

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

Results for the 12 months ended 31 December 2022

A year of executing strategy and delivering a strong performance

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 2022. These results demonstrate a strong performance through 2022 and the Board is pleased to report an encouraging start to the 2023 financial year in line with management's expectations.

Financial Highlights

| | FY 2022 | FY 2021 | % change |
|-------------------------------------|------------------------|------------------------|-----------------|
| Revenue | <i>£24.8m</i> | <i>£18.4m</i> | <i>+35%</i> |
| Recurring revenue | <i>£11.0m</i> | <i>£8.9m</i> | <i>+24%</i> |
| Gross profit | <i>£11.1m</i> | <i>£9.0m</i> | <i>+23%</i> |
| Adjusted EBITDA | <i>£6.1m</i> | <i>£4.6m</i> | <i>+33%</i> |
| Underlying profit from operations | <i>£5.5m</i> | <i>£4.3m</i> | <i>+28%</i> |
| Total dividends (paid and proposed) | <i>1.37p per share</i> | <i>1.36p per share</i> | <i>+1%</i> |
| Total assets | <i>£53.1m</i> | <i>£37.8m</i> | <i>+40%</i> |

Operational Highlights

- Fourteenth consecutive year of high client retention (99%) for investment management services
- Assets under management ("AUM") up 1% to £1,187m (as at 31 December 2021: £1,174m)
- Ascencia - Assets on a discretionary mandate up 6% to £715m (as at 31 December 2021: £676m)
 - Net Growth in Ascencia demonstrating the resilience of the inhouse DFM Funds in a turbulent market
- Acquisition of Cardinal Management Limited ("Cardinal"), Somek & Associates Limited ("Somek") and N-Able Services Limited ("N-Able") completed during the year
- Continued successful execution of our acquisition and consolidation strategy in the PI and CN space, diversifying our revenue streams
- Additional working-in-partnership agreement signed with CFG Law

A strong start to the new financial year

- Continued integration of acquisitions made to date
- First three months of trading has been robust and is in line with management expectations
- Additional working-in-partnership agreements signed with Serious Injury Law
- The Executive and Management team are focused on the next stage of growth and the drive to double market share and target doubling of revenue over the next five years

Richard Fraser, CEO of Frenkel Topping, said:

“Our 2022 results demonstrate our focused approach to delivering on our acquisition strategy, along with the organic growth of our enlarged Group, in order to deliver the best possible outcomes for our clients, both professional and individuals.

We are continuing to develop a market-leading suite of services from which to offer greater breadth of support to people who have suffered significant and often life changing injuries. Our impressive client retention rate reflects our clients’ trust and confidence in us to manage their money conservatively.

We are particularly proud of the performance of the Group’s discretionary fund manager, Ascencia Investment Management (“Ascencia”), where assets on a DFM Mandate increased to £715m (2021: £676m).

Comparing Ascencia’s positive performance against a backdrop of wider market contraction and material outflows further demonstrates Ascencia’s success in managing multi-asset investment solutions that are positioned to capture the upside of market fluctuations, while aiming to reduce the negative impact of market turbulence on client assets.

Ascencia’s strong performance in the previous financial year continued last year, with the core risk-rated strategies outperforming their respective Private Client Indices/ARC indices. It is testament to the Group’s in-house strategy and approach to risk management. The Company views the Ascencia platform as a clear growth opportunity in the coming years and a key tool to winning future business. Ascencia portfolios are currently defensively positioned given the uncertain and opaque investment outlook, with cash ready to be deployed should the opportunity arise.

We would like to take this opportunity to thank the staff, both longstanding and those that have joined during our acquisition journey, for their commitment and dedication to our clients enabling us to achieve these results.

The current financial year has begun robustly giving cause for optimism for the remainder of the year.

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.”

