

Frenkel Topping Group plc
("Frenkel Topping", "the Company" or the "Group")

Results for the 12 months ended 31 December 2021

Strong revenue and profit growth through the successful execution of our strategy

Frenkel Topping Group (AIM: FEN), a specialist professional and financial services firm operating in the Personal Injury (PI) Clinical Negligence (CN) space, is pleased to announce its final results for the 12 months ended 31 December 2021. These results demonstrate a strong performance through 2021 and the Board is pleased to report an encouraging start to the current financial year in line with management's expectations.

Financial Highlights

	FY 2021	FY 2020	% change
Revenue	£18.4m	£10.2m	+80%
Recurring revenue	£8.9m	£7.3m	+22%
Gross profit	£9.0m	£5.5m	+64%
Adjusted EBITDA	£4.6m	£2.5m	+84%
Underlying profit from operations	£4.3m	£2.2m	+95%
Pre-tax profit	£2.7m	£1.5m	+80%
Basic EPS	2.23p	1.30p	+72%
Total dividends (paid and proposed)	1.36p per share	1.36p per share	-
Total assets	£37.8m	£28.5m	+33%

Operational Highlights

- Thirteenth consecutive year of high client retention (99%) for investment management services
- Assets under management ("AUM") up 16% to £1,174m (as at 31 December 2020: £1,012m)
- Ascencia - Assets on a discretionary mandate up 28% to £676m (as at 31 December 2020: £527m)
- Successful execution of our acquisition and consolidation strategy in the PI and CN space
- Acquisition of A&M Bacon Limited, Partners in Costs Limited and Bidwell Henderson – performing in line with expectations and fully integrated
- Additional working-in-partnership agreements signed with law firm's Pattinson & Brewer and Ralli Ltd.
- Strong results delivered for the year in line with expectations

A Strong Start to the new financial year

- Acquisition of Cardinal Management Limited in January 2022 – performance and integration going to plan
- First three months of trading has been robust – despite a backdrop of market volatility due to continued impact of Covid and more recently the challenging macroeconomic backdrop including the Russian invasion of Ukraine.
- Current trading is in line with management expectations

Richard Fraser, CEO of Frenkel Topping, said:

"Our 2021 results demonstrate the cumulative impact of clear commercial goals, a targeted acquisition strategy focused on acquiring high quality, complementary businesses with aligned values, and a desire to deliver the best possible outcomes for our underlying clients. We have developed a market-leading platform from which to offer greater breadth of services to people who have suffered significant and often life changing injuries. Despite continued uncertainty in the geo-political and macroeconomic backdrop, we have achieved an increase of 84% in Adjusted EBITDA, 80% in pre-tax profit. 16% in AUM and 28% in assets on a discretionary mandate. Our client retention rate remained high at an impressive 99% which reflects our clients' trust and confidence in us to manage their money conservatively and generate returns.

The current financial year has begun robustly giving cause for optimism for the remainder and outturn of the year. We acquired Cardinal Management Limited at the start of the year, an acquisition that exactly fits our strategy and provides further opportunities for us to extend our reach into the Personal Injury and Clinical Negligence space allowing us an increased presence in a claimant's journey thus maximising the potential for us to win the AUM mandate from any successful claims.

The Board remain focused on delivering value for all stakeholders and are happy to report that the Group is trading in line with management's expectations."

For further information:

Frenkel Topping Group plc

Richard Fraser, Chief Executive Officer

www.frenkeltoppinggroup.co.uk

Tel: 0161 886 8000

finnCap Ltd

Carl Holmes/James Thompson (Corporate Finance)

Tim Redfern / Richard Chambers (ECM)

Tel: 020 7220 0500

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

About Frenkel Topping Group: www.frenkeltoppinggroup.co.uk

The financial services firm consists of Frenkel Topping Limited, Ascencia Investment Management, Obiter Wealth Management, Forth Associates, Equatas Accountants, Partners in Costs, A&M Bacon, Bidwell Henderson Limited and Cardinal Management Limited.

