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

Full Year Results

Frenkel Topping (AIM: FEN), a specialist independent financial advisor and asset manager focussed on asset protection for vulnerable clients, announces audited results for the year ended 31 December 2015.

This was a year of investment for the Company as it continued its growth strategy by extending its geographic reach, widening its potential asset base and expanding capabilities, while continuing to grow revenues and funds under management and creating a platform for further growth.

Financial Highlights

- Revenue up 11% to £6.31m (2014: £5.69m)
- Recurring revenue of £4.7m (2014: £4.20m)
- Gross profit up 2% to £3.97m (2014: £3.90m)
- Operating profit (before share based payments) down 14% to £1.50m (2014: £1.75m)
- Pre-tax profit down 18% to £1.29m (2014: £1.57m)
  - reflecting expansion cost of £0.6m and acquisition costs of £0.14m
  - underlying trading in line with market expectations
- Basic EPS down 28% to 1.64p (2014: 2.27p)Assets under management ("AUM") up 7.6% to £666m (as at 31 December 2014: £619m)
- New AUM signed up during year £85m, (2014: £61m)
- Net cash of £4.47m (as at 31 December 2014: £1.70m)
- Total dividends (paid and proposed) up 25% to 0.8875p per share (2014: 0.71p)

Operational Highlights

- Seventh consecutive year of high client retention (98%) for investment management services
- New offices opened in London, Birmingham, Leeds, Cardiff and Bristol
- Acquisition of FC Fund Managers Limited for £4.42m in shares:
  - Adding £2.5m to the Company's cash balance
  - Broadening the Company's investment management capability
- Jason Granite joined the Board and was appointed Chief Investment Officer

Post Period End

- Successful negotiations with third party platform and asset management providers to ensure a best value proposition for the provision of investment advice and management to our clients
- Foundations laid for a step change in profitability

David Southworth, Chairman of Frenkel Topping, commented: *"Having recruited carefully and managed the expansion of our regional representation we are extremely well placed to increase operating profitability. Receipt of FCA approval will enable us to put our new strategy in place and to migrate our assets to the new model and to target a larger addressable market looking for a capital-preserving investment strategy. We are extremely excited by the prospects for the business and look forward to updating the market with further developments in due course."*

For further information:

Frenkel Topping Group plc www.frenkeltopping.co.uk
Richard Fraser, Chief Executive Officer Tel: 0161 886 8000

Julie Dean, Chief Financial Officer

Shore Capital Tel: 020 7408 4090
Patrick Castle/Mark Percy

Walbrook PR Ltd Tel: 020 7933 8780 or frenkeltopping@walbrookpr.com
Paul McManus Mob: 07980 541 893
Nick Rome Mob: 07748 325 236

About Frenkel Topping: www.frenkeltopping.co.uk
Frenkel Topping provides specialist independent financial advice focussed on asset protection for clients. The specialist independent financial adviser has a market leading position providing advice and fund management services for personal injury trusts and clinical negligence awards and is well placed to provide services to a wider customer base.

The Company provides a range of wealth management services including bespoke investment portfolios, financial and tax planning. It is focused on increasing its assets under management by growing the number of fee earners who are qualified to provide benefits protection for a variety of needs as the Company adds to its personal injury and clinical negligence specialism.

It has a national presence with offices in Manchester, Birmingham, Bristol, Cardiff, London and Leeds and has relationships and infrastructure in place to further grow its reach and target markets.

Chairman's Report

2015 was a pivotal year for Frenkel Topping as we positioned the Group for a period of accelerated growth. This was effectively a three pronged approach as we further grew our geographical footprint, added highly qualified fee earners (allowing the Company to grow the range of specialisms on offer), and acquired F C Fund Managers Limited, which has been rebranded Frenkel Topping Investment Management. This has enabled us to revisit our cost base and lay the foundations for significant AUM growth over the coming years.

Our model remains simple and, as such, the scalability is reflected in the numbers for the period under review. Revenues and funds under management continued to grow while profitability was impacted by our regional expansion and costs associated with the acquisition of F C Fund Managers Limited. We continue to provide an excellent service to clients both pre- and post-settlement with the provision of expert witness services and strong relationships pre-settlement providing the pipeline for our investment advice offering.

During the period we reviewed our structure, concluding that we could better manage our offering, potential growth and margins by reconsidering the outsourcing of our investment management services. As a result, we acquired F C Fund Managers Limited for £4.42m (satisfied by the issue of 10,000,000 new shares, at an effective price of 44.25 pence per share) in August 2015 with the aim of widening the scope of our offering to a broader set of clients.