Elaine Cullen-Grant, CFO of Frenkel Topping said:

“Despite a challenging market, we delivered a strong set of financial results, in no small part a reflection of our delivery against a focused acquisition strategy resulting in diversified revenue streams. This coupled with control on costs has meant we were able to maintain our adjusted EBITDA margin at 25% and mitigate the slight reduction in recurring revenue.

We are well positioned to continue to grow the business in the year ahead and are pleased with the 2023 performance to date”

For further information:

Frenkel Topping Group plc

www.frenkeltoppinggroup.co.uk

Richard Fraser, Chief Executive Officer

Tel: 0161 886 8000

Carl Holmes/Abigail Kelly/Milesh Hindocha (Corporate Finance)

Tim Redfern / Charlotte Sutcliffe (ECM)

About Frenkel Topping Group

The Frenkel Topping 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 (PI) and clinical negligence (CN).

For more than 30 years the Group has worked with legal professionals and injured clients themselves to provide pre-settlement, at-settlement and post-settlement services to help achieve the best long-term outcomes for clients after injury. It boasts a client retention rate of 99%.

Frenkel Topping Group is focused on consolidating the fragmented PI and CN space in order to provide the most comprehensive suite of services to clients and deliver a best-in-class service offering from immediately after injury or illness and for the rest of their lives.

The group's services include the Major Trauma Signposting Partnership service inside NHS Major Trauma Centres, expert witness, costs, tax and forensic accountancy, independent financial advice, investment management, and care and case management.

The Group's discretionary fund manager, Ascencia, manages financial portfolios for clients in unique circumstances, often who have received a financial settlement after litigation. 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).

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.

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

Chairman's Statement

Overview

On behalf of the Frenkel Topping Group (FTG) Board of Directors, I am pleased to report on another positive year of growth for the Group in which we continued to deliver strong results for our shareholders.

The Group's performance in the last financial year demonstrates the company's resilience in a challenging financial market, as well as further progress made by the Group through its focused acquisition strategy and continued consolidation of the Personal Injury (PI) and Clinical Negligence (CN) space.

FTG is a unique group of businesses operating in a niche sector and its continued growth despite challenging market conditions shows how well positioned its service offering and reputation is in the marketplace. The Group demonstrated the power of diversifying revenue streams, which tempered the impact of the challenging capital markets, while the performance of the Group's discretionary fund manager, Ascencia Investment Management ("Ascencia") continues to be a credit to the firm.

FTG's work for both claimants and defendants makes it a stand out provider of expert witness reports. Its unique business model, offering multiple services and touch points from the very start of a case at the 'index event' and throughout the claimant lifecycle, means one of its key revenue streams (expert witness services) is also a key business development pipeline.

The Group's expansion by acquisition into complementary areas continues to be very well received and the last year has seen the Group make excellent progress in developing new business while continuing to grow existing relationships.

Following the fundraises in July 2020 and July 2022, FTG has capitalised on the opportunity to consolidate a highly fragmented area of professional services. FTG has executed a buy-and-build strategy bringing complementary services into the Group, creating multiple touch points in the PI and CN space providing the opportunity to grow Assets Under Management and delivering recurring revenues.

In 2022 the Group has completed three further acquisitions of Cardinal, Somek and Associates Ltd and N-Able Services Ltd. The three additions to the family of businesses have integrated incredibly well both operationally and culturally. The fundraising during the year has also allowed the group to gain further momentum and enact a number of key investments that will drive further operational efficiencies, maintain client retention rates and future-proof the business through developing in areas including technology, talent and the client journey. We are grateful for the support shown by both existing and new investors in supporting our growth strategy.

These important, successful developments are outlined in further detail in the Chief Executive Officer's Statement and the Strategic Report. In addition, we are very proud of the firm's longstanding client retention rate which has been maintained at 99%, a fourteenth consecutive year of excellent performance.

Finally, on behalf of the Board I would like to thank all FTG employees for their dedication and hard work.