The group of companies specialises in providing financial advice and asset protection services to clients at times of financial vulnerability, with particular expertise in the field of personal injury and clinical negligence. With more than 30 years' experience in the industry, Frenkel Topping has earned a reputation for commercial astuteness underpinned by a strong moral obligation to its clients, employees and wider society, with a continued focus on its Environmental, Social and Governance (ESG) impact.

Through its core business, Frenkel Topping Limited, the firm supports litigators pre-settlement in achieving maximum damages, by providing expert witness services, and post-settlement to achieve the best long-term financial outcomes for clients after injury. It boasts a client retention rate of 99%.

The Group's discretionary fund manager, Ascencia, provides financial portfolios for clients in unique circumstances. In recent years Ascencia has diversified its portfolios to include a Sharia-law-compliant portfolio and a number of ESG portfolios in response to increased interest in socially responsible investing (SRI).

Obiter provides a generalist wealth management service - including advice on Savings and Investments; Tax planning; Life Insurance; Critical Illness and Income protection; Endowment advice and Keyman Insurance, with a particular specialism in financial advice on pensions and pension sharing orders for the clients of divorce and family lawyers. Obiter applies the same core principles of honesty, transparency, responsibility and reliability to individuals, regardless of background or situation.

In 2019, Frenkel Topping launched its accountancy arm, Equatas, to assist clients with tax planning and move closer to providing a full end-to-end service under the Group brand, improving the experience for clients and maintaining the Group's standards throughout the client journey.

In 2020 Frenkel Topping acquired Forth Associates, a specialist forensic accounting services business which assists in financial and legal disputes. The acquisition makes Frenkel Topping the largest independent provider of financial expert witness reports to the claimant marketplace.

In 2021 Frenkel Topping acquired A & M Bacon Limited a leading costs specialist in local government and Court of Protection, and Partners in Costs Limited who specialise in civil litigation claims, including personal injury (ranging from catastrophic injury to clinical negligence), professional negligence, commercial claims and court of protection costs.

Later in 2021, costs consultants, Bidwell Henderson joined the Frenkel Topping Group of businesses. One of the UK's largest professional legal services companies specialising in both legal aid and inter partes law costs drafting, legal cashing and costs training services, Bidwell Henderson are the go-to legal aid costs agency for drafting cost case plans where significant high-costs are involved in large scale and complex legal cases.

In 2022, Cardinal Management Limited joined the group. Cardinal work in close partnership with a number of NHS Major Trauma Centres to provide a Major Trauma Signposting Partnership support service.

For more information visit: www.frenkeltopping.co.uk.

Chairman's Statement

Overview

On behalf of Frenkel Topping's Board of Directors, I am pleased to report on another positive year of significant progress for the Group in which we continued to deliver strong results for our shareholders that are comfortably in line with the Board's expectations.

The last year has seen Frenkel Topping make excellent progress, driving both organic growth and high levels of new business and continuing with its complementary strategic acquisitions.

Alongside strong organic growth in the year, the Company has made significant progress delivering against its strategy of consolidating the pre-settlement professional services marketplace in the Personal Injury (PI) and Clinical Negligence (CN) space, advancing its position as a market leader in its sector.

Having raised £13m (gross) in July 2020, the team has executed our buy-and-build strategy as intended, expanding the Group's reach and efficiently and effectively integrating key commercial divisions across the expanded Group.

Since the fundraise, the Group has acquired 5 key complementary businesses, creating multiple touch points in the PI and CN space and generating strong momentum and engagement with legal and other professional service providers in the sector, enabling the Group to provide excellent service to its clients.

The Board is delighted with the acquisitions during the course of the financial year of Partners in Costs Limited, A & M Bacon Limited, and Bidwell Henderson Costs Consultants Ltd. The teams inside each business, as well as colleagues at Forth Associates (acquired in 2020), have integrated incredibly well from both a social and workplace culture point of view and from a commercial perspective. Post period end we also completed the strategically critical acquisition of Cardinal Management Limited.

The last year has seen the continued implementation of the Group's strategy with further targeted M&A and continued investment in key areas to drive future growth. These important, successful developments are outlined in the Chief Executive Officer's Statement and the Strategic Report and are in addition to the firm's longstanding client retention rate which has been maintained at 99%, a thirteenth consecutive year of excellent performance.

