FRENKEL TOPPING GROUP PLC
("the Company" or, together with its subsidiaries, "the Group")

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

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

Highlights

- Group revenue increased by 25% to £4,567k
- Profit before tax up by 32% to £853k
- Cash generated from operations up by 180% to £711k
- Funds in the Investment Management Service increased by 17% to £416m
- Maiden dividend of 0.176 pence per share proposed
- Group well placed for outcome of Retail Distribution Review

	Year ended 31 Dec 2011	**Year ended 31 Dec 2010**
Revenue	£4,567,436	£3,652,697
Gross profit	£2,661,113	£2,140,444
Profit from operations before share based compensation and provisions	£890,606	£733,355
Profit before taxation	£853,437	£647,213
Cash generated from operations	£711,102	£394,861
Funds in the Investment Management Service	£416m	£356m
Recurring income	£3.1m	£2.4m
Earnings per ordinary share – basic (pence)	1.109p	0.64p
Earnings per ordinary share – basic (diluted)	1.051p	0.60p

CHAIRMAN'S STATEMENT

Results

I am pleased to report another year of record growth for the Group, despite considerable volatility in the financial services markets. The Group has improved profitability, increased its cash resources and for the year ended 31 December 2011, has shown a profit from operations, before share based compensation of £890,606 (2010: £733,355) and a profit before taxation of £853,437 (2010: £647,213), representing an increase of 32% from the last financial year.

The Group generated £711,102 of cash from its operating activities during the year (2010: £394,861). At the year-end the net cash balance was £235,361 (2010: net overdraft £42,904) and the Group had no requirements for long term debt financing. The Group is operating well within its current bank facilities and the Board expects this situation to continue into the future.

The net asset value of the Group, before non controlling interests, at 31 December 2011 was £5,684,048 (2010: £5,131,685).

The Group's income is derived from fees on our clients' initial investments and the recurring income from servicing the client's portfolios within the Funds in the Investment Management Service ("FIMS"). The Group revenue has increased by 25% to £4.6m (£2010: £3.6m), including fees from initial investments of £1.5m (2010: £1.2m) and £3.1m (2010: £2.4m) of recurring income from FIMS.

We have continued to focus on organic growth and client retention and as a result the total FIMS has risen by 17% to £416m as at 31 December 2011, from £356m at the commencement of the year. We expect the recurring income to show further growth in 2012. The growth in the FIMS over the past few years during a period of significant uncertainty in the financial services sector is a remarkable achievement and one which we believe reflects the service we provide to our clients, the brand recognition and the strength of our relationships with our partners, clients and professional introducers.

The Group's financial strategy has been to become less reliant on fees from initial business, with more emphasis on the growth of FIMS and the resulting increase in the level of recurring fees, which still represents 67% (2010: 67%) of total Group revenue. We expect this trend to continue.

The Retail Distribution Review ("RDR") comes into force in January 2013 and will substantially 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, something which the Group has imposed on its operations for a number of years. We fully support and welcome the opportunities RDR will generate.

The global economy continues to face turbulence but as a result of working with our global partners such as Brooks Macdonald, Goldman Sachs and Morgan Stanley, we seek to continue to invest our clients assets with caution whilst providing them with a quality service. We believe this approach will continue to improve the results of the Group.

Dividends
As indicated at the half year, the Board is recommending its first dividend payment of £100,000, representing 0.176 pence per share, in respect of 2011, to be approved by our Shareholders at the AGM.

Prospects
The Board takes great pride in the Group's achievements to date and looks ahead to the future with confidence. Despite the challenging markets our customer base is growing and the business continues to progress well. A key factor is the quality of our staff and I would like to thank them for all their continued hard work and professionalism over the past year.

The Group's successful business model aims to continue to increase the growth in recurring income from FIMS and to focus on revenue generation and cost control. The Group has the flexibility to adapt to opportunities and changes in the marketplace. The Board has confidence in the future profitable growth of the Group, whilst at the same time enhancing our reputation as a quality company in our sector.

