The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

**Arden Partners plc**
**("Arden" or the “Company” or the "Group")**

**Unaudited results for the six months ended 30 April 2019**

Arden Partners plc (AIM: ARDN.L), the institutional stockbroking company, today announces its unaudited results for the six months ended 30 April 2019 (the “period”).

## Operational highlights

- Current political and market uncertainty continues to impact the stockbroking industry in general and was detrimental to the Company’s first half performance
- Corporate client base continued to grow – 56 corporate clients at the period end (increased from 51 as at 31 October 2018). Arden has risen to 10th by number of clients in the ARL AIM Adviser rankings guide
- Wealth Management division was launched in the period. Regulatory approval has been received and first revenues have been generated
- Research portal, which allows the broadest possible access to Arden’s corporate client research for potential investors and further raises the profile of Arden’s corporate clients, went live during the period

## Financial highlights

- Revenue: increased by 20.2% to £3.2m (2018: £2.6m)
- Loss before tax: reduced by 30.2% to £1.6m (2018: £2.3m)
- Basic loss per share: 5.5p (2018: loss per share of 7.9p)
- No interim dividend proposed (2018: nil)

Commenting on the interim results and outlook for the Company, Chief Executive Officer Donald Brown said:

"Our first half performance reflects the continuing investor uncertainty and cautiousness towards the UK stockmarket. However, we are encouraged by the continuing progress at the Company and, in particular, the growth in its corporate client list. We believe our investments into the Group over the last two years have established a strong platform from which we can execute our ongoing growth strategy.“


**Arden Partners plc** 0207 614 5900
Donald Brown – Chief Executive Officer
James Reed-Daunter – Executive Director
Steve Douglas – Group Finance Director

**GCA Altium – NOMAD to Arden Partners plc** 0207 484 4040
Sam Fuller
Tim Richardson


Copies of this Interim Report are available from the Company’s website (www.arden-partners.com) and from its registered office, 5 George Road, Edgbaston, Birmingham B15 1NP.

## Notes for editors

Arden is a dedicated corporate adviser and multi-service stockbroker to small and mid-cap companies in the UK and their investors.

The absolute core of our business is the effective management of the needs of our significant and growing base of corporate clients, and the effective support of their relationships with existing and potential shareholders.

These relationships are enhanced by the quality of our corporate finance advice and industry research, and the strong market presence of our sales and trading teams.

Our corporate finance capabilities encompass M&A, corporate finance advisory, broking and Sponsor and NOMAD services. We represent our clients in private transactions and AIM and Main Market share issues.

Our research is designed to be sector focused, concentrating on top down thematic trends which highlight companies giving investors an exposure to the real growth areas of the small-cap and AIM markets.

It is the job of the sales team to keep institutions abreast of these themes and stock ideas. When there is a requirement for our corporate clients to raise money to fulfil their growth ambitions, the sales team is in a strong position to effect this, with its entrenched relationships with the UK institutional and non-institutional markets.

Our market making and trading teams provide liquidity in the shares of our corporate clients. We also trade the shares of non-client corporates on behalf of institutions.

The recently added Arden Wealth Management team offers a bespoke service to our clients, with the ability to trade/invest in equities, bonds and a range of global investment funds, as well as allowing clients to participate in Primary and Secondary equity placings.

## CHIEF EXECUTIVE'S STATEMENT

### Overview

On joining the Group two years ago, I immediately set about stabilising its operations whilst reviewing the structure I had inherited. I have spent the last year restructuring the Group and investing in every department to ensure that we have the capability to grow. I believe we have now established an appropriate platform from which to drive profitable growth across multiple revenue streams in the short to medium term, always recognising that our ability to do so will be influenced by the prevailing political and market backdrop.

Whilst revenues for the period increased by 20.2% to £3.2m (2018: £2.6m) and the loss before tax declined by 30.2% to £1.6m (2018: £2.3m), difficult trading conditions, caused by domestic uncertainty, volatile equity markets and a decline in overall market transaction activity, held back the Group's progress during the period. The Group continues to monitor its cost base carefully given underlying market conditions.

The Group's balance sheet remains strong with net assets of £7.4m at the period end (31 October 2018: £9.2m).