Dividend

Total dividends (paid and proposed) for the year are 1.36 per share (FY 2020: 1.36p). This is a reflection of the board's intention to continue to invest in the future of the business.

Outlook

The Group has had a strong start to the current financial year with a solid pipeline of new business opportunities and benefitting from the momentum built in 2021.

In January, the acquisition of Cardinal Management Limited marked a truly transformational deal for the Group which magnifies the value of previous acquisitions and accelerates plans for consolidation in the marketplace.

The Group continues to show resilience through challenging times in the wider economy and alongside its 99% retention rates has a solid pipeline of new business opportunities that capitalise on the potential brought into the Group by recent M&A activity.

We are trading in line with management's expectations and therefore remain confident about the future and the full year outturn.

Chief Executive Officer's Statement

Overview

I am delighted to report on another strong 12-month period that saw the Group accelerate its performance in the key areas of:

- improving Frenkel Topping's ability to manage increased assets under management ("AUM"), including those on a discretionary basis with Ascencia Investment Management Limited ("Ascencia")
- improving the customer journey to maintain our strong client retention
- laying the foundations for future years' profitability

2021 saw the enactment of the strategy that was outlined in 2020 of consolidating the Personal Injury and Clinical Negligence space. By acquiring a number of highly complementary businesses that have not only contributed to the financial performance of the Group but have given us considerable visibility and significantly enhanced our touchpoints within the Personal Injury and Clinical Negligence space, we have developed a market-leading platform from which to offer a greater breadth of services to people who have suffered significant and often life-changing injuries and to their professional representatives.

By focusing on delivering on our strategy of consolidation of professional services in a very niche sector, we have developed greater access to clients – both directly to the injured party and via their legal representatives – and extended the customisation of their care. Frenkel Topping Group now delivers an end-to-end service to its client base under a tried and trusted umbrella group, making us a stand out player in our space.

Revenue for the year increased by 80% to £18.4m (2020: £10.2m), of which £8.9m (2020: £7.3m) related to recurring revenues within our financial services businesses.

Gross profit was up to £9m (2020: £5.5m) and underlying profit from operations (as defined in our Accounting Policies) was £4.2m (2020: £2.2m), an increase of 91%. Pre-tax profit increased by 80% to £2.7m (2020: £1.5m). The Group is in a strong financial position, with total assets of £37.7m (2020 £28.5m) and as at 31 December 2021, net cash stood at £8.6m (2020 £12m). Following the year end the Group paid £5m of cash in respect of the initial consideration for the acquisition of Cardinal Management Limited and £2m in respect of deferred consideration for previous acquisitions.

Our client retention rate remains exceptionally high at 99%, reflecting positive performance from our portfolios and our relentless focus on excellent customer service.

The net investment assets added in 2021 (£136m) and market movements (£26m) resulted in AUM increasing by 16% to £1,174m. Similarly, Ascencia's assets on a discretionary mandate grew strongly by 28% to £676m (2020: £527m).

Strategic Progress

In early 2021 we welcomed A & M Bacon (A & M) and Partners in Costs (PIC) to the Group. A & M is a firm of civil and commercial litigation costs specialists and PIC is one of the UK's leading costs law specialists with costs lawyers and costs consultants.

Bringing PIC and A&M into the wider Group has enhanced the Company's chances of winning the AUM mandate in the result of a successful claim. This concurs with the Group's strategy to give financial advice to recipients of large personal injury/clinical negligence awards and to manage the damages within the Group's discretionary asset management business.

In August 2021, we completed on the acquisition of Bidwell Henderson Costs Consultants Ltd (Bidwell Henderson) – a leading legal aid costs agency in England and Wales. It holds a market leading position in drafting high-cost case plans which are required when significant costs are involved in large scale and complex legal cases. Bidwell Henderson covers specific areas of law such as complex public and private family, housing, judicial review, Court of Protection, abuse and clinical negligence cases. In addition, Bidwell Henderson challenges the traditional legal aid costs firm model and has built its success on developing ancillary services in legal aid processing, legal cashing and has developed a costs training academy to build the next generation of costs lawyers.

