

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

Audited results for the year ended 31 October 2016

Arden Partners plc (AIM: ARDN), the institutional stockbroking company, today announces audited results for the year ended 31 October 2016.

Financial highlights

- Revenue £5.9 million (2015: £5.5 million)
- Loss before tax £0.4 million (2015: £2.1 million)
- Underlying loss before tax* £0.5 million (2015: £1.8 million)
- Basic loss per share 2.5p (2015: 10.8p)
- Capital adequacy ratio 404% (2015: 392%)

* Profit before tax as adjusted for the effect of share based payments, lease settlement credit and reorganisation costs

Operational highlights

- Funds raised for clients £61m
- Retained corporate clients 39

Commenting on the results and Arden's outlook, Luke Johnson, Chairman, said:

"While the sector background and competitive forces remain ferocious, I am cautiously optimistic that in the medium term Arden can achieve a satisfactory level of profitability".

Arden Partners plc

James Reed-Daunter – Chief Executive Officer
Steve Wassell – Chief Operating Officer

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GCA Altium Limited

Sam Fuller

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Chairman's Statement

Together with other small and mid-market stockbrokers, your company found trading conditions difficult in 2016.

However, the second half year delivered a better result than the first half, so that the full year loss was reduced from that recorded at the half year, and helped deliver a better result than in 2015.

We continue to face challenges: commissions are under pressure, and the regulatory burden grows remorselessly. All brokers like Arden will have to increasingly rely on their corporate client list to generate fees in order to succeed.

Given these circumstances, the executive have managed the company's cost base tightly. Cash is being preserved. At the end of the year under review, Arden recruited a first-rate execution team from a rival firm. Early indications are that they will add materially to equity trading commissions, and they are helping to grow Arden's corporate list in the current financial year.

I hope we will be able to announce further hires of able stockbrokers in the months to come. We will also look to evaluate potential acquisitions of complementary businesses to take advantage of synergies and cost savings. The industry must consolidate further if it is to prosper, and Arden has cash, and an excellent corporate client list.

While the sector background and competitive forces remain ferocious, I am cautiously optimistic that in the medium term Arden can achieve a satisfactory level of profitability.

Given the loss for the year it would be inappropriate to pay a dividend.

I would like to thank our institutional and corporate clients for their continued loyalty to Arden, and all the staff for their hard work during the 2016 financial year.

Luke Johnson
Chairman

Chief Executive's Statement

I am pleased to report that Arden ended the year on a positive note, producing a profit of £0.3m in the second half, thereby reducing the H1 loss of £0.7m previously reported.

In October we were delighted to announce the hiring of a top rated small and mid cap Sales and Trading team. Early indications are positive with a strong increase of revenues in this area and a number of corporate client wins.

Financial Review

Revenue in the year ended 31 October 2016 was £5.9m compared to £5.5m in 2015. The underlying loss before taxation, which is stated before adjusting for share-based payments, lease settlement credit and reorganisation costs, was £0.5m and compares to a loss before taxation in 2015, of £1.8m.

Overheads continue to be managed tightly, resulting in a further £0.9m reduction year on year.

The Board has continued to buy back the Company's shares, under the shareholders authority granted at the last AGM. During the year ended 31 October 2016, the Company purchased net, 744,266 ordinary shares for a consideration of £0.287m. At the financial year end the Company held 1,200,242 ordinary shares in treasury at a total cost to the Company of £0.5m.

Outlook

Arden has managed its cost base tightly over the past two years, during what has been a difficult trading environment for the small and mid cap sector. Notwithstanding the generally harsh industry backdrop, we are encouraged by recent hires and are keen to recruit further quality individuals and teams on to what is a clean and financially strong platform. This will be key to continuing the momentum generated in H2 2016 into Arden's current financial year.

Finally may I take this opportunity to thank all our clients for their continued support and our staff for their dedication and hard work throughout the year.

James Reed-Daunter
Chief Executive Officer

**Consolidated Statement of Comprehensive Income
For the year ended 31 October 2016**

| | Note | 2016 £'000 | 2015 £'000 |
|--|------|----------------|---------------|
| Revenue | 2 | 5,857 | 5,486 |
| Administrative expenses | | (6,323) | (7,646) |
| Loss from operations | | (466) | (2,160) |
| Finance income | | 40 | 65 |
| Finance expense | | (3) | (2) |
| Loss before taxation | | (429) | (2,097) |
| Income tax charge | | (41) | - |
| Loss after taxation | | (470) | (2,097) |
| Other comprehensive income for the year: | | | |
| Items that will or may be reclassified subsequently to profit or loss: | | | |
| Decrease in fair value of available for sale financial assets | | (5) | (7) |
| Deferred tax taken to equity | | - | 6 |
| Total comprehensive income for the year attributable to equity shareholders | | (475) | (2,098) |
| Loss per share | | | |
| Basic | 3 | (2.5p) | (10.8p) |
| Diluted | 3 | (2.5p) | (10.8p) |