### Business review

| | H1 2019 £'m | H1 2018 £'m | % Change |
|---|---|---|---|
| Equities | 0.4 | 0.6 | (36.3) |
| Corporate Finance (incl. corporate retainers) | 2.7 | 2.0 | 34.6 |
| Wealth Management | 0.1 | - | n/a |
| **Revenue** | **3.2** | **2.6** | **20.2** |

### Equities division

Equities delivered revenue of £0.4m for the period (2018: £0.6m), a decline of 36.3% on the comparative period.

Overall institutional income, which comprises execution commissions and payments for research, declined, as expected, continuing the trend seen over the last few years. This performance is reflective of the prevailing uncertainty in the UK market and reduced trading activity amongst our predominantly long-only institutional client base.

Payments for research showed a small decline in line with a general reduction in budgets across the asset management community. We expect research payments for the full financial year to maintain the trend of the period under review. Nevertheless, our institutional clients clearly recognise the improving quality of our research output and we were delighted when Daniel Slater, our oil and gas analyst, was voted No.1 Small and Mid-Cap Oil & Gas sector analyst in the 2019 Extel Awards.

The Arden Research Portal, which allows the broadest possible access to Arden's corporate client research, was launched during the period. The Portal provides investors with a hub to Arden's complete stock coverage, allowing its latest research reports and associated data to be searched and accessed in one place. The portal will also contribute to raising the profile of Arden's corporate clients. Importantly, Arden now provides its research to all institutions that invest in UK equities and could potentially engage with Arden's corporate clients.

Trading revenues improved which, given the challenging market conditions, was a respectable result.

## Corporate Finance

The Corporate Finance department completed a number of secondary fundraisings during the period and revenue for the period was 34.6% higher than the prior year. This despite a fall in market activity generally and a reduction in the overall number of transactions completed.

Retainer fee income increased 68.4% relative to the comparative period as a result of a number of new client wins, increasing corporate client numbers to 56 at the period end (increased from 51 as at 31 October 2018). We are delighted that Arden has risen to 10th place by number of clients in the ARL AIM Adviser rankings guide. The growth in our retained corporate client base improves both the robustness and visibility of our corporate finance revenues. It gives us real momentum and gives us confidence in the quality of the Company moving forward. The average market capitalisation of our corporate clients was unchanged at £125m (£125m as at 31 October 2018).

Following the period end we have competed a number of additional transactions and our pipeline gives us optimism for the rest of the year.

## Wealth Management

The Wealth Management division was formally launched during the period. All requisite regulatory approvals have been received and the division's first revenues have been generated. We believe that the platform we have established has the capability to substantially increase revenue in this division in the future.

## Capital and Liquidity

As at 30 April 2019, the Group's net asset position was £7.4m (31 October 2018: £9.2m). We maintain significantly in excess of our regulatory capital requirements as we believe this provides strategic flexibility and the financial stability to protect against possible negative market movements.

## Current trading and outlook

The second half of our financial year has had an encouraging start. We have traded profitably and seen increased client activity, new business enquiries and the successful execution of transactions. Since 30 April 2019, we have completed a number of M&A assignments, secondary fundraisings and a reverse takeover. Institutional income is running at similar rates to that experienced in the period under review and the trading operation is performing well.

Our pipeline of potential corporate finance work is encouraging, both for M&A opportunities, and for larger capital raising projects. We have been successful in winning a number of new mandates which should complete in the second half.

As in recent years, we expect our results for the full year to be substantially second half weighted. Our market environment remains volatile and the completion of our work in progress and, therefore our performance for the full financial year, may be impacted as a result. Notwithstanding this, however, we currently expect the outturn for the full year to be satisfactory while also being an important year of progress in growing the business in difficult conditions

**Donald Brown**
**Chief Executive Officer**
**24 July 2019**

**CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 April 2019

| | Note | Six months ended 30 April 2019 Unaudited £'000 | Six months ended 30 April 2018 Unaudited £'000 | Year ended 31 October 2018 Audited £'000 |
|---|---|---|---|---|
| **Revenue** | 2 | **3,156** | 2,625 | 7,366 |
| Operating expenses | 3 | **(4,802)** | (4,968) | (10,204) |
| **Loss from operations** | | **(1,646)** | (2,343) | (2,838) |
| Finance income | | **24** | 17 | 48 |
| Finance cost | | **-** | - | - |
| **Loss before tax** | | **(1,622)** | (2,326) | (2,790) |
| Income tax | | **-** | (18) | (31) |
| **Loss after tax attributable to equity holders of the parent** | | **(1,622)** | (2,344) | (2,821) |
| **Other comprehensive income for the period:** | | | | |
| **Items that will be reclassified subsequently to profit or loss:** | | | | |
| Reclassification from fair value through other comprehensive income to amortised cost | | **(7)** | - | - |
| Decrease in fair value on available for sale financial assets | | **-** | (6) | (9) |
| Transfer to profit or loss on disposal of available for sale assets | | **-** | 8 | 8 |
| **Total comprehensive income for the period** | | **(1,629)** | (2,342) | (2,822) |
| **Loss per share** | | | | |
| Basic | 4 | (5.5p) | (7.9p) | (9.6p) |
| Diluted | 4 | (5.5p) | (7.9p) | (9.6p) |

**CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION**

At 30 April 2019

| | At 30 April 2019 Unaudited £'000 | At 30 April 2018 Unaudited £'000 | At 31 October 2018 Audited £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Plant, property and equipment | **143** | 77 | 104 |
| Deferred tax asset | **8** | 22 | 8 |
| **Total non-current assets** | **151** | 99 | 112 |
| **Current assets** | | | |
| Financial assets designated at fair value through profit and loss | **3,523** | 2,623 | 3,981 |
| Available for sale financial assets | **-** | 526 | 520 |
| Trade and other receivables | **4,506** | 4,431 | 2,873 |
| Collateral deposits | **599** | 127 | - |
| Cash and cash equivalents | **2,616** | 5,129 | 4,667 |
| **Total current assets** | **11,244** | 12,836 | 12,041 |
| **Total assets** | **11,395** | 12,935 | 12,153 |
| **Current liabilities** | | | |
| Financial liabilities designated at fair value through profit and loss | **(1,378)** | (720) | (59) |
| Trade and other payables | **(2,645)** | (2,521) | (2,870) |
| **Total current liabilities** | **(4,023)** | (3,241) | (2,929) |
| **Total liabilities** | **(4,023)** | (3,241) | (2,929) |
| **Net assets** | **7,372** | 9,694 | 9,224 |
| | | | |
| **Equity:** | | | |
| Called up share capital | **3,338** | 3,338 | 3,338 |
| Share premium account | **6,691** | 6,691 | 6,691 |
| Employee Benefit Trust reserve | **(849)** | (849) | (849) |
| Capital redemption reserve | **700** | 700 | 700 |
| Available for sale reserve | **-** | (4) | (7) |
| Retained earnings | **(1,340)** | 935 | 519 |
| **Total equity before deduction of own shares** | **8,540** | 10,811 | 10,392 |
| Own shares | **(1,168)** | (1,117) | (1,168) |
| **Total equity** | **7,372** | 9,694 | 9,224 |

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 April 2019

| | Six months ended 30 April 2019 Unaudited £'000 | Six months ended 30 April 2018 Unaudited £'000 | Year ended 31 October 2018 Audited £'000 |
|---|---|---|---|
| **Operating activities before tax** | | | |
| Loss from ordinary activities before tax | **(1,622)** | (2,326) | (2,790) |
| Adjustments for: | | | |
| Fair value adjustments of derivative financial assets | **(46)** | 127 | 166 |
| Depreciation of fixtures, fittings and computer equipment | **35** | 17 | 36 |
| Net interest receivable | **(24)** | (17) | (48) |
| Share based payments | **64** | 27 | 104 |
| **Operating cash flow before changes in working capital** | **(1,593)** | (2,172) | (2,532) |
| Increase in operating assets | **(1,208)** | (1,730) | (1,444) |
| Increase in operating liabilities | **1,094** | 576 | 264 |
| Purchase of available for sale asset | **-** | (531) | (527) |
| Proceeds from disposal of available for sale asset | **-** | 501 | 501 |
| **Cash generated from operations** | **(1,707)** | (3,356) | (3,738) |
| Income taxes paid | **-** | - | - |
| **Net cash flows from operating activities** | **(1,707)** | (3,356) | (3,738) |
| **Investing activities** | | | |
| Purchases of property, plant and equipment | **(74)** | (28) | (73) |
| Net interest received | **24** | 16 | 48 |
| **Net cash from investing activities** | **(50)** | (12) | (25) |
| **Financing activities** | | | |
| Dividends paid to shareholders | **(294)** | (295) | (295) |
| Purchase of own shares | **-** | (245) | (296) |
| Exercise of share options | **-** | - | (16) |
| **Net cash flows from financing activities** | **(294)** | (540) | (607) |
| **Decrease in cash and cash equivalents** | **(2,051)** | (3,908) | (4,370) |
| **Net cash and cash equivalents at the beginning of the period** | **4,667** | 9,037 | 9,037 |
| **Net cash and cash equivalents at the end of the period** | **2,616** | 5,129 | 4,667 |

