

FRENKEL TOPPING GROUP PLC
(the “Group” or the “Company”)

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Frenkel Topping Limited (“Frenkel Topping”) is the trading subsidiary 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.

Financial Highlights

	Year ended 31 Dec 2009	Year ended 31 Dec 2008
Revenue	£2,992,803	£2,637,238
Gross Profit	£1,441,278	£1,448,800
Profit from operations before share based compensation and provisions	£208,211	£196,461
Profit before taxation	£123,437	£79,478
Cash generated from/(used in) operations	£175,389	£(5,641)
Funds in the Investment Management Service	£247m	£207m
Recurring Income	£1.6m	£1.4m

For further information:-

Frenkel Topping Group plc

Richard Fraser
(Chief Executive)
Tel No: 0161 886 8000

WH Ireland Limited

Robin Gwyn
Tel No: 0161 832 2174

CHAIRMAN'S STATEMENT

Results

Despite continuing global financial uncertainty the Group is pleased to report a profit from operations before share based compensation of £208,211 (2008: £196,461) and a profit before taxation of £123,437 (2008: £79,478). The second half of the year has proven to be much stronger than the first period.

The Group's income is derived from both the fees and the commission on our client's initial investment and the recurring income from servicing the client's portfolios within the Funds in the Investment Management Service (FIMS). The Group revenue of £3.0m (2008: £2.6m) includes the fees and the commission of £1.4m (2008: £1.2m) and £1.6m (2008: £1.4m) of the recurring income from FIMS.

The total FIMS has risen to £247m as at 31 December 2009 from £207m at the commencement of the year. This increase is a very pleasing outcome and should ensure that our recurring income continues to increase over future years. As a result we expect the recurring income to exceed £1.8m in 2010.

The Group generated £175,389 of cash from its operating activities during the year (2008: cash absorbed of £5,641) and the net asset value of the Group before non controlling interests as at 31 December 2009 was £4,774,008 (2008: £4,686,645). The Group is operating well within its current bank facilities and the Board expects this situation to continue into the future.

Dividends

The Board does not propose a dividend.

Prospects

The Group's aim is to increase the recurring income from FIMS and to continue to focus on revenue generation and cost control. This strategy is showing signs of success, as demonstrated by the stronger performance in the latter half of 2009. The Board believes that further progress can be made in future years in order to enhance shareholder value in the Group.

GROUP INCOME STATEMENT

For the year ended 31 December 2009

	<i>Notes</i>	2009 £	2008 £
REVENUE		2,992,803	2,637,238
Direct staff costs		<u>(1,551,525)</u>	<u>(1,188,438)</u>
GROSS PROFIT		1,441,278	1,448,800
ADMINISTRATIVE EXPENSES			
Share based compensation		(43,812)	(77,186)
Other		<u>(1,233,067)</u>	<u>(1,252,339)</u>
TOTAL ADMINISTRATIVE EXPENSES		<u>(1,276,879)</u>	<u>(1,329,525)</u>
Profit from operations before share based compensation		208,211	196,461
- share based compensation		<u>(43,812)</u>	<u>(77,186)</u>
PROFIT FROM OPERATIONS		164,399	119,275
Finance costs		<u>(40,962)</u>	<u>(39,797)</u>
PROFIT BEFORE TAX		123,437	79,478
Income tax expense	4	<u>(63,770)</u>	<u>(35,468)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>59,667</u>	<u>44,010</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of parent undertaking		34,987	34,923
Non controlling interest		<u>24,680</u>	<u>9,087</u>
		<u>59,667</u>	<u>44,010</u>
Earnings per ordinary share – basic (pence)	5	0.06p	0.06p
Earnings per ordinary share – diluted (pence)	5	<u>0.06p</u>	<u>0.06p</u>

The results for the period are derived from continuing activities.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	2009	2008 <i>(restated see note 6)</i>
	£	£
ASSETS		
NON CURRENT ASSETS		
Goodwill	5,095,287	5,095,287
Property, plant and equipment	28,697	42,072
Deferred taxation	20,675	35,075
	<u>5,144,659</u>	<u>5,172,434</u>
CURRENT ASSETS		
Accrued income	551,891	426,653
Trade receivables	369,032	240,298
Other receivables	77,567	89,470
Cash	40	19
	<u>998,530</u>	<u>756,440</u>
TOTAL ASSETS	<u><u>6,143,189</u></u>	<u><u>5,928,874</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	274,146	273,915
Share premium account	5,744,876	5,744,876
Treasury share reserve	(16,667)	(25,000)
Retained losses	(1,241,344)	(1,320,143)
Other reserve	12,997	12,997
	<u>4,774,008</u>	<u>4,686,645</u>
EQUITY ATTRIBUTABLE TO HOLDER OF PARENT	<u>4,774,008</u>	<u>4,686,645</u>
Non controlling interests	134,484	109,804
	<u>4,908,492</u>	<u>4,796,449</u>
TOTAL EQUITY	<u>4,908,492</u>	<u>4,796,449</u>
NON CURRENT LIABILITIES		
Other payables	25,000	50,000
Financial liabilities	-	208,214
	<u>25,000</u>	<u>258,214</u>
CURRENT LIABILITIES		
Amounts due to bankers and short term financial liabilities	379,409	244,354
Current taxation	90,894	101,941
Trade and other payables	707,495	463,810
Provisions	31,899	64,106
	<u>1,209,697</u>	<u>874,211</u>
TOTAL LIABILITIES	<u>1,234,697</u>	<u>1,132,425</u>
TOTAL EQUITY AND LIABILITIES	<u><u>6,143,189</u></u>	<u><u>5,928,874</u></u>