Dividend

Total dividends (paid and proposed) for the year are 1.37p per share (FY 2021: 1.36p). This is a reflection of the board's intention to continue to invest in the future of the business.

Outlook

The current financial year has started well and the Board is confident that the acquisitions made to date will continue to contribute revenue and profitable growth to the Group. Expectations for FY2023 therefore remain unchanged as a result of the solid start to the financial year.

Chief Executive Officer's Statement

I am very pleased to report on another strong 12-month period that has seen the group move into the next stage of its strategy, integrating the companies we have acquired, harnessing the strength of our shared services and maximising commercial opportunities within a larger client pool. We are developing an extensive service offering under the Frenkel Topping Group name which is held in high regard in the PI and CN space and can act as single destination, providing an end-to-end service for lawyers, consultants and claimants involved in PI and CN cases both pre and post settlement.

We have continued to execute on the buy and build strategy outlined ahead of our capital raise in 2020 and we are in a strong position to accelerate growth through the Group in the coming years, capitalising on the significant opportunity in the PI and CN sector. I am incredibly proud of the team's efforts and I look forward to seeing the positive impact of the key investments we are making following our more recent fundraise in July 2022.

These acquisitions have served to diversify our revenue streams, which has been especially important in the year given the backdrop of market volatility.

Additionally, of note during the year is the performance of the Group's discretionary fund manager (DFM), Ascencia Investment Management, where assets on a DFM mandate increased to £715m (2021: £676m). Comparing Ascencia's positive performance against a backdrop of wider market contraction further demonstrates Ascencia's success in managing multi-asset investment solutions that are positioned to capture the upside of market fluctuations, while aiming to reduce the negative impact of market turbulence on client assets.

Ascencia has performed strongly in recent periods and in the year under review, with the core risk-rated strategies outperforming their respective Private Client Indices/ARC indices. It is testament to the Group's in-house strategy and approach to risk management and something the Board is justifiably proud of.

We see our Ascencia platform as a clear growth opportunity in the coming years and a key tool to winning future business. Ascencia portfolios are currently defensively positioned given the uncertain and opaque investment outlook, with cash ready to be deployed should the opportunity arise.

The Group continued to make significant progress delivering against its acquisition strategy to consolidate the pre-settlement professional services marketplace in the PI and CN space, positioning Frenkel Topping as a market leader in its sector.

Across the Group, 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, meaning FTG provides a true end-to-end service.

I now want to give some more information on the three acquisitions we made in the year.

Cardinal Management Ltd

We started 2022 with our most impactful deal to date in January with the acquisition of Cardinal Management Ltd.

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 six-year track record of contracts with the NHS with a 100% contract renewal rate.

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 FTG services in a relevant and timely way to its clients in the PI and CN litigation space as well as claimants themselves.

Cardinal is performing to plan, as successful claims and cases come to settlement, driving growth in AUM.

Somek and Associates Ltd

Somek has been operating since 1997 and is one of the largest providers of Expert Witnesses in the UK, delivering highly professional trained experts in a range of health professions. As a trusted source of Expert Witnesses, Somek has a balanced portfolio with instructions from claimants and defendants and has experts with specialist experience in a range of clinical fields based throughout the UK.

The addition of Somek to the Group's existing Expert Witness professional service offering transforms FTG into a market leader in this space.

N-Able Services Ltd

N-Able is a professional service firm, founded in 2002 in response to the growing demand for bespoke, specialist Case Management services to support those who had experienced catastrophic injuries. N-Able is now one of the largest independent Case Management providers in the UK. N-Able works directly with many of the UK's leading law and insurance firms to guide and support clients through the rehabilitation and litigation process and beyond, enabling clients to maximise their independence and live life to their fullest.

The Board believes that N-Able's presence in Case Management in regional areas where the Group does not currently operate will bolster the Group's existing Keystone Case Management business significantly and provides a platform for growth.