As a result, Bidwell Henderson is highly integrated into law firms' back-office systems. Given the close links Bidwell Henderson has to law firms, this represents a clear opportunity for Frenkel Topping to offer its other services such as expert reports in addition to the court of protection work and traditional legal costing that both the Group and Bidwell Henderson undertake.

Furthermore, a number of legal aid-funded cases result in large awards to claimants, so Bidwell Henderson offers the prospect of access to additional meaningful opportunities to secure assets under management (AUM) for Frenkel Topping.

More recently in January 2022, Frenkel Topping Group acquired Cardinal Management Ltd (Cardinal) in our most impactful deal to date.

Cardinal works in close partnership with a number of key NHS Major Trauma Centres to provide a Major Trauma Signposting Partnership support service.

It is the sole commercial organisation operating in its space and has a 5-year track record of contracts with the NHS with a 100% contract renewal rate. Cardinal is also in high demand from PI legal providers seeking quality multi-track cases and provides a clear opportunity to expand the Major Trauma Signposting Partnership into additional Major Trauma Centres within the NHS.

Through the Group's core business, Frenkel Topping Limited, we support litigators pre-settlement in achieving appropriate damages for their clients, by providing expert witness services. Post-settlement, we support clients in achieving the best long-term financial outcomes after injury.

The acquisition of Cardinal provides a clear and direct link to claimants, and their professional representatives, at the earliest stage possible after injury or illness, introducing the portfolio of Frenkel Topping Group services in a relevant and timely way to its clients in the PI and CN litigation space as well as claimants themselves.

We expect the acquisition of Cardinal will drive future growth in AUM as successful claims and cases come to settlement. At each of the MTSP sites, Cardinal has selected a legal panel comprising law firms who provide the highest quality of care and service to patients, providing significant opportunity for the Group to further strengthen its relationships with PI and CN departments within law firms nationally.

We are focused on consolidating ownership of the full supply chain in the PI and CN space because we are confident that we can deliver the very best service levels to clients from immediately after injury or illness and for the rest of their lives.

The Cardinal acquisition, along with the continued integration of acquisitions made in 2021, has accelerated the Company's momentum as it moves into 2022, and strengthened an already compelling proposition.

The Board continues to assess further strategic acquisitions alongside the bedding in of our recent acquisitions which to date has been a smooth and frictionless process in order to grow the enlarged group to drive strong and sustainable returns for our shareholders and building shareholder value.

The transactions of 2021 and early 2022 are firmly in line with the Group's acquisition strategy:

To pursue quality opportunities in, and drive consolidation of, the pre-settlement professional services marketplace in personal injury and clinical negligence and to ensure the Group has as many touch points as possible in the personal injury/clinical negligence space in order to capture as many revenue opportunities as possible and provide the best possible outcome for people having suffered life changing injuries.

This is expanded on within the Strategic Report.

The clients that A&M, PIC and Bidwell Henderson support and the patients that Cardinal works with will naturally benefit from the breadth of services that Frenkel Topping Group offers, such as welfare benefits assessments and trust advice in conjunction with forensic accounting and expert witness services throughout the entire timespan of a claim and financial advisory and investment management services following settlement.

Our 2021 results demonstrate the cumulative impact of clearly defined commercial goals, an unwavering commitment to targeted and complementary acquisitions and a sense of duty to deliver the right outcomes for our underlying clients.

Given continued market volatility, in the early part of 2021 due to the continued impact of the Covid pandemic and more recently during the Ukraine/Russia crisis, it is pleasing the Group's investment solutions, provided by Ascencia Investment Management, performed well throughout 2021 and continue to do so in 2022.

We are looking forward to building on the successes of the last year with a continued focus on growing our core business, driving AUM, integrating our acquisitions from a colleague and commercial point of view, maintaining our outstanding client retention levels and generating strong and sustainable returns for our shareholders.

The Directors believe the acquisitions made to date have given the Group visibility and oversight of the Group's future business pipeline in a way that no other professional services group in the PI and CN space can compete with and also drives revenue across the Group's entire claims management journey.

