

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

Interim results for the six months ended 30 April 2015

Arden Partners plc (AIM: ARDN.L), the institutional stockbroking company, today announces its unaudited interim results for the six month period ended 30 April 2015.

Highlights

- Revenue £2.7m (2014: £3.5m)
- Loss before tax £1.2m (2014: £0.5m)
- Basic loss per share 4.9p (2014: 1.8p)
- Costs control maintained
- Appointment of Luke Johnson as a Non-Executive Director
- No interim dividend proposed (2014: nil)

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

“... after a most challenging first half, we are encouraged by revenues booked to date in H2 and by current levels of trading, particularly in the Corporate division”

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
Sam Fuller
Melanie Szalkiewicz

CHIEF EXECUTIVE’S STATEMENT

Financial

At £1.3m, Equities division revenues were in line with the corresponding period last year and include a decline in mark-to-market book values of certain long term investments in H1 of £122k. The delivery of our corporate pipeline of transactions however, proved extremely slow from the outset of the half year and was further hampered by market uncertainty in the run up to the UK general election.

This resulted in an overall loss before tax for the first half of our financial year of £1.2m, against a loss in H1 2014 of £0.5m.

Overheads and costs to the business remain tightly controlled and although we have made a number of significant hires into the firm, material progress has also been made in reducing certain of our variable costs with the net effect that overall operational expenses are in line with the previous year.

The Directors are not proposing to pay an interim dividend. (2014: nil)

Outlook

We are encouraged by revenues booked to date in H2 and by the current levels of trading, particularly in the Corporate division. The mix and depth of mandated transactions on which we are now focussed, is in part reflective of our recruitment activities over the last 12 months and of the recent restructuring of our corporate finance area.

Market conditions depending, we expect at this stage, to produce a positive result in the second half.

James Reed-Daunter
Chief Executive
30 July 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 April 2015

	Note	Six months ended 30 April 2015 Unaudited £'000	Six months ended 30 April 2014 Unaudited £'000	Year ended 31 October 2014 Audited £'000
Revenue	2	2,725	3,487	7,955
Operating expenses	3	(3,963)	(3,983)	(7,936)
<i>Operating expenses include:</i>				
<i>Share based payments</i>		(56)	(53)	(77)
<i>Other expenses</i>		(3,907)	(3,930)	(7,859)
(Loss)/profit from operations		(1,238)	(496)	19
Finance income		34	24	61
Finance cost		(1)	(2)	(5)
(Loss)/profit before tax		(1,205)	(474)	75
Income tax		240	107	40
(Loss)/profit after tax attributable to equity holders of the parent		(965)	(367)	115
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		(4)	(6)	(12)
Total comprehensive income for the period		(969)	(373)	103
(Loss)/earnings per share				
Basic and diluted	4	(4.9)p	(1.8)p	0.5p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2015

	At 30 April 2015 Unaudited £'000	At 30 April 2014 Unaudited £'000	At 31 October 2014 Audited £'000
Assets			
Non-current assets			
Plant, property and equipment	34	68	43
Deferred tax asset	86	127	86
Total non-current assets	120	195	129
Current assets			
Financial assets designated at fair value through profit and loss	1,657	3,927	2,350
Available for sale financial assets	510	473	467
Trade and other receivables	4,751	8,927	4,770
Stock borrowing collateral	-	-	102
Cash and cash equivalents	5,906	5,439	8,282
Corporation tax asset	248	-	8
Total current assets	13,072	18,766	15,979
Total assets	13,192	18,961	16,108
Current liabilities			
Financial liabilities designated at fair value through profit and loss	(90)	(107)	(75)
Trade and other payables	(4,119)	(6,949)	(4,886)
Bank overdraft	-	(1,013)	-
Corporation tax liability	-	(202)	-
Total current liabilities	(4,209)	(8,271)	(4,961)
Total liabilities	(4,209)	(8,271)	(4,961)
Net assets	8,983	10,690	11,147
Equity:			
Called up share capital	2,063	2,296	2,296
Share premium account	2,933	2,933	2,933
Capital redemption reserve	700	467	467
Available for sale reserve	(3)	(27)	(33)
Retained earnings	4,418	6,139	6,597
Total equity before deduction of own shares	10,111	11,808	12,260
Employee Benefit Trust reserve	(849)	(849)	(849)
Own shares	(279)	(269)	(264)
Total equity	8,983	10,690	11,147

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 April 2015

	Six months ended 30 April 2015 Unaudited £'000	Six months ended 30 April 2014 Unaudited £'000	Year ended 31 October 2014 Audited £'000
Operating activities before tax			
(Loss)/profit from ordinary activities before tax	(1,205)	(474)	75
Adjustments for:			
Fair value adjustments of derivative financial assets	286	319	538
Depreciation of fixtures, fittings and computer equipment	14	49	82
Net interest receivable	(33)	(22)	(57)
Share based payments	56	53	77
Operating cash flow before changes in working capital	(882)	(75)	715
Decrease in operating assets	527	13,260	18,673
Increase in operating liabilities	(751)	(12,018)	(14,111)
Purchase of available for sale asset	(513)	-	-
Proceeds from disposal of available for sale asset	466	-	-
Cash generated from operations	(1,153)	1,167	5,277
Income taxes paid	-	-	(286)
Net cash flows from operating activities	(1,153)	1,167	4,991
Investing activities			
Purchases of property, plant and equipment	(5)	(25)	(33)
Net interest received	33	22	57
Net cash from investing activities	28	(3)	24
Financing activities			
Proceeds from the sale of own shares	10	217	222
Purchase of own shares	(1,120)	(322)	(322)
Dividends paid to shareholders	(141)	(366)	(366)
Net cash flows from financing activities	(1,251)	(471)	(466)
(Decrease)/increase in cash and cash equivalents	(2,376)	693	4,549
Net cash and cash equivalents at the beginning of the period	8,282	3,733	3,733
Net cash and cash equivalents at the end of the period	5,906	4,426	8,282