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the period ended 30 April 2018

| | Share capital £'000 | Share Premium account £'000 | Capital Redemption Reserve £'000 | Own shares £'000 | Employe e Benefit Trust Reserve £'000 | Available for sale Reserve £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 October 2017** | **3,338** | **6,691** | **700** | **(872)** | **(849)** | **(6)** | **3,547** | **12,549** |
| Loss for period | - | - | - | - | - | - | (2,344) | (2,344) |
| Transferred to profit or loss on disposal of available for sale assets | - | - | - | - | - | 8 | - | 8 |
| Revaluation of available for sale assets | - | - | - | - | - | (6) | - | (6) |
| Total comprehensive loss for the period | - | - | - | - | - | 2 | (2,344) | (2,342) |
| **Contributions by and distributions to owners** | | | | | | | | |
| Purchase of own shares | - | - | - | (245) | - | - | - | (245) |
| Share based payments | - | - | - | - | - | - | 27 | 27 |
| Dividends paid to equity shareholders | - | - | - | - | - | - | (295) | (295) |
| **Balance at 30 April 2018** | **3,338** | **6,691** | **700** | **(1,117)** | **(849)** | **(4)** | **935** | **9,694** |
| Loss for the period | - | - | - | - | - | - | (477) | (477) |
| Revaluation of available for sale assets | - | - | - | - | - | (3) | - | (3) |
| Total comprehensive income for the period | - | - | - | - | - | (3) | (477) | (480) |
| **Contributions by and distributions to owners** | | | | | | | | |
| Purchase of own shares | - | - | - | (51) | - | - | - | (51) |
| Share based payments | - | - | - | - | - | - | 77 | 77 |
| Share options exercised | - | - | - | - | - | - | (16) | (16) |
| **Balance at 31 October 2018 (audited)** | **3,338** | **6,691** | **700** | **(1,168)** | **(849)** | **(7)** | **519** | **9,224** |
| Loss for period | - | - | - | - | - | - | (1,622) | (1,622) |
| Reclassification from fair value through other comprehensive income to amortised cost | | | | | | 7 | (7) | - |
| Total comprehensive loss for the period | - | - | - | - | - | 7 | (1,629) | (1,622) |
| **Contributions by and distributions to owners** | | | | | | | | |
| Share based payments | - | - | - | - | - | - | 64 | 64 |
| Dividends paid to equity shareholders | - | - | - | - | - | - | (294) | (294) |
| **Balance at 30 April 2019 (unaudited)** | **3,338** | **6,691** | **700** | **(1,168)** | **(849)** | **-** | **(1,340)** | **7,372** |

## 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 2019.

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 2018.

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 2018 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2018 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.

**Transition to IFRS 16**

Adoption of IFRS 16 will result in lessees accounting for most leases within the scope in a manner similar to the way in which finance leases are currently accounted for under IAS 17 Lease. Lessees will recognise a 'right of use' asset and a corresponding financial liability on the balance sheet. The asset will be amortised over the period of the lease and the financial liability measured at amortised cost.

The standard will be adopted from 1 November 2019 using the modified retrospective approach. This recognises the cumulative effect of initially applying the standard as an adjustment to equity at the date of the initial application. The Group anticipates recording a right of use asset of £0.4m and corresponding lease liability of approximately £0.4m, with the right of use asset to be depreciated over the life of the lease and the lease liability subsequently measured at amortised cost using a discount rate which represents the incremental cost of borrowing.

**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.

**Accounting policies**

The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as are applied in the Group's latest audited Report and Accounts for the year ended 31 October 2018, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2018 and will be adopted in the 2019 annual financial statements. New standards impacting the Group that will be adopted in the annual financial statements for the year ending 31 October 2019, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers

Details of the impact these two standards have had are given below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

**IFRS 9 Financial Instruments**

IFRS 9, implementation date 1 November 2018, has replaced IAS 39 Financial Instruments: Recognition and Measurement, and has impacted the Group in the following areas:

• A non-derivative financial asset classified as an available for sale financial asset under IAS 39 Financial Instruments: Recognition and Measurement has now been classified as being amortised cost under IFRS 9. Previously, under IAS 39, gains and losses accumulated in reserves were recycled to profit or loss on disposal. A loss of £7,000 previously recognised in reserves has therefore been transferred to retained earnings.

