



frenkel
topping
GROUP

Annual Report 2024

FRENKEL TOPPING GROUP PLC

Financial Statements for the year ended

31 December 2024

Registration number 04726826



Welcome

to our Annual Report 2024

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Highlights

For the year ending 31 December 2024

Frenkel Topping Group is a specialist professional and financial services firm operating in the Personal Injury (PI) and Clinical Negligence (CN) space. Through our professional services division with its leading and differentiated IFA offering and its discretionary fund manager, the Group provides

specialist expertise throughout the lifecycle of a personal injury or clinical negligence claim from pre-settlement, during litigation and into the post-settlement stage.

The Group is pleased to report its full year results for the year ended 31 December 2024.

Financial Highlights

Total Revenue

£37.4m

(2023: £32.8m)
an increase of 14%

Recurring revenue of

£13.4m

(2023: £12.0m)
an increase of 12%

Non-recurring revenue of

£24.0m

(2023: £20.8m)
an increase of 15%, of which
9% relates to organic growth

Gross Profit

£14.4m

(2023: £13.9m)
an increase of 4%

Adjusted profit from operations
(as defined in our accounting
policies on page 54)

£7.2m

(2023: £7.2m)

Profit from operations

£4.7m

(2023: £5.1m)

Adjusted EBITDA
(as defined in our accounting
policies on page 54) of

£8.0m

(2023: £8.0m)
despite challenges faced
in Costs segment

Profit before tax of

£4.2m

(2023: £3.2m)
an increase of 31%

Strong balance sheet maintained:
cash of

£3.1m

(as at 31 December 2023: £2.4m)

Net debt position of :

£3.8m

(2023: £2.4m)
following acquisition payments
made in the year

Cash generated from operating
activities

£2.0m

(2023: £3.2m)
– impacted by delays in the
court system

EPS (basic) of

2.3 pence

(2023: 1.4 pence)
an increase of 64%

Adjusted EPS (basic) of

3.9 pence

(2023: 4.3 pence)
due to increased finance costs
following movement to net
debt position

Operational Highlights

Funds under management
("FUM") of

£1,560m

(2023: £1,335m)
growth of 17% a record year
for assets added

Funds on a discretionary
mandate ("DFM") of

£1,031m

(2023: £820m) growth of 26%, a
landmark year as we cross £1bn
and win a number of awards

Money Market Solution launched
in June 2023 grew to

£130m

(2023: £39m)

Acquisition of Northwest
Law Services ("NWL") – a leading
firm of costs consultants, already
exceeding expectations for
revenue and profit contribution

Sixteenth consecutive year of
High Client Retention

99%

in investment management
services

One new

Major Trauma Centre

added by Cardinal Management
Limited ("Cardinal") during
the year and a further Centre
added post year end at Sheffield
Children's Hospital and Royal
Stoke University Hospital
respectively

Record growth

in number of Medico-Legal
Expert Witnesses available –
a key driver in future
revenue growth

Revolving Credit Facility of

£7.5m

put in place with Santander

Record year of fundraising by
Frenkel Topping Charitable
Foundation – over

£120k

raised to support individuals
who have suffered life-
changing events

Welfare Benefits team identified

£2.7m

(2023: £2.1m) of unclaimed
benefits, demonstrating our
commitment to supporting
our clients

Board have assessed the impact
of changes in National Insurance
& National Minimum Wage
set by the Autumn Budget on
future period and taking steps to
minimise as far as is practicable



Chairman's Statement



"I am pleased to report on a year of progress for the Group against a challenging market backdrop"

Christopher Mills

Chairman

Frenkel Topping Group

Overview

On behalf of the Board of Directors, I am pleased to report on a year of progress for the Group against a challenging market backdrop, in which we continued to deliver against our strategy in the personal injury and clinical negligence space, as shown with the record growth in both FUM and funds on a discretionary mandate. We have carved out a leading position in our chosen niche market segment and we continue to consolidate and develop our offering, ensuring our clients receive the absolute best support and advice in a focused and consolidated manner.

The year was not without some headwinds, particularly within our Costs segment at Partners in Costs ("PIC"). However we have addressed these swiftly by way of strategic appointments and with a focus on optimising key business processes in this area. We now look forward with positivity with Partners in Costs having started the new financial year well and contributing positively again.

Additionally, we were pleased to welcome NWL to the Group during April 2024 to further strengthen our Costs offering. This has proved an excellent

strategic fit within the Group, offering access to high-quality work with a customer-focused approach. We continue to look at other acquisition opportunities where these can complement and add to our existing offering, whilst also aligning with our values.

Consumer Duty

During 2024 the Group made considerable progress in the embedding of Consumer Duty, including the appointment of Executive and Non-Executive level 'champions' who meet on a regular basis to address our ongoing commitment to the Consumer Duty pillars. Management and the Board has worked hard to make sure there is robust governance in place around Consumer Duty and have ensured material regulatory implications have been fully addressed and fair value assessment and associated best practice has been completed and implement. The pillars of Consumer Duty align with the Group's values in putting clients' needs first in order to improve outcomes for consumers.

Dividend

Total dividends proposed for the year are

1.375p per share

(FY 2023: 1.375p)

Outlook

We have entered 2025 with challenges arising from the Autumn Budget 2024 in terms of increases in National Insurance (NI) and National Minimum Wage (NMW), which the team is working hard to minimise the impact of. Additionally, the work done during 2024 has given us a stable foundation from which to build. This, alongside our continued investment into people, data and efficiencies, means we are well positioned to begin to maximise the opportunities of our broad service offering.

We have seen a strong performance in Q1 and remain confident in achieving management expectations over the remainder of the year.

Christopher Mills

Chairman

25 April 2025

Review of the Year



"A year of record growth in FUM"

Richard Fraser

CEO

Frenkel Topping Group

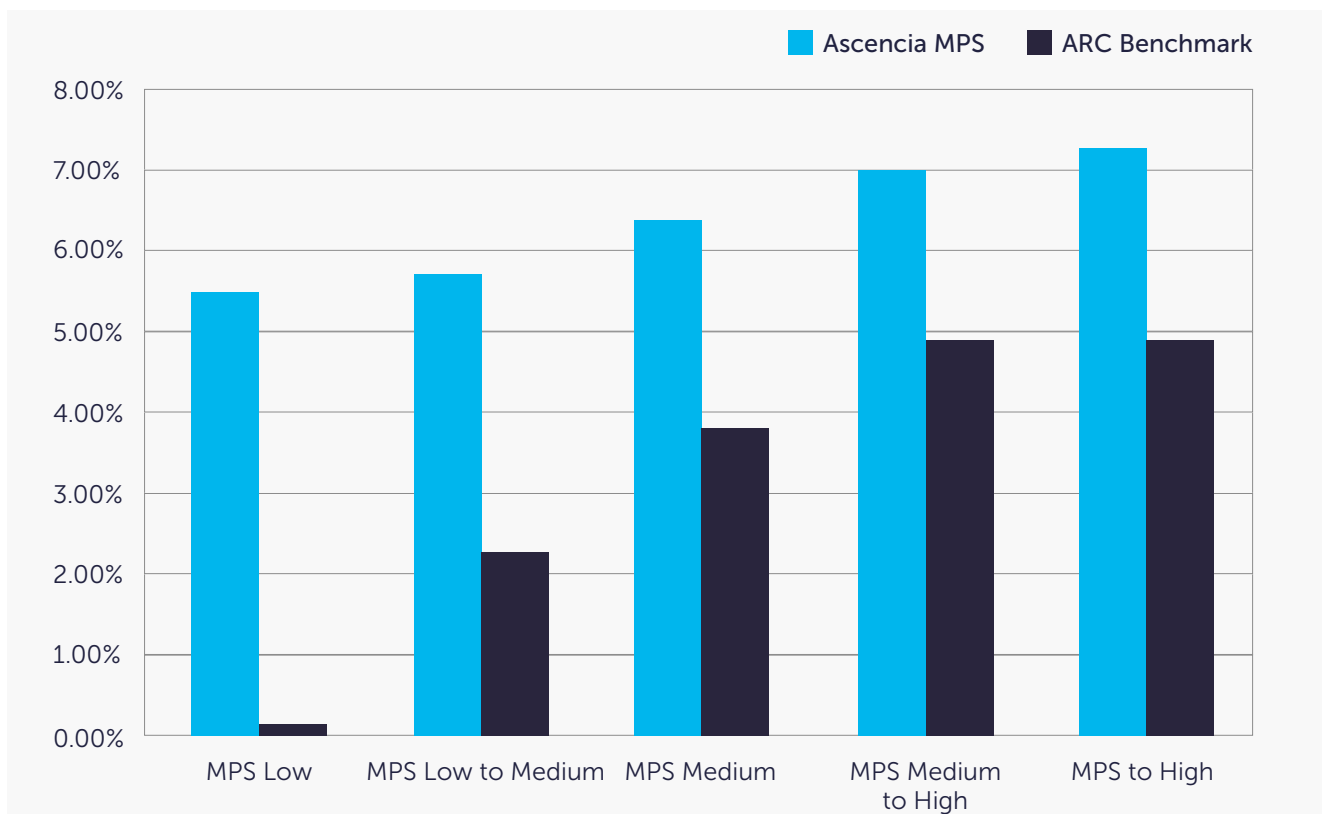
We are pleased to report our results for 2024, a year of record growth in FUM for the Group which has been the most pleasing result and development against a tough market backdrop.

This is in no small part, due to the skills and expertise of our consultants, our Business Development team and the work done across the Group in embedding our services within solicitor firms in order to ensure that we can be seen as a trusted partner when the time comes for their clients to invest their settlement award.

It was particularly pleasing to note that 31% of the new FUM added in FY2024 was added by team members who had previously come through our Graduate Scheme, which speaks volumes in regards to the success of this scheme and our continued investment in people.

Our in-house discretionary fund manager, Ascencia Investment Management (Ascencia), continued to show that its conservative multi-asset investment approach delivers a smooth client investment experience, focused on asset protection.

3 year return to 31st December 2024 compared to benchmarks are shown below:



Ascencia continued to demonstrate resilient performance in Q1 2025, despite heightened economic policy uncertainty and broader market volatility, with MPS Low to Medium returning 0.89% compared to ARC Sterling Balance Asset PCI returning -0.46%.

During FY2024 Ascencia was recognised as Highly Commended in the Defaqto Defensive Comparator Sector and awarded with the ARC 3D Research Award. We are also pleased to now report that Ascencia has been further recognised in the Defaqto MPS Awards 2025:

- **Defaqto Defensive Comparator Sector – Winner** - Ascencia Portfolio of Sharia Compliant Solutions 4
- **Defaqto Defensive Comparator Sector – Highly Commended** - Ascencia Safety First 3
- **Defaqto Cautious Comparator Sector – Highly Commended** - Ascencia Portfolio of Sharia Compliant Solutions 5
- **Defaqto Balanced Comparator Sector – Highly Commended** - Ascencia Portfolio of Sharia Compliant Solutions 6

We have seen a number of key successes across the wider Group, with growth in each operating segment, as set out in note 1 of the financial statements. This is a testament to the hard work of the staff across all of our business units and I would like to thank them for their efforts during the year, particularly the team within NWL who we welcomed to the Group during April 2024.