GROUP STATEMENT OF CHANGE IN EQUITY

For the year ended 31 December 2009

	Share Capital £	Share Premium £	Treasury share reserve £	Retained Losses £	Other reserve £	Non controlling Interests £	Total £
Balance 1 January 2008 – as previously reported	273,915	5,744,876	(25,000)	(1,371,087)	12,997	113,421	4,749,122
Prior period adjustment (note 6)	-	-	-	(61,165)	-	(12,704)	(73,869)
Balance 1 January 2008 - restated	273,915	5,744,876	(25,000)	(1,432,252)	12,997	100,717	4,675,253
Share based compensation	-	-	-	77,186	-	-	77,186
Profit and total comprehensive income for the period	-	-	-	34,923	-	9,087	44,010
Balance 1 January 2009	273,915	5,744,876	(25,000)	(1,320,143)	12,997	109,804	4,796,449
New shares issued	231	-	-	-	-	-	231
Transfer of shares arising on exercise of options	-	-	8,333	-	-	-	8,333
Share based compensation	-	-	-	43,812	-	-	43,812
Profit and total comprehensive profit for the period	-	-	-	34,987	-	24,680	59,667
Balance 31 December 2009	274,146	5,744,876	(16,667)	(1,241,344)	12,997	134,484	4,908,492

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

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

The treasury share reserve represents the cost of 708,315 shares held by FTG EBT Trustees Limited, a subsidiary of Frenkel Topping Group Plc. The open market value of the shares held at 31 December 2009 was £24,790.

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

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

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

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

GROUP CASH FLOW STATEMENT
For the year ended 31 December 2009

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Profit for the year	59,667	44,010
Adjustments to reconcile profit for the year to cash (used in)/generated from operating activities		
Tax expense	63,770	35,468
Finance cost	40,962	39,797
Share based compensation	43,812	77,186
Depreciation	16,820	20,338
(Increase)/decrease in accrued income, trade and other receivables	(222,718)	50,935
Increase/(decrease) in trade and other payables	173,076	(273,375)
Cash generated from/(used in) operations	<u>175,389</u>	<u>(5,641)</u>
Income tax paid	(56,424)	(58,630)
Cash generated from/(used in) operating activities	<u>118,965</u>	<u>(64,271)</u>
Investment activities		
Acquisition of property, plant and equipment	(3,444)	(10,740)
Cash (used in) investing activities	<u>(3,444)</u>	<u>(10,740)</u>
Financing activities		
Shares issued	231	-
Repayments	-	(99,500)
Interest on loans	(18,230)	(26,609)
Cash (used in) financing	<u>(17,999)</u>	<u>(126,109)</u>
Increase/(decrease) in cash and cash equivalents	97,522	(201,120)
Opening cash and cash equivalents	(244,335)	(43,215)
Closing cash and cash equivalents	<u>(146,813)</u>	<u>(244,335)</u>
Reconciliation of cash and cash equivalent		
Cash at hand	40	19
Amounts due to bank	(146,853)	(244,354)
Closing cash and cash equivalents	<u>(146,813)</u>	<u>(244,335)</u>

1. 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 2009 and 31 December 2008. The figures for the year ended 31 December 2009 are audited. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year ended 31 December 2009. Those accounts upon which the auditors issued an unqualified opinion, will be delivered to the Registrar of Companies following the Annual General Meeting.

Statutory accounts for the year ended 31 December 2008 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), this announcement does not in itself contain sufficient information to comply with IFRS's.

