

## **Frenkel Topping Group plc**

("Frenkel Topping" or, together with its subsidiaries "the Group")

Through its trading subsidiary Frenkel Topping Limited, Frenkel Topping Group Plc, provides specialist independent financial advice on the investment of personal injury damages and clinical negligence awards. Frenkel Topping offers a complete service for all personal injury claims handlers, lawyers and individual clients, dealing with awards from a few thousand pounds to multi-million pound cases. Frenkel Topping's expertise includes asset protection, bespoke investment portfolios, analysis of periodical payments, Court of Protection portfolios and the provision of, and setting up of, trustee and receivership bank accounts.

### **Unaudited Interim Results for the six months ended 30 June 2010**

#### **Highlights**

	6 Months ended 30 June 2010 £	6 Months ended 30 June 2009 £	Year ended 31 December 2009 £
Total Revenue	1,611,276	1,312,535	2,992,803
Profit from operations before share based compensation	205,480	33,466	208,211

**Frenkel Topping Group plc**

Richard Fraser  
Chief Executive  
Tel No: 0161 886 8000

**WH Ireland Limited**

Robin Gwyn  
Tel No: 0161 832 2174

## **Chairman's Statement**

The Board of Frenkel Topping Group are pleased to announce the results of the Group for the six month period ended 30 June 2010.

For the six months ended 30 June 2010 the Group has reported a profit from operations before share based compensation of £205,480 (£33,466 for the six months ended 30 June 2009 and £208,211 for the year ended 31 December 2009) and a profit before tax of £168,296 (loss £9,457 for the six months ended 30 June 2009 and profit of £123,437 for the year ended 31 December 2009).

The Group's revenue for the period is £1,611,276 (£1,312,535 for the six months ended 30 June 2009 and £2,992,803 for the year ended 31 December 2009).

During the reporting six month period the Group's Funds in the Investment Management Service (FIMS) from new clients have increased by £17m and the FIMS as at 30 June 2010 are £300m, as redefined. The Group's revenue includes £1.1m of recurring income from FIMS (£0.7m for the six month ended 30 June 2009 and £1.6m for the year ended 31 December 2009).

The Group had cash absorption of £53,428 from its operating activities during the period (£125,813 absorbed in the six month to 30 June 2009, £118,965 generated for the year ended 31 December 2009). During the period the Group has started to repay its long term debt and this is expected to continue over the next 12 months.

The Group is operating well within its current bank facilities and the Board expects this situation to continue.

The net asset value of the Group as at 30 June 2010 was £4,873,973 (£4,705,272 as at 30 June 2009, £4,774,008 as at 31 December 2009).

These results, which represent the strongest equivalent first half performance since our shares were admitted to trading on AIM, demonstrate the progress that the Group has made and continues to make with the implementation of its declared strategy.

### **Dividend**

The Board does not propose an interim dividend.

### **Prospects**

The Group's strategy is to increase the recurring income from FIMS and to focus on revenue generation and cost control. During the reporting period 70% of the Group's revenue was generated from FIMS (53% for the six months ended 30 June 2009 and 51% for the year ended 31 December 2009). The Board believe that our financial performance will continue to improve in the future, resulting in enhanced shareholder value.

David Southworth  
Chairman  
9<sup>th</sup> August 2010

**Frenkel Topping Group plc**  
**Group income statement**

	Note	6 Months ended 30-Jun-10 Unaudited £	6 Months ended 30-Jun-09 Unaudited £	Year ended 31-Dec- 09 Audited £
REVENUE		1,611,276	1,312,535	2,992,803
Direct staff costs		(777,895)	(685,368)	(1,551,525)
Gross Profit		833,381	627,167	1,441,278
ADMINISTRATIVE EXPENSES				
Share based compensation		(22,357)	(28,349)	(43,812)
Other		(627,901)	(593,701)	(1,233,067)
TOTAL ADMINISTRATIVE EXPENSES		(650,258)	(622,050)	(1,276,879)
Profit from operations before share based compensation		205,480	33,466	208,211
Share based compensation		(22,357)	(28,349)	(43,812)
PROFIT FROM OPERATIONS		183,123	5,117	164,399
Finance costs		(14,827)	(14,574)	(40,962)
PROFIT/(LOSS) BEFORE TAXATION		168,296	(9,457)	123,437
Income tax expense		(58,721)	(845)	(63,770)
PROFIT/(LOSS) FOR THE PERIOD		109,575	(10,302)	59,667
Profit/(Loss) attributable to:				
Equity holders of parent		77,608	(9,722)	34,987
Minority Interests		31,967	(580)	24,680
		109,575	(10,302)	59,667
Earnings/(Loss) per share - basic (pence)	3	0.14	(0.01)	0.06
Earnings/(Loss) per share - diluted (pence)	3	0.14	(0.01)	0.06

The results for the period are derived from continuing activities.