NWL has helped to strengthen our Costs offering which faced a challenging year but still managed to deliver growth in profit before tax of 10% compared to 2023 and remains a key area of focus for the year ahead. We have continued to grow our Costs Training Academy with three intakes during 2024 and the same again planned for 2025.

Within PIC, management addressed a number of challenges faced in the early part of the year in regards to recruitment and technology. The board addressed these challenges by restructuring management and business development to align with the Group's growth strategy and continued to invest in improvements to technology. We are pleased to report that these actions have led to an increase in instructions of 26% and increased revenue of 20% in Q1 FY25 compared to FY24. EBITDA has more than tripled in the same period.

Within Cardinal we were pleased to announce a new partnership with the NHS Major Trauma Centre (MTC) at Sheffield Children's Hospital during 2024, with a further partnership signed in Q1 2025 with Royal Stoke University Hospital. In addition to this, Cardinal also launched Re.Source v2.0, a directory made available to NHS staff at MTCs allowing medical professionals easy access to make referrals to patients for care needs after discharge from the MTC. These partnerships allow the NHS to facilitate additional support for patients at difficult times for them and their families.

Our Medico-Legal Expert Witness business, Somek and Associates ('Somek') attracted more than 70 new Associates during 2024, growing the overall number of Medico-Legal experts by 36% which is expected to drive significant revenue growth in this area. Due to the strength of our recruitment campaigns, the skills of our Associate Trainers and our robust processes, we believe we can achieve, and are on track to deliver, similar growth in the number of Associates during 2025 whilst still upholding the gold standard quality of our work.

Within Case Management we continued to increase our headcount and geographical reach in order to expand and fulfil the further untapped potential. Having evaluated a number of potential acquisition opportunities in this space the Board has resolved to focus on growing this business division organically, with our focus shifting to ensuring our Case Managers have full caseloads and can work efficiently.

National Insurance & National Minimum Wage

As announced post period end, following the most recent government financial budget the Board spent time assessing the impact on the current financial year (FY2025) and future periods. The anticipated impact of National Insurance (NI) and National Minimum Wage (NMW) is expected to be c.£360k in FY2025 and c.£500k thereafter on an annualised basis. The Board has worked hard, and continues to do so, in order to mitigate this external headwind as far as possible through cost control and technology efficiencies.

Market Landscape

According to industry data from NHS Litigation Authority, the NHS paid out Clinical Negligence Damages of £2.1bn across a total of 6,899 claims during the 12 months to 31 March 2024 (2023: £2.0bn across 6,888 claims).

Media sources suggest road traffic accidents accounted for 29,540 deaths or serious injuries with £2.4bn paid out on motor insurance claims during 2023.

Growth Strategy

Our strategic pillars to drive future growth are People, Data and Efficiencies.

People:

2024 has seen the continued success of our investment in people. In addition to the 31% of FUM added having come through members of the team who progressed through our Graduate Training Academy, we also welcomed seventeen new entrants to our Costs Training Academy, who have all contributed to revenue in the year.

We have a continued focus in this area in the year ahead, with a further three intakes to the Costs Academy and one within Financial Services planned.

Data:

We have made considerable progress with regards to how we manage our data during the year and this continues into 2025 with a focus on data integrity and consistency with a view to enabling the ability to identify opportunities and enact cross-selling across the Group.

Efficiencies:

Within our Costs segment, we were able to enhance file transfer technologies with reported time efficiency improvements of c13 days per month. We have further work ongoing in this area, both within Costs and Financial Services, to further improve the time taken to handle work for our clients, cutting down on manual processing and allowing our team to focus on tasks which add value for our clients.

These pillars present significant opportunities to continue to grow the business, increase market share and move towards our goal of growing FUM by £300m per annum by 2027.

31% of FUM added was by team members who had come through our Graduate Scheme

Outlook

2025 has seen a strong start across the Group, with Q1 slightly ahead of overall Group budget, buoyed by the level of FUM added during 2024 and with a healthy pipeline in place for the remainder of the year. This performance is echoed by our transactional businesses and we are particularly pleased with the performance of our Costs segment during the first quarter, delivering growth and the team having learnt from challenges faced in the prior year which we addressed and rectified expeditiously.

These successes and opportunities come against the backdrop of increased costs relating to Employer's NI and National Minimum Wage, which, as a people-based business, we are not immune to. However, despite these challenges management remains confident in our expectations for the year ahead and beyond.



Richard Fraser
Chief Executive Officer

25 April 2025

Chief Financial Officer's Report



**"EPS has improved to 2.3 pence
(2023: 1.4 pence)"**

Elaine Cullen-Grant

Chief Financial Officer
Frenkel Topping Group

Recurring Revenue

2024 saw record growth in both FUM (17%) and Funds on a Discretionary Mandate (26%) which in turn led to an increase of 12% in recurring revenue to £13.4m in 2024 (2023: £12.0m) and means we began 2025 on a strong footing.

Ascencia's 'Money Market Solution', launched in 2023 in order to provide clients with an investment solution that benefited from the higher interest rate environment, saw continued demand from both new and existing clients with total funds reaching £130m (2023: £39m) by the year end. Whilst funds in this product earn a lower fee than those invested in our other investment solutions, we have begun to see demand switch back towards our higher-margin fully-invested products.

Non-recurring revenue

Non-recurring revenue grew by 15% on the whole to £24.0m (2023: £20.8m). Of this, £1.4m or 6% was related to the acquisition of NWL, whilst pleasingly a further £1.8m or 9% came from organic growth in the existing Group.

A significant proportion of the organic growth occurred within our Medico-Legal Expert Witness business, Somek, which reported increased revenue of 20% (£1.15m) driven by the continued growth in the number of experts added in recent years, which remains a key focus area for growth moving forward.

Margin

In addition to the impact of lower margin investment solutions in the short term, margin has suffered during the year as a result of general wage inflation, increased technology costs

and, as discussed within the CEO Statement, issues faced within our Costs segment.

	2024	2023
Revenue	37.4	32.8
Adjusted EBITDA	8.0	8.0
Adjusted EBITDA Margin	21.4%	24.4%

As a people-based service business, the impact of the Autumn Budget 2024 and general wage inflation represent continued pressures on our margin and it is unlikely that we will return to our 2023 level overnight. However, as discussed within the CEO Statement and Strategic Report, we continue to explore opportunities relating to Data and Efficiencies whilst also investing in our People with a view to improving efficiencies, minimising the overall impact of NI and NMW and driving margin improvements in the medium to long term.

Working Capital

Whilst pre-tax Cash from Operations remains positive at £3.4m, this is down from 2023's £4.2m. Of this, £0.4m can be explained by lower Profit from Operations as a result of acquisition costs and exceptional items.

There is also the impact of a slight lengthening of debtor days. Total debtor days, calculated including trade debtors and accrued income, are shown below by operating segment and as a comparative to the prior year:

	2024	2023
Financial Services	84	88
Costs	385	309
Other professional services	181	185
Total	197	178

The table shows that whilst timing of receipts in relation to Financial and Other Professional Services have showed slight improvement, our debtor days in relation to our Costs businesses have extended, a result of delays in the court systems.

Recent official County Court data shows that multi/fast track claims in the period ending June 2024 were taking on average 20.2 weeks longer than they did in 2019, representing a significant delay for those seeking justice, as well as for the Group's cashflow cycle and that of other professional parties involved. We welcome the Justice Committee's new enquiry into the work of the County Court, launched on 21st January 2025, to seek to address these issues.

Within our Court of Protection team, we have seen delays within the Senior Courts Costs Office (SCCO) also worsen. The SCCO provides a vital service to vulnerable individuals who lack capacity to manage their own affairs and require a court appointed deputy.

A Freedom of Information request submitted by the Professional Deputies Forum showed the average time from receipt of a provisional assessment to the assessment being carried out has grown significantly:

	2019/20	2020/21	2021/22	2022/23	2022/23	To July 2024
Average wait time (days)	35	42	105	175	280	308

In addition to these delays slightly impacting the Group's cashflows, they also impact on that of the court appointed deputies which can only serve as a deterrent to anyone in taking on such a role, in turn impacting on the vulnerable individuals.

The same report does also show that the SCCO has modestly increased staff numbers to try and address the delays. We welcome this but acknowledge it will take some time for the newer staff to become efficient in their roles and begin to reduce the delays.

The action taken by both the Justice Committee and the SCCO gives management sufficient confidence that these delays are being addressed and will not represent a long-term issue within our working capital cycle.

Revolving Credit Facility / Net Debt

During January 2025 the Group secured a revolving credit facility of £7.5m with Santander in order to fund previously committed acquisition related payments, the acquisition of NWL and give flexibility to continue to pursue our acquisition strategy. As such, by the year end we have moved to a net debt position for the first time:

	2024	2023
Net cash/(debt) (£m)	(3.8)	2.4

Earnings Per Share (EPS)

Whilst stated EPS has improved to 2.3 pence (2023: 1.4 pence) we have seen a drop off in Adjusted EPS to 3.9 pence (2023: 4.3 pence). This is as a result of finance costs in relation to debt taken on to fund the acquisition made in the year and deferred and contingent payments relating to acquisitions made in prior years.

As we move forward, continuing to grow profitability and increase cashflows we will begin to reduce debt levels and expect to see improvements in both stated and Adjusted EPS moving forward.



Elaine Cullen-Grant

Chief Financial Officer

25 April 2025

Strategic Report

Business Model and Objectives



This strategic report should be read in conjunction with the Financial and Operational Highlights as well as the Chairman's, Chief Executive Officer's and Chief Financial Officer's statements.

Objectives

The primary objective of the Group is to provide more clients with a better quality of life.

We intend to do so by continuing to grow our professional services businesses which in turn complement and support growth within our Financial Services businesses



Business Model

Frenkel Topping Group is a long-established family of businesses who are tried, tested and trusted to provide advice and technical support to individuals who have suffered life-changing events, and their representatives. We provide a concierge approach to anything they need throughout the litigation journey and beyond. Our approach is bespoke and delivered with care, compassion, and integrity.

We offer a range of services at each stage when the life-changing event occurs, through the litigation journey and for the rest of the individual's life:

Stage:

Life changing event occurs

Our Services:

Major Trauma Signposting service provided within 12 NHS hospitals offering free-to-patient bedside support at difficult times.

One such service is signposting to a solicitor from our panel.

Our Charitable Foundation provides additional support to the individual and their family at this time.

Stage:

Solicitor establishes liability and litigation process begins

Our Services:

We prepare a Costs Budget for the court, outlining all anticipated costs for each stage of the claim. additional support to the individual and their family at this time.

Stage:

Solicitor seeks to establish quantum

Our Services:

We provide independent Expert Witness services covering:

- A wide range of health professions
- Loss of earnings
- Pension loss
- Periodical payment orders

Stage:

The individual seeks to protect their needs moving forward

Our Services:

Our Case Managers provide programmed support for health and social care needs.