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	2021 £	2020 £
REVENUE	18,366,425	10,187,425
Direct staff costs	(9,348,803)	(4,645,203)
GROSS PROFIT	<u>9,017,622</u>	<u>5,542,222</u>
Administrative expenses	(4,771,805)	(3,320,648)
Share based compensation	(429,918)	(283,682)
Acquisition strategy and reorganisation costs	(972,450)	(337,113)
TOTAL ADMINISTRATIVE EXPENSES	<u>(6,174,173)</u>	<u>(3,941,443)</u>
Other operating income	24,426	-
Underlying profit from operations	4,270,243	2,221,574
Share based compensation	(429,918)	(283,682)
Acquisition strategy and reorganisation costs	(972,450)	(337,113)
PROFIT FROM OPERATIONS	<u>2,867,875</u>	<u>1,600,779</u>
Finance and other income	145,939	31,229
Finance costs	(319,102)	(82,378)
PROFIT BEFORE TAX	<u>2,694,712</u>	<u>1,549,630</u>
Income tax expense	(219,094)	(377,583)
PROFIT FOR THE YEAR	<u>2,475,618</u>	<u>1,172,047</u>
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS:		
Gains on property revaluation arising net of tax	125,000	25,000
TOTAL COMPREHENSIVE INCOME FOR YEAR	<u><u>2,600,618</u></u>	<u><u>1,197,047</u></u>
PROFIT ATTRIBUTABLE TO:		
Owners of the parent undertaking	2,336,821	1,051,234
Non-controlling interests	138,797	120,813
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent undertaking	2,461,821	1,076,234
Non-controlling interests	138,797	120,813
Earnings per ordinary share – basic (pence)	7	2.23p
Earnings per ordinary share – diluted (pence)	7	2.11p

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Group 2021 £	Group 2020 £
ASSETS		
NON-CURRENT ASSETS		
Goodwill	16,255,913	8,299,323
Property, plant and equipment	1,994,710	1,946,585
Investments	-	-
Loans receivable	127,986	100,000
Deferred taxation	432,850	118,431
	<u>18,811,459</u>	<u>10,464,339</u>
CURRENT ASSETS		
Accrued income	3,314,440	1,197,585
Trade receivables	6,349,486	3,286,910
Other receivables	609,947	367,973
Investments	108,863	1,232,909
Cash and cash equivalents	8,617,957	11,997,436
	<u>19,000,693</u>	<u>18,082,813</u>
TOTAL ASSETS	<u>37,812,152</u>	<u>28,547,152</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	565,787	555,787
Share premium	13,139,664	12,697,252
Merger reserve	6,244,702	5,314,702
Revaluation reserve	352,103	227,103
Other reserve	(341,174)	(341,174)
Own shares reserve	(2,314,537)	(4,578,549)
Retained earnings	11,716,270	11,110,993
Equity attributable to owners of the parent company	<u>29,362,815</u>	<u>24,986,114</u>
Non-controlling interests	196,027	162,230
TOTAL EQUITY	<u>29,558,842</u>	<u>25,148,344</u>
CURRENT LIABILITIES		
Current taxation	668,742	2,254,332
Trade and other payables	5,201,045	
	<u>5,869,787</u>	<u>2,553,761</u>
LONG TERM LIABILITIES	2,383,523	845,047
TOTAL EQUITY AND LIABILITIES	<u>37,812,152</u>	<u>28,547,152</u>

