

31 JULY 2014

Arden Partners plc
("Arden" or the "Group")

Interim results for the six months ended 30 April 2014

Arden Partners plc (AIM: ARDN.L), the institutional stockbroking company, today announces its unaudited interim results for the six month period ended 30 April 2014.

Highlights

- Revenue £3.5m (2013: £5.7m)
- (Loss)/Profit before tax (£0.5m) (2013: Profit £1.0m)
- Basic (Loss)/earnings per share (1.8p) (2013: Earnings 3.5p)
- Costs control maintained
- Number of retained corporate clients increased to 46

Commenting on the interim results CEO James Reed-Daunter said:

“After a frustrating first 6 months, I am pleased to report an encouraging start to the second half, with improved equity and corporate transaction revenues so far”

Arden Partners plc 0207 614 5900
James Reed-Daunter – Chief Executive Officer
Steve Wassell – Chief Operating Officer

Altium – NOMAD to Arden Partners plc 0207 484 4040
Phil Adams
Sam Fuller

CHIEF EXECUTIVE'S STATEMENT

Financial review

The first half saw specific issues with 2 corporate transactions, one where the client pulled back from the transaction at the point of delivery, after Arden had completed the work, costing c£0.5m and the other was hit by the change in IPO market sentiment which resulted in lost fees of a further £0.5m.

Certain long term investments also saw a decline in mark to market book accounting values during the first half and whilst these are non-cash items, they did impact the overall performance by c£0.3m.

Revenue was down as a result of the above, against a strong comparative period - particularly in the equities division - in 2013, and has led us therefore to report a loss of £0.5m in the first six months of our financial year, against a profit in H1 2013 of £1.0m.

During the half year we have proactively recruited into key areas of the business and have made a number of significant hires, into both senior and entry level roles, the result of which will be to enhance our corporate offering and improve still further the service level we provide to all clients.

The balance sheet remains strong and we are pleased to report that the retained corporate client list has risen to 46.

The Directors are not proposing to pay an interim dividend. (2013: 1.25p)

Outlook

The second half pipeline is strong, with delivery, as ever, dependent on market conditions, and the executive team is confident of a satisfactory outcome for the full year.

James Reed-Daunter
Chief Executive
31 July 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 April 2014

	Note	Six months ended 30 April 2014 Unaudited £'000	Six months ended 30 April 2013 Unaudited £'000	Year ended 31 October 2013 Audited £'000
Revenue	2	3,487	5,702	10,103
Administrative expenses	3	(3,983)	(4,731)	(8,829)
<i>Administrative expenses include:</i>				
Share based payments		(53)	(30)	(70)
Other expenses		(3,930)	(4,701)	(8,759)
(Loss)/Profit from operations		(496)	971	1,274
Finance income		24	34	71
Finance cost		(2)	(1)	(4)
(Loss)/Profit before taxation		(474)	1,004	1,341
Income tax		107	(269)	(351)
(Loss)/Profit after taxation attributable to equity holders of the parent		(367)	735	990
Other comprehensive income for the period:				
Items that may be reclassified subsequently to profit or loss:				
Decrease in fair value on available for sale financial assets		(6)	(4)	(11)
Deferred tax taken to equity		-	3	-
Total comprehensive income for the period		(373)	734	979
(Loss)/Earnings per share				
Basic	4	(1.8)p	3.5p	4.7p
Diluted	4	(1.8)p	3.3p	4.5p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2014

	At 30 April 2014 Unaudited £'000	At 30 April 2013 Unaudited £'000	At 31 October 2013 Audited £'000
Assets			
Non-current assets			
Plant, property and equipment	68	131	92
Deferred tax	127	124	83
Total non-current assets	195	255	175
Current assets			
Trading investments	3,927	5,005	6,756
Available for sale financial assets	473	486	479
Trade and other receivables	8,927	20,670	18,578
Stock borrowing collateral	-	231	1,098
Cash and cash equivalents	5,439	5,598	3,733
Total current assets	18,766	31,990	30,644
Total assets	18,961	32,245	30,819
Current liabilities			
Trade and other payables	(7,056)	(20,798)	(19,071)
Bank overdraft	(1,013)	-	-
Corporation tax liability	(202)	(386)	(315)
Total current liabilities	(8,271)	(21,184)	(19,386)
Total liabilities	(8,271)	(21,184)	(19,386)
Net assets	10,690	11,061	11,433
Shareholder Equity:			
Called up share capital	2,296	2,283	2,296
Capital redemption reserve	467	467	467
Share premium account	2,933	2,933	2,933
Available for sale reserve	(27)	(14)	(21)
Profit and loss account	6,139	6,924	6,804
Total equity before deduction of own shares	11,808	12,593	12,875
Employee Benefit Trust reserve	(849)	(1,233)	(1,046)
Own shares	(269)	(299)	-
Total equity	10,690	11,061	11,607