We provide Welfare Benefits Advice and assist with setting up a Personal Injury Trust in order to protect those benefits.

Stage:

The individual may require a court appointed deputy

Our Services:

We support the deputies by assisting with their annual Court of Protection costs assessment.

Stage:

The litigation process draws to a close

Our Services:

We provide ongoing costs management throughout the claim, culminating in preparation of the final Bill of Costs and Cost Negotiations between claimant and defendant solicitors.

Stage:

The individual receives a financial award from the court

Our Services:

Our Independent Financial Advisors offer a range of products suitable to that individual's needs.

Our DFM manages a range of investment solutions which have been built with these clients' circumstances in mind.

Stage:

Ongoing support

Our Services:

In addition to continuing financial advisory support, our Case Managers will continue to support clients for the rest of their life, or as long as they need it.

We continue to support deputies with their annual Court of Protection costs assessments.

We provide support with tax returns and further accountancy services.

KPIs

The Group's key performance indicators are:



Delivery Against Objectives to Date

Funds under management

	2024	2023	2022	2021
FUM (£'m)	1,560	1,335	1,187	1,174
Growth vs prior year	17%	12%	1%	16%

Record year for growth in FUM showing success of our business model in embedding within each stage of the life cycle making us the go-to choice when it becomes time to invest.

Funds on a discretionary mandate

	2024	2023	2022	2021
Funds on a discretionary mandate (£'m)	1,031	820	715	676
Growth vs prior year	26%	15%	6%	28%

Record growth in DFM, crossing the milestone of £1bn. Our investment solutions remain attractive to investors due to continued strong performance.

Client retention

	2024	2023	2022	2021
Client retention (Financial Services)	99%	99%	99%	99%

Retention has remained high within the financial services operating segment for a sixteenth consecutive year, with the last four years constant at 99%.

Growing market share

The growth in market share is evident by revenue growth across the Group.

Our medium-term goal is to begin to grow FUM by £300m per annum by 2027. During 2024 we grew by £225m, up from £148m in 2023, representing the first step towards this. This, combined with the strong start in terms of FUM pipeline for 2025, confirms we are on track towards this target.

Future Growth

Our key areas of focus to drive future growth are our three strategic pillars of:



People



Data



Efficiencies



People

As a service business, people are at the heart of everything we do and therefore recruitment and retention remain a key focus as we move forward.

We look for staff who are aligned with our values:



GIVE IT HEART

empathy and kindness, ensuring we treat our clients with the utmost care and understanding to ensure they feel heard, respected and supported.



SHOW RESILIENCE

Our clients do so on a daily basis and so we need to show that they have our unwavering support in pursuit of their goals.



MAKE IT EASY

our work can be complex so we strive to recruit and develop the right people to make processes as smooth and understandable for our clients as possible.



ACT WITH INTEGRITY

a commitment to honesty, transparency, and ethical practice so that our clients can rely on us to act in their best interests at all times.



RESPECT

our people approach each case with sensitivity, understanding and an appreciation for the diverse backgrounds and experiences of our clients. This enables us to offer a more personal and tailored service.



THINK DIFFERENTLY

a commitment to finding creative solutions, embracing new technologies and continuous improvement.

We are continuing to develop our own talent and building off the successes to date of our Costs Training, Graduate and Apprenticeship Programmes.

In addition to the significant number of Costs Draftspersons, technical experts and management who have come through these programmes in recent years, it was particularly pleasing to note that 31% of the new FUM added in FY2024 was added by team members who had previously come through our Graduate Scheme.



Data

The Group has a wealth of data which is full of opportunities. Given that we have grown considerably by acquisition and our offering contains many different services, much of that information is in different datasets and therefore harnessing this does not come without challenges.

We are in the process of making large strides in respect of data integrity and data consistency which will help support our ability to maximise the cross-selling opportunities available to us.



Efficiencies

As touched on earlier within the report, one of our values is Think Differently which includes embracing new technologies to improve our processes.

Through 2024 and into 2025 we have made significant progress in implementing improvements to how our Costs Businesses receive files from clients and are now working on how we can process these files more efficiently when we have them. This will allow our existing staff members to handle more files, spending less time on manual processing and more time focusing their expertise on areas which add value for our clients.

We are also in the early stages of exploring how automation can help within our Financial Services businesses, which we believe presents a significant opportunity, and will later explore options within our remaining business units.

New acquisitions

Following the growth by acquisition in recent years we feel we offer a wide-ranging service proposition. However, we do continue to consider opportunities for new acquisitions where such companies are highly complementary businesses which align with our values within the PI and CN marketplace. We will only look at those which will increase our touch points within the space and give us greater access to clients – both directly to the injured party and via their legal representatives.

Risk Management

Set out below are the key risks which affect the Group alongside the mitigation strategies for each. This does not represent a comprehensive list of all the risks the Group faces but focuses on those that are currently considered to be most relevant at the present time. This assessment may change over time:

Risk	Management strategy
Global markets Prevailing investment environment and economic conditions may materially affect income streams. This has been particularly relevant due to the turbulent economic environment during recent years.	FUM is monitored monthly to assist with forecasting future revenue and cash flow streams. Product specific performance is also monitored.
Economic and political changes Change in the economic or political environment could result in increased costs or operational challenges.	Budgets are set annually based on the market environment at that time. Regular reforecasts are carried out where changes to the economic environment or other variations to budget are known in order to closely monitor performance and cashflow.
Client service Shortfalls in the service we provide could lead to compensation, regulatory investigation and sanction and reputational damage and reduction in the level of revenue. Additional risk of perceived disruption to services provided by a target during the acquisition process.	The Board tasks senior management and client facing staff with continuous client engagement, aided by the KnowledgeHub. Particular attention is paid to key clients at relevant, appropriate points in our mergers and acquisitions journey.
Liquidity risk The Group's non-recurring revenue has longer debtor days than many industries because of the length of time a case may take to reach settlement.	Working capital is monitored monthly against forecast and the Board is satisfied that cash resources are adequate for the Group's requirements..
Covenant compliance The Group's Revolving Credit Facility contains a number of covenants relating to leverage, interest cover and liquidity.	Covenant compliance is built into all forecasting and reported to the bank monthly, tracking compliance against both the covenant requirements themselves and the actual position compared to the forecasts.
Pricing, service and market changes If the pricing proposition becomes uncompetitive in the marketplace, this may lead to failure to win new business and/or retain existing business.	Personal injury and clinical negligence markets continue to be competitive. The Directors believe the Group's brand name, expertise and knowledge give rise to a strong position within these markets. The Directors actively monitor our competitors, our own pricing structure and proactively market the Group brand to ensure we remain leaders in our field.

Risk

Compliance

Failure to comply with the regulatory requirements or to provide appropriate advice to clients may have an adverse effect on the Group and its business.

The environment in which the Group operates is susceptible to change by Government, legislation or regulatory developments.

Management strategy

The Group needs to maintain its authorisation with the Financial Conduct Authority (FCA) in order for the Financial Services businesses to continue trading and has to adhere to principles and guidelines set down by the FCA. The Group has responsibility allocated at Board level to ensure all those standards are monitored and maintained. In addition to our internal compliance department, the Group has a contract in place with a third-party compliance consultancy firm to review internal controls and to work with the Board to ensure the Board is made aware of developments that impact on the business. The Group has a proportion of client files reviewed by the consultancy firm and has professional indemnity insurance in place to protect the assets of the Group.

Loss of key contracts

Cardinal Management's contracts with NHS Hospital sites generate revenue through the legal panel associated with each site. Risk of loss of NHS contracts which in turn would impact on revenue generation.

We work hard to embed ourselves within the NHS and maintain relationships with the leadership teams at each site.

People, recruitment, training and retention

The Group's ability to recruit, train and retain its staff. Retention of key staff during mergers and acquisitions is a key consideration.

The Group's employees are an important factor in the success of the Group and the Board seeks to ensure employees are motivated and rewarded fairly for their contributions to the business. Employee remuneration represents the largest cost to the Group. The Board reviews market rate for key employees and ensures the remuneration package is consistent with market levels. The Board promote employee engagement throughout the year and immediately upon completion of an acquisition.

Credit risk

The risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk is limited to cash at bank, liquid investments and trade receivables. Credit risk on cash balances is minimised by the use of a major UK government backed clearing bank.

In relation to trade receivables, the Group evaluates a customer's ability to pay before entering into a transaction and only engages with customers who are demonstrably credit worthy. The Group actively manages receivables due on a case-by-case basis and carries out ongoing, continuous monitoring of key customer groups.



Section 172: Companies Act

The board takes seriously its duties towards a wide range of stakeholders and acts in such a way to ensure that its decision making promotes the success of the Group for the benefit of these stakeholders in accordance with Section 172.

The statements below provide further information as to how the directors have had regard to the relevant matters.

The likely consequences of decisions in the long term:

We invest in our people, including via our Costs Training, Graduate and Apprenticeship schemes in order to upskill our staff and prepare them for long term growth in their career. This in turn ensures we are providing the best possible service to our customers and drives improvements to the future profitability of the Group.

The interests of our employees:

Our people are a key consideration of the business.

As discussed in the strategic report, we have continued our investment in people through our Graduate and Apprenticeship schemes which focus on nurturing the talent of the future through their career development.

The Group is committed to engaging in two-way communication with employees by way of regular meetings and employee one-to-ones.

The Group's Values clearly document who we are as a business and how we interact with our people.

The need to foster our business relationships with customers, suppliers and the desirability of the company to maintain a reputation for high standards of business conduct:

Customers are at the heart of everything we do which is emphasised by our high client retention rates. The board are committed to improving the customer journey in order to continue to attract and retain clients.

Engagement with suppliers is also a key part of the business as it feeds into the service we offer to our customers. Therefore, we are selective in the suppliers we chose to work with, choosing only those whose own principles align with our own.

Both of these elements, along with our interest in the Group's employees, display the board's commitment to maintaining high standards of business conduct and professionalism.

The impact of our operations on the community and environment:

Our commitment to the community and the environment is a key consideration of the board. This is expanded on within our ESG Report.

The need to act fairly as between members of the company:

Responsibility for investor relations rests with the CEO, supported by the CFO and Chairman. The Group is committed to communicating openly with shareholders to ensure that its strategy and performance are clearly understood.

The Annual General Meeting is the principal forum for shareholders and we encourage all shareholders to attend and participate. The notice of the meeting is sent at least 21 days before the meeting. The Chairman of the board and all committees are present, along with other directors wherever possible and are available to answer questions raised by shareholders.

In addition to this and on top of further meetings as necessary throughout the year, the CEO and CFO make presentations to institutional investors immediately following the release of the full-year and half-year results.



Richard Fraser

A handwritten signature in black ink, appearing to read 'R Fraser'.

CEO
25 April 2025

ESG Report

The board recognises the importance of embedding Our Values into our activities and is therefore focused on incorporating our Group's principles and strategic aims into our ESG Strategy.

The Environment

As a people-based business, our environmental footprint is small. However, we remain committed to minimising this to as low a level as possible with a view to achieving net zero carbon emissions in advance of the UK government goal of 2050.