There was no recognised income or expenditure other than the profit/ (loss) for the period/year. Accordingly no Statement of Recognised Income and Expenditure has been prepared.

**Frenkel Topping Group plc**  
**Group Statement of Financial Position**

As at 30 June 2010

	30-Jun-10 Unaudited £	30-Jun-09 Unaudited £	31-Dec-09 Audited £
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Goodwill	5,095,287	5,095,287	5,095,287
Property, Plant and equipment	23,589	36,343	28,697
Deferred tax	20,675	35,075	20,675
	<u>5,139,551</u>	<u>5,166,705</u>	<u>5,144,659</u>
<b>CURRENT ASSETS</b>			
Accrued income	639,942	528,864	551,891
Trade receivables	289,906	229,314	369,032
Other receivables	135,362	136,836	77,567
Cash	-	95	40
	<u>1,065,210</u>	<u>895,109</u>	<u>998,530</u>
<b>TOTAL ASSETS</b>	<u><u>6,204,761</u></u>	<u><u>6,061,814</u></u>	<u><u>6,143,189</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued capital	274,146	273,915	274,146
Share premium account	5,744,876	5,744,876	5,744,876
Other reserve	12,997	12,997	12,997
Treasury share reserve	(16,667)	(25,000)	(16,667)
Retained losses	(1,141,379)	(1,301,516)	(1,241,344)
	<u>4,873,973</u>	<u>4,705,272</u>	<u>4,774,008</u>
Minority Interests	166,451	109,224	134,484
<b>TOTAL EQUITY</b>	<u>5,040,424</u>	<u>4,814,496</u>	<u>4,908,492</u>
<b>NON CURRENT LIABILITIES</b>			
Other payables	-	50,000	25,000
Financial liabilities	-	215,156	-
	<u>-</u>	<u>265,156</u>	<u>25,000</u>
<b>CURRENT LIABILITIES</b>			
Amounts due to bankers and short term financial liabilities	440,189	380,248	379,409
Current taxation	143,751	98,323	90,894
Trade and other payables	549,639	469,282	707,495
Provisions	30,758	34,309	31,899
	<u>1,164,337</u>	<u>982,162</u>	<u>1,209,697</u>
<b>TOTAL LIABILITIES</b>	<u>1,164,337</u>	<u>1,247,318</u>	<u>1,234,697</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6,204,761</u></u>	<u><u>6,061,814</u></u>	<u><u>6,143,189</u></u>

## Consolidated Statement of Changes in Equity

For the period to 30 June 2010

	Share Capital £	Share Premium £	Treasury share reserve £	Retained losses £	Other reserve £	Minority Interest £	Total £
Balance 1 January 2009	273,915	5,744,876	(25,000)	(1,320,143)	12,997	109,804	4,796,449
Share based compensation	-	-	-	28,349	-	-	28,349
Loss for the period	-	-	-	(9,722)	-	(580)	(10,302)
Balance 30 June 2009	273,915	5,744,876	(25,000)	(1,301,516)	12,997	109,224	4,814,496
New shares issued	231	-	-	-	-	-	231
Transfer of shares arising on exercise of options	-	-	8,333	-	-	-	8,333
Total transactions with owners in their capacity as owners	231	-	8,333	-	-	-	8,564
Share based compensation	-	-	-	15,463	-	-	15,463
Profit for period	-	-	-	44,709	-	25,260	69,969
Balance 31 December 2009	274,146	5,744,876	(16,667)	(1,241,344)	12,997	134,484	4,908,492
Share based compensation	-	-	-	22,357	-	-	22,357
Profit for the period	-	-	-	77,608	-	31,967	109,575
Balance 30 June 2010	274,146	5,744,876	(16,667)	(1,141,379)	12,997	166,451	5,040,424

The share capital reserve represents the number of shares issued at nominal value.

The share premium reserve represents the amount received for shares issued over and above the nominal value of the shares issued.