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £	Share Premium £	Merger reserve £	Other Reserve £	Own shares Reserve £	Retained Earnings £	Revaluation reserve £	Total controlling interest £	Non- controlling interests £	Total £
Balance 1 January 2020	393,287	400,194	5,314,702	(341,174)	(4,578,549)	10,875,372	202,103	12,265,935	141,417	12,407,352
Issue of Share Capital	162,500	12,297,058	-	-	-	-	-	12,459,558	-	12,459,558
Share based compensation (note 4)	-	-	-	-	-	218,585	-	218,585	-	218,585
Dividend paid	-	-	-	-	-	(1,034,198)	-	(1,034,198)	(100,000)	(1,134,198)
Total transactions with owners recognised in equity	162,500	12,297,058	-	-	-	(815,613)	-	11,643,945	(100,000)	11,543,945
Profit for year	-	-	-	-	-	1,051,234	-	1,051,234	120,813	1,172,047
Other comprehensive income	-	-	-	-	-	-	25,000	25,000	-	25,000
Total comprehensive income	-	-	-	-	-	1,051,234	25,000	1,076,234	120,813	1,197,047
Balance at 1 January 2021	555,787	12,697,252	5,314,702	(341,174)	(4,578,549)	11,110,993	227,103	24,986,114	162,230	25,148,344
Issue of share capital	10,000	-	930,000	-	-	-	-	940,000	-	940,000
Sale of own shares	-	442,412	-	-	1,813,418	-	-	2,255,830	-	2,255,830
Share based compensation	-	-	-	-	450,594	(278,966)	-	171,629	-	171,629
Dividend paid	-	-	-	-	-	(1,452,579)	-	(1,452,579)	(105,000)	(1,557,579)
Total transactions with owners recognised in equity	10,000	442,412	930,000	-	2,264,012	(1,731,544)	-	1,914,880	(105,000)	1,809,880
Profit for year	-	-	-	-	-	2,336,821	-	2,336,821	138,797	2,475,618
Other comprehensive income	-	-	-	-	-	-	125,000	125,000	-	125,000
Total comprehensive income	-	-	-	-	-	2,336,821	125,000	2,461,821	138,797	2,600,618
Balance at 31 December 2021	565,787	13,139,664	6,244,702	(341,174)	(2,314,537)	11,716,270	352,103	29,362,815	196,027	29,558,842

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER
2021

	Group	Group
	2021	2020
	£	£
Profit before tax	2,694,712	1,549,630
Adjustments to reconcile profit before tax to cash generated from operating activities:		
Finance income	(141,955)	(28,796)
Finance costs	319,102	82,378
Share based compensation	290,777	218,585
Depreciation and amortisation	334,073	323,769
(Increase)/decrease in accrued income, trade and other receivables	(1,709,141)	(63,311)
(Decrease)/increase in trade and other payables	(163,555)	(70,497)
Cash generated from operations	<u>1,624,013</u>	<u>2,011,758</u>
Income tax paid	(884,175)	(291,620)
Cash generated from operating activities	<u>739,838</u>	<u>1,720,138</u>
Investing activities		
Acquisition of property, plant and equipment	(99,955)	(37,008)
Acquisition of subsidiaries	(6,119,050)	(566,480)
Cash acquired on acquisition of subsidiaries	519,050	29,702
Investment purchases	-	(1,680,753)
Investment disposals	1,278,146	1,250,798
Loans advanced	(27,986)	-
Dividend received	-	-
Cash (used in)/generated from investment activities	<u>(4,449,795)</u>	<u>(1,003,741)</u>
Financing activities		
Shares issued (net of costs)	-	12,459,558
Exercise of share options	83,750	-
Own shares sold	2,255,830	-
Dividend paid	(1,557,579)	(1,134,198)
Repayment of borrowing	(235,300)	(1,186,571)
Interest element of lease payments	(18,518)	(20,412)
Principal element of lease payments	(188,384)	(166,558)
Other interest paid and foreign exchange losses	(9,321)	-
Cash generated from financing	<u>330,478</u>	<u>9,951,819</u>
(Decrease)/increase in cash and cash equivalents	(3,379,479)	10,668,216
Opening cash and cash equivalents	11,997,436	1,329,220
Closing cash and cash equivalents	<u>8,617,957</u>	<u>11,997,436</u>
Reconciliation of cash and cash equivalents		
Cash at bank and in hand	<u>8,617,957</u>	<u>11,997,436</u>

GENERAL INFORMATION

The preliminary financial information does not constitute full accounts within the meaning of section 434 of the Companies Act 2006 but is derived from accounts for the years ended 31 December 2020 and 31 December

2021. The figures for the year ended 31 December 2021 are audited. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year ended 31 December 2021. Those accounts upon which the auditors issued an unqualified opinion, did not include a reference to any matters to which the auditors drew attention by way of emphasis, without qualifying their report, and made no statement under section 498(2) or (3) of the Companies Act 2006, will be delivered to the Registrar of Companies following the Annual General Meeting.