We are working towards this with a series of small but meaningful actions, including but not limited to:

- Our company car policy that insists upon hybrid or fully electric cars
- A commitment to transferring all of our energy contracts to 100% renewable energy
- All general waste at the Group's head office building is sent to a facility which recycles what it can and the remainder is sent to a waste-to-energy facility. Confidential waste is also recycled.
- Travel by public transport is encouraged through our expenses policy
- Our flexible working policy helps cut down on the number of journeys taken by our staff

We are monitoring our emissions data in relation to office energy usage and business travel undertaken by our employees, as set out below, and are pleased to show that we have reduced our carbon footprint from the prior year both in terms of total emissions and average emissions per employee:

	tCO ₂ e (tonnes of carbon equivalent)	
	2024	2023
Scope 1 emissions: gas	32.0	31.5
Scope 2 emissions: purchased electricity	34.2	39.2
Scope 3 emissions: water consumption	0.3	1.3
Scope 3 emissions: business mileage	49.7	50.0
Total Scope 3 emissions:	50.0	51.3
Total greenhouse gas emissions	116.2	122.0
Greenhouse Gas intensity metric: Emissions per employee (based on average employees – note 4)	0.28	0.33

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the UK Government's Conversion Factors for Company Reporting.

Social

As discussed within our Strategic Report, people are at the centre of everything we do, whether that is our staff, customers, suppliers or the wider community. Our Values dictate how we interact with each of these stakeholders in order to try and have a positive impact.

We are committed to continuing to invest in our people, growing from the successes to date of our Graduate and Apprenticeship schemes and our Costs Training Academy. The first cohort of our 2025 Costs Academy joined in January and are already beginning to work on live customer files.



Frenkel Topping Charitable Foundation:

The Group's services support people who have experienced a life-changing injury or illness and who are entitled to financial compensation as a result. The Frenkel Topping Charitable Foundation ("FTCF") was set up in 2015 to support those who sadly are not entitled to such compensation. This can provide lifeline for many; a way to access support for their mental and physical health and wellbeing.

2024 saw a record year for donations and fundraising by the charity with over £120,000 raised from a variety of activities including:

- Glam Rock Charity Ball
- Venice to Milan Cycling Challenge
- Sky diving
- Golf Day
- Laugh-Out-Loud Comedy Lunch
- Football tournaments

These funds go towards supporting a wide range of people, with 51 applicants for funding approved during 2024 and countless other individuals given bedside support and assistance to families within Major Trauma Centres across the country.

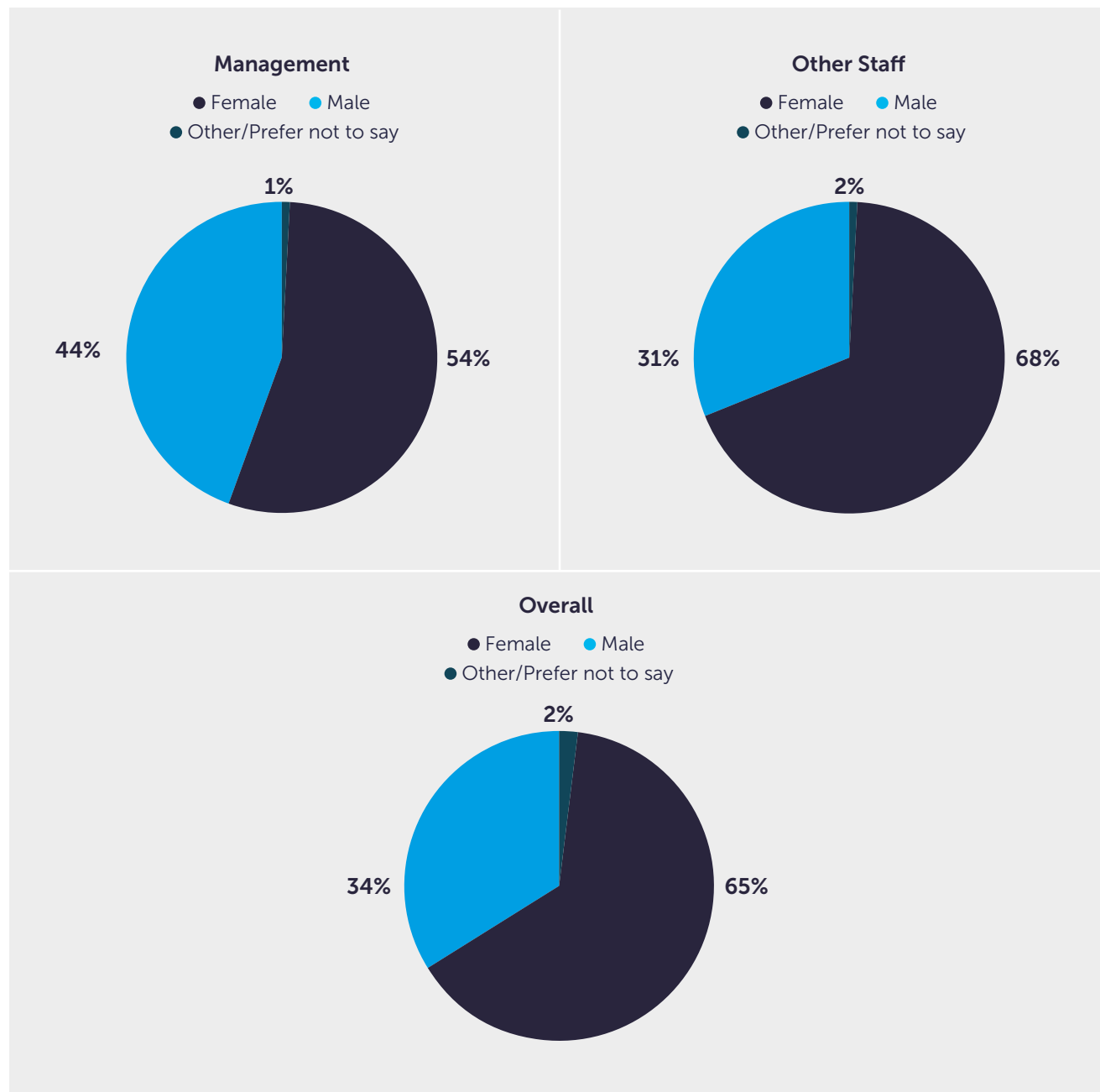
As 2025 represents FTCF's 10th year, we have a range of events lined up and aim to once again break our fundraising record and further increase the number of people we can support, hopefully making tangible improvements to their lives.



frenkel topping
Charitable Foundation

Gender Parity

Gender parity at board level is discussed within the Governance section of this report, however below we have analysed our employee split across the remainder of the management team, as well as the rest of the pool of staff and in total:



We are proud to report female representation is strong across the Group. The Office of National Statistics reported that, in 2022, 40% of management positions in the UK were held by females so it is particularly pleasing to see that we far exceed this at 54%.

Corporate Governance

All members of the board believe strongly in the value and importance of good corporate governance and in our accountability to all of Frenkel Topping’s stakeholders, including shareholders, staff, clients and suppliers.

The Group adheres to the Quoted Companies Alliance’s (QCA) Corporate Governance Code for small and mid-size quoted companies which supports our internal framework including board leadership and effectiveness, board remuneration and internal control. Such policies are based upon practices which the board believes are proportional to the size, risks, complexity and operations of the business and are reflective of the group’s values.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the board judges these to be appropriate in the circumstances, as set out below. The board considers that it does not depart from any of the principles of the QCA Code.

QCA Principles	How we apply these
Principle 1: Establish a strategy and business model which promote long-term value for shareholders	The board meets regularly to review strategy and progress against strategy. Details on this and our business model are found within the Strategic Report which sets out how we intend to grow the business in order to promote long-term value for shareholders.
Principle 2: Seek to understand and meet shareholder needs and expectations	<p>Responsibility for investor relations rests with the CEO, supported by the CFO, whilst giving shareholders access to the Chairman if and when requested. These meetings are organised by the Group’s nomad, Cavendish, at or close to results announcements or when requested, or directly with the Group as requested by investors.</p> <p>The Group is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. We communicate with shareholders through the Annual Report and Accounts, full-year and half-year announcements, trading updates and the annual general meeting (AGM), and we encourage shareholders’ participation in face-to-face meetings.</p> <p>A range of corporate information (including all Frenkel Topping announcements) is also available to shareholders, investors and the public on our website.</p>

QCA Principles

How we apply these

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Details on how we interact with stakeholders are included within the Strategic Report and within the Social section later of the ESG Report.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Detail on the key risks identified within the Group and the Board's approach to managing these risks is included within the Strategic Report.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The board is led by Chairman Christopher Mills and contains a mix of three executive directors and three non-executive directors (including the Chairman).

The board is supported by two committees – audit and remuneration.

There are currently five male directors and one female director. The board remains confident both that the opportunities in the Group are not excluded or limited by any diversity issues (including gender) and that the board nevertheless contains the necessary mix of experience, skills and other personal qualities and capabilities necessary to deliver its strategy.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The board has a range of skills and expertise at its disposal by having a mix of qualified financial advisors, accountants and solicitors in board positions.

Details on the composition of the board are set out below.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

The Chairman is responsible for the board evaluation process which involves a 360-degree review in which they gather feedback from a number of sources, including peers, direct reports, more senior colleagues. The review considers effectiveness in a number of areas including general supervision and oversight, business risks and trends, succession and related matters, communications, ethics and compliance, corporate governance and individual contribution.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours.

The Group refreshed its Values in 2023, which in turn influence the culture of the organisation and ensure we are behaving as a good corporation citizen.

QCA Principles

How we apply these

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The board provides strategic leadership for the Group and operates within the scope of a robust corporate governance framework.

The Audit Committee monitors the integrity of financial statements, oversees risk management and control, and reviews external auditor independence.

The Remuneration Committee sets and reviews the compensation of executive directors including the setting of targets and performance frameworks for cash- and share-based awards.

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Group.

The Executive Directors are responsible for implementing and delivering the strategy and operational decisions agreed by the board, making operational and financial decisions required in the day-to-day operation of the group, providing executive leadership to managers, championing the group's Values and promoting talent management.

The Independent Non-Executive Directors contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the executive directors and ensure that the group is operating within the governance and risk framework approved by the board.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

In addition to the investor relations activities described above, audit and remuneration committee reports are provided below.