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

	30 April 2015 £'000	30 April 2014 £'000	31 October 2014 £'000
Cash on hand and balances with banks	5,906	5,439	8,282
Bank overdraft	-	(1,013)	-
Net cash and cash equivalents	5,906	4,426	8,282

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2015

	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 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)
Contributions by and distributions to owners								
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
Share based payments	-	-	-	-	-	-	53	53
Dividends paid to equity shareholders	-	-	-	-	-	-	(366)	(366)
Balance at 30 April 2014	2,296	2,933	467	(269)	(849)	(27)	6,139	10,690
Profit for period	-	-	-	-	-	-	482	482
Revaluation of available for sale financial assets	-	-	-	-	-	(6)	-	(6)
Total comprehensive income for the year	-	-	-	-	-	(6)	482	476
Contributions by and distributions to owners								
Deferred tax taken from equity	-	-	-	-	-	-	(48)	(48)
Sale of own shares	-	-	-	5	-	-	-	5
Share based payments	-	-	-	-	-	-	24	24
Balance at 31 October 2014	2,296	2,933	467	(264)	(849)	(33)	6,597	11,147
Loss for period	-	-	-	-	-	-	(965)	(965)
Revaluation of available for sale assets	-	-	-	-	-	(4)	-	(4)
Transferred to retained earnings on disposal of available for sale assets	-	-	-	-	-	34	(34)	-
Total comprehensive loss for the year	-	-	-	-	-	30	(999)	(969)
Contributions by and distributions to owners								
Purchase of own shares	-	-	-	(1,120)	-	-	-	(1,120)
Sale of own shares	-	-	-	10	-	-	-	10
Own shares cancelled	(233)	-	233	1,095	-	-	(1,095)	-
Share based payments	-	-	-	-	-	-	56	56
Dividends paid to equity shareholders	-	-	-	-	-	-	(141)	(141)
Balance at 30 April 2015	2,063	2,933	700	(279)	(849)	(3)	4,418	8,983

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1) Basis of preparation

As permitted under AIM listing rules, 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 2015.

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 2014.

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 2014 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2014 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 2015 Unaudited £'000	Six months ended 30 April 2014 Unaudited £'000	Year ended 31 October 2014 Audited £'000
Equities division	1,309	1,315	2,689
Corporate Finance division	1,416	2,172	5,266
Total revenue	2,725	3,487	7,955

3) Operating expenses

	Six months ended 30 April 2015 Unaudited £'000	Six months ended 30 April 2014 Unaudited £'000	Year ended 31 October 2014 Audited £'000
Staff costs including incentive scheme	2,082	1,911	4,139
Other overheads	1,468	1,487	2,745
Staff and overhead costs	3,550	3,398	6,884
Share based payments	56	53	77
Depreciation	14	49	82
Total overhead costs	3,620	3,500	7,043
Variable overheads including settlement costs	343	483	893
Total operating expenses	3,963	3,983	7,936

4) (Loss)/earnings per share

The basic loss per share of 4.9p (2014: 1.8p) is calculated on a loss after tax of £965,000 (2014: £367,000) and 19,858,823 (2014: 20,660,405) 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. For the year to 31 October 2014, the basic earnings per share of 0.5p is calculated on a profit after tax of £115,000 and 20,818,253 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 4.6p as the dilution effect of the weighted average number of outstanding share options of 965,937 would be to decrease the loss per share. For the year to 31 October 2014, diluted earnings per share takes account of the weighted average number of outstanding share options being 1,132,883.

The underlying basic loss per share of 4.6p (2014: 1.5p) for the six months ended 30 April 2015 is calculated on a loss after tax of £909,000 (2014: £314,000) being the loss after tax, adjusted for the current tax impact of IFRS 2 costs of £56,000 (2014: £53,000). The underlying basic earnings per share of 0.5p for the year to 31 October 2014 is calculated on a profit after tax of £192,000 being the profit after tax, adjusted for the current tax impact of IFRS 2 costs of £77,000.

5) Dividends

	Six months ended 30 April 2015 Unaudited £'000	Six months ended 30 April 2014 Unaudited £'000	Year ended 31 October 2014 Audited £'000
Final dividend year ended 31 October 2013	-	366	366
Final dividend year ended 31 October 2014	141	-	-
Distribution to equity shareholders	141	366	366

The Directors have not proposed an interim dividend (2014: Nil).

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 2015 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement 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 2015 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

30 July 2015

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

CORPORATE INFORMATION

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