

Frenkel Topping Group plc

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

Frenkel Topping provides specialist independent financial advice on the investment of personal injury damages and clinical negligence awards.

Interim Results for the six months ended 30 June 2011

Highlights

- Groups revenue increased by 37% to £2.2m
- Profit before tax up by 71% to £287k
- Funds in the Investment Management Service increased by 29% to £389m
- Group well placed for outcome of retail distribution review

	6 Months ended 30 June 2011 Unaudited	6 Months ended 30 June 2010 Unaudited	Year ended 31 December 2010 Audited
Revenue	£2,216,649	£1,611,276	£3,652,697
Gross Profit	£1,215,544	£833,381	£2,140,444
Profit from operations before share based compensation	£309,660	£205,480	£733,355
Profit before tax	£287,053	£168,296	£647,213
Cash generated from/(used in) operations	£121,196	£(53,428)	£394,861
Funds in the Investment Management Service	£389m	£300m	£356m
Recurring Income	£1.5m	£1.1m	£2.4m
Earnings per ordinary share – basic	0.28p	0.14p	0.64p
Earnings per ordinary share – diluted	0.26p	0.14p	0.60p

Frenkel Topping Group Plc

Richard Fraser
Chief Executive
Tel No: 0161 886 8000

Shore Capital

Pascal Keane
Tel No: 020 7408 4090

Chairman's Statement

Financial Results

The Board of Frenkel Topping is pleased to announce the Group's results for the six month period ended 30 June 2011.

These results for the first six months of the 2011 financial year show the continued growth both in the size and profitability of the business and following the instability in both the domestic and global markets in 2008 and 2009, reflect the stability and robustness of the Group's business model.

For the six months ended 30 June 2011, the Group is reporting a profit from operations before share based compensation of £309,660, (51% increase from £205,480 for the six months ended 30 June 2010, and £733,355 for the year ended 31 December 2010) and a profit before tax of £287,053, (71% increase £168,296 for the six months ended 30 June 2010, and £647,213 for the year ended 31 December 2010).

Operations

The Group's revenue for the period was £2,216,649, (increase of 37% from £1,611,276 for the six months ended 30 June 2010, and £3,652,697 for the year ended 31 December 2010).

During this six month period the Group's Funds in the Investment Management Service (FIMS), have increased to £389 million, (increase of 29% from £300 million for the six months ended 30 June 2010, and £356 million for the year ended 31 December 2010). At the commencement of 2011 the Group increased the number of individuals authorised to conduct client business, which as a result has produced an uplift in the level of new business fees and new client assets into the FIMS.

As a result, the Group's revenue includes £1.5m of recurring income from FIMS (£1.1m for the six month ended 30 June 2010 and £2.4m for the year ended 31 December 2010). Recurring fees represent 68% of total Group revenue (69% as at 30 June 2010, 67% as at 31 December 2011).

We continue to offer our clients, premium investment management of their assets, provided by world class managers, including Goldman Sachs, Morgan Stanley and Brooks Macdonald which otherwise would be unattainable to them.

Cash and debt financing

The Group has generated £121,196 of cash from its operating activities during the period, (compared with £53,428 of cash absorbed in the six months to 30 June 2010, £394,861 of cash generated for the year ended 31 December 2010).

As at the period end the group had no requirement for long term debt financing. The Group operates well within its current bank facilities and the Board expects this situation to continue.

Staff

The FSA Retail Distribution Review (RDR) will substantially change the financial services marketplace. A number of the Group's authorised individuals already hold the requisite qualifications required by RDR, with the remainder of the authorised individuals making good progress in advance of the timescales imposed by the FSA. The Groups revenue model is aligned to the recommendations of the review and the Group has sufficient capital resources required under the RDR model. As a result, the Board believes that the Group is well placed to address the outcomes of the RDR.

Our staff continue to show tremendous commitment and loyalty and I would like to thank them on behalf of the Board for their continuing contribution to the Group's success.

Dividend

On the 10 June 2011 the Court of Justice approved the cancellation of the Share Premium Account on the Balance Sheet, as announced to shareholders. This capital reconstruction combined with the successful performance of the Group has created distributable reserves. Whilst we do not propose the payment of a dividend at the present time, we intend to commence with returns to shareholders during 2012.

Outlook

The implementation of our successful business model, which entails consistent growth in the FIMS (with associated growth in the subsequent recurring income) and the tight control of costs, has meant that the Group now has the flexibility and resources to adapt to opportunities and changes in the marketplace. As a result the Board has confidence in the continuing success of the Group through the remainder of 2011 and beyond.

