,082)
Administration costs							
- General administration costs		**(6,262)**	**-**	**(6,262)**	(6,376)	-	(6,376)
- Restructuring costs		**-**	**(270)**	**(270)**	-	(59)	(59)
- Intangible asset amortisation		**-**	**(158)**	**(158)**	-	(78)	(78)
- Share based payment charge		**-**	**(59)**	**(59)**	-	(58)	(58)
Total administration costs		**(6,262)**	**(487)**	**(6,749)**	(6,376)	(195)	(6,571)
Operating profit/(loss)	3	**33**	**(487)**	**(454)**	176	(195)	(19)
Share of loss from joint venture		**(99)**	**-**	**(99)**	(56)	-	(56)
Finance costs		**(207)**	**-**	**(207)**	(175)	214	39
(Loss)/profit before tax	3	**(273)**	**(487)**	**(760)**	(55)	19	(36)
Income tax credit/(expense)		**160**	**48**	**208**	(113)	(4)	(117)
(Loss)/profit after tax from continuing operations		**(113)**	**(439)**	**(552)**	(168)	15	(153)
Loss for the year attributable to discontinued operations		**-**	**-**	**-**	-	(592)	(592)
Attributable to:							
Equity holders of the parent company		**(113)**	**(439)**	**(552)**	(168)	(577)	(745)
Continuing Operations Earnings per share:							
Basic loss per share	4			**(1.64)p**			(0.46)p
Diluted loss per shares	4			**(1.64)p**			(0.46)p

Group statement of comprehensive income
For year ended 31 March 2016

	2016	2015
	£'000	£'000
Loss for the year	**(552)**	(745)
Other comprehensive income		
Items that will subsequently be reclassified to profit or loss		
Foreign exchange translation differences	**52**	281
Total comprehensive loss attributable to equity holders of the parent	**(500)**	(464)

Group statement of changes in equity
For year ended 31 March 2016

	Share Capital £'000	Share premium £'000	Merger reserve £'000	Trans-lation reserve £'000	Share based payment reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2014	**3,349**	**1,692**	**1,388**	**(226)**	**343**	**290**	**6,836**
Share based payment charge	-	-	-	-	58	-	58
Total Transactions with owners	-	-	-	-	58	-	58
Loss and total comprehensive expense	-	-	-	281	-	(745)	(464)
Balance at 31 March 2015	**3,349**	**1,692**	**1,388**	**55**	**401**	**(455)**	**6,430**
Issue of new shares	30	-	-	-	-	-	30
Share based payment charge	-	-	-	-	59	-	59
Write back of share based reserve	-	-	-	-	(160)	160	-
Total transactions with owners	30	-	-	-	(101)	160	89
Loss and Total Comprehensive expense	-	-	-	52		(552)	(500)
Balance at 31 March 2016	**3,379**	**1,692**	**1,388**	**107**	**300**	**(847)**	**6,019**

Group statement of financial position
At 31 March 2016

	2016 £'000	2015 £'000
Assets		
Non current		
Goodwill	**391**	391
Intangible assets	**500**	467
Property, plant and equipment	**3,796**	4,100
Investment in joint venture	**216**	315
	4,903	5,273
Current		
Inventories	**2,258**	2,514
Trade and other receivables	**3,550**	4,872
Cash and cash equivalents	**855**	694
Corporation tax	**32**	16
	6,695	8,096
Assets held in disposal group classified as held for sale	**765**	-
Total assets	**12,363**	13,369
Liabilities		
Current		
Trade and other payables	**(2,434)**	(2,847)
Borrowings	**(3,677)**	(3,808)
Corporation tax	**-**	(114)
	(6,111)	(6,769)
Non-current		
Borrowings	**(98)**	(11)
Deferred tax	**(135)**	(159)
	(233)	(170)
Total liabilities	**(6,344)**	(6,939)
Net assets	**6,019**	6,430
Equity attributable to owners of the parent		
Share capital	**3,379**	3,349
Share premium account	**1,692**	1,692
Merger reserve	**1,388**	1,388
Translation reserve	**107**	55
Share based payment reserve	**300**	401
Profit and loss account	**(847)**	(455)
Total equity	**6,019**	6,430