• The impairment provision on financial assets measured at amortised cost (such as trade and other receivables) calculated in accordance with IFRS 9's expected loss provision, has been calculated by Management and was not considered material so no adjustment has been made.

The Group has chosen not to restate comparatives on adoption of IFRS 9 and, therefore, both changes have been processed at the date of initial application (i.e. 1 November 2018) and presented in the statement of changes in equity for the 6 months to 30 April 2019.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 has replaced IAS 18 Revenue and IAS 11 Construction Contracts as well as various interpretations previously issued by the IFRS Interpretations Committee. It has been adopted on its mandatorily effective date, and applied on a retrospective basis, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings, of which there was nil. There has been no material change to the way the Group recognises revenue.

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It, therefore, does not materially affect the current revenue recognition policy or the revenue recognised in the financial statements as IFRS 15's revenue recognition requirements are in line with Ardens' current policy to only recognise revenue at the point in time when under the terms of the contract, the conditions have been met.

## 2) Revenue

| | Six months ended 30 April 2019 Unaudited £'000 | Six months ended 30 April 2018 Unaudited £'000 | Year ended 31 October 2018 Audited £'000 |
|---|---|---|---|
| Equities division | **366** | 591 | 974 |
| Corporate Finance division | **2,749** | 2,042 | 6,400 |
| Wealth division | **41** | - | - |
| Transfer to profit or loss on disposal of available for sale assets | **-** | (8) | (8) |
| **Total revenue** | **3,156** | 2,625 | 7,366 |

## 3) Operating expenses

| | Six months ended 30 April 2019 Unaudited £'000 | Six months ended 30 April 2018 Unaudited £'000 | Year ended 31 October 2018 Audited £'000 |
|---|---|---|---|
| Staff costs including incentive scheme | **2,889** | 2,678 | 5,204 |
| Other overheads | **1,814** | 1,959 | 3,899 |
| Staff and overhead costs | **4,703** | 4,637 | 9,103 |
| Share based payments | **64** | 27 | 142 |
| Depreciation | **35** | 18 | 36 |
| Redundancy and restructuring costs | **-** | 286 | 923 |
| **Total operating expenses** | **4,802** | 4,968 | 10,204 |

## 4) Loss per share

The basic loss per share of 5.5p (2018: 7.9p) is calculated on a loss after tax of £1,622,000 (2018: £2,344,000) and 29,428,534 (2018: 29,561,749) 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 2018, the basic loss per share of 9.6p is calculated on a loss after tax of £2,821,000 and 29,533,754 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.

The basic loss per share has not been adjusted in respect of a dilution as the impact of the weighted average outstanding share options would be to decrease the loss per share.

The underlying basic loss per share of 5.3p (2018: 6.9p) for the six months ended 30 April 2019 is calculated on a loss after tax of £1,558,000 (2018: £2,031,000) being the loss after tax, adjusted for the effect of IFRS 2 costs of £64,000 (2018: £27,000) and redundancy and restructuring costs of £Nil (2018: £286,000). The underlying basic loss per share of 6.0p for the year to 31 October 2018 is calculated on a loss after tax of £1,756,000 being the loss after tax, adjusted for the effect of IFRS 2 costs of £142,000 and restructuring costs of £923,000.

## 5) Dividends

| | Six months ended 30 April 2019 Unaudited £'000 | Six months ended 30 April 2018 Unaudited £'000 | Year ended 31 October 2018 Audited £'000 |
|---|---|---|---|
| Final dividend year ended 31 October 2017 | **-** | 295 | 295 |
| Final dividend year ended 31 October 2018 | **294** | - | - |
| **Distribution to equity shareholders** | **294** | 295 | 295 |

The Directors have not proposed an interim dividend (2018: Nil).

**INDEPENDENT REVIEW REPORT TO ARDEN PARTNERS PLC**

## Introduction

We have been engaged by the company to review the condensed interim set of financial statements in the half-yearly financial report for the six months ended 30 April 2019 which comprises the consolidated condensed statement of comprehensive income, the consolidated condensed statement of financial position, the consolidated condensed statement of cash flows, the consolidated condensed 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", pursuant to the Financial Reporting Council's (FRC) guidance on Review of Interim Financial Information. 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 ISAs (UK) 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 2019 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*
*24 July 2019*

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