David Southworth
Chairman
20th July 2011

Frenkel Topping Group plc Group income statement		6 Months ended 30-Jun-11 Unaudited £	6 Months ended 30-Jun-10 Unaudited £	Year ended 31-Dec- 10 Audited £
	Note			
REVENUE		2,216,649	1,611,276	3,652,697
Direct staff costs		(1,001,105)	(777,895)	(1,512,253)
Gross Profit		<u>1,215,544</u>	<u>833,381</u>	<u>2,140,444</u>
ADMINISTRATIVE EXPENSES				
Share based compensation		(15,406)	(22,357)	(56,714)
Other		(905,884)	(627,901)	(1,407,089)
TOTAL ADMINISTRATIVE EXPENSES		<u>(921,290)</u>	<u>(650,258)</u>	<u>(1,463,803)</u>
Profit from operations before share based compensation		309,660	205,480	733,355
Share based compensation		(15,406)	(22,357)	(56,714)
PROFIT FROM OPERATIONS		294,254	183,123	676,641
Finance costs		(7,201)	(14,827)	(29,428)
PROFIT BEFORE TAXATION		<u>287,053</u>	<u>168,296</u>	<u>647,213</u>
Income tax expense		(79,311)	(58,721)	(204,343)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>207,742</u>	<u>109,575</u>	<u>442,870</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of parent undertakings		156,200	77,608	350,709
Non controlling interest		51,542	31,967	92,161
		<u>207,742</u>	<u>109,575</u>	<u>442,870</u>
Earnings per share - basic (pence)	3	0.28	0.14	0.64
Earnings per share - diluted (pence)	3	0.26	0.14	0.60

The results for the period are derived from continuing activities.

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

As at 30 June 2011

	30-Jun-11	30-Jun-10	31-Dec-10
	Unaudited	Unaudited	Audited
	£	£	£
ASSETS			
NON CURRENT ASSETS			
Goodwill	5,095,287	5,095,287	5,095,287
Property, Plant and equipment	17,347	23,589	21,128
Intangible assets	37,500	-	-
Deferred tax	20,675	20,675	20,675
	<u>5,170,809</u>	<u>5,139,551</u>	<u>5,137,090</u>
CURRENT ASSETS			
Accrued income	792,125	639,942	734,502
Trade receivables	421,850	289,906	401,327
Other receivables	184,463	135,362	133,251
Cash at bank and in hand	716,639	-	775,893
	<u>2,115,077</u>	<u>1,065,210</u>	<u>2,044,973</u>
TOTAL ASSETS	<u><u>7,285,886</u></u>	<u><u>6,204,761</u></u>	<u><u>7,182,063</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	274,262	274,146	274,262
Share premium account	-	5,744,876	5,744,876
Other reserve	-	12,997	-
Treasury share reserve	(32,311)	(16,667)	(12,500)
Retained profits/(losses)	5,038,879	(1,141,379)	(874,953)
But EQUITY ATTRIBUTABLE TO HOLDER OF PARENT	<u>5,280,830</u>	<u>4,873,973</u>	<u>5,131,685</u>
Non controlling Interests	334,866	166,451	280,674
TOTAL EQUITY	<u>5,615,696</u>	<u>5,040,424</u>	<u>5,412,359</u>
NON CURRENT LIABILITIES			
Other payables	12,500	-	12,500
	<u>12,500</u>	<u>-</u>	<u>12,500</u>
CURRENT LIABILITIES			
Financial liabilities	667,121	440,189	818,797
Current taxation	351,639	143,751	265,126
Trade and other payables	612,556	549,639	604,129
Provisions	26,374	30,758	69,152
	<u>1,657,690</u>	<u>1,164,337</u>	<u>1,757,204</u>
TOTAL LIABILITIES	<u>1,670,190</u>	<u>1,164,337</u>	<u>1,769,704</u>
TOTAL EQUITY AND LIABILITIES	<u><u>7,285,886</u></u>	<u><u>6,204,761</u></u>	<u><u>7,182,063</u></u>