Results

Revenue for the year increased by 11% to £6.31m (2014: £5.69m), of which £4.7m was contributed from recurring revenues and these remain at 74% of total revenues (2014: 74%). We are pleased to report that for the seventh consecutive year we have maintained our very high client retention rate (98%) for the period.

Gross profit increased by nearly 2% to £3.97m (2014: £3.90m) whilst operating profit (before share based payments and acquisition costs) fell by 14% to £1.5m (2014: £1.75m) and reported profit before taxation fell by 18% to £1.29m (2014: £1.57m). The profit reduction reflected the Company's investment strategy and deal costs associated with the F C Fund Managers Limited acquisition, whilst underlying trading was in line with Board expectations. Gross margins were 63% (2014: 68%), and operating margins were 24% (2014: 30%).

The Company generated £0.95m of cash from operating activities during the year (2014: £1.4m) and finished the year with a net cash balance of £4.47m (2014: £1.70m), reflecting the business' strong cash generation and the addition of the £2.5m cash at bank in F C Fund Managers Limited at the time of the acquisition. This means that the Company has significant cash resources readily available to it to fund its continued investment in the business, including potential acquisitions should further opportunities arise.

Assets in the Investment Management Service business increased by 7.6% to £666m (as at 31 December 2014: £619m). New clients signed up during the period amounted to a record £85m (2014: £61m).

Dividend

We are delighted to continue to advance our progressive dividend policy and the Board has recommended a final dividend of 0.6975 pence. Combined with our interim dividend, the proposed dividend will give a total payment for the year of 0.8875 pence per share, a 25% uplift to the prior-year (2014: 0.71 pence), and a recognition of the continued growth of the business.

Subject to shareholder approval at the Company Annual General Meeting on 18 May 2016, the final dividend will be paid on 10 June 2016 to shareholders on the register at the close of business on 27 May 2016. The ex-dividend date is 26 May 2016.

Operational Review

The Group continued to grow assets under management, reaching £666m at the period end. The focus remained on maintaining the continued year-on-year growth and establishing a structure for a step change in potential. In furtherance of this strategy we invested in new fee earners and expanded our geographic reach to ensure that we have well-qualified representation across the key regional litigation communities – namely Manchester, London, Birmingham, Leeds, Cardiff and Bristol.

The key differential this year was the £4.425m acquisition of F C Fund Managers Limited (subsequently renamed Frenkel Topping Investment Management "FTIM") in August 2015. This provided the Company with the regulatory permissions and expertise necessary to build a best in class in-house investment management business.

As part of the acquisition, Jason Granite, joined the Board of Frenkel Topping. His wealth of industry experience has already proved invaluable. Tasked with discussing terms with existing discretionary fund managers with a view to bringing services in-house, he negotiated highly favourable terms to reach new agreements with certain third party platform and asset management providers. The new arrangements will have a broadly equivalent impact on the Company's profitability to bringing investment management services in-house (which was the initial plan at the time of the acquisition). As a result, and as announced in our trading statement issued on 25 January 2016, we set out our new strategy, which is expected to yield significant growth in profits and revenues once FCA approval is received. The FCA approval will also extend regulatory permissions, enabling us to target retail clients.

During the period we also continued to host events aimed at further strengthening our relationships with advisers and introducers. In March we launched our Charitable Foundation in the House of Commons. This is a new grant-giving charity, established to support projects that fill a care, rehabilitation or wellbeing service gap for vulnerable and disabled individuals, their families and carers across the UK.

As ever, our Deputy Day which we held in May last year, proved hugely successful and provided a useful opportunity for us to further strengthen key relationships and to assist with understanding of industry regulation and legislation.

In November we were listed in the national 'Top 25 Financial Planning' adviser list as part of New Model Adviser annual 'Top 100' adviser list, highlighting our standing within the industry.

Outlook

The Group has positioned itself throughout the key regions in the UK and is now focused on widening its client base into new markets. As a provider of best-of-breed investment advice the renegotiated terms with investment managers mean that our cost proposition will be even more appealing to clients. The quality of advice, however, remains key and will continue to be driven by our fee earners' abilities.

The Board is delighted with these new arrangements which, subject to receipt of the FCA approval of the relevant permission, will put the Company in a very strong position to make a significant improvement to its future operating profitability. The Board's expectations are that in the financial year ending 31 December 2017, given no presently unforeseen external influences, there should be a doubling of operating profitability from that reported for the financial year ended 31 December 2015.

The achievement of these improvements, and the timing of the additional revenue and profits which will enable these, will in part be dictated by the FCA approving the application by FTIM to vary its existing permissions, in part by the Company's success in effecting its transition of the client bank to the new arrangements and in part to there being no material change in the Company's operating environment and the UK economy.

