

Frenkel Topping Group plc

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

Interim Results

Frenkel Topping, a leading provider of specialist independent financial advice on the investment of personal injury damages and clinical negligence awards, today announces its interim results for the six months ended 30 June 2012.

Highlights

- Group revenue increased by 5% to £2.3 million
- Profit before tax up by 65% to £474k
- Funds in the Investment Management Service increased by 14% to £445 million
- Recurring income continues to increase steadily to £1.6 million (H1 2011: £1.5 million), now representing 69.5% of Group revenue
- Net asset value, before non controlling interests, grew to £5.9 million (H1 2011: £5.3 million)
- Basic earnings per share increased to 0.50p (H1 2011: 0.28p)
- Group well placed for outcome of Retail Distribution Review

David Southworth, Chairman of Frenkel Topping, commented: “The Board is pleased with the progress that the Group has continued to make during the period, particularly in terms of revenue and profitability, as well as the increase in the number of authorised individuals who are now able to transact new business revenues. Despite the uncertain economic environment, we have succeeded in growing recurring revenue and Funds in the Investment Management Service. The Group continues to expand profitably and we look forward to driving further growth and capitalising on the operational efficiencies instigated during the period.”

- Ends -

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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 £445 million 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.

Chairman's Statement

Results

I am pleased to report that the Group has achieved continued growth during the period across all of our key metrics of revenue, profitability, cash resources and Funds in the Investment Management Service ("FIMS").

For the six months ended 30 June 2012, the Group has grown profit from operations before share based compensation by 64% to £510,151, (H1 2011: £309,660, FY 2011: £890,606) and increased profit before tax by 65% to £474,276, (H1 2011: £287,053, FY 2011: £853,437).

The Group's revenue for the period increased by 5% to £2,337,342, (H1 2011: £2,216,649, FY 2011: £4,567,436). The Group generated £167,622 of cash from its operating activities during the period, representing a 38% increase from £121,196 for the six months ended 30 June 2011, (FY 2011: £711,102).

The net asset value of the Group, before non controlling interests at 30 June 2012 was £5,885,014, (H1 2011: £5,280,830, FY 2011: £5,684,048). The Group's gross profit margin for the period increased to 57%, (H1 2011: 55%, FY 2011: 58%) and the profit before tax margin was 20%, (H1 2011: 13%, FY 2011: 19%).

The Group continues to make progress on its stated strategy to focus on year-on-year increases in recurring income from FIMS driven from organic growth and client retention. The Group is pleased to enter into its fourth consecutive year of 99% retention for its FIMS; the Board is particularly pleased with this achievement during a period of significant financial instability in the clients' market place and the Directors believe that this demonstrates the Group's high quality of advice and client support.

As mentioned in the Group's results for the year ended 31 December 2011, the Retail Distribution Review ("RDR") comes into force in January 2013 and is expected to significantly change the financial services market place. The RDR is designed to result in a clear charging structure for clients, higher professional standards and a clarity of service, which the Group has imposed on its operations since inception. 100% of the Group's authorised advisers either already hold the required qualification or are currently completing final qualification requirements. The Board fully supports and welcomes the opportunities that the RDR will create.

During the period the Group has invested in a new back office platform to improve the service offered to its clients post-RDR and to improve efficiency in administrative processing. This implementation has been completed successfully and the Board looks forward to these efficiencies coming through.

The Group continues to offer its clients access to premium investment managers including Brooks Mcdonald, Goldman Sachs and Morgan Stanley that otherwise would be unobtainable.

During this six month period the Group's Funds in the Investment Management Service increased by 14% to £445 million, (H1 2011: £389 million, FY 2011: £416 million). At the start of 2012 the Group took the decision to increase the number of individuals authorised to conduct client business, which has resulted in an uplift in the level of new business fees and new client assets into the FIMS.

Dividend

In June 2012 the Company paid its maiden dividend of £99,860 representing 0.176 pence per share to shareholders. The Company intends to pay a further dividend during the next financial year.

Outlook

The Group's strategy is to continue to focus on the following areas:

- further organic growth of FIMS;
- continue to offer our clients a premium investment solution;
- protect the margins within the business; and
- increase the number of authorised individuals.

The Board believes that the Group's flexibility and robust foundations ensure that Frenkel Topping is in a strong position to capitalise on the opportunities in the industry and to continue to achieve profitable growth.