**Consolidated Statement of Financial Position
At 31 October 2016**

| | Note | 2016 £'000 | 2016 £'000 | 2015 £'000 | 2015 £'000 |
|--|------|---------------|----------------|---------------|----------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | | | 27 | | 25 |
| Deferred tax asset | | | 50 | | 84 |
| Total non-current assets | | | 77 | | 109 |
| Current assets | | | | | |
| Assets held at fair value | | 1,489 | | 1,703 | |
| Available for sale financial assets | | 552 | | 507 | |
| Trade and other receivables | | 2,544 | | 2,138 | |
| Stock borrowing collateral | | 58 | | 120 | |
| Cash and cash equivalents | | 5,170 | | 5,372 | |
| Corporation tax asset | | - | | 16 | |
| Total current assets | | | 9,813 | | 9,856 |
| Total assets | | | 9,890 | | 9,965 |
| Current liabilities | | | | | |
| Financial liabilities held at fair value | | (48) | | (92) | |
| Trade and other payables | | (2,719) | | (1,979) | |
| Total current liabilities | | | (2,767) | | (2,071) |
| Total liabilities | | | (2,767) | | (2,071) |
| Net assets | | | 7,123 | | 7,894 |
| Shareholders' equity | | | | | |
| Called up share capital | | | 2,063 | | 2,063 |
| Capital redemption reserve | | | 700 | | 700 |
| Share premium account | | | 2,933 | | 2,933 |
| Employee Benefit Trust reserve | | | (849) | | (849) |
| Available for sale reserve | | | (11) | | (6) |
| Retained earnings | | | 2,836 | | 3,348 |
| Total equity before deduction of own shares | | | 7,672 | | 8,189 |
| Own shares | | | (549) | | (295) |
| Total equity | | | 7,123 | | 7,894 |

**Consolidated Statement of Cash Flows
For the year ended 31 October 2016**

| | 2016 | 2015 |
|---|--------------|----------------|
| | £'000 | £'000 |
| Operating activities before taxation | | |
| Loss before tax | (429) | (2,097) |
| Adjustments for: | | |
| Fair value adjustments of derivative financial assets | (205) | 287 |
| Depreciation of fixtures, fittings and computer equipment | 23 | 25 |
| Net interest receivable | (37) | (63) |
| Share based payments | 22 | 111 |
| Operating cash flow before changes in working capital | (626) | (1,737) |
| Decrease in operating assets | 88 | 2,976 |
| Increase/(decrease) in operating liabilities | 683 | (2,892) |
| Purchase of available for sale investments | (50) | (513) |
| Proceeds from disposal of available for sale investments | - | 466 |
| Cash generated from operations | 95 | (1,700) |
| Income taxes paid | 10 | - |
| Net cash flows from operating activities | 105 | (1,700) |
| Investing activities | | |
| Purchases of property, plant and equipment | (26) | (7) |
| Net interest received | 37 | 63 |
| Net cash flows from investing activities | 11 | 56 |
| Financing activities | | |
| Exercise of share options | (31) | - |
| Proceeds from the sale of own shares | 133 | 10 |
| Purchase of own shares | (420) | (1,136) |
| Dividends paid to equity shareholders | - | (140) |
| Net cash flows from financing activities | (318) | (1,266) |
| Decrease in cash and cash equivalents | (202) | (2,910) |
| Cash and cash equivalents at the beginning of the year | 5,372 | 8,282 |
| Cash and cash equivalents at the end of the year | 5,170 | 5,372 |

Consolidated Statement of Changes in Equity For the year ended 31 October 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 1 November 2014 | 2,296 | 2,933 | 467 | (264) | (849) | (33) | 6,597 | 11,147 |
| Profit for year | - | - | - | - | - | - | (2,097) | (2,097) |
| Deferred tax taken to equity | - | - | - | - | - | - | 6 | 6 |
| Revaluation of available for sale financial assets | - | - | - | - | - | (7) | - | (7) |
| Transferred to retained earnings on disposal of available for sale assets | - | - | - | - | - | 34 | (34) | - |
| Total comprehensive income for the year | - | - | - | - | - | 27 | (2,125) | (2,098) |
| Contributions by and distributions to owners | | | | | | | | |
| Purchase of own shares | - | - | - | (1,136) | - | - | - | (1,136) |
| Sale of own shares | - | - | - | 10 | - | - | - | 10 |
| Own shares cancelled | (233) | - | 233 | 1,095 | - | - | (1,095) | - |
| Share based payments | - | - | - | - | - | - | 111 | 111 |
| Dividends paid to equity shareholders | - | - | - | - | - | - | (140) | (140) |
| Balance at 31 October 2015 | 2,063 | 2,933 | 700 | (295) | (849) | (6) | 3,348 | 7,894 |
| Profit for year | - | - | - | - | - | - | (470) | (470) |
| Deferred tax taken to equity | - | - | - | - | - | - | - | - |
| Revaluation of available for sale financial assets | - | - | - | - | - | (5) | - | (5) |
| Total comprehensive income for the year | - | - | - | - | - | (5) | (470) | (475) |
| Contributions by and distributions to owners | | | | | | | | |
| Purchase of own shares | - | - | - | (420) | - | - | - | (420) |
| Sale of own shares | - | - | - | 134 | - | - | - | 134 |
| Share based payments | - | - | - | - | - | - | 22 | 22 |
| Share options exercised | - | - | - | 32 | - | - | (64) | (32) |
| Balance at 31 October 2016 | 2,063 | 2,933 | 700 | (549) | (849) | (11) | 2,836 | 7,123 |