For further information:

Frenkel Topping Group plc	Richard Fraser Chief Executive Tel No: 0161 886 8000
Shore Capital	Pascal Keane Tel No: 020 7408 4090

GROUP INCOME STATEMENT
For the year ended 31 December 2011

	Notes	2011 £	2010 £
REVENUE		4,567,436	3,652,697
Direct staff costs		(1,906,323)	(1,512,253)
GROSS PROFIT		2,661,113	2,140,444
ADMINISTRATIVE EXPENSES			
Share based compensation		(26,967)	(56,714)
Other		(1,770,507)	(1,407,089)
TOTAL ADMINISTRATIVE EXPENSES		(1,797,474)	(1,463,803)
Profit from operations before share based compensation		890,606	733,355
- share based compensation		(26,967)	(56,714)
PROFIT FROM OPERATIONS		863,639	676,641
Finance costs		(10,202)	(29,428)
PROFIT BEFORE TAX		853,437	647,213
Income tax expense	4	(98,836)	(204,343)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		754,601	442,870
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of parent undertaking		607,490	350,709
Non controlling interest		147,111	92,161
		754,601	442,870
Earnings per ordinary share – basic (pence)	5	1.109p	0.64p
Earnings per ordinary share – diluted (pence)	5	1.051p	0.60p

The results for the period are derived from continuing activities.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	2011	2010
	£	£
ASSETS		
NON CURRENT ASSETS		
Goodwill	5,095,287	5,095,287
Property, plant and equipment	22,515	21,128
Intangible assets	25,000	-
Deferred taxation	81,957	20,675
	5,224,759	5,137,090
CURRENT ASSETS		
Accrued income	912,729	734,502
Trade receivables	343,913	401,327
Other receivables	68,270	133,251
Cash and cash equivalents	958,252	775,893
	2,283,164	2,044,973
TOTAL ASSETS	7,507,923	7,182,063
EQUITY AND LIABILITIES		
EQUITY		
Share capital	283,668	274,262
Share premium account	-	5,744,876
Own shares reserve	(99,356)	(12,500)
Retained earnings/deficit	5,499,736	(874,953)
Other reserve	-	-
EQUITY ATTRIBUTABLE TO HOLDER OF PARENT	5,684,048	5,131,685
Non controlling interests	432,429	280,674
TOTAL EQUITY	6,116,477	5,412,359
NON CURRENT LIABILITIES		
Other payables	-	12,500
	-	12,500
CURRENT LIABILITIES		
Financial liabilities	722,891	818,797
Current taxation	47,866	265,126
Trade and other payables	610,904	604,129
Provisions	9,785	69,152
	1,391,446	1,757,204
TOTAL LIABILITIES	1,391,446	1,769,704
TOTAL EQUITY AND LIABILITIES	7,507,923	7,182,063

GROUP STATEMENT OF CHANGE IN EQUITY

For the year ended 31 December 2011

	Share Capital	Share Premium	Own shares reserve	Retained Losses	Other reserve	Total controlling interest	Non controlling interests	Total
	£	£	£	£	£	£	£	£
Balance 1 January 2010	274,146	5,744,876	(16,667)	(1,241,344)	12,997	4,774,008	134,484	4,908,492
New Shares issued	116	-	-	-	-	116	-	116
Transfer of shares arising on exercise of options	-	-	4,167	-	-	4,167	-	4,167
Share based compensation	-	-	-	56,714	-	56,714	-	56,714
Transfer on satisfaction of loan instrument	-	-	-	12,997	(12,997)	-	-	-
Transfer of share based compensation attributable to non controlling interest	-	-	-	(54,029)	-	(54,029)	54,029	-
Profit and total comprehensive income for the period	-	-	-	350,709	-	350,709	92,161	442,870
Balance 1 January 2011	274,262	5,744,876	(12,500)	(874,953)	-	5,131,685	280,674	5,412,359
New Shares issued	9,406	-	-	-	-	9,406	-	9,406
Transfer of shares arising on exercise of options	-	-	12,500	-	-	12,500	-	12,500
Cancellation of Share Premium Account	-	(5,744,876)	-	5,744,876	-	-	-	-
Share based compensation	-	-	-	22,323	-	22,323	4,644	26,967
Profit and total comprehensive income for the period	-	-	-	607,490	-	607,490	147,111	754,601
Own Shares purchased	-	-	(99,356)	-	-	(99,356)	-	(99,356)
Balance 31 December 2011	283,668	-	(99,356)	5,499,736	-	5,684,048	432,429	6,116,477

- 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 own shares reserve represents the cost of 694,806 (2009:531,235) 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 2011 was £102,484 (2010: £34,530).
- 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.