Group statement of cash flows
For year ended 31 March 2016

	2016 £'000	2015 £'000
Cash flows from operating activities		
Loss after taxation from continuing operations	**(552)**	(153)
Adjustment for:		
- Depreciation	**704**	659
- Net finance costs/(income) in income statement	**207**	(39)
- Amortisation charge	**158**	78
- Share based payment charge	**59**	58
- Share of joint venture operating losses	**99**	56
- Taxation credit/(expense) recognised in income statement	**(208)**	117
- Decrease in trade and other receivables	**1,329**	267
- Decrease in trade payables and other payables	**(414)**	(1,249)
- Increase in inventories	**(19)**	(134)
Cash generated/(absorbed) by continuing operations	**1,363**	(340)
Cash absorbed by discontinued operations	**-**	(243)
Interest paid	**(207)**	(159)
Income taxes paid	**66**	-
Net cash generated/(absorbed) by operating activities	**1,222**	(742)
Cash flows from investing activities		
Sale of operations	**-**	1,137
Purchase of plant and equipment – continuing operations	**(629)**	(312)
Purchase of plant and equipment – discontinued operations	**-**	(27)
Purchase of intangible assets	**(192)**	-
Interest received	**-**	214
Net cash used in investing activities	**(821)**	1,012
Cash flows from financing activities		
Issue of ordinary share capital	**30**	-
Movement in short term borrowings	**(201)**	(674)
Payment of finance lease liabilities – continuing operations	**(69)**	(72)
Payment of finance lease liabilities – discontinued operations	**-**	(114)
Net cash used in financing activities	**(240)**	(860)
Net increase/(decrease) in cash and cash equivalents	**161**	(590)
Cash and cash equivalents at beginning of year	**694**	1,284
Cash and cash equivalents at end of year	**855**	694

1 General information

Tricorn Group plc and subsidiaries' (the 'Group') principal activities comprise high precision tube manipulation and systems engineering.

The Group's customer base includes major blue chip companies with world-wide activities in key market sectors, including Power Generation, Oil & Gas, Off Highway, Commercial Vehicles, Agriculture and Automotive.

Tricorn Group plc is the Group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of Tricorn Group plc's registered office, which is also its principal place of business, is Spring Lane, Malvern, Worcestershire, WR14 1DA. Tricorn Group plc's shares are quoted on the Alternative Investment Market of the London Stock Exchange.

The consolidated financial statements have been approved for issue by the Board of Directors on 7 June 2016. Amendments to the financial statements are not permitted after they have been approved.

The financial information set out in this final results announcement does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The group income statement, statement of comprehensive income, the group statement of changes in equity, the group statement of financial position, the group statement of cash flows and the associated notes for the year ended 31 March 2016 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 March 2016 will be delivered to the Registrar of Companies following the Group's Annual General Meeting.

2 Accounting policies

Basis of preparation

This financial information has been prepared under the required measurement bases specified under International Financial Reporting Standards (IFRS) and in accordance with applicable IFRS as adopted by the European Union and IFRS as issued by the International Accounting Standards Board.

The Group distinguishes between underlying and non-underlying items in its Consolidated Income Statement. Non-underlying items are material items which arise from unusual non-recurring or non-trading events. They are disclosed on the face of 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, intangible assets amortisation and share based payment charges.

3 Segmental reporting

The Group operates two main business segments:

- Energy: manipulated tubular assemblies for use in power generation, oil and gas and marine sectors.
- Transportation: ferrous, non-ferrous and nylon material tubular assemblies for use in on and off-highway applications.

3 Segmental reporting (continued)

The financial information detailed below is frequently reviewed by the Chief Operating Decision maker.

Year ended 31 March 2016	**Energy £'000**	**Transport-ation £'000**	**Unallocated £'000**	**Total £'000**
Revenue				
- from external customers	**5,478**	**12,538**	**-**	**18,016**
- from other segments	**329**	**191**	**(520)**	**-**
Segment revenues	**5,807**	**12,729**	**(520)**	**18,016**
Underlying operating profit/(loss)*	**98**	**43**	**(108)**	**33**
Restructuring charges	**(32)**	**(225)**	**(13)**	**(270)**
Intangible asset amortisation	**-**	**-**	**(158)**	**(158)**
Share based payment charge	**-**	**-**	**(59)**	**(59)**
Operating Profit/(loss)	**66**	**(182)**	**(338)**	**(454)**
Share of loss from joint venture	**-**	**-**	**(99)**	**(99)**
Net finance (costs)/income	**(35)**	**(125)**	**(47)**	**(207)**
Profit/(loss) before tax	**31**	**(307)**	**(484)**	**(760)**
Other segment information:				
Segmental assets	**2,573**	**9,137**	**653**	**12,363**
Capital expenditure	**251**	**529**	**1**	**781**
Depreciation	**271**	**431**	**2**	**704**

*- Before intangible asset amortisation, share based payment charges and restructuring costs