Care and Case Management is a core part of the client journey in PI and CN and the ability to provide those services within FTG strengthens our position as an end-to-end provider in the marketplace. These specific areas are well covered by the addition of N-Able and Somek, increasing our touchpoints on the journey of a potential claimant and allowing the Group to apply the same high standards consistently throughout the client journey.

The trust and respect we have earned, the relationships we have nurtured and the results we have achieved across all our Group brands over many years can only be matched by high calibre businesses such as these two firms. The addition of Somek and N-Able enhance the Group's position as a flagship firm in its field.

Strategy in Action

2022 saw the further enactment of the strategy that was outlined in 2020 of consolidating the PI and CN space. By acquiring a number of highly complementary businesses that have contributed to the financial performance of the Group, we have increased visibility and significantly enhanced our touchpoints within the 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 the 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 leading operator in our field..

In January 2023, subsidiaries Forth Associates and Bidwell Henderson Cost Consultants (BH) both delivered record revenues and BH surpassed its previous highest recorded number of files received by 20% - some examples of how the businesses are stronger together.

We are driven by our ambition to provide a full, end-to-end service in the personal injury and clinical negligence 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 most recent acquisitions are in line with the Board's strategy of expanding the Group's activities in Care & Case management as set out at the time of the Group's July 2022 fundraising. In addition,

the acquisition of N-Able adds regional reach in Case Management, helping drive further growth in this sector.

Revenue for the year increased by 35% to £24.8m (2021: £18.4m), within which recurring revenue has grown by 24% to £11.0m (2021: £8.9m).

Gross profit was up to £11.1m (2021: £9.0m) and underlying profit from operations (as defined in our Accounting Policies on page 45) was £5.5m (2021: £4.3m), an increase of 31%. The Group is in a robust financial position, with total assets of £53.1m (2021 £37.8m) and as at 31 December 2022, net cash remained strong at £5.0m (2021 £8.6m). Following the year end the Group paid £1.1m in respect of deferred consideration for previous acquisitions.

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

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 systems.

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 cultural and commercial point of view), maintaining our outstanding client retention levels and generating strong and sustainable returns for our shareholders.

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

| | 2022 £ | 2021 £ |
|---|-------------------|------------------|
| REVENUE | 24,849,888 | 18,366,425 |
| Direct staff costs | (13,716,400) | (9,348,803) |
| GROSS PROFIT | <u>11,133,488</u> | <u>9,017,622</u> |
| Administrative expenses | (8,230,391) | (6,174,173) |
| Other operating income | - | 24,426 |
| Underlying profit from operations | 5,491,891 | 4,270,243 |
| Share based compensation | (659,473) | (429,918) |
| Acquisition strategy, integration and reorganisation costs | (1,929,321) | (972,450) |
| PROFIT FROM OPERATIONS | <u>2,903,097</u> | <u>2,867,875</u> |
| Finance and other income | (7,587) | 145,939 |
| Finance costs | (476,716) | (319,102) |
| PROFIT BEFORE TAX | <u>2,418,794</u> | <u>2,694,712</u> |
| Income tax expense | (569,626) | (219,094) |
| PROFIT FOR THE YEAR | 1,849,168 | 2,475,618 |
| ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS: | | |
| Gains on property revaluation arising net of tax | 127,000 | 125,000 |
| TOTAL COMPREHENSIVE INCOME FOR YEAR | <u>1,976,168</u> | <u>2,600,618</u> |
| PROFIT ATTRIBUTABLE TO: | | |
| Owners of the parent undertaking | 1,652,456 | 2,336,821 |
| Non-controlling interests | 196,712 | 138,797 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | |
| Owners of the parent undertaking | 1,779,456 | 2,461,821 |
| Non-controlling interests | 196,712 | 138,797 |
| Earnings per ordinary share – basic (pence) | 1.5p | 2.2p |
| Earnings per ordinary share – diluted (pence) | 1.4p | 2.1p |
| Adjusted earnings per ordinary share – basic (pence) | 3.8p | 3.8p |
| Adjusted earnings per ordinary share – diluted (pence) | 3.6p | 3.6p |

All amounts are derived from continuing operations.

