26 JULY 2006

Frenkel Topping Group plc

("Frenkel Topping" or "The Group")

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 claim 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 of trustee and receivership bank accounts.

Unaudited Interim Results for the six months ended 30 June 2006

Highlights

	6 Months 30 June 2006 £'000	6 Months 30 June 2005 £'000	Year ended 31 December 2005 £'000
Turnover	1,244	1,238	2,303
Operating loss	(466)	(233)	(938)
(Loss)/profit before exceptional items, share based compensation, interest, taxation and goodwill amortised	(174)	95	(161)
Loss before taxation and goodwill amortisation	(303)	(54)	(589)
Loss for the period	(492)	(235)	(786)
Loss per share	(1.05)p	(0.51)p	(1.72p)

Frenkel Topping Group plc

Richard Fraser (Chief Executive) 0161 886 8000

Chairman's Statement

The Group today announces its results for the six months ended 30 June 2006. For the period 1 January to 30 June 2006, the Group recorded turnover of £1.24m and a loss on ordinary activities before interest, taxation, share based compensation and goodwill of £174,463. There was a loss before taxation of £482,773.

Basic loss per ordinary share was 1.05p.

As at 30 June the Group's funds under management were £153 million.

Turnover was broadly in line with forecast for the 6 month period and consistent with the same period of 2005. Included within the £1.24m is £465,000 of recurring income. The board continues to believe the value of the Group will be enhanced by increasing its funds under management and as a result provide increasing recurring income for future years. The loss on ordinary activities before interest, taxation, share based compensation and goodwill of £174,463 was incurred mainly as a result of the current high acquisition costs of the funds under management. Steps have been taken to reduce these expenses.

The board remains focused on growing the funds under management and its fees and commission from the financial advice provided to personal injury victims. These elements with robust cost control should improve the results of the Group.

Net debt as at 30 June 2006 was £529,938 and the net asset value of the Group as at that date was £4,523,396. The board does not propose an interim dividend.

As at 30 June 2006 the Group was fully utilising its overdraft facility that is subject to renewal in the near future. The Group's ability to meet it future working capital requirements and therefore continue as a going concern is dependent on it being able to generate revenues and free cashflow. The Directors have prepared projections which they consider to be prudent and these demonstrate that the business can operate within its existing banking facilities. The Directors remain confident these facilities will be renewed in due course.

In June the Group purchased 14% of the issued share capital of Frenkel Topping Limited and Frenkel Topping Structured Settlements by way of issuing 8,183,833 new Ordinary Shares in Group at an issue price of 24p per share. The shares have a lock-in period of 1 year. The Group has increased its holding in the issued share capital of Frenkel Topping Limited and Frenkel Topping Structured Settlements to 81%.

The market in which the Group operates continues to provide growth opportunities, which are actively being pursued. In addition a Finance Director has been appointed to assist the Board in the development of the Group and the Directors remain focused on returning the Group to profitability as soon as possible.

David R Southworth
26 July 2006

Frenkel Topping Group plc **Consolidated profit and loss account**	6 Months 30-Jun-06 £ Unaudited	6 Months 30-Jun-05 £ Unaudited	Year ended 31-Dec-05 £ Audited
TURNOVER	1,243,822	1,238,198	2,303,306
Cost of sales	(682,157)	(575,270)	(967,914)
Gross Profit	561,665	662,928	1,335,392
ADMINISTRATION EXPENSES			
Goodwill amortisation	(179,824)	(188,517)	(346,677)
Share based compensation	(111,879)	(8,663)	(88,197)
Exceptional expenses	-	(130,991)	(342,499)
Other	(736,128)	(567,991)	(1,496,506)
Total administration expenses	(1,027,831)	(896,162)	(2,273,879)
OPERATING LOSS	(466,166)	(233,234)	(938,487)
Profit on partial disposal of interest in subsidiaries	-	-	41,015
Interest payable	(16,607)	(9,078)	(37,986)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(482,773)	(242,312)	(935,458)
Taxation	13,366	2,607	(19,273)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	(469,407)	(239,705)	(954,731)
Non-equity minority interests	(22,750)	5,100	168,789
LOSS FOR THE PERIOD	(492,157)	(234,605)	(785,942)
Loss per share - basic (pence)	(1.05)p	(0.51)p	(1.72p)
Loss per share - diluted (pence)	(1.05)p	(0.51)p	(1.72p)