Board composition

The QCA Code requires that the boards of AIM companies have an appropriate balance between executive and non-executive directors of which at least two should be independent. The board is currently made up of three executive and three non-executive directors:

<p>Christopher Mills Non-Executive Chairman</p> <p>Appointed: 20 May 2020</p> <p>Member of Remuneration Committee</p>	<p>Christopher co-founded J O Hambro Capital Management in 1993. He founded Harwood Capital Management Group in 2011. Christopher is Chief Executive Officer and Chief Investment Officer of North Atlantic Smaller Companies Investment Trust plc. He is a non-executive director of several companies. Between 1984 and 1993, Christopher was head of North American investments and venture capital at Invesco MIM. He was a director of Samuel Montagu International between 1975 and 1984.</p>
<p>Tim Linacre Senior Non-Executive Director</p> <p>Appointed: 19 June 2018</p> <p>Member of Audit Committee and Remuneration Committee</p>	<p>Tim is a chartered accountant and an experienced City practitioner. After qualifying with Deloitte Haskins and Sells he spent 5 years with Hoare Govett before moving to Panmure Gordon in 1992, working at that firm for 20 years including 8 years as CEO. He then moved to Instinctif Partners, a leading business communications firm, where he was also CEO. Tim acts an adviser to a number of private businesses.</p>
<p>Rt. Hon. Mark Field Non-Executive Director</p> <p>Appointed: 26 January 2021</p> <p>Chair of Audit Committee and member of the Remuneration Committee</p>	<p>Mark is a former MP and FCO Minister who, during his tenure in UK Parliament, represented the prestigious central London constituency of the Cities of London and Westminster. He held this position for over 18 years during which time he also served as the Minister for State at the Foreign and Commonwealth Office and as vice-chair of the Conservative Party. Prior to this, Mark practised as a corporate lawyer at Freshfields and also set up, ran, and sold Kellyfield Consulting, a specialist legal recruitment company. Since leaving Parliament, Mark has embarked on a portfolio career which includes senior advisory roles to multiple public and private sector companies including an appointment as Chairman of Capital International Bank, a new digital bank based in the Isle of Man.</p>
<p>Richard Fraser Chief Executive Officer</p> <p>Appointed: 26 July 2004</p> <p>Member of the Audit Committee</p>	<p>Richard joined Frenkel Topping Ltd (trading subsidiary of Frenkel Topping Group Plc) in 1991 after gaining experience in financial services whilst working at Lloyds Bank, Bradford and Bingley Building Society and Scottish Widows. Richard was fully involved in the development of both structured settlements and Frenkel Topping Ltd, becoming Managing Director in 2000. He played a key role in the appointment of Frenkel Topping Ltd as an alternative investment broker to the Court of Protection and Richard has also been a regular speaker at financial services conferences across the UK.</p> <p>He has led the Group through IPO, capital raises, multiple acquisitions and significant organic growth.</p>

Board composition Continued

<p>Mark Holt Chief Operating Officer</p> <p>Appointed: 1 September 2016</p> <p>Member of Audit Committee and Remuneration Committee</p>	<p>Since graduating in 1996, Mark has worked in the Financial Services Industry, working for Nelson's Money Managers before joining Barclays Financial Management in 1998. He was Managing Director of his own IFA firm which he ran successfully before joining Frenkel Topping. Mark has written a response to The Ministry of Justice on the Discount Rate Consultation and regularly spends time in Chambers delivering training seminars to Counsel and Solicitors on the discount rates used to quantify personal injury and clinical negligence settlements and periodical payments. He is authorised and regulated by the Financial Conduct Authority and currently holds the 'Statement of Professional Standing' as issued by the London Institute of Banking and Finance.</p> <p>In addition to being the Group's COO, Mark is also the Managing Director of the Group's IFA business. Under Mark's leadership, the value of FUM added in a single year has more than quadrupled from what it was in the year that he took office.</p>
<p>Elaine Cullen-Grant Chief Financial Officer</p> <p>Appointed: 1 March 2020</p> <p>Company Secretary</p>	<p>Elaine qualified as a Chartered Management Accountant in 2010 and, prior to joining Frenkel Topping in 2009, was a Financial Reporting Accountant at Carillion Utility Services and worked in various finance roles at Bupa.</p> <p>She has been a key part of raising both equity and debt, as well as undertaking due diligence on acquisitions and leading a smooth transition post-acquisition.</p>

	Board meetings		Audit Committee		Remuneration Committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Executive directors						
Richard Fraser	4	4	3	3	-	-
Mark Holt	4	4	-	-	-	-
Elaine Cullen-Grant	4	4	-	-	-	-
Non-executive directors						
Christopher Mills	4	4	-	-	1	1
Tim Linacre	4	4	3	3	1	1
Rt Hon Mark Field	4	4	3	3	1	1
Zoe Holland (resigned 24 October 2024)	3	2	-	-	-	-

Audit Committee Report

During 2024, the Audit Committee continued to focus on the effectiveness of the controls throughout the Group. The Audit Committee consisted of Tim Linacre, chair, Mark Field and Richard Fraser. The committee met once to review the 2023 Audit Findings Report with the external auditor, a second time without the external auditor and a third time in advance of the 2024 year end to discuss planning for this year's audit. The external auditor meets with the CFO on a regular basis to be briefed on developments in the Group. Consideration was given to the auditor's planning and finding reports and these provide opportunities to review the accounting policies, internal control and the financial information contained in both the annual and interim reports.

The 2025 Audit Committee will continue the same focus and consists of Tim Linacre, chair, Mark Field and Richard Fraser.

Remuneration Committee Report

The remit of the Remuneration Committee is to determine the framework, policy and level of remuneration, and to make recommendations to the board on the remuneration of executive directors. In addition, the committee oversees the creation and implementation of all-employee share plans. Through 2024, the Remuneration Committee consisted of Zoe Holland (until her resignation in October 2024), Tim Linacre, Mark Field and Christopher Mills. The committee met once. In setting remuneration packages the committee ensured that individual compensation levels, and total board compensation, were comparable with those of other AIM-listed companies.

The 2025 Remuneration Committee will consist of Tim Linacre, Mark Field and Christopher Mills.

Directors & Advisors

DIRECTORS

Non-Executive Chairman	C H B Mills
Executive Director	R C Fraser
Executive Director	M S Holt
Executive Director	E N Cullen-Grant
Senior Non-Executive Director	T J T Linacre
Non-Executive Director	Rt. Hon. M C Field

SECRETARY

E N Cullen-Grant

COMPANY NUMBER

04726826

REGISTERED OFFICE

Frenkel House
15 Carolina Way
Salford
Manchester
M50 2ZY

AUDITOR

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS

Santander UK PLC
Bridle Road
Bootle
L30 4GB

SOLICITORS

Shoosmiths LLP
1 Bow Churchyard
London
EC4M 9DQ

NOMINATED ADVISER AND BROKER

Cavendish
One Bartholomew Close
London
EC1A 7BL

Directors' Report



Mark Holt
 Chief Operating Officer
 Frenkel Topping Group

The Directors present their report and the financial statements of the Group and the Company for the year ended 31 December 2024.

Principal Activities and Review of the Business

Frenkel Topping Group Plc ('the Company') is the parent company of a group of companies engaged in the provision of professional and financial services.

A review of the Group's activities and its future prospects is detailed in the Chairman's and Chief Executive Officer's Statements and the Strategic Report.

Results and Dividends

The trading results for the year, and the Group's financial position at the end of the year, are set out in the attached financial statements.

The Directors are proposing a final dividend of 1.375 pence (2023: 1.375 pence) subject to Shareholder approval at the AGM in June 2025.

Future Developments and Post Balance Sheet Events

Planned future developments are discussed in the Strategic Report and there are no post balance sheet events to report.

Share Capital

Information regarding substantial shareholdings in the Company is contained in the Shareholder Information section within the Notes to the Financial Statements.

Directors Who Held Office During The Year

The Directors of the Company who held office during the year or up to the date of signature of the financial statements were:

C H B Mills	Non-Executive Chairman
R C Fraser	Chief Executive Officer
M S Holt	Chief Operating Officer
E N Cullen-Grant	Chief Finance Officer
T J T Linacre	Senior Non-Executive Director
Rt. Hon. M C Field	Non-Executive Director
Z B Holland (resigned 24 October 2024)	Non-Executive Director

Directors Report Continued

Employee Involvement

The Group recognises and seeks to encourage the involvement of its employees, with the aim being the recruitment, motivation and retention of quality employees throughout the Group.

The Group's employment policies, including the commitment to equal opportunity, are designed to attract, retain and motivate employees regardless of sex, race, religion or disability.

The Group is committed to ensuring and communicating the requirements for a safe and healthy working environment for all employees, consistent with health and safety legislation and, wherever practicable, gives full consideration to applications for employment from disabled persons.

Going Concern Assumption

The Directors have considered, as part of their annual budget process, the adequacy of the Group's banking arrangements in relation to its profit and cash flow projections. The Directors have reasonable expectations that the Group has adequate resources to continue trading for the foreseeable future. They have reviewed forecasts in excess of 12 months from the date of approval of the financial statements, with a variety of possible outcomes and remain confident in continuing to adopt the going concern basis in preparing the financial statements.

Financial Instruments

Information regarding the way the Group uses financial instruments can be found in note 16 to the financial statements.

Statement As To Disclosure Of Information To The Auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Third Party Indemnity Provision For Directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the Group.

Auditor

A resolution to reappoint HaysMac LLP as auditor for 2025 will be put to the members at the Annual General Meeting.

Engagement With Suppliers, Customers And Others In A Business Relationship With The Group

Further information in relation to our engagement with suppliers, customers and others can be found within the Strategic Report. Section 172: Companies Act 2006.

On behalf of the Board



Mark Holt

Director

25 April 2025

Directors' Remuneration Report

(For the year ended 31 December 2024)

Remuneration Committee

The Group has a Remuneration Committee. The committee comprises of the Non-Executive Directors, Christopher Mills, Tim Linacre and Mark Field.

Remuneration Policy

The policy of the committee is to reward the directors in line with the current remuneration of directors in comparable businesses in order to recruit, motivate and retain high quality executives within a competitive market place.

The main elements of the remuneration package for executive directors are:

- Basic annual salary and benefits
- Annual bonus payments
- Pensions
- Long term incentive plans linked to performance

Benefits include death-in-service, disability-in-service, critical illness and private health insurance.

Annual Bonus

The committee establishes the objectives that must be met for each financial year if a cash bonus is to be paid. The committee decides the performance conditions that must be delivered before any cash bonus will be attributable. The purpose of the bonus is to reward executive directors for delivery in excess of the objectives.



Directors' Remuneration Report (For the year ended 31 December 2024)

Continued

Directors' Remuneration

The table below summarises all directors' emoluments and pension contributions for the current and the prior year for comparison.

	Emoluments £	Bonus £	Pension £	Total 2024 £
C Mills	45,000	-	-	45,000
R Fraser	327,001	57,500	-	384,501
M Holt	281,773	44,000	24,205	349,978
E Cullen-Grant	224,018	36,000	21,089	281,107
T Linacre	46,667	-	-	46,667
Rt. Hon. M Field	35,808	-	-	35,808
Z Holland (resigned 24 October 2024)	35,000	-	-	35,000
	995,267	137,500	45,294	1,178,061
	Emoluments £	Bonus £	Pension £	Total 2023 £
C Mills	25,000	-	-	25,000
R Fraser	288,587	100,000	-	388,587
M Holt	252,070	80,000	24,205	356,275
E Cullen-Grant	198,355	70,000	18,540	286,895
T Linacre	35,000	-	-	35,000
Rt. Hon. M Field	25,000	-	-	25,000
Z Holland (resigned 24 October 2024)	25,000	-	-	25,000
	849,012	250,000	42,745	1,141,757

Pension Arrangements

Executive directors are entitled to have 10% percent of their basic salary paid by the Group to a pension scheme of their choice.