The Notes to the Financial Statements form an integral part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Goodwill and other intangibles | 29,579,590 | 16,255,913 |
| Property, plant and equipment | 2,833,905 | 1,994,710 |
| Investments | - | - |
| Loans receivable | 161,732 | 127,986 |
| Deferred taxation | - | 432,850 |
| | <u>32,575,227</u> | <u>18,811,459</u> |
| CURRENT ASSETS | | |
| Accrued income | 4,070,941 | 3,314,440 |
| Trade receivables | 10,661,189 | 6,349,486 |
| Other receivables | 749,044 | 609,947 |
| Investments | 100,369 | 108,863 |
| Cash and cash equivalents | 4,986,245 | 8,617,957 |
| | <u>20,567,788</u> | <u>19,000,693</u> |
| TOTAL ASSETS | <u>53,143,015</u> | <u>37,812,152</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 637,216 | 565,787 |
| Share premium | 22,705,248 | 13,139,664 |
| Merger reserve | 6,244,702 | 6,244,702 |
| Revaluation reserve | 479,103 | 352,103 |
| Other reserve | (341,174) | (341,174) |
| Own shares reserve | (2,210,554) | (2,314,537) |
| Retained earnings | 12,296,435 | 11,716,270 |
| Equity attributable to owners of the parent company | <u>39,810,976</u> | <u>29,362,815</u> |
| Non-controlling interests | 282,739 | 196,027 |
| TOTAL EQUITY | <u>40,093,715</u> | <u>29,558,842</u> |
| CURRENT LIABILITIES | | |
| Current taxation | 7,680,044 | 5,201,045 |
| Trade and other payables | <u>8,439,872</u> | <u>5,869,787</u> |
| LONG TERM LIABILITIES | 4,609,428 | 2,383,523 |
| TOTAL EQUITY AND LIABILITIES | <u>53,143,015</u> | <u>37,812,152</u> |

Group Statement of Changes in Equity for the Year Ended 31st December 2022

| | 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 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 |
| Share based compensation (note 4) | - | - | - | - | 450,594 | (278,965) | - | 171,629 | - | 171,629 |
| Sale of own shares | - | 442,412 | - | - | 1,813,418 | - | - | 2,255,830 | - | 2,255,830 |
| 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 1 January 2022 | 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 |
| Issue of share capital | 71,429 | 9,565,584 | - | - | - | - | - | 9,637,013 | - | 9,637,013 |
| Sale of own shares | - | - | - | - | 103,983 | - | - | 103,983 | - | 103,983 |
| Share based compensation | - | - | - | - | - | 588,654 | - | 588,654 | - | 588,654 |
| Dividend paid | - | - | - | - | - | (1,660,945) | - | (1,660,945) | (110,000) | (1,770,945) |
| Total transactions with owners recognised in equity | 71,429 | 9,565,584 | - | - | 103,983 | (1,072,291) | - | 8,668,705 | (110,000) | 8,558,705 |
| Profit for year | - | - | - | - | - | 1,652,456 | - | 1,652,456 | 196,712 | 1,849,168 |
| Other comprehensive income | - | - | - | - | - | - | 127,000 | 127,000 | - | 127,000 |
| Total comprehensive income | - | - | - | - | - | 1,652,456 | 127,000 | 1,779,456 | 196,712 | 1,976,168 |
| Balance at 31 December 2022 | 637,216 | 22,705,248 | 6,244,702 | (341,174) | (2,210,554) | 12,296,435 | 479,103 | 39,810,976 | 282,739 | 40,093,715 |