Frenkel Topping Group plc
Consolidated Balance Sheet
As at 30 June 2006

	30-Jun-06	30-Jun-05	31-Dec-05
	Unaudited	Unaudited	Audited
	£	£	£
FIXED ASSETS			
Intangible assets	4,646,838	3,437,226	2,620,855
Tangible	57,732	119,407	68,426
	4,704,570	3,556,633	2,689,281
CURRENT ASSETS			
Stock	184,430	161,524	218,427
Debtors	732,244	682,556	541,561
Cash	83	2,809	183
	916,757	846,889	760,171
CREDITORS - Amounts falling due within one year	(1,215,582)	(1,145,847)	(782,553)
NET CURRENT LIABILITIES	(298,825)	(298,958)	(22,382)
TOTAL ASSETS LESS CURRENT LIABILITIES	4,405,745	3,257,675	2,666,899
CREDITORS - Amounts falling due after one year	(32,748)	(8,487)	(34,807)
	4,372,997	3,249,188	2,632,092
PROVISION FOR LIABILITIES AND CHARGES	(142,500)	(5,612)	(233,973)
Non-equity minority interests	292,899	192,301	540,955
NET ASSETS	4,523,396	3,435,877	2,939,074
CAPITAL AND RESERVES			
Called up share capital	268,927	227,998	227,998
Other reserve	200,076	8,663	88,197
Own shares	(25,000)	-	(25,000)
Share premium account	5,509,864	3,586,193	3,586,193
Profit and loss account	(1,430,471)	(386,977)	(938,314)
EQUITY SHAREHOLDERS' FUNDS	4,523,396	3,435,877	2,939,074

Frenkel Topping Group plc
Consolidated Cash Flow Statement
For the period to 30 June 2006

	6 Months 30-Jun-06 Unaudited £	6 Months 30-Jun-05 Unaudited £	Year ended 31-Dec-05 Audited £
Net Cash Outflow from Operating Activities	(228,067)	(147,035)	(108,587)
Returns on Investments and servicing of finance			
Interest paid	(16,607)	(9,078)	(37,986)
Net cash outflow from returns on investment and servicing of Finance	(16,607)	(9,078)	(37,986)
Taxation	13,366	-	(9,595)
Capital Expenditure			
Purchase of tangible fixed assets	(4,419)	(6,498)	(35,472)
	(4,419)	(6,498)	(35,472)
Acquisitions and Disposals			
Purchase of subsidiaries	(15,900)	-	-
Net overdraft acquired with subsidiaries	-	-	511,760
Purchase of own shares	-	-	(25,000)
Net cash outflow from acquisitions and disposals	(15,900)	-	486,760
Net cash (outflow)/inflow before financing	(251,627)	(162,611)	295,120
Financing			
New short term loans	31,211	250,000	275,000
Repayment of bank loans	-	(13,296)	(13,296)
Other loan repayments	-	(77,159)	(236,985)
Capital element of finance lease payments	(2,059)	(4,580)	(7,900)
Net cash inflow from financing	29,152	154,965	16,819
(Decrease)/increase in cash	(222,475)	(7,646)	311,939

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£	£	£
(Decrease)/increase in cash in the period	(222,475)	(7,646)	311,939
Net cash outflow from debt financing	(29,152)	(154,965)	(16,819)
Change in net debt	(251,627)	(162,611)	295,120
Net debt as 1 January	(278,311)	(573,431)	(573,431)
Net debt as 31 December	(529,938)	(736,042)	(278,311)

Notes to the Interim Financial Statements

1. The information set out does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the financial statements for the financial year ended 31 December 2005. These accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

   The accounts are prepared on a going concern basis, which assumes that 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 on it being able to generate revenues and free cash flow. The directors have prepared projections which they consider to be prudent and which demonstrate that the business can operate within its existing facilities. These facilities are expected to be renewed at least at their current level in the next few months.

   Whilst there is fundamental uncertainty in relation to the above matters, the directors are in negotiation with potential financiers and based on indications received so far anticipate a positive outcome and consider that is it appropriate for the accounts to be prepared on a going concern basis. The accounts therefore do not include any adjustments that would result from the Group being unable to continue as a going concern.

   The Board of Directors approved the interim report on 26 July 2006.