Share options

The Company has an Enterprise Management Incentive ('EMI') share option scheme and an unapproved share option scheme. Options outstanding in relation to the directors were as follows:

	Number of options approved	Number of unapproved options	Exercise Price
R Fraser	-	2,565,000	0.5p
M Holt	-	83,500	13.5p
M Holt	-	2,250,000	0.5p
E Cullen-Grant	-	1,500,000	0.5p

Reconciliation of share options held by the directors at the reporting date is as follows:

	Share options brought forward	Share options granted	Share options exercised	Share options carried forward
R Fraser	2,565,000	-	-	2,565,000
M Holt	2,333,500	-	-	2,333,500
E Cullen-Grant	1,500,000	-	-	1,500,000
Total	6,398,500	-	-	6,398,500

Statement of Directors' Responsibilities In respect of the financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom.

The financial statements are required by law and IFRS adopted by the UK to present fairly the financial position and performance of the group and company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing each of the Group and Company financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether IFRS as adopted by the United Kingdom have been followed subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Independent Auditor's Report to the members of Frenkel Topping Group plc for the year ended 31 december 2024

Opinion

We have audited the financial statements of Frenkel Topping Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows, the Consolidated and Parent Company Statements of changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards ('IFRS').

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and the industries in which it operates.

Our audit scope included all components of the Group which are all registered companies in the United Kingdom, other than those entities with levels of activity below a clearly trivial threshold when compared to Group materiality, which have been provided with a parental guarantee and are claiming exemption from audit.

Where entities are exempt from audit due to claiming the parental guarantee, which we consider to be significant or relevant to the results of the Group, we have performed appropriate procedures to an appropriate component materiality.

For those entities that have taken the exemption where the level of activity that occurred during the year were minimal we have determined that these components were insignificant and therefore not relevant to the Group's results for the year ended 31 December 2024, these entities were therefore not included as part of our audit scope for the audit of the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Revenue Recognition

For the year ended 31 December 2024, non-recurring revenue related to income generated from the preparation and delivery of professional services (costs law and other professional & central services) increased from £20.8m in 2023 (representing 63% of total revenue of £32.8m) to £24.0m in 2024 (representing 64% of total revenue of £37.4m).

Revenue recognised over time is based on the expected recoverable amount of billable hours spent providing professional services.

There is a risk that revenue recognised over time in respect of professional services rendered has not been recognised in accordance with IFRS 15 during the year.

Included in scope of our audit was £33.6m of total £37.4m Revenue.

How our scope addressed this matter

Our audit work has been focused on a review of all revenue that is recognised over time for professional services rendered. We have reviewed management's revenue recognition policy to ensure that it is in line with IFRS 15: Revenue from Contracts with Customers.

Our audit work consisted of, but was not limited to:

- A cash to revenue reconciliation, testing the occurrence of revenue in total for the year;
- A review of accrued income and timing of revenue recognition to the underlying supporting documentation;
- A review of in-year and post year-end recoverability of billable time to ensure Managements' estimates around recognition of accrued income at year end were appropriate;
- Cut off testing to ensure that revenue has been recognised in the correct period to which it relates;
- A review of performance obligations being satisfied with reference to relevant supporting documentation such as:
 - Engagement letters
 - Time sheet entries
 - Delivery of reports to clients
- An assessment of all revenue streams using the criteria in IFRS 15 where revenue is recognised over time and is representative of the expected amount recoverable.

Our work performed on revenue highlighted no material errors or departures from IFRS 15.

Key audit matters Continued

Key Audit Matter

Impairment Review of Goodwill

The Group Statement of Financial Position as at 31 December 2024 includes goodwill of £25.6m (2023: £24.3m).

There is a risk that this goodwill might be impaired.

The Directors concluded that no impairment provision is required, based on their assessment of the forecasted cash flows from the relevant cash generating units.

The full balance of Goodwill was included in scope of our audit.

How our scope addressed this matter

Our audit work consisted of, but was not limited to:

- A review of the impairment assessment prepared by management in respect of the carrying value of goodwill at year end. This comprised of but was not limited to the following:
 - A comparison between post year end performance and budgeted performance for the various cash generating units (CGU's);
 - Performance of sensitivity analysis to determine the level of headroom before goodwill allocated to CGU's becomes impaired; and
 - Challenge of the assumptions and key estimates and inputs prepared by management in preparing the relevant discounted cashflow forecast information.
- A review of key estimates and judgements used in determining the value of goodwill, such as:
 - The discount rates used by management; and
 - The estimated fair value of any contingent consideration
- A review of the movement in goodwill balance during the year, primarily in respect of the acquisition
- A review of the internal and external indicators of impairment as prescribed by IAS 36; and
- A review of the disclosures made with regards to the estimates and judgements used as well as the disclosures covering the impairment tests performed by Management with regards to the goodwill as at 31 December 2024.

Our work performed on the carrying value of goodwill highlighted no material errors.

Key Audit Matter

Valuation of intangible assets (other than goodwill) acquired as part of a business combination

The Group holds other intangible assets relating to Cardinal management Limited of £5.0m (2023: £5.0m). As per management's assessment of IFRS 3, separately identifiable intangible assets relating to contract intangibles were acquired in 2022 with a fair value of £5.0m determined by Management using an appropriate valuation methodology.

Management also determined that the intangible assets acquired have an indefinite useful economic life, meaning that they are not amortising these assets but are instead testing annually for impairment.

There is a risk that intangible assets are materially overstated and that Management's judgement that these assets have an indefinite useful economic life is inappropriate and that a material amortisation has not been recognised in the financial statements.

The full balance of Goodwill was included in scope of our audit.

How our scope addressed this matter

Our audit work consisted of, but was not limited to:

- A review of Management's judgements and reasoning, determining that the intangible contract assets identified have an indefinite useful economic life;
- A review of Management's calculation of the value in use of the long term contracts held, involving challenge of the critical estimates and judgements made in preparing the valuation consisting of but not limited to:
 - The discount rate used by Management;
 - The cashflows used by Management, which we have agreed to supporting documentation where appropriate; and
 - Any growth-related assumptions included in the discounted cashflow valuation prepared.
- A review of the impairment assessment prepared by Management, involving challenge of the critical estimates and judgements made in preparing the impairment assessment in accordance with IAS 36 "impairment of assets" consisting of but not limited to:
 - Challenge of the discount rate applied in preparing a value in use calculation;
 - Challenge of the cashflows factored into management's value in use calculations;

Key audit matters Continued

- Challenge of the time period, in this case to perpetuity adopted by management in formulating their value in use calculations;
- A review of post year end results compared to forecasts; and
- A review of the post year end contract status to ensure there were no indicators of impairment.
- Our work performed on the impairment review relating to the separately identifiable intangible assets highlighted no material errors.

Key Audit Matter

Recoverability of Trade Receivables and Accrued Income

The Group Statement of Financial Position as at 31 December 2024 includes trade receivables of £12.5m (2023: £11.3m) with average debtor days of 179 days (2023: 192 days).

These receivables represent fees due from reports on expert witness, forensic accounting and bill of costs issued in the claims process related to legal cases the Group is engaged to act as advisers on.

As explained further in note 18 of the financial statements, given the complex nature and time frame of such cases, average collection period for the fees due is often in excess of one year and accordingly collectability of these sums and hence valuation is considered to be a risk and area of audit focus.

The Accounting Policies set out that a provision for impairment of trade receivables is for the expected credit losses on trade receivables when there is an increased probability that the debt will not be settled on the contractual due date or there is a reduction in the amounts expected to be recovered.

Management has concluded that an impairment provision is required of £405k (2023: £501k) at the year end. This is based on information collated by management from credit control and project managers and the balance has been provided for in accordance with the Group's policy in respect of law firms which have fallen into financial difficulties.

Included in scope of our audit was £7.8m of total £9.0m Accrued Income.

The Group Statement of Financial Position as at 31 December 2024 includes accrued income of £9.1m (2023: £6.1m).

Management estimates the expected recoverable amount based on historical experience, as well as in-year and post year-end write offs. This enables them to estimate the amount of billable time that

will subsequently be invoiced and recovered – recognising this as revenue over time.

Included in scope of our audit was £10.8m of total £12.4m Accrued Income.

How our scope addressed this matter

Our audit work has considered the accuracy of the ageing profile of trade receivables, reviewing management's assessment of the potential impact of discounting the sums due to present value and reviewing historical and post year end trade receivable collections.

We also conducted a review of a sample of case notes to review management's assessment of the receivables – for any indications of potential impairment.

In addition our audit work consisted of, but was not limited to the following procedures:

- We tested a sample of trade receivables outstanding at 2023 through to collection in 2024 to ensure appropriate in year recovery rates;
- We reviewed the overall credit control procedures in place and the credit control assessment performed by management used to support management's specific and expected credit loss provisions;
- We tested a sample of trade receivables outstanding as at 31 December 2024 through to collection in 2025;
- We reviewed the provisions made in the year by management against relevant supporting documentation;
- We reviewed the credit profile of a number of the largest customer balances outstanding at the year end using publicly available information, post year end recovery and management responses to our audit challenges;
- We reviewed responses to a sample of debtors' circularisation requests;
- We reviewed post year end credit notes in respect of trade receivables outstanding at the year- end – comparing them to the amounts provided;
- We considered whether discounting of receivables should be applied in accordance with IFRS 9 and IFRS 15 for trade receivables recorded in Group companies which undertake professional service work, concluding that this was not required on the basis that it was either immaterial or not required in accordance with practical expedient allowed by IFRS 15;

- We reviewed and recalculated management's calculation of average receivable days to ensure that it was appropriate and accurate; and
- We reviewed and challenged the expected credit loss model prepared by management, with specific review of two key inputs being:
 - The historical loss percentage applied;
 - The forward-looking loss assumptions made

In carrying out this work we considered the disclosures contained in the Accounting Policies and Note 18 to the financial statements.

Our work in assessing the valuation and accuracy of accrued revenue consisted of, but was not limited to:

- A review of year-end accrued income to the underlying records which record inputs translating into recoverable accrued revenue;
- A review of year-end accrued income compared to post year-end invoices raised and amounts received;
- A review of management's estimates of the recoverability of billable time through both in-year and post year-end analyses; and
- Performing walkthrough tests on individual cases to understand the working patterns of each subsidiary's professional services rendered.

Our work performed on trade receivables and accrued income highlighted no material errors.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements, or related disclosures, that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing needed, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at 600,000. This was determined with reference to 7.5% of adjusted EBITDA at the planning stage, being the Group's main Key Performance Indicator ("KPI"). On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 70% of materiality, being £420,000. Materiality amounts to 7.5% of the adjusted EBITDA in these financial statements.

The reporting threshold to the Audit and Risk Committee was set at 5% of materiality, being £30,000. If in our opinion, differences below this level warranted reporting on qualitative grounds, these would also be reported.