3 Segmental reporting (continued)

Year ended 31 March 2015	Energy £'000	Transport-ation £'000	Unallocated £'000	Total £'000
Revenue				
- from external customers	7,426	13,760	-	21,186
- from other segments	-	-	-	-
Segment revenues	7,426	13,760	-	21,186
Underlying operating profit*	611	(250)	(185)	176
Restructuring charges	-	(59)	-	(59)
Intangible asset amortisation	-	-	(78)	(78)
Share based payment charge	-	-	(58)	(58)
Operating profit/ (loss)	611	(309)	(321)	(19)
Share of loss from joint venture	-	-	(56)	(56)
Net finance costs	(44)	(128)	211	39
Loss before tax	567	(437)	(166)	(36)
Other segment information:				
Segmental assets	3,513	8,907	949	13,369
Capital expenditure	182	120	1	303
Depreciation	226	431	2	659

*- Before intangible asset amortisation, share based payment charges and restructuring costs.

The Group's revenue from external customers (by destination) and its geographic allocation of total assets may be summarised as follows:

	Year ended 31 March 2016		Year ended 31 March 2015	
	Revenue £'000	**Assets £'000**	Revenue £'000	Assets £'000
United Kingdom	**7,805**	**6,583**	10,875	6,834
Europe	**1,109**	**-**	1,231	-
Rest of World	**9,102**	**5,780**	9,080	6,535
	18,016	**12,363**	21,186	13,369

No single customer accounts for more than 10% of revenue.

4 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	Loss £'000	**31 March 2016 Weighted average number of shares Number '000**	**Loss per share Pence**
Basic loss per share – continuing operations	**(552)**	**33,646**	**(1.64)**
Dilutive shares		**-**	
Diluted loss per share – continuing operations	**(552)**	**33,646**	**(1.64)**

	Loss £'000	31 March 2015 Weighted average number of shares Number '000	Loss per Share Pence
Basic loss per share – continuing operations	(153)	33,495	(0.46)
Dilutive shares		-	
Diluted loss per share – continuing operations	(153)	33,495	(0.46)

	Loss £'000	31 March 2015 Weighted average number of shares Number '00(	Earnings per Share Pence
Basic loss per share – discontinued operations	(592)	33,495	(1.77)
Dilutive shares		-	
Diluted loss per share – discontinued operations	(592)	33,495	(1.77)

The directors consider that the following adjusted earnings per share calculation is a more appropriate reflection of the Group performance.

4 Earnings per share (continued)

	Loss £'000	31 March 2016 Weighted average number of shares Number '000	Loss per share Pence
Basic loss per share – continuing operations	**(552)**	**33,646**	**(1.64)**
Restructuring costs	**270**		
Amortisation of intangible asset (incl deferred tax)	**158**		
Share based payment charge	**59**		
Adjusted loss per share	**(65)**	**33,646**	**(0.19)**
Dilutive shares		**-**	
Diluted adjusted loss per share	**(65)**	**33,646**	**(0.19)**

	Loss £'000	31 March 2015 Weighted average number of share Number '000	Loss per share Pence
Basic loss per share – continuing operations	(153)	33,495	(0.46)
Restructuring costs	59		
Amortisation of intangible asset (incl deferred tax)	82		
Share based payment charge	58		
Other income	(214)		
Adjusted loss per share	(168)	33,495	(0.50)
Dilutive shares		-	
Diluted adjusted loss per share	(168)	33,495	(0.50)

There is no dilution to the basic or adjusted loss per share in 2016 and 2015 owing to a loss being reported in each year.

5 Business disposals

On 31 March 2016, the Group announced its intention to merge its facilities in China. This would involve the closure of its 100% owned facility, Maxpower Automotive Manufacturing Components (Wuxi) Limited and the transfer of all manufacturing activities to its joint venture, Minguang-Tricorn Tubular Products Limited, based in Nanjing. Tricorn Group plc would use the assets transferred from the Wuxi business as additional equity in the enlarged joint venture and the transaction is expected to complete in July 2016. A summary of these assets as at 31 March 2016 is shown below:-

	£'000
Net assets	
Plant & equipment	**490**
Inventories	**275**
Total assets	**765**

The above assets are separately identified on the Group's consolidated balance sheet.

The Group income statement shows a loss from discontinued operations of £0.592m for the year ended 31 March 2015, in respect of the disposal of the aerospace business. There are no discontinued operations in the year ended 31 March 2016.

6 Dividend

The Group is not recommending the payment of a final dividend (2015: Nil pence).

7 Availability

Copies of this announcement will be available from the Company's registered office, Spring Lane, Malvern, Worcestershire, WR14 1DA, and on its website, www.tricorn.uk.com.