David Southworth

Chairman

16 July 2012

Frenkel Topping Group plc Group income statement		6 Months ended 30-Jun-12 Unaudited £	6 Months ended 30-Jun-11 Unaudited £	Year ended 31-Dec- 11 Audited £
	Note			
REVENUE		2,337,342	2,216,649	4,567,436
Direct staff costs		(1,005,625)	(1,001,105)	(1,906,323)
Gross Profit		<u>1,331,717</u>	<u>1,215,544</u>	<u>2,661,113</u>
ADMINISTRATIVE EXPENSES				
Share based compensation		(32,068)	(15,406)	(26,967)
Other		(821,566)	(905,884)	(1,770,507)
TOTAL ADMINISTRATIVE EXPENSES		<u>(853,634)</u>	<u>(921,290)</u>	<u>(1,797,474)</u>
Profit from operations before share based compensation		510,151	309,660	890,606
Share based compensation		(32,068)	(15,406)	(26,967)
PROFIT FROM OPERATIONS		478,083	294,254	863,639
Finance costs		(3,807)	(7,201)	(10,202)
PROFIT BEFORE TAXATION		<u>474,276</u>	<u>287,053</u>	<u>853,437</u>
Income tax expense		(130,034)	(79,311)	(98,836)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>344,242</u>	<u>207,742</u>	<u>754,601</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of parent undertakings		274,299	156,200	607,490
Non controlling interest		69,943	51,542	147,111
		<u>344,242</u>	<u>207,742</u>	<u>754,601</u>
Earnings per share - basic (pence)	3	0.50	0.28	1.109
Earnings per share - diluted (pence)	3	0.46	0.26	1.051

The results for the period are derived from continuing activities.

Frenkel Topping Group plc
Group Statement of Financial Position
As at 30 June 2012

	30-Jun-12	30-Jun-11	31-Dec-11
	Unaudited	Unaudited	Audited
	£	£	£
ASSETS			
NON CURRENT ASSETS			
Goodwill	5,095,287	5,095,287	5,095,287
Property, Plant and equipment	12,500	17,347	22,515
Intangible assets	22,005	37,500	25,000
Deferred tax	81,959	20,675	81,957
	<u>5,211,751</u>	<u>5,170,809</u>	<u>5,224,759</u>
CURRENT ASSETS			
Accrued income	979,563	792,125	912,729
Trade receivables	486,759	421,850	343,913
Other receivables	225,709	184,463	68,270
Cash at bank and in hand	1,092,415	716,639	958,252
	<u>2,784,446</u>	<u>2,115,077</u>	<u>2,283,164</u>
TOTAL ASSETS	<u><u>7,996,197</u></u>	<u><u>7,285,886</u></u>	<u><u>7,507,923</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	283,668	274,262	283,668
Treasury share reserve	(99,356)	(32,311)	(99,356)
Retained profits/(losses)	5,700,702	5,038,879	5,499,736
But EQUITY ATTRIBUTABLE TO HOLDER OF PARENT	<u>5,885,014</u>	<u>5,280,830</u>	<u>5,684,048</u>
Non controlling Interests	507,913	334,866	432,429
TOTAL EQUITY	<u>6,392,927</u>	<u>5,615,696</u>	<u>6,116,477</u>
NON CURRENT LIABILITIES			
Other payables	-	12,500	-
	<u>-</u>	<u>12,500</u>	<u>-</u>
CURRENT LIABILITIES			
Financial liabilities	875,122	667,121	722,891
Current taxation	188,461	351,639	47,866
Trade and other payables	529,902	621,556	610,904
Provisions	9,785	26,374	9,785
	<u>1,603,270</u>	<u>1,657,690</u>	<u>1,391,446</u>
TOTAL LIABILITIES	<u>1,603,270</u>	<u>1,670,190</u>	<u>1,391,446</u>
TOTAL EQUITY AND LIABILITIES	<u><u>7,996,197</u></u>	<u><u>7,285,886</u></u>	<u><u>7,507,923</u></u>