The materiality for the Parent Company financial statements was based on 1% of gross assets at the planning stage and set at £449,000. Materiality amounts to 0.85% of the parent company's gross assets in these financial statements.

On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 70% of materiality, being £314,000.

The reporting threshold to the Audit and Risk Committee was set at 5% of materiality, being £22,400. If in our opinion in differences below this level warranted reporting on qualitative grounds, these would also be reported.

Component and subsidiary materiality

Component materiality has been calculated after determining the number of significant components within the group and then applying an appropriate multiplier to the Group materiality of £600,000 (calculated using 7.5% of EBITDA). As all of the entities that formed part of our audit scope have adjusted EBITDA as one of their main

KPIs, we considered the use of Group materiality based on adjusted EBITDA to be appropriate. The total component materiality calculated was then allocated between the relevant entities accordingly based on their significance to the Group.

Where we have performed statutory audits of the trading subsidiaries of the Group, we have calculated their materiality on the basis of a turnover based materiality (as we have used for the Group overall) where 2.5% of turnover was considered to be materiality. We have ensured that the individual materiality calculated for subsidiary statutory audits did not exceed the component materiality that was allocated to these entities had they been reviewed only as part of the audit of the Group financial statements.

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate. Our evaluation of the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included, but was not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern;
- Evaluating the methodology used by the directors to assess the Group and the Parent Company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment for reasonableness and appropriateness of key assumptions used and judgments applied including review of the Revolving Credit Facility and related covenants;
- Reviewing the liquidity headroom and applying a number of sensitivities to the base forecast assessment of the directors to ensure there was sufficient headroom to adopt the going concern basis of accounting; and
- Reviewing the appropriateness of the directors' disclosures regarding going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for 12 months from the approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Parent Company's ability to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Group and industries, we identified that the principal risks of non-compliance with laws and regulations related to the relevant FCA regulatory requirements and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and value added tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying at the planning stage of our audit whether there were any other laws or regulations the Group was subject to, and where applicable a review of any compliance issues with these laws and regulation;
- Assessing management's revenue recognition policy, performing specific tests to ensure that this policy was being enacted and was in line with applicable accounting standards and performing testing of a sample of transactions pre and post year end to ensure revenue was recognised in the correct period to which it relates;
- Inspecting correspondence with regulators and tax authorities;
- Inspecting correspondence with the FCA to assess whether any breach of FCA regulations had occurred in the year;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

- Discussions with management regarding any adverse AIM complaints, as well as discussing this with the Parent Company's Nomad.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Wilks

(Senior Statutory Auditor)

For and on behalf of HaysMac LLP

Statutory Auditors

25 April 2025

10 Queen Street Place
London
EC4R 1AG

Group Statement Of Comprehensive Income

for the year ended 31 December 2024

		2024	2023
	Notes	£'000	£'000
REVENUE	1	37,401	32,809
Direct staff costs		(23,025)	(18,943)
GROSS PROFIT		14,376	13,866
Administrative expenses	2	(9,706)	(8,797)
Adjusted profit from operations		7,153	7,233
Share based compensation		(133)	(610)
Other adjustments to profit from operations	2	(2,350)	(1,554)
PROFIT FROM OPERATIONS	2	4,670	5,069
Finance and other income	3	21	20
Finance costs	3	(744)	(532)
Revaluation of contingent consideration	3	204	(1,364)
PROFIT BEFORE TAX		4,151	3,193
Income tax expense	6	(1,120)	(1,286)
PROFIT FOR THE YEAR		3,031	1,907
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS:			
Gains on property revaluation arising net of tax	10	30	80
TOTAL COMPREHENSIVE INCOME FOR YEAR		3,061	1,987
PROFIT ATTRIBUTABLE TO:			
Owners of the parent undertaking		2,795	1,661
Non-controlling interests		236	246
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent undertaking		2,825	1,741
Non-controlling interests		236	246
Earnings per ordinary share – basic (pence)	7	2.3p	1.4p
Earnings per ordinary share – diluted (pence)	7	2.1p	1.3p
Adjusted earnings per ordinary share – basic (pence)	7	3.9p	4.3p
Adjusted earnings per ordinary share – diluted (pence)	7	3.7p	4.0p

All amounts are derived from continuing operations.

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

Group And Company Statement Of Financial Position

as at 31 December 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
ASSETS					
NON-CURRENT ASSETS					
Goodwill and other intangibles	8	30,602	29,210	-	-
Property, plant and equipment	10	3,450	2,998	-	-
Investments	9	-	-	44,810	41,958
Loans receivable	15	101	151	-	-
		34,153	32,359	44,810	41,958
CURRENT ASSETS					
Accrued income	18	9,057	6,066	-	-
Trade receivables	18	12,480	11,282	14	18
Other receivables	11	911	896	15,234	11,973
Investments	9	114	107	-	-
Cash and cash equivalents		3,138	2,425	61	67
		25,700	20,776	15,309	12,058
TOTAL ASSETS		59,853	53,135	60,119	54,016
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	640	640	640	640
Share premium		22,706	22,706	22,706	22,706
Merger reserve		6,155	6,492	6,492	6,492
Revaluation reserve		589	559	-	-
Other reserve		(341)	(341)	-	-
Own shares reserve		(2,130)	(2,134)	(2,130)	(2,134)
Retained earnings		14,324	13,134	4,472	5,078
Equity attributable to owners of the parent company		41,943	41,056	32,180	32,782
Non-controlling interests		308	344	-	-
TOTAL EQUITY		42,251	41,400	32,180	32,782
CURRENT LIABILITIES					
Current taxation		1,015	999	-	-
Trade and other payables	12	6,306	8,112	18,682	19,286
		7,321	9,111	18,682	19,286
LONG TERM LIABILITIES					
	12	10,281	2,624	9,257	1,948
TOTAL EQUITY AND LIABILITIES		59,853	53,135	60,119	54,016

A separate profit and loss account for the parent company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006. The company profit for the year was £1,060k (2023: £2,777k).

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2025 and are signed on its behalf by: ELAINE CULLEN-GRANT, DIRECTOR

Group Statement Of Changes In Equity

for the year ended 31 December 2024

	Share Capital	Share Premium	Merger reserve	Other Reserve
	£'000	£'000	£'000	£'000
Balance 1 January 2023	637	22,706	6,245	(341)
Issue of Share Capital	3	-	247	-
Share based compensation	-	-	-	-
Sale of own shares	-	-	-	-
Dividend paid	-	-	-	-
Total transactions with owners recognised in equity	3	-	247	-
Profit for year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Balance at 1 January 2024	640	22,706	6,492	(341)
Sale of own shares	-	-	-	-
Share based compensation	-	-	-	-
Non-controlling interests acquired	-	-	(337)	-
Dividend paid	-	-	-	-
Total transactions with owners recognised in equity	-	-	(337)	-
Profit for year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Balance at 31 December 2024	640	22,706	6,155	(341)

Own shares Reserve	Retained Earnings	Revaluation reserve	Total controlling interest	Non- controlling interests	Total
£'000	£'000	£'000	£'000	£'000	£'000
(2,211)	12,296	479	39,811	283	40,094
-	-	-	250	-	250
77	-	-	77	-	77
-	443	-	443	-	443
-	(1,266)	-	(1,266)	(185)	(1,451)
77	(823)	-	(496)	(185)	(681)
-	1,661	-	1,661	246	1,907
-	-	80	80	-	80
-	1,661	80	1,741	246	1,987
(2,134)	13,134	559	41,056	344	41,400
-	-	-	-	-	-
4	27	-	31	-	31
-	58	-	(279)	(58)	(337)
-	(1,690)	-	(1,690)	(214)	(1,904)
4	(1,605)	-	(1,938)	(272)	(2,210)
-	2,795	-	2,795	236	3,031
-	-	30	30	-	30
-	2,795	30	2,825	236	3,061
(2,130)	14,324	589	41,943	308	42,251

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 subsidiary companies. Mixed consideration acquisitions accounted for as per Companies Act 2006, section 612 and paid at acquisition date and deferred consideration.

The share premium represents the amount paid over the nominal value for new shares issued.

The other reserve represents the excess paid for the non-controlling interest over the book value at the date of the acquisition. This transaction occurred in 2013.

The revaluation reserve reflects the cumulative surplus arising on the revaluation of freehold property to market value, net of deferred tax.

The own shares reserve represents the cost of the 5,119,195 (2023: 5,129,683) shares held by the Frenkel Topping Group Employee Benefit Trust. The open market value of the shares held as at 31 December 2024 was £2,176k (2023: £2,950k).

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

The non-controlling interest is in respect of Frenkel Topping Associates Limited, Aspire + Wealth Management Limited, Ralli Financial Services Limited, HJA Financial Management Services Limited, Lime Wealth Management Limited and Serious Law Investments Limited.

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

Company Statement Of Changes In Equity

for the year ended 31 December 2024

	Share Capital	Share Premium	Merger Reserve	Own share Reserve	Retained Earnings	Total controlling interest
	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 January 2023	637	22,706	6,245	(2,211)	3,133	30,510
Issue of Share Capital	3	-	247	-	-	250
Sale of own shares	-	-	-	77	-	77
Share based compensation	-	-	-	-	434	434
Dividend paid	-	-	-	-	(1,266)	(1,266)
Total transactions with owners recognised in equity	3	-	247	77	(832)	(505)
Profit for the period	-	-	-	-	2,777	2,777
Balance 1 January 2024	640	22,706	6,492	(2,134)	5,078	32,782
Issue of Share Capital	-	-	-	-	-	-
Sale of own shares	-	-	-	-	-	-
Share based compensation	-	-	-	4	24	28
Dividends paid	-	-	-	-	(1,690)	(1,690)
Total transactions with owners recognised in equity	-	-	-	4	(1,666)	(1,662)
Profit for the period	-	-	-	-	1,060	1,060
Balance 31 December 2024	640	22,706	6,492	(2,130)	4,472	32,180

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 subsidiary companies.

The share premium represents the amount paid over the nominal value for new shares issued.

The Own shares reserve represents the cost of the 5,119,195 (2023: 5,129,683) shares held by the Frenkel Topping Group Employee Benefit Trust. The open market value of the shares held as at 31 December 2024 was £2,176k (2023: £2,950k).