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

At the date of the authorisation of the financial information the following standards and interpretations, which have not been applied in the financial information, were in issue but not yet effective:

IAS 1	Presentation of Financial Statements – Improvements
IAS 7	Statement of Cash Flows – Improvements
IAS17	Leases – Improvements
IAS 18	Revenue – Improvements
IAS 24	
(revised)	Related Party Disclosures
IAS 27	Consolidated and separate financial statements – Amendment (endorsed)
IAS 32	Reclassification of Rights Issues – Amendment (endorsed)
IAS 36	Impairment of assets – Improvements
IAS 38	Intangible assets – Improvements
IAS 39	Financial Instruments: Recognition and Measurement – Improvements
IAS 39	Financial Instruments: Recognition and Measurement – Amendment; Eligible Hedged Items (endorsed)
IFRS 1	
(revised)	First-time Adoption of International Financial Reporting Standards (endorsed)
IFRS 1	First-time Adoption of IFRS – Amendment; Additional Exemptions for First-time Adopters
IFRS 2	Share-based Payments – Amendment; Cash-settled Share-based Payment Transactions
IFRS 3	Business Combinations – Amendment (endorsed)
IFRS 2	Share-based payment – Improvements
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Improvements
IFRS 6	Exploration for and Evaluation of Mineral Resources – Improvements
IFRS 8	Operating Segments – Improvements
IFRS 9	Financial Instruments
IFRIC 9	Reassessment of Embedded Derivatives – Improvements
IFRIC 16	Hedges of a Net Investment in a Foreign Operation – Improvements
IFRIC 17	Distributions of Non-cash Assets to Owners (endorsed)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 14	Pensions accounting – Prepayment of a Minimum Funding Requirement

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information when the relevant standards and interpretations come into effect.

2. SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The financial statements are prepared on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The Group's ability to meet its future working capital requirements and therefore continue as a going concern is dependent upon it being able to generate significant revenues and free cash flow and the availability of bank facilities. The current facility has been secured until December 2010 and the Directors do not foresee a problem in securing funding after this date. The Directors have prepared projections which they consider to be prudent and demonstrate that the business can operate within its existing cash resources, and have identified a series of realistically achievable actions that they are committed to taking to mitigate the rate of cash outflow should revenues not be secured as predicted.

3. REVENUE

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

4. TAXATION

	2009 £	2008 £
ANALYSIS OF CHARGE IN YEAR		
Current Tax		
UK corporation tax	47,701	34,072
Adjustments in respect of previous periods	1,669	856
	<hr/>	<hr/>
Total current tax charge	49,370	34,928
	<hr/>	<hr/>
Deferred tax		
Adjustments in respect of previous periods	15,762	-
Timing differences, origination and reversal	(1,362)	540
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Total deferred tax charge	14,400	540
	<hr/>	<hr/>
Tax on profit on ordinary activities	63,770	35,468
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FACTORS AFFECTING TAX CHARGE FOR YEAR

The tax assessed for the period is higher than the standard rate of corporation tax in the UK 28% (30%). The differences are explained below:

	2009 £	2008 £
Profit before taxation	123,437	79,478
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Profit multiplied by standard rate of corporation tax in the UK of 28% (2008: 28%)	34,562	22,253
EFFECTS OF:		
Expenses not deductible	22,655	23,789
Adjustments to tax charge in respect of previous periods	17,431	857
Unrelieved tax losses and other deductions in period	(1,876)	-
Marginal relief	(9,002)	(11,431)
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Total tax expense for year	63,770	35,468
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5. EARNINGS PER SHARE

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

	2009	2008
	£	£
<i>Earnings</i>		
Earnings for the purposes of basic earnings per share (net profit for the year attributable to equity holders of the parent)	34,987	34,923
Earnings for the purposes of diluted earnings per share	34,987	34,923
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	54,794,616	54,782,947
Effect of dilutive potential ordinary shares:		
- Share options	1,524,391	1,365,608
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Weighted average number of ordinary shares for the purposes of diluted earnings per share	56,319,007	56,148,555
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6. PRIOR PERIOD ADJUSTMENT

During the year ended 31 December 2008 the Group became aware of cash receipts from a third party that it was not entitled to. A provision was made in the accounts for the amounts that had been identified as due to that third party. During the current year further analysis was conducted and an additional £73,869 was identified as being received by the Group prior to 1 January 2008.

A prior period adjustment has been made in the accounts during 2009 to reflect the overstatement of income in earlier periods. The effect of the adjustment is to increase the retained losses of the Group by £61,165, increase other payables by £73,869 and decrease the minority interest by £12,704 as at 1 January 2008.

7. BASIS OF THE PRELIMINARY ANNOUNCEMENT

The board of directors of Frenkel Topping Group Plc approved the Preliminary Results on 30 March 2010.

The statutory accounts for the year ended 31 December 2009 will be delivered to the Registrar of Companies following the Annual General Meeting. The statutory accounts will be posted to shareholders on 31 March 2010. Further copies will be available to the public, free of charge, at the company's registered office, 4th Floor, Statham House, Talbot Road, Old Trafford, Manchester, M32 0FP and the Company's website at www.frenkeltopping.co.uk

8. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 12 May 2010 at 11 am at Addleshaw Goddard LLP, 100 Barbirolli Square, Manchester, M2 3AB.