Consolidated Statement of Changes in Equity
For the period to 30 June 2012

	Share Capital	Share Premium	Treasury share reserve	Retained losses	Other reserve	Total controlling interest	Non controlling interest	Total
	£	£	£	£	£	£	£	£
Balance 1 January 2011	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
Profit and total comprehensive income for the period	-	-	-	156,200	-	156,200	51,542	207,742
Purchase of share by employee trust	-	-	(19,811)	-	-	(19,811)	-	(19,811)
Cancellation share premium account	-	(5,744,876)	-	5,744,876	-	-	-	-
Balance 30 June 2011	274,262	-	(32,311)	5,038,879	-	5,280,830	334,866	5,615,696
New shares issued	9,406	-	-	-	-	9,406	-	9,406
Transfer of shares arising on exercise of options	-	-	12,500	-	-	12,500	-	12,500
Share based compensation	-	-	-	9,567	-	9,567	1,994	11,561
Profit and total comprehensive income for the period	-	-	-	451,290	-	451,290	95,569	546,859
Purchase of shares by employee trust	-	-	(79,545)	-	-	(79,545)	-	(79,545)
Balance 31 December 2011	283,668	-	(99,356)	5,499,736	-	5,684,048	432,429	6,116,477
Share based compensation	-	-	-	26,527	-	26,527	5,541	32,068
Dividend paid to shareholders (note 4)	-	-	-	(99,860)	-	(99,860)	-	(99,860)
Profit and total comprehensive income for the period	-	-	-	274,299	-	274,299	69,943	344,242
Balance 30 June 2012	283,668	-	(99,356)	5,700,702	-	5,885,014	507,913	6,392,927

The share capital reserve represents the number of shares 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 694,807 shares held by Frenkel Topping Group Employee Benefit Trust. The open market value of the shares held at 30 June 2012 was £97,273 (2011: £91,348).

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 2012

	6 Months ended 30-Jun-12 Unaudited £	6 Months ended 30-Jun-11 Unaudited £	Year ended 31-Dec -11 Audited £
Profit before tax	474,276	287,053	853,437
Adjustments to reconcile profit for the year to cash generated from operating activities			
Finance cost	3,807	7,201	10,202
Share based compensation	32,068	15,406	26,967
Depreciation	19,019	18,031	36,991
Increase in accrued income, trade and other receivables	(396,222)	(179,358)	(137,979)
Increase/(decrease) in trade and other payables	34,674	(27,137)	(78,516)
Cash generated (used in)/from operations	167,622	121,196	711,102
Income Tax paid	(76,085)	-	(318,788)
Cash generated (used in)/from operating activities	91,537	121,196	392,314
Acquisition of property, plant and equipment	(6,012)	(1,752)	(13,377)
Cash used in investing activities	(6,012)	(1,752)	(13,377)
Financing activities			
Shares issued	-	-	9,406
Dividend paid	(99,860)	-	-
Purchase own shares	-	(19,811)	(99,356)
Interest paid	(3,733)	(7,211)	(10,722)
Cash used in financing	(103,593)	(27,022)	(100,672)
Increase/(decrease) in cash and cash equivalents	(18,068)	92,422	278,265
Opening cash and cash equivalents	235,361	(42,904)	(42,904)
Closing cash and cash equivalents	217,293	49,518	235,361
Reconciliation of cash and cash equivalent			
Cash at bank and in hand	1,092,415	716,639	958,252
Overdraft	(875,122)	(667,121)	(722,891)
Closing cash and cash equivalent	217,293	49,518	235,361

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 2012. 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 2011 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 2012 is also unaudited.

The Group's statutory accounts for the year ended 31 December 2011 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 2012 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 2011.

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 2012	6 months June 2011	Year ending December 2011
<i>Earnings</i>			
Earning for the purpose of basic earnings per share (net profit for the year attributable to equity holder of the parent)	£274,299	£156,200	£607,490
Earning for the purpose of diluted earnings per share	£274,299	£156,200	£607,490
<i>Number of shares</i>			
Purpose for basic earnings per share	56,733,662	54,852,391	55,481,199
Less: own shares held	(694,807)	(676,656)	(694,807)
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	56,038,855	54,175,735	54,786,392
Effect of dilutive potential ordinary shares – share options	3,028,219	4,343,651	2,986,416
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Purpose of diluted earnings per share	59,067,075	58,519,386	57,772,808
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4. Dividend

A dividend of £99,860 representing 0.17626 pence per share was approved by the Shareholders at the AGM on 17 May 2012 and has not been included as a liability as at 3 December 2011. The dividend was paid on 1 June 2012.

5. The Board of Directors approved the interim report on 16 July 2012.

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

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