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 April 2014

	Six months ended 30 April 2014 Unaudited £'000	Six months ended 30 April 2013 Unaudited £'000	Year ended 31 October 2013 Audited £'000
Operating activities before taxation			
Net (loss)/profit from ordinary activities before tax	(474)	1,004	1,341
Adjustments for:			
Fair value adjustments in respect of unrealised profits	319	59	193
Depreciation	49	77	123
Net interest receivable	(22)	(33)	(67)
Share based payments	53	30	76
Operating (deficit)/surplus before changes in working capital	(75)	1,137	1,666
Decrease/(increase) in trade and other receivables	9,651	(10,727)	(8,635)
Decrease/(increase) in trading investments	2,511	(8)	(1,888)
Decrease/(increase) in stock borrowing collateral	1,098	(124)	(991)
(Decrease)/increase in trade and other payables	(12,018)	11,731	10,001
Cash generated from operations	1,167	2,009	153
Income taxes paid	-	-	(116)
Cash flows from operating activities	1,167	2,009	37
Investing activities			
Purchases of property, plant and equipment	(25)	(17)	(24)
Interest received	22	32	67
Net cash from investing activities	(3)	15	43
Financing activities			
Proceeds from the sale of own shares	217	-	332
Purchase of own shares	(322)	(1,321)	(1,322)
Issue of shares	-	13	25
Dividends paid to equity shareholders	(366)	-	(264)
Net cash from financing activities	(471)	(1,308)	(1,229)
Increase in cash and cash equivalents	693	716	(1,149)
Cash and cash equivalents at the beginning of the period	3,733	4,882	4,882
Net cash and cash equivalents at the end of the period	4,426	5,598	3,733

Cash and cash equivalents included in the Statement of Cash Flows comprise the following amounts in the Statement of Financial Position:

	30 April 2014 £'000	30 April 2013 £'000	31 October 2013 £'000
Cash on hand and balances with banks	5,439	5,598	3,733
Bank overdraft	(1,013)	-	-
Net cash from financing activities	4,426	5,598	3,733

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2014

	Share capital £'000	Share Premium account £'000	Capital Redemption Reserve £'000	Own shares £'000	Employee Benefit Trust Reserve £'000	Available for sale Reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 October 2012	2,501	2,933	237	(661)	(607)	(10)	7,214	11,607
Profit for year	-	-	-	-	-	-	990	990
Revaluation of available for sale assets	-	-	-	-	-	(11)	-	(11)
Total comprehensive income for the year	-	-	-	-	-	(11)	990	979
Share based payments	-	-	-	-	-	-	76	76
Issue of shares	25	-	-	-	-	-	-	25
Purchase of own shares	-	-	-	(696)	(626)	-	-	(1,322)
Sale of own shares	-	-	-	299	-	-	-	299
Own shares cancelled	(230)	-	230	1,058	-	-	(1,058)	-
Sale of shares by Employee Benefit Trust to satisfy employee share schemes	-	-	-	-	187	-	(154)	33
Dividends paid to equity shareholders	-	-	-	-	-	-	(264)	(264)
Balance at 31 October 2013	2,296	2,933	467	-	(1,046)	(21)	6,804	11,433
Loss for period	-	-	-	-	-	-	(367)	(367)
Revaluation of available for sale assets	-	-	-	-	-	(6)	-	(6)
Total comprehensive income for the year	-	-	-	-	-	(6)	(367)	(373)
Share based payments	-	-	-	-	-	-	53	53
Deferred tax taken to equity	-	-	-	-	-	-	48	48
Purchase of own shares	-	-	-	(322)	-	-	-	(322)
Sale of own shares	-	-	-	53	-	-	-	53
Sale of shares by Employee Benefit Trust to satisfy employee share schemes	-	-	-	-	197	-	(33)	164
Dividends paid to equity shareholders	-	-	-	-	-	-	(366)	(366)
Balance at 30 April 2014	2,296	2,933	467	(269)	(849)	(27)	6,139	10,690

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1) **Basis of preparation**

As permitted, IAS 34, 'Interim Financial Reporting' has not been applied in this interim report.

The financial information presented in this report has been prepared using accounting policies that are expected to be applied in the preparation of the financial statements for the year ending 31 October 2014.

These policies are in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as endorsed for use in the European Union, and these principles are disclosed in the Financial Statements for the year ended 31 October 2013.