2. Exceptional costs/income

	6 Month 30-Jun-06 Unaudited £	6 Months 30-Jun-05 Unaudited £	12 Months 31-Dec-05 Audited £
OPERATING COSTS			
Redundancy and restructuring costs	-	130,991	228,526
PI exceptional provision	-	-	113,973
Total current	-	130,991	342,499
NON OPERATING INCOME			
Profit on disposal of interest in subsidiaries	-	-	41,015

3. The tax charge is based on the current rate of UK corporation tax applicable to the company and comprises:

	6 Month 30-Jun-06 Unaudited £	6 Months 30-Jun-05 Unaudited £	12 Months 31-Dec-05 Audited £
UK corporation tax at 30%	(13,366)	-	27,615
UK corporation tax at 19%	-	-	5,020
Total current	(13,366)	-	32,635
Deferred taxation	-	(2,607)	(13,362)
Total current	(13,366)	(2,607)	19,273

4. Earnings per share

	6 Month 30-Jun-06 Unaudited £	6 Months 30-Jun-05 Unaudited £	12 Months 31-Dec-05 Audited £
Basic and Fully Diluted			
Loss after Taxation	(492,157)	(234,605)	(785,942)
Weighted average number of shares	46,956,382	45,599,614	45,599,614
EPS (Pence)	(1.05)p	(0.51)p	(1.72)p

The loss for the period and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share are the same as for the basic earnings per share calculation.

This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive under the terms of Financial Reporting Standard ("FRS") 22.

4. Cashflows

Reconciliation of operating loss to net cash outflow from operating activities

	6 Month 30-Jun-06 Unaudited £	6 Month 30-Jun-05 Unaudited £	12 Months 31-Dec-05 Audited £
Operating loss	(466,166)	(233,234)	(938,487)
Share based compensation	111,879	8,663	88,197
Depreciation and amortisation	194,937	218,039	458,654
Decrease/(increase) in work in progress	33,997	(80,631)	(137,534)
(Increase)/Decrease in debtors	(190,683)	111,382	257,520
Increase/(decrease) in creditors	87,969	(171,254)	163,063
Net cash outflow from operating activities	(228,067)	(147,035)	(108,587)

5. Cashflows (continued)
Analysis of net debt

	1-Jan-06	Cash Flow	Non-Cash Movements	30-Jun-06
	£	£	£	£
Cash at bank and in hand	183	(100)	-	83
Bank overdraft	(77,216)	(222,375)	-	(299,591)
	(77,033)	(222,475)	-	(299,508)
Debts due within one year	(162,353)	(31,211)	-	(193,564)
Debts due after one year	(25,000)	-	-	(25,000)
Finance leases	(13,925)	2,059	-	(11,866)
	(201,278)	(29,152)	-	(230,430)
Net debt	(278,311)	(251,627)	-	(529,938)

6. Acquisition of minority interests

On 11 May 2006 the company announced its intention to acquire 14% of the issued share capital of its two trading subsidiaries Frenkel Topping Limited and Frenkel Topping Structured Settlements Limited. The offer was accepted in full on 9 June 2006. The consideration was satisfied by the allotment of 8,183,833 new ordinary shares at an issue price of 24p giving a total consideration of £1,964,600 plus costs of acquisition of £15,900 resulting in goodwill arising on acquisition of £2,205,808

7. Equity reserves

	Share capital	Share premium account	Own shares	Other reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 1 January 2006	227,998	3,586,193	(25,000)	88,197	(938,314)	2,939,074
Loss for the period	-	-	-	-	(492,157)	(492,157)
Share based compensation	-	-	-	111,879	-	111,879
Arising on acquisition of minority interest	40,929	1,923,671	-	-	-	1,964,600
Net debt	268,927	5,509,864	(25,000)	200,076	(1,430,471)	4,523,396

INDEPENDENT REVIEW REPORT TO FRENKEL TOPPING GROUP PLC

Introduction

We have been instructed by the company to review the financial information set out in the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement and the related notes and we have read the other information in the interim statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the company for the purpose of their interim statement and for no other purpose. We do not, therefore in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' responsibilities

The interim statement, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Statement in accordance with the Alternative Investment Market Rules which require that the accounting policies and presentation applied to the interim figures must be consistent with those that will be adopted in the company's annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board as if that Bulletin applied. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

Baker Tilly
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