Consolidated Statement of Changes in Equity

For the period to 30 June 2011

	Share Capital	Share Premium	Treasury share reserve	Retained losses	Other reserve	Total controlling interest	Non controlling interest	Total
	£	£	£	£	£	£	£	£
Balance 1 January 2010	274,146	5,744,876	(16,667)	(1,241,344)	12,997	4,774,008	134,484	4,908,492
Share based compensation	-	-	-	22,357	-	22,357	-	22,357
Profit and total comprehensive income for the period	-	-	-	77,608	-	77,608	31,967	109,575
Balance 30 June 2010	274,146	5,744,876	(16,667)	(1,141,379)	12,997	4,873,973	166,451	5,040,424
New shares issued	116	-	-	-	-	116	-	116
Transfer of shares arising on exercise of options	-	-	4,167	-	-	4,167	-	4,167
Transfer on satisfaction of loan instrument	-	-	-	12,997	(12,997)	-	-	-
Transfer of share based compensation attributable to non controlling interest	-	-	-	(54,029)	-	(54,029)	54,029	-
Share based compensation	-	-	-	34,357	-	34,357	-	34,357
Profit and total comprehensive income for the period	-	-	-	273,101	-	273,101	60,194	333,295
Balance 31 December 2010	274,262	5,744,876	(12,500)	(874,953)	-	5,131,685	280,674	5,412,359
Share based compensation	-	-	-	12,756	-	12,756	2,650	15,406
Purchase of share by employee trust	-	-	(19,811)	-	-	(19,811)	-	(19,811)
Cancellation share premium account	-	(5,744,876)	-	5,744,876	-	-	-	-
Profit and total comprehensive income for the period	-	-	-	156,200	-	156,200	51,542	207,742
Balance 30 June 2011	274,262	-	(32,311)	5,038,879	-	5,280,830	334,866	5,615,696

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

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 676,655 shares held by FTG EBT Trustees Limited and Frenkel Topping Group Employee Benefit Trust. The open market value of the shares held at 30 June 2011 was £91,348 (2010: £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 loan instrument has now been repaid.

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 2011

	6 Months ended 30-Jun-11 Unaudited £	6 Months ended 30-Jun-10 Unaudited £	Year ended 31-Dec -10 Audited £
Profit before tax	287,053	168,296	647,213
Adjustments to reconcile profit for the year to cash generated from operating activities			
Finance cost	7,201	14,827	29,428
Share based compensation	15,406	22,357	56,714
Depreciation	18,031	5,558	11,348
Increase in accrued income, trade and other receivables	(179,358)	(66,719)	(270,623)
Decrease in trade and other payables	(27,137)	(197,747)	(79,219)
Cash generated (used in)/from operations	121,196	(53,428)	394,861
Income Tax paid	-	-	(24,835)
Cash generated (used in)/from operating activities	121,196	(53,428)	370,026
Acquisition of property, plant and equipment	(1,752)	(451)	(3,778)
Cash used in investing activities	(1,752)	(451)	(3,778)
Financing activities			
Shares issued	-	-	116
Repayment of loan	-	(10,833)	(200,000)
Purchase own shares	(19,811)	-	-
Interest paid	(7,211)	(41,038)	(62,455)
Cash used in financing	(27,022)	(51,871)	(262,339)
Increase/(decrease) in cash and cash equivalents	92,422	(105,750)	103,909
Opening cash and cash equivalents	(42,904)	(146,813)	(143,813)
Closing cash and cash equivalents	49,518	(252,563)	(42,904)
Reconciliation of cash and cash equivalent			
Cash at bank and in hand	716,639	-	775,893
Overdraft	(667,121)	(252,563)	(818,797)
Closing cash and cash equivalent	49,518	(252,563)	(42,904)

Cash and cash equivalents are held at National Westminster Bank Plc.

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 2011. 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 2010 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 2011 is also unaudited.

The Group's statutory accounts for the year ended 31 December 2010 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 2011 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. Revenue Segmental Reporting

All of the Groups revenue arises from activities within the UK. Management consider there to be only one operating segment within the business based on the way the business is organised and the way results are reported internally.

3. Earnings per ordinary share

	6 months June 2011	6 months June 2010	Year ending December 2010
<i>Earnings</i>			
Earning for the purpose of basic earnings per share (net profit for the year attributable to equity holder of the parent)	£156,200	£77,608	£350,709
Earning for the purpose of diluted earnings per share	£156,200	£77,608	£350,709
<i>Number of shares</i>			
Purpose for basic earnings per share	54,852,391	54,794,616	54,836,980
Effect of dilutive potential ordinary shares – share options	4,343,651	2,236,754	3,594,060
Purpose of diluted earnings per share	59,196,042	57,031,370	58,431,040

4. The Board of Directors approved the interim report on 20 July 2011.

5. Copies of this report are available from the company website on www.frenkeltopping.co.uk

Notes to Editors:

Frenkel Topping Limited (Frenkel Topping) and Frenkel Topping Wealth Solutions (Wealth Solutions) are the trading subsidiaries of Frenkel Topping Group Plc.

Frenkel Topping 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 provision and setting up of trustee and receivership bank accounts. Frenkel Topping has £389m of client's funds in its investment management service.

Wealth Solutions provides financial planning services to the sports and entertainment sectors advising many high profile professionals. The business is expanding into other legal disciplines whose clients profile and financial needs are aligned with the Group's core offering.