Statutory accounts for the year ended 31 December 2020 have been filed with the registrar of Companies. The auditors report on those accounts was unqualified did not include a reference to any matters to which the auditors drew attention by way of emphasis, without qualifying their report, and made no statement under section 498(2) or (3) of the Companies Act 2006.

While the financial information included in this preliminary report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standard (IFRS), as adopted by the U.K., this announcement does not in itself contain sufficient information to comply with IFRS.

Frenkel Topping Group Plc is incorporated and domiciled in the United Kingdom.

1 REVENUE AND SEGMENTAL REPORTING

All of the Group's revenue arises from activities within the UK. Management considers 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.

Revenue arising from recurring and non-recurring sources is as follows:

	Group 2021 £	Group 2020 £
Recurring	8,933,779	7,279,544
Non-recurring	9,432,646	2,907,881
Total revenue	<u>18,366,425</u>	<u>10,187,425</u>

2 TAXATION

ANALYSIS OF CHARGE IN YEAR

CURRENT TAX

	Group 2021 £	Group 2020 £
UK corporation tax	758,250	444,410
Adjustments in respect of previous periods	(16,066)	212
Total current tax charge	<u>742,184</u>	<u>444,622</u>

Deferred tax

Temporary differences, origination and reversal	(523,090)	(67,039)
Total deferred tax credit	<u>(523,090)</u>	<u>(67,039)</u>

Tax on profit on ordinary activities	<u>219,094</u>	<u>377,583</u>
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FACTORS AFFECTING TAX CHARGE FOR YEAR

The standard rate of tax applied to reported profit on ordinary activities is 19 per cent (2020: 19 per cent).

FACTORS AFFECTING FUTURE TAX CHARGE

On 3 March 2021 the Chancellor announced that the corporation tax rate will rise to 25% from 1 April 2023.

There is no expiry date on timing differences, unused tax losses or tax credits.

The charge for the year can be reconciled to the profit per the income statement as follows:

	Group 2021 £	Group 2020 £
Profit before taxation	2,694,712	1,549,630
Profit multiplied by main rate of corporation tax in the UK of 19% (2020: 19%)	511,995	294,430
EFFECTS OF:		
Expenses not deductible	298,506	134,340
Share based payments	(221,456)	(51,399)
Changes in tax rates	(111,532)	-
Deferred tax charged directly to equity	(206,970)	-
Other (deductions)/charges/	(51,449)	212
Total tax expense for year	219,094	377,583

3 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Group 2021 £	Group 2020 £
<i>Earnings</i>		
Earnings for the purposes of basic earnings per share (net profit for the year attributable to equity holders of the parent)	2,336,821	1,051,234
Earnings for the purposes of diluted earnings per share	2,336,821	1,051,234
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share		
Weighted average shares in issue	112,987,486	90,588,856
Less: weighted average own shares held	(8,102,668)	(9,753,724)
	104,884,818	80,835,132
Effect of dilutive potential ordinary shares:		
- Share options	6,001,159	2,916,834
Weighted average number of ordinary shares for the purposes of diluted earnings per share	110,885,978	83,751,966
Earnings per ordinary share – basic (pence)	2.23p	1.30p
Earnings per ordinary share – diluted (pence)	2.11p	1.26p

4 EVENTS AFTER THE REPORTING DATE

In January 2022 the Group acquired the entire issued share capital of Cardinal Management Limited (“Cardinal”). Cardinal works in close partnership with a number of key NHS Major Trauma Centres to provide a Major Trauma Signposting Partnership support service.

The total maximum possible consideration for the Acquisition is £10 million in cash, of which an initial £5 million was paid on completion. The additional consideration of up to £5 million may become due to

the sellers of Cardinal on an earn-out basis linked to certain challenging financial performance targets relating to future growth and profitability of Cardinal between completion and 31 December 2025.

No disclosure is made at this time in relation to the acquisition accounting as this is still to be finalised.