Having recruited carefully and managed the expansion of our regional representation we are extremely well placed to increase operating profitability. Receipt of FCA approval will enable us to put our new strategy in place and to migrate our assets to the new model and to target a larger addressable market looking for a capital-preserving investment strategy. We are extremely excited by the prospects and look forward to updating the market with further developments in due course.

David Southworth
Chairman

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Notes	Group 2015 £	Group 2014 £
REVENUE	3	6,309,687	5,693,266
Direct staff costs		(2,337,389)	(1,796,734)
GROSS PROFIT		3,972,298	3,896,532
ADMINISTRATIVE EXPENSES			
Share based compensation		(77,543)	(174,142)
Acquisition costs		(136,000)	-
Other		(2,470,744)	(2,146,721)
		-	-
TOTAL ADMINISTRATIVE EXPENSES		(2,684,287)	(2,320,863)
		-	-
Profit from operations before share based compensation and acquisition costs		1,501,554	1,749,811
- share based compensation		(77,543)	(174,142)
- acquisition costs		(136,000)	-
PROFIT FROM OPERATIONS		1,288,011	1,575,669
Finance costs		(2,549)	(6,972)
PROFIT BEFORE TAX		1,285,462	1,568,697
Income tax expense	4	(232,158)	(203,646)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,053,304	1,365,051
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent undertaking		1,053,304	1,365,051
Non controlling interest		-	-
		1,053,304	1,365,051
Earnings per ordinary share – basic (pence)	5	1.64p	2.27p
Earnings per ordinary share – diluted (pence)	5	1.59p	2.19p

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Group 2015 £	Group 2014 £
ASSETS		
NON CURRENT ASSETS		
Goodwill	7,020,287	5,095,287
Property, plant and equipment	9,861	12,990
Investments	40,000	-
Deferred taxation	277,683	202,627
	7,347,831	5,310,904
CURRENT ASSETS		
Accrued income	1,018,983	933,428
Trade receivables	1,066,870	882,249
Other receivables	329,411	158,634
Cash and cash equivalents	4,961,473	1,959,556
	7,376,737	3,933,867
TOTAL ASSETS	14,724,568	9,244,771
EQUITY AND LIABILITIES		
EQUITY		
Share capital	370,061	319,186
Merger reserve	5,314,702	929,577
Other reserve	(341,174)	(341,174)
Own shares reserve	(774,197)	(774,197)
Retained earnings	8,770,155	8,082,486
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT UNDERTAKING	13,339,547	8,215,878
Non controlling interests	490	490
TOTAL EQUITY	13,340,037	8,216,368
CURRENT LIABILITIES		
Bank overdrafts	487,559	255,841
Current taxation	242,192	140,252
Trade and other payables	654,780	632,310
	1,384,531	1,028,403
TOTAL LIABILITIES	1,384,531	1,028,403
TOTAL EQUITY AND LIABILITIES	14,724,568	9,244,771

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share Capital	Merger reserve	Other Reserve	Own share Reserve	Retained Earnings	Total controlling interest	Non controlling interests	Total
	£	£	£	£	£	£	£	£
Balance 1 January 2014	316,161	929,577	(341,174)	(367,125)	6,999,524	7,536,963	-	7,536,963
New shares issued	3,025	-	-	-	-	3,025	-	3,025
Subsidiary share award adjustment	-	-	-	-	2,500	2,500	-	2,500
Share based compensation	-	-	-	-	174,142	174,142	-	174,142
	-	-	-	-	-	-	490	490
Purchase non controlling Interest	-	-	-	(407,072)	-	(407,072)	-	(407,072)
Own Shares purchased					(458,731)	(458,731)		(458,731)
Dividend Paid								
Total transactions with owners recognised in equity	319,186	929,577	(341,174)	(774,197)	6,717,435	6,850,827	490	6,851,317
Profit and total Comprehensive income for the period	-	-	-	-	1,365,051	1,365,051	-	1,365,051
Balance 1 January 2015	319,186	929,577	(341,174)	(774,197)	8,082,486	8,215,878	490	8,216,368
New shares issued	50,875	4,385,125	-	-	-	4,436,000	-	4,436,000
Share based compensation	-	-	-	-	77,543	77,543	-	77,543
Dividend paid					(443,178)	(443,178)		(443,178)
Total transactions with owners recognised in equity	370,061	5,314,702	(341,174)	(774,197)	7,716,851	12,286,243	490	12,286,733
Profit and total comprehensive income for the period	-	-	-	-	1,053,304	1,053,304	-	1,053,304
Balance 31 December 2015	370,061	5,314,702	(341,174)	(774,197)	8,770,155	13,339,547	490	13,340,037

The share capital represents the number of shares issued at nominal price. The merger reserve represents the cost of the shares issued to purchase the non-controlling interest at market value at the date of the acquisition and the excess of fair value over nominal value of shares issued to acquire Frenkel Topping Investment Management Limited.