GROUP CASHFLOW STATEMENT
for the year ended 31 December 2022

| | Group | Group |
|---|--------------|-------------|
| | 2022 | 2021 |
| | £ | £ |
| Profit before tax | 2,418,794 | 2,694,712 |
| Adjustments to reconcile profit before tax to cash generated from operating activities: | | |
| Finance income | 7,587 | (141,955) |
| Finance costs | 476,716 | 319,102 |
| Share based compensation | | 290,777 |
| | 479,513 | |
| Depreciation and amortisation | | 334,073 |
| | 574,502 | |
| (Increase)/decrease in accrued income, trade and other receivables | (2,205,073) | (1,709,141) |
| (Decrease)/increase in trade and other payables | (95,250) | (163,555) |
| Cash generated from operations | 1,656,789 | 1,624,013 |
| Income tax paid | (998,911) | (884,175) |
| Cash generated from operating activities | 657,878 | 739,838 |
| Investing activities | | |
| Acquisition of property, plant and equipment | (239,983) | (99,955) |
| Acquisition of subsidiaries | (13,477,532) | (6,119,050) |
| Cash acquired on acquisition of subsidiaries | 1,991,826 | 519,050 |
| Investment disposals | - | 1,278,146 |
| Loans advanced | (22,076) | (27,986) |
| Dividend received | - | - |
| Cash used in investment activities | (11,747,765) | (4,449,795) |
| Financing activities | | |
| Shares issued (net of costs) | 9,637,013 | - |
| Exercise of share options | | 83,750 |
| | 1,250 | |
| Own shares sold | | 2,255,830 |
| | - | |
| Dividends paid | (1,770,945) | (1,557,579) |
| Repayment of borrowing | (2,183) | (235,300) |
| Interest element of lease payments | (35,744) | (18,518) |
| Principal element of lease payments | (367,993) | (188,384) |
| Other interest paid and foreign exchange losses | (3,224) | (9,321) |
| Cash generated from financing | 7,458,174 | 330,478 |
| Decrease in cash and cash equivalents | (3,631,712) | (3,379,479) |
| Opening cash and cash equivalents | 8,617,957 | 11,997,436 |
| Closing cash and cash equivalents | 4,986,245 | 8,617,957 |
| Reconciliation of cash and cash equivalents | | |
| Cash at bank and in hand | 4,986,245 | 8,617,957 |

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 2021 and 31 December 2022. The figures for the year ended 31 December 2022 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 2021 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.
Revenue arising from recurring and non-recurring sources is as follows:

| | Group 2022 £ | Group 2021 £ |
|---------------|--------------------|--------------------|
| Recurring | 11,044,694 | 8,933,779 |
| Non-recurring | 13,805,194 | 9,432,646 |
| Total revenue | <u>24,849,888</u> | <u>18,366,425</u> |

OPERATING SEGMENTS

The Group's chief operating decision maker is deemed to be the CEO. The CEO has identified the following operating segments:

Financial Services:

This segment includes our independent financial advisory, discretionary fund management and financial services businesses.

Costs Law:

This segment includes each of our costs law services businesses.

Other Professional Services:

This segment includes our major trauma signposting, forensic accountancy, care and case management and medico-legal reporting businesses.

Central Services:

This is predominantly a cost centre for managing Group related activities or other costs not specifically related to a product.

| 2022 | Financial services £'000 | Costs Law £'000 | Other Professional Services £'000 | Central Services £'000 | Total £'000 |
|---|-----------------------------|--------------------|--------------------------------------|---------------------------|----------------|
| Revenue | 11,792 | 7,057 | 6,001 | - | 24,850 |
| Depreciation | 248 | 110 | 217 | - | 575 |
| Finance Income | (8) | - | - | - | (8) |
| Finance Costs | 15 | 9 | 14 | 438 | 476 |
| Profit before tax | 3,403 | 981 | 1,307 | (3,272) | 2,419 |
| Corporation tax | (251) | (174) | (268) | 123 | (570) |
| Profit After Tax | 3,152 | 807 | 1,039 | (3,149) | 1,849 |
| Additions to plant property and equipment | 219 | 333 | 263 | - | 817 |
| Additions to Goodwill and other intangibles | - | - | - | 13,324 | 13,324 |