GROUP CASH FLOW STATEMENT
For the year ended 31 December 2011

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Profit before tax	853,437	647,213
Adjustments to reconcile profit for the year to cash generated from operating activities:		
Finance cost	10,202	29,428
Share based compensation	26,967	56,714
Depreciation and amortisation	36,991	11,348
Increase in accrued income, trade and other receivables	(137,979)	(270,623)
(Decrease)/increase in trade and other payables	(78,516)	(79,219)
Cash generated from operations	711,102	394,861
Income tax paid	(318,788)	(24,835)
Cash generated from operating activities	392,314	370,026
Investment activities		
Acquisition of property, plant and equipment	(13,377)	(3,778)
Cash used in investing activities	(13,377)	(3,778)
Financing activities		
Shares issued	9,406	116
Repayments of loans	-	(200,000)
Interest on loans and borrowings	(10,722)	(62,455)
Own shares purchased	(99,356)	-
Cash used in financing	(100,672)	(262,339)
Increase in cash and cash equivalents	278,265	103,909
Opening cash and cash equivalents	(42,904)	(146,813)
Closing cash and cash equivalents	235,361	(42,904)

Reconciliation of cash and cash equivalent

	2011	2010
Cash at bank and in hand	958,252	775,893
Overdraft	(722,891)	(818,797)
Closing cash and cash equivalents	235,361	(42,904)

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

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 2011 and 31 December 2010. The figures for the year ended 31 December 2011 are audited. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year ended 31 December 2011. 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 2010 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 did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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 IFRSs.

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

Amendments to published standards effective for the year ended 31 December 2011

The following standards have been adopted during the year:

- IAS 24 (Revised) "Related Party Disclosures"

The adoption of these amendments has had no impact on the financial position and performance of the Group.

Standards adopted early by the Group

The Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

Standards, amendment and interpretations effective in 2011 but not relevant

Other amendments to standards became effective during the period including amendments to:

- IAS 32 (Revised) "Financial Instruments: Presentation"
- IAS 1 (Improvements) "Presentation of Financial Statements"
- IAS 1 (Improvements) "Presentation of Financial Statements"
- IFRIC 14 (Amendment) "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRS 1 (Revised) "First-time Adoption of IFRS"
- IFRS 3 (Improvements) "Business Combinations"
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

The directors are of the opinion that the application of these amendments has had no impact on the financial statements of the Group or Company in either the current or preceding financial years.

Interpretations to existing standards and new standards that are not yet effective and have not been early adopted by the Group

- IAS 12 (Revised) "Income Taxes"

- IAS 27 (Improvements) "Consolidated and Separate Financial Statements"
- IAS 34 (Improvements) "Interim Financial Reporting"
- IFRS 7 (Revised) "Financial Instruments: Disclosures"
- IFRS 9 "Financial Instruments"
- IFRIC 13 (Improvements) "Customer Loyalty Programmes"

The directors are of the opinion that the application of these standards is unlikely to have any significant impact, other than increased disclosures, on the financial statements of the Group or Company.

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 31 January 2013 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 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.

4. TAXATION

	2011	2010
	£	£
ANALYSIS OF CHARGE IN YEAR		
Current Tax		
UK corporation tax	160,118	204,343
Adjustments in respect of previous periods	-	-
Total current tax charge	160,118	204,343
Deferred tax		
Adjustments in respect of previous periods	-	-
Temporary differences, origination and reversal	(61,282)	-
Total deferred tax charge	(61,282)	-
Tax on profit on ordinary activities	98,836	204,343

FACTORS AFFECTING TAX CHARGE FOR YEAR

The tax assessed for the period is higher than the standard rate of corporation tax in the UK 27% (28%). The differences are explained below:

	2011	2010
	£	£
Profit before taxation	853,437	647,213
Profit multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	226,161	181,219
EFFECTS OF:		
Expenses not deductible	28,140	23,754
Exercise of share options	(91,102)	-
Share based payments	(54,136)	-
Other deductions in period	(8,269)	(630)
Capital allowances in excess of depreciation	(1,958)	-
Total tax expense for year	98,836	204,343

5. EARNINGS PER SHARE

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

	2011	2010
	£	£
Earnings		
Earnings for the purposes of basic earnings per share (net profit for the year attributable to equity holders of the parent)	607,490	350,709
Earnings for the purposes of diluted earnings per share	607,490	350,709
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	55,481,199	54,836,980
Less:own shares held	(694,807)	(531,235)
Effect of dilutive potential ordinary shares:	54,786,392	54,305,745
- Share options	2,986,416	3,594,060
Weighted average number of ordinary shares for the purposes of diluted earnings per share	57,772,808	57,899,805

There are a further 2,682,116 share options in issue which have not been included in the above calculation of diluted earnings per share as they are antidilutive as at 31 December 2011.

6. BASIS OF THE PRELIMINARY ANNOUNCEMENT

The board of directors of Frenkel Topping Group Plc approved the Preliminary Results on 19 March 2012.

The statutory accounts for the year ended 31 December 2011 will be delivered to the Registrar of Companies following the Annual General Meeting. The statutory accounts will be posted to shareholders on 26 March 2012. 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

7. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 17 May 2012 at 10 am at Addleshaw Goddard LLP, 100 Barbirolli Square, Manchester, M2 3AB.

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 £416m 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.