



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

Interim results for the six months ended 30 April 2016

Arden Partners plc (AIM: ARDN.L), the institutional stockbroking company, today announces its unaudited interim results for the six month period ended 30 April 2016.

Highlights

- Revenue £2.7m (2015: £2.7m)
- Loss before tax £0.7m (2015: £1.2m)
- Basic loss per share 4.2p (2015: 4.9p)
- Annualised cost base reduction in excess of £500k
- No interim dividend proposed (2015: nil)

Commenting on the interim results and outlook for the business CEO James Reed-Daunter said:

“...following a difficult first half we are currently mandated on a strong pipeline of corporate work the delivery of which, subject to market conditions, will provide a much improved performance for the full year....”

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

CHIEF EXECUTIVE'S STATEMENT

Financial Review

The first 6 months of our financial year has resulted in the operating loss of £766k (2015 loss: £1,238k).

The difficult global trading conditions seen in the Autumn of 2015 continued into the first 3 months of Arden's new financial period resulting in a disappointing performance for both the Equities and Corporate Finance divisions of the business.

The sector continues to experience the effects of regulatory change and the associated impact on institutional commission revenues in particular.

I am however pleased to report that the second quarter saw a marked improvement, particularly in Equities revenues, ultimately resulting in an Equities division outturn for the first half in line with management expectation at £1,332k (2015: 1,309k).

Although Corporate revenues were below internal budgets for the half year, the division completed more than a dozen transactions including, together with the Distribution team, the high profile acquisition of Brighton Pier by Eclectic Bars (now renamed The Brighton Pier Group).

We have taken selective action to further reduce overheads – in line ultimately with sizing the business appropriate to sustainable revenue levels – and have thus far in 2016, taken in excess of £500k out of the annualised cost base.

The Directors are not proposing to pay an interim dividend (2015: Nil).

Outlook

As expected, trading volumes were muted in the run up to the EU Referendum and whilst there now remains a degree of general uncertainty with regard to the global economic outlook, the 'Brexit' result has not so far had any material effect on the business, with most sectors trading on a 'business as usual' basis.

It is worth noting that a number of our Indian based corporate clients have announced significant improvements in trading performance over recent months, which the market has reflected positively and which might signal a further positive period going forward, in what is an important business niche for Arden Partners.

Notwithstanding the above, the UK remains our core focus and Arden is mandated for the second half on a strong pipeline of UK corporate business, including a number of potential M&A transactions for private companies, the delivery of which, subject to market conditions, will materially improve upon the first half performance.

James Reed-Daunter
Chief Executive
28 July 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 April 2016

	Note	Six months ended 30 April 2016 Unaudited £'000	Six months ended 30 April 2015 Unaudited £'000	Year ended 31 October 2015 Audited £'000
Revenue	2	2,740	2,725	5,486
Operating expenses	3	(3,506)	(3,963)	(7,646)
<i>Operating expenses include:</i>				
Share based payments		(37)	(56)	(111)
Other expenses		(3,469)	(3,907)	(7,535)
Loss from operations		(766)	(1,238)	(2,160)
Finance income		22	34	65
Finance cost		(1)	(1)	(2)
Loss before tax		(745)	(1,205)	(2,097)
Income tax		(32)	240	-
Loss after tax attributable to equity holders of the parent		(777)	(965)	(2,097)
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		(2)	(4)	(7)
Deferred tax taken to equity		7	-	6
Total comprehensive income for the period		(772)	(969)	(2,098)
Loss per share				
Basic and diluted	4	4.2p	4.9p	10.8p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2016

	At 30 April 2016 Unaudited £'000	At 30 April 2015 Unaudited £'000	At 31 October 2015 Audited £'000
Assets			
Non-current assets			
Plant, property and equipment	28	34	25
Deferred tax asset	59	86	84
Total non-current assets	87	120	109
Current assets			
Financial assets designated at fair value through profit and loss	1,830	1,657	1,703
Available for sale financial assets	555	510	507
Trade and other receivables	2,269	4,751	2,138
Stock borrowing collateral	36	-	120
Cash and cash equivalents	4,621	5,906	5,372
Corporation tax asset	7	248	16
Total current assets	9,318	13,072	9,856
Total assets	9,405	13,192	9,965
Current liabilities			
Financial liabilities designated at fair value through profit and loss	(24)	(90)	(92)
Trade and other payables	(2,212)	(4,118)	(1,979)
Total current liabilities	(2,236)	(4,208)	(2,071)
Total liabilities	(2,236)	(4,208)	(2,071)
Net assets	7,169	8,984	7,894
Equity:			
Called up share capital	2,063	2,063	2,063
Share premium account	2,933	2,933	2,933
Capital redemption reserve	700	700	700
Available for sale reserve	(8)	(3)	(6)
Retained earnings	2,615	4,419	3,348
Total equity before deduction of own shares	8,303	10,112	9,038
Employee Benefit Trust reserve	(849)	(849)	(849)
Own shares	(285)	(279)	(295)
Total equity	7,169	8,984	7,894