| 2021 | Financial services £'000 | Costs Law £'000 | Other Professional Services £'000 | Central Services £'000 | Total £'000 |
|---|-----------------------------|--------------------|--------------------------------------|---------------------------|----------------|
| Revenue | 10,973 | 4,972 | 2,422 | - | 18,367 |
| Depreciation | 287 | 16 | 31 | - | 334 |
| Finance Income | 7 | - | 4 | 135 | 146 |
| Finance Costs | 16 | 10 | 2 | 291 | 319 |
| Profit before tax | 3,524 | 1,423 | 252 | (2,504) | 2,695 |
| Corporation tax | 449 | 277 | 51 | (558) | 219 |
| Profit After Tax | 3,075 | 1,146 | 201 | (1,946) | 2,476 |
| Additions to plant property and equipment | 184 | 21 | 8 | - | 213 |
| Additions to Goodwill and other intangibles | - | - | - | 7,957 | 7,957 |

| 2 | TAXATION | 2022 £ | 2021 £ |
|---|---|-----------|-----------|
| | ANALYSIS OF CHARGE IN YEAR | | |
| | CURRENT TAX | | |
| | UK corporation tax | 691,487 | 758,250 |
| | Adjustments in respect of previous periods | 6,505 | (16,066) |
| | Total current tax charge | 697,992 | 742,184 |
| | Deferred tax | | |
| | Temporary differences, origination and reversal | (128,366) | (523,090) |
| | Total deferred tax credit | (128,366) | (523,090) |
| | Tax on profit on ordinary activities | 569,626 | 219,094 |

FACTORS AFFECTING TAX CHARGE FOR YEAR

The standard rate of tax applied to reported profit on ordinary activities is 19 per cent (2021: 19 per cent).

FACTORS AFFECTING FUTURE TAX CHARGE

On 3 March 2022 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 2022 £ | Group 2021 £ |
|---|--------------------|--------------------|
| Profit before taxation | 2,418,794 | 2,694,712 |
| Profit multiplied by main rate of corporation tax in the UK of 19% (2021: 19%) | 459,571 | 511,995 |
| EFFECTS OF: | | |
| Expenses not deductible less capital allowances | 231,794 | 298,506 |
| Share based payments | (153,366) | (428,426) |
| Increase in tax rate on deferred tax asset | - | (111,532) |
| Other charges/(deductions) | 31,627 | (51,449) |
| Total tax expense for year | 569,626 | 219,094 |

3 EARNINGS PER SHARE

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

| | Group 2022 £ | Group 2021 £ |
|--|--------------------|--------------------|
| <i>Earnings</i> | | |
| Earnings for the purposes of basic and diluted earnings per share (net profit for the year attributable to equity holders of the parent) | 1,652,456 | 2,336,821 |
| Earnings for the purposes of adjusted basic earnings per share (as above, adjusted for share based compensation, acquisition strategy, reorganisation costs and unwinding of the discount on deferred consideration) | 5,054,747 | 3,966,220 |
| <i>Number of shares</i> | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | | |
| Weighted average shares in issue | 119,431,986 | 112,987,486 |
| Less: weighted average own shares held | (5,501,669) | (8,102,668) |
| | 113,930,317 | 104,884,818 |
| Effect of dilutive potential ordinary shares: | | |
| - Share options | 7,344,449 | 6,001,159 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 121,274,766 | 110,885,978 |
| Earnings per ordinary share – basic (pence) | 1.45p | 2.23p |
| Earnings per ordinary share – diluted (pence) | 1.36p | 2.11p |
| Adjusted earnings per ordinary share – basic (pence) | 3.78p | 3.78p |
| Adjusted earnings per ordinary share – diluted (pence) | 3.55p | 3.58p |