Notes

1. The capital redemption reserve represents the nominal value of shares that have been cancelled that were previously held as Own Shares.
2. Own Shares represents shares purchased to be held as treasury shares at historical cost.
3. The Employee Benefit Trust reserve represents shares held in the parent Company by the Arden Partners Employee Benefit Trust which is consolidated in the Group's financial statements.

NOTES

1) Basis of preparation

The financial information set out in this announcement has been prepared in accordance with the recognition and measurement principles of IFRS as endorsed for use in the European Union.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 31 October 2016 or the year ended 31 October 2015 under the meaning of s434 Companies Act 2006, but is derived from those accounts.

Statutory accounts for the years ended 31 October 2016 and 31 October 2015 have been reported on by the Independent Auditors.

The Independent Auditors' Report on the Annual Report and Financial Statements for the years ended 31 October 2016 and 31 October 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.

Statutory accounts for the year ended 31 October 2015 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 October 2016, prepared under IFRS, will be delivered to the Registrar in due course.

2) Revenue

Revenue is wholly attributable to the principal activity of the Group and arises solely within the United Kingdom.

| | 2016 | 2015 |
|----------------------------|--------------|-------|
| | £'000 | £'000 |
| Equities Division | 2,430 | 2,172 |
| Corporate Finance Division | 3,427 | 3,314 |
| Total revenue | 5,857 | 5,486 |

Included within revenue of the Equities Division is a profit of £205,000 (2015: loss £287,000) relating to the fair value adjustment of derivatives held within assets that are fair valued through profit or loss.

The Directors are of the opinion that there are only two operating segments and while segment revenues are reviewed internally business resources are not allocated to segments for the purposes of deriving either profit or assets. In 2016, none of the Group's customers contributed 10% or more of the Group's revenue. In 2015 one of the Group's customers contributed more than 10% of the Group's revenue, the amount was £914,000.

3) Earnings per Share

In addition to the basic earnings per share, underlying earnings per share has been shown because the Directors consider that this gives a more meaningful indication of the underlying performance of the Group. Where applicable, all adjustments are stated after taking into consideration current tax treatment ignoring deferred tax.

| | Year ended 31 October 2016 | | Year ended 31 October 2015 | |
|---------------------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| | Pence per Share | Numerator £'000 | Pence per Share | Numerator £'000 |
| Basic loss per share | (2.5) | (470) | (10.8) | (2,097) |
| Add: IFRS2 share-based payments | 0.1 | 22 | 0.5 | 111 |
| Add: Reorganisation payments | - | - | | |
| Less: Lease settlement credit | (0.8) | (150) | 0.9 | 177 |
| Underlying basic loss | (3.2) | (598) | (9.4) | (1,809) |
| Diluted loss per share | (2.5) | (470) | (10.8) | (2,097) |
| Add: IFRS2 share-based payments | 0.1 | 22 | 0.5 | 111 |
| Add: Reorganisation payments | - | - | | |
| Less: Lease settlement credit | (0.8) | (150) | 0.9 | 177 |
| Underlying diluted loss | (3.2) | (598) | (9.4) | (1,809) |

| | Year ended 31 October 2016 Number | Year ended 31 October 2015 Number |
|--|---|---|
| Denominator | | |
| Weighted average number of shares in issue for basic earnings calculation | 18,734,234 | 19,282,644 |
| Weighted average dilution for outstanding share options | 541,383 | 840,385 |
| Weighted average number for diluted earnings calculation | 19,275,617 | 20,123,029 |

The 1,480,700 (2015: 1,480,700) shares held by the Arden Partners Employee Benefit and the 1,200,242 (2015: 455,976) shares held in Treasury have been excluded from the denominator.

No adjustment has been made to the diluted loss per share of 2.4p as the dilution effect of the weighted average number of outstanding share options of 541,383 would be to decrease the loss per share.

4) Annual Report and Accounts

Copies of the 2016 Report and Accounts will be posted to shareholders in due course. Copies will also be available from the Company's registered office and from the Company's website.