The other reserve represents the excess paid for the non-controlling interest over the book value at the date of the acquisition.

The own shares reserve represents the cost of 3,218,016 (2014: 3,218,016) shares held by an employee benefit trust. The open market value of the shares held at 31 December 2015 was £1,814,249 (2014: £1,303,296).

Retained earnings represents the profit generated by the Group since trading commenced, together with dividends paid, share premium cancelled and share based payment and credits.

The non-controlling interests' represents the value of the part of Outspire Financial Limited subsidiary owned outside the Group.

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

GROUP CASH FLOW STATEMENT

For the year ended 31 December 2015

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Profit before tax	1,285,462	1,568,697
Adjustments to reconcile profit for the year to cash (used in)/generated from operating activities:		
Finance cost	2,549	6,972
Share based compensation	77,543	174,142
Subsidiary share awards	-	2,500
Depreciation and loss of on disposal	7,508	13,936
(Increase)/decrease in accrued income, trade and other receivables	(440,953)	210,396
Increase/(decrease) in trade and other payables	22,470	(570,411)
Cash generated from operations	954,579	1,406,232
Income tax paid	(205,365)	(346,424)
Cash generated from operating activities	749,214	1,059,808
Investment activities		
Acquisition of property, plant and equipment	(4,044)	(5,948)
Cash acquired from acquisition	2,500,000	-
Investment	(40,000)	-
Cash used in investment activities	2,455,956	(5,948)
Financing activities		
Shares issued	11,000	3,025
Dividend paid	(443,178)	(458,731)
Interest on loans and borrowings	(2,793)	(3,883)
Finance lease repayments	-	(8,035)
Own share purchase	-	(407,072)
Cash used in financing	(434,971)	(874,696)
Increase in cash and cash equivalents	2,770,199	179,164
Opening cash and cash equivalents	1,703,715	1,524,551
Closing cash and cash equivalents	4,473,914	1,703,715

Reconciliation of cash and cash equivalents

Cash at bank and in hand	4,961,473	1,959,556
Overdraft	(487,559)	(255,841)
Closing cash and cash equivalents	4,473,914	1,703,715

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 2015 and 31 December 2014. The figures for the year ended 31 December 2015 are audited. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year ended 31 December 2015. 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 2014 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.

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. 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

	Group 2015 £	Group 2014 £
ANALYSIS OF CHARGE IN YEAR		
CURRENT TAX		
UK corporation tax	301,410	330,572
Adjustments in respect of previous periods	5,804	14,091
Total current tax charge	307,214	344,663
Deferred tax		
Temporary differences, origination and reversal	(75,056)	(141,017)
Total deferred tax charge	(75,056)	(141,017)
Tax on profit on ordinary activities	232,158	203,646

FACTORS AFFECTING TAX CHARGE FOR YEAR

The tax assessed for the period is higher than the main rate of corporation tax in the UK of 20.3% (2014: 21.5%). The differences are explained below:

	Group 2015 £	Group 2014 £
Profit before taxation	1,285,462	1,568,696
Profit multiplied by main rate of corporation tax in the UK of 20.3% (2014: 21.5%)	260,306	337,270
EFFECTS OF:		
Expenses not deductible	44,531	9,628
Exercise of share options	(14,675)	(50,173)
Share based payments	(59,354)	(103,576)
Other charges/(deductions) in period	1,350	10,497
Total tax expense for year	232,158	203,646

5. EARNINGS PER SHARE

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

	2015 £	2014 £
Earnings		
Earnings for the purposes of basic earnings per share (net profit for the year attributable to equity holders of the parent)	1,053,304	1,365,051
Earnings for the purposes of diluted earnings per share	1,053,304	1,365,051
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share		
Weighted average shares in issue	67,220,766	63,281,887
Less: own shares held	(3,128,016)	(3,128,016)
Effect of dilutive potential ordinary shares:	64,092,750	60,153,871
- Share options	2,198,304	2,219,873
Weighted average number of ordinary shares for the purposes of diluted earnings per share	66,291,054	62,373,744

6. BASIS OF THE PRELIMINARY ANNOUNCEMENT

The board of directors of Frenkel Topping Group Plc approved the Preliminary Results on 14 March 2016.

The statutory accounts for the year ended 31 December 2015 will be delivered to the Registrar of Companies following the Annual General Meeting. The statutory accounts will be posted to shareholders on 14 March 2016. 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 18 May 2016 at 10am at Addleshaw Goddard LLP, 100 Barbirolli Square, Manchester, M2 3AB.