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 April 2016

	Six months ended 30 April 2016 Unaudited £'000	Six months ended 30 April 2015 Unaudited £'000	Year ended 31 October 2015 Audited £'000
Operating activities before tax			
Loss from ordinary activities before tax	(745)	(1,205)	(2,097)
Adjustments for:			
Fair value adjustments of derivative financial assets	-	286	287
Depreciation of fixtures, fittings and computer equipment	13	14	25
Net interest receivable	(21)	(33)	(63)
Share based payments	37	56	111
Operating cash flow before changes in working capital	(716)	(882)	(1,737)
(Increase) / decrease in operating assets	(175)	527	2,976
Decrease / (increase) in operating liabilities	165	(751)	(2,892)
Purchase of available for sale asset	(50)	(513)	(513)
Proceeds from disposal of available for sale asset	-	466	466
Cash generated from operations	(776)	(1,153)	(1,700)
Income taxes refunded	10	-	-
Net cash flows from operating activities	(766)	(1,153)	(1,700)
Investing activities			
Purchases of property, plant and equipment	(16)	(5)	(7)
Net interest received	21	33	63
Net cash from investing activities	5	28	56
Financing activities			
Proceeds from the sale of own shares	10	10	10
Purchase of own shares	-	(1,120)	(1,136)
Dividends paid to shareholders	-	(141)	(140)
Net cash flows from financing activities	10	(1,251)	(1,266)
Decrease in cash and cash equivalents	(751)	(2,376)	(2,910)
Net cash and cash equivalents at the beginning of the period	5,372	8,282	8,282
Net cash and cash equivalents at the end of the period	4,621	5,906	5,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2016

	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 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 period	-	-	-	-	-	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	-	-	-	-	-	-	(140)	(140)
Balance at 30 April 2015	2,063	2,933	700	(279)	(849)	(3)	4,419	8,984
Loss for period	-	-	-	-	-	-	(1,132)	(1,132)
Deferred tax taken to equity	-	-	-	-	-	-	6	6
Revaluation of available for sale financial assets	-	-	-	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	-	(3)	(1,126)	(1,129)
Contributions by and distributions to owners								
Purchase of own shares	-	-	-	(16)	-	-	-	(16)
Share based payments	-	-	-	-	-	-	55	55
Balance at 31 October 2015	2,063	2,933	700	(295)	(849)	(6)	3,348	7,894
Loss for period	-	-	-	-	-	-	(777)	(777)
Deferred tax taken to equity	-	-	-	-	-	-	7	7
Revaluation of available for sale assets	-	-	-	-	-	(2)	-	(2)
Total comprehensive loss for the period	-	-	-	-	-	(2)	(770)	(772)
Contributions by and distributions to owners								
Sale of own shares	-	-	-	10	-	-	-	10
Share based payments	-	-	-	-	-	-	37	37
Balance at 30 April 2016	2,063	2,933	700	(285)	(849)	(8)	2,615	7,169

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 2016.

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 2015.

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 2015 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2015 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.

Going concern

The financial statements of the Group have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements and having taken into consideration the strength of the Group's statement of financial position and cash balances, the group has adequate resources to continue trading for the foreseeable future.

2) Revenue

	Six months ended 30 April 2016 Unaudited £'000	Six months ended 30 April 2015 Unaudited £'000	Year ended 31 October 2015 Audited £'000
Equities division	1,332	1,309	2,172
Corporate Finance division	1,408	1,416	3,314
Total revenue	2,740	2,725	5,486

3) Operating expenses

	Six months ended 30 April 2016 Unaudited £'000	Six months ended 30 April 2015 Unaudited £'000	Year ended 31 October 2015 Audited £'000
Staff costs including incentive scheme	1,923	2,082	3,992
Other overheads	1,280	1,468	2,949
Staff and overhead costs	3,203	3,550	6,941
Share based payments	37	56	111
Depreciation	13	14	25
Total overhead costs	3,253	3,620	7,077
Variable overheads including settlement costs	253	343	569
Total operating expenses	3,506	3,963	7,646

4) **Loss per share**

The basic loss per share of 4.2p (2015: 4.9p) is calculated on a loss after tax of £777,000 (2015: £965,000) and 18,698,303 (2015: 19,858,823) 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 2015, the basic loss per share of 10.8p is calculated on a loss after tax of £2,097,000 and 19,282,644 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 4.0p as the dilution effect of the weighted average number of outstanding share options of 770,364 would be to decrease the loss per share.

The underlying basic loss per share of 4.0p (2015: 4.6p) for the six months ended 30 April 2016 is calculated on a loss after tax of £740,000 (2015: £909,000) being the loss after tax, adjusted for the effect of IFRS 2 costs of £37,000 (2015: £56,000). The underlying basic loss per share of 9.4p for the year to 31 October 2015 is calculated on a loss after tax of £1,809,000 being the loss after tax, adjusted for the effect of IFRS 2 costs of £111,000 and reorganisation costs of £177,000.

5) **Dividends**

The Directors have not proposed an interim dividend (2015: 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 2016 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 2016 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

28 July 2016

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