The financial information in this interim report does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The Annual Report and Financial Statements for 2013 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2013 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2) **Revenue**

	Six months ended 30 April 2014 Unaudited £'000	Six months ended 30 April 2013 Unaudited £'000	Year ended 31 October 2013 Audited £'000
Equities division	1,315	2,983	5,046
Corporate Finance division	2,172	2,719	5,057
Total revenue	3,487	5,702	10,103

3) **Administrative expenses**

	Six months ended 30 April 2013 Unaudited £'000	Six months ended 30 April 2013 Unaudited £'000	Year ended 31 October 2013 Audited £'000
Staff costs including incentive scheme	1,911	2,570	4,677
Other overheads	1,487	1,408	2,773
Staff and overhead costs	3,398	3,978	7,450
Share based payments	53	30	76
Depreciation	49	77	124
Total overhead costs	3,500	4,085	7,650
Variable overheads including settlement costs	483	646	1,179
Total administrative costs	3,983	4,731	8,829

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

4) **(Loss)/Earnings per share**

The basic loss per share of 1.8p (2013: 3.5p earnings) is calculated on a loss after tax of £367,000 (2013: profit £735,000) and 20,660,405 (2013: 21,185,340) being the weighted average number of ordinary shares in issue during the period less shares held in Treasury and by the Arden Partners Employee Benefit Trust.

No adjustment has been made to the diluted loss per share of 1.7p as the dilution effect of the weighted average number of outstanding share options of 1,245,801 would be to decrease the loss per share. In the prior period diluted earnings per share takes account of the weighted average number of outstanding share options being 860,806

The underlying basic loss per share of 1.7p (2013: 3.6p earnings) for the six months ended 30 April 2014 is calculated on a loss after tax of £314,000 (2013: profit £765,000) being the loss after tax, adjusted for the current tax impact of IFRS 2 costs of £53,000 (2013: £30,000).

5) **Dividends**

	Six months ended 30 April 2014 Unaudited £'000	Six months ended 30 April 2013 Unaudited £'000	Year ended 31 October 2013 Audited £'000
Interim dividend year ended 31 October 2013	-	264	264
Final dividend year ended 31 October 2013	366	-	366
Distribution to equity shareholders	366	264	530

The Directors have not proposed an interim dividend (2013: 1.25 pence per share).

INDEPENDENT REVIEW REPORT TO ARDEN PARTNERS PLC

Introduction

We have been engaged by the company to review the interim set of financial statements in the half-yearly financial report for the six months ended 30 April 2014 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statements of changes in equity and the related explanatory notes that have been reviewed.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the interim set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim set of financial statements in the half-yearly financial report for the six months ended 30 April 2014 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

*BDO LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
31 July 2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CORPORATE INFORMATION

Company Secretary & Registered Office	<p>Steve Wassell Arden Partners plc Arden House 17 Highfield Road Edgbaston Birmingham B15 3DU</p> <p>Direct line : 0121 423 8993</p>										
Directors	<table> <tr> <td>Peter Moon</td> <td>Non Executive Chairman Chairman of Remuneration Committee Chairman of Nominations Committee</td> </tr> <tr> <td>James Reed-Daunter</td> <td>Chief Executive Officer</td> </tr> <tr> <td>Jonathan Keeling</td> <td>Executive Deputy Chairman</td> </tr> <tr> <td>Steve Wassell</td> <td>Chief Operating Officer</td> </tr> <tr> <td>Mark Ansell</td> <td>Non Executive Director Chairman of Audit Committee</td> </tr> </table>	Peter Moon	Non Executive Chairman Chairman of Remuneration Committee Chairman of Nominations Committee	James Reed-Daunter	Chief Executive Officer	Jonathan Keeling	Executive Deputy Chairman	Steve Wassell	Chief Operating Officer	Mark Ansell	Non Executive Director Chairman of Audit Committee
Peter Moon	Non Executive Chairman Chairman of Remuneration Committee Chairman of Nominations Committee										
James Reed-Daunter	Chief Executive Officer										
Jonathan Keeling	Executive Deputy Chairman										
Steve Wassell	Chief Operating Officer										
Mark Ansell	Non Executive Director Chairman of Audit Committee										
Company Number	4427253										
Company Web Address	www.arden-partners.com										
Nominated Advisor	<p>Altium Capital Limited 30 St James's Square London SW1Y 4AL</p>										
Registrar	<p>Capita IRG Plc 40 Dukes Place London EC3A 7NH</p>										
Lawyers	<p>Eversheds LLP 1 Wood Street London EC2V 7WS</p>										
Auditors	<p>BDO LLP 55 Baker Street London W1U 7EU</p>										
Bankers	<p>HSBC Bank plc 1st Floor 60 Queen Victoria Street London EC4N 4TR</p>										