The treasury share reserve represents the cost of 708,315 shares held by FTG EBT Trustees Limited, a subsidiary of Frenkel Topping Group Plc. The open market value of the shares held at 30 June 2010 was £35,412.

Retained losses represent the loss generated by the Group since trading commenced.

The other reserve represents the fair value of the embedded option to convert the loan instrument into equity.

The non controlling interests represent the value of the subsidiary owned outside the Group.

The Group has conformed with all capital requirements as imposed by the FSA.

**Frenkel Topping Group plc**  
**Group Cash Flow Statement**  
For the period to 30 June 2010

	6 Months ended 30-Jun-10 Unaudited £	6 Months ended 30-Jun-09 Unaudited £	Year ended 31-Dec -09 Audited £
Profit/(loss) for the year	109,575	(10,302)	59,667
Adjustments to reconcile profit/(loss) for the year to cash generated from/(used in) operating activities			
Tax expense	58,721	845	63,770
Finance cost	14,827	14,574	40,962
Share based compensation	22,357	28,349	43,812
Depreciation	5,558	8,303	16,820
(Increase)/decrease in accrued income, trade and other receivables	(66,719)	(138,593)	(222,718)
(Decrease)/increase in trade and other payables	(197,747)	(28,989)	173,076
Cash generated (used in)/from operations	(53,428)	(125,813)	175,389
Income Tax paid	-	-	(56,424)
Cash generated (used in)/from operating activities	(53,428)	(125,813)	118,965
Acquisition of property, plant and equipment	(451)	(2,574)	(3,444)
Cash used in investing activities	(451)	(2,574)	(3,444)
Financing			
Shares issued	-	-	231
Repayment of loan	(10,833)	-	-
Interest on loans	(41,038)	(7,431)	(18,230)
Cash used in financing	(51,871)	(7,431)	(17,999)
(Decrease)/Increase in cash and cash equivalents	(105,750)	(135,818)	97,522
Opening cash and cash equivalents	(146,813)	(244,335)	(244,335)
Closing cash and cash equivalents	(252,563)	(380,153)	(146,813)
Reconciliation of cash and cash equivalent			
Cash at hand	-	95	40
Amounts due to bank	(252,563)	(380,248)	(146,853)
Closing cash and cash equivalent	(252,563)	(380,153)	(146,813)

## Notes to the Interim Financial Statements

### 1. Basis of preparation and accounting policies

#### *Basis of preparation*

The Group's interim result consolidates the results of the Frenkel Topping and its subsidiary undertakings made up to 30 June 2010. Frenkel Topping is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The consolidated financial information of Frenkel Topping is presented in Pounds Sterling (£), which is also the functional currency of the parent.

The financial information contained in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It does not therefore include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2009 which have been prepared in accordance with IFRS's as adopted by the European Union.

The financial information for the 6 months ended 30 June 2010 is also unaudited.

The Group's statutory accounts for the year ended 31 December 2009 have been delivered to the Registrar of Companies. The report of the auditors on these accounts was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK Groups, in the preparation of these interim financial statements.

#### *Significant accounting policies*

The accounting policies used in the preparation of the financial information for the six months ended 30 June 2010 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') as adopted by the European Union and are consistent with those which will be adopted in the annual statutory financial statements for the year ended 31 December 2010.

### 2. Segmental Reporting

The total revenue, losses before tax and net assets are attributable to the one principal activity of the Group, the provision of advice regarding structured settlements and related financial services. All revenue and costs originate within the United Kingdom.

### 3. Earnings/(Loss) per ordinary share

	6 months June 2010	6 months June 2009	Year ending December 2009
Profit(Loss) attributable to equity holders of parent	£77,608	£(9,722)	£34,987
Number of shares – basic	54,794,616	54,782,947	54,794,616
Number of shares – diluted	57,031,370	54,782,947	56,319,007
Earnings/(Loss) per share– basic (pence)	0.14	(0.01)	0.06
Earnings/(Loss) per share – diluted (pence)	0.14	(0.01)	0.06

The loss for the 6 months to 30 June 2009 and the weighted average number of ordinary shares for the purpose of calculating the diluted loss per share for the 6 months ended 30 June 2009 are the same as for the basic loss per share calculation. This is because the outstanding share

options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive under the terms of IAS 33.

4. The Board of Directors approved the interim report on 6 August 2010.