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

Group And Company Cash Flow Statement

for the year ended 31 December 2024

		Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
	Notes				
Profit before tax		4,151	3,193	1,027	2,780
Adjustments to reconcile profit before tax to cash generated from operating activities:					
Finance income	3	(21)	(20)	(5,586)	(8,005)
Finance costs	3	744	532	685	334
Revaluation of contingent consideration		(204)	1,364	(204)	1,364
Goodwill write off	9	-	62	-	62
Share based compensation	14	234	499	62	357
Depreciation and amortisation	10	852	720	-	-
(Increase)/decrease in accrued income, trade and other receivables		(2,547)	(2,736)	(3,116)	(3,183)
(Decrease)/increase in trade and other payables		192	612	1,940	1,634
Cash generated from operations		3,401	4,226	(5,192)	(4,657)
Income tax paid		(1,430)	(1,014)	(313)	-
Cash generated from operating activities		1,971	3,212	(5,505)	(4,657)
Investing activities					
Acquisition of property, plant and equipment	10	(238)	(290)	-	-
Acquisition and deferred consideration payments		(5,115)	(3,518)	(4,777)	(3,498)
Cash acquired on acquisition of subsidiaries		232	-	-	-
Dividend received		-	-	5,585	7,999
Cash used in investment activities		(5,121)	(3,808)	808	4,501
Financing activities					
Exercise of share options		-	1	-	1
Dividends paid		(1,903)	(1,451)	(1,690)	(1,266)
Loans received		7,179	237	6,900	-
Repayment of borrowing		(257)	(201)	-	-
Interest element of lease payments		(59)	(38)	-	-
Principal element of lease payments		(578)	(516)	-	-
Interest received		13	13	1	5
Other interest paid and foreign exchange losses		(532)	(10)	(520)	-
Cash (used in)/generated from financing activities		3,863	(1,965)	4,691	(1,260)
Decrease in cash and cash equivalents		713	(2,561)	(6)	(1,416)
Opening cash and cash equivalents		2,425	4,986	67	1,483
Closing cash and cash equivalents		3,138	2,425	61	67
Reconciliation of cash and cash equivalents					
Cash at bank and in hand		3,138	2,425	61	67

Cash and cash equivalents are held at Santander UK plc.

Notes To The Financial Statements for the year ended 31 December 2024

Basis Of Preparation

Frenkel Topping Group Plc is a public limited company, incorporated and domiciled in England. It is listed on AIM. The registered office of the Company is Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY, and the main activities are set out in the Strategic Report.

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom ("adopted IFRSs") and those parts of the Companies Act 2006 which apply to companies preparing their financial statements under IFRSs. The financial statements have been prepared in sterling, which is the Group's presentation currency and the functional currency of each group entity. They have been prepared using the historical cost convention, as modified by the revaluation of land and buildings and current asset investments.

The financial statements were approved and authorised for issue by the Board on 25 April 2025.

The parent company accounts have also been prepared in accordance with IFRS and using the historical cost convention. The accounting policies set out below have been applied consistently to the parent company where applicable.

Monetary amounts in these financial statements are rounded to the nearest thousand.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

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 Board have reviewed forecasts to 30 September 2026 with a variety of possible outcomes. These include the flexing of working capital in order to reflect the longer than average debtor days within non-recurring revenue. The board considers the forecasts to be prudent and demonstrate that the business can operate within its existing cash resources.

Additionally, the Board 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. These include a reduction or delay in planned spend on variable costs and/or making use of an overdraft or other borrowing facilities.

New And Revised Standards And Interpretations In Issue But Not Yet Adopted

At the date of authorisation of these financial statements, the company has not yet adopted the following amendments to Standards and Interpretations that have been issued:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies; and
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates.

The directors do not expect any material impact as a result of adopting the amendments listed above in the financial statements.

Alternative Performance Measures

The Group uses the alternative performance measures of adjusted profit from operations, adjusted EBITDA and Adjusted Earnings Per Share. These measures are not defined under IFRS, nor are they a measure of financial performance under IFRS.

This measure is sometimes used by investors to evaluate a company's operational performance with a long term view towards adding shareholder value. This measure should not be considered an alternative, but instead supplementary, to profit from operations and any other measure of performance derived in accordance with IFRS.

Alternative performance measures do not have generally accepted principles for governing calculations and may vary from company to company. As such, the adjusted profit from operations quoted within the Group Statement of Comprehensive Income should not be used as basis for comparison of the Group's performance with other companies.



Notes To The Financial Statements

for the year ended 31 December 2024 Continued

Adjusted Profit from Operations: The Group uses adjusted profit from operations, defined as profit from operations, adding back share based compensation, acquisition strategy, integration and reorganisation costs, including the revaluation of contingent consideration and any other exceptional items.

The adjustments are in line with investor expectations.

The adjusted profit from operations is reconciled back to the profit from operations within the Group Statement of Comprehensive Income.

Adjusted EBITDA: Adjusted EBITDA is Adjusted Profit from Operations, adding back depreciation.

Adjusted Earnings per share: Adjusted earnings per share is earnings per share adjusted for share based compensation and acquisition strategy, integration and reorganisation costs and finance charges for unwinding the discount on deferred and contingent consideration, allowing for the tax implications of making those adjustments.

Revenue

Revenue is derived from reports issued in the claims process and net fees and charges on initial advice and from recurring income from servicing the clients' Funds in the Investment Management Service and fees charged for discretionary investment management, excluding value added tax.

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring services to a customer. The company recognises revenue when performance obligations have been satisfied.

Revenue in relation to reports is recognised over time as work on the report is completed. Such reports are bespoke work with no other use, the value is accurately measurable and right to payment has been established during engagement with the customer.

Initial fees for independent financial advice are recognised when the customer has completed the required paperwork in relation to the advice received and the necessary customer due diligence has been completed.

Recurring income is calculated based on the value of the client's investment at the end of each calendar month and is recognised on an accruals basis. The transaction price on recurring income is

equal to the amount determined at the end of each measurement period and is equal to what is charged to the customer as per contractual arrangements.

The Group uses the output method to recognise revenue relating to recurring revenue, applying the practical expedient that allows an entity to recognise revenue in the amount to which the entity has a right to invoice if that consideration corresponds directly with the value to the customer of the entity's performance completed to date. This is appropriate because investment management services are generally satisfied over time because either the customer simultaneously receives and consumes the benefits provided by the fund manager as the fund manager performs the service, or the fund manager's performance enhances the assets that the fund controls.

For non-recurring revenue the Group uses the input method to recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation.

Basis Of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. Entities are accounted for as subsidiary undertakings when the Group is exposed to or has rights to variable returns through its involvement with the entity and it has the ability to affect those returns through its power over the entity.

The Group hold a 50% proportion of the shares in some entities, as defined in note 9, however is deemed to control these entities as it has the power to direct each entity and affect returns by virtue of the entities being an Appointed Representative of the FCA authorised parent, Frenkel Topping Limited.

The results of subsidiaries acquired or disposed of during the year are included in the Group Statement of Comprehensive Income from the date of their acquisition up until the date that control ceases.

The acquisition method of accounting is used for the acquisition of subsidiaries where a business combination is deemed to have taken place in accordance with management's assessment of IFRS 3 "Business Combinations". The cost of acquisition is measured at the aggregate fair values of assets given, equity instruments issued and liabilities incurred or assumed by the Group to obtain control.

Upon making an acquisition the Group will carry out a review under IFRS 3 to identify whether the business combination gives rise to any separately identifiable intangible assets, e.g. long term contracts, licenses or copyrights, internet domains or other technology based intangibles.

Should the group identify any separately identifiable intangible assets a fair value exercise will be performed to determine the quantum of the excess consideration that is applicable to the intangible assets acquired.

Deferred tax liabilities arising as a result of the recognition of the fair value of separately identifiable assets, are recognised as part of the acquisition accounting entries, calculated using the prevailing corporation tax rate.

In cases which the Group obtains control of an entity previously held as an associate, acquisition of control is treated as a business combination and a relevant disposal of an associate.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill on acquisition of subsidiaries is separately disclosed in note 8.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The Group has identified the majority of its CGUs to be individual companies acquired, on the basis that each company offers a specific service and there is no lower level of reporting that could result in a smaller CGU.

Impairment

At each accounting reference date, the Group reviews the carrying amounts of its intangibles, property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent

of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Other than for goodwill where prior impairments never reverse, where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Further detail on impairment reviews carried out during the year is included within note 8.

Property, Plant And Equipment

All property, plant and equipment are initially recorded at cost and, with the exception of freehold property, are subsequently measured at cost less accumulated depreciation and any recognised impairment loss.

Notes To The Financial Statements

for the year ended 31 December 2024 Continued

Freehold property is measured at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Right of use assets	-	over the term of the lease
Freehold property	-	2% straight line
Fixtures & fittings	-	25% straight line
Computer equipment	-	25% straight line
Motor Vehicles	-	25% straight line

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

On commencement of a contract which gives the Group the right to use assets for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease (term is twelve months or less with no option to purchase the lease asset) or a 'low-value' lease (where the underlying asset is £4,000 or less when new).

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependant on an index or a rate and any residual value guarantees. The Group elected not to separate non-lease components from lease components, and instead account for each lease component and

any associated non-lease components as a single lease component for office equipment and vehicles.

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in profit or loss. Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

When the lease liability is re-measured due to changes arising from the original terms and conditions of the lease, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. A lease modification, that was not part of the original terms and conditions of the lease is accounted for as a separate lease or an adjustment to the lease liability depending on the nature of the change.

Right-Of-Use Assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leased office equipment

On a straight-line basis over the lease term

Leased vehicles

On a straight-line basis over the lease term

Employee Share Ownership Plans

The Group operates an Employee Benefit Trust and has de facto control of the shares held by the trust and bears their benefits and risks. The EBT is consolidated into the group and company accounts with a debit to equity for the cost of shares acquired. Finance costs and administrative expenses are charged as they accrue.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Share-Based Compensation

The Group has operated an equity-settled share based compensation plan, together with a Director Share Scheme. Director options are granted with a combination of market based and non market based conditions. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the employing company. The total amount to be expensed on a straight-line basis over the vesting period is determined by reference to the fair value of the options granted or shares awarded, excluding the impact of any non-market vesting conditions (for example, profitability and growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. At each accounting reference date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any in profit or loss, and a corresponding adjustment to reserves over the remaining vesting period.

Cancelled or early settled options are accounted for as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Fair value is measured by use of the Black Scholes and/or the Monte Carlo pricing model, where options contain market based conditions. The Monte Carlo pricing model is used, as this takes into account the market based vesting conditions when determining the fair value of an option, whereas the black scholes model does not. These are considered to be the most appropriate methods of valuation for the option schemes in place by management.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

Trade, loan and other receivables

Trade and loan receivables are initially measured at their transaction price. Trade and loan receivables

are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method. The Directors have considered the impact of discounting trade and loan receivables whose settlement may be deferred for lengthy periods and concluded that the impact would not be material.

An impairment loss is recognised where appropriate for the expected credit losses on trade and loan receivables when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method, less settled payments.

Deferred consideration

Deferred consideration arising from business combinations is measured at amortised cost, using the Group's cost of capital at the date of acquisition to determine the relevant discount rate.

Contingent consideration

Contingent consideration arising from business combinations is measured at fair value through profit and loss. Initial recognition is made using discounted cashflows to determine expected consideration payable, using the Group's cost of capital at the date of acquisition to determine the relevant discount rate.

The fair value of contingent consideration is re-assessed annually using updated cashflows and using the updated discount rate for the Group's cost of capital at the date of the revaluation with any movement recognised in the profit and loss.

Equity Instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An instrument will be classified as a financial liability when there is a contractual obligation to deliver cash or another financial asset to another enterprise.

Notes To The Financial Statements

for the year ended 31 December 2024 Continued

Gains or losses from derecognition of financial liabilities are recognised in the statement of profit or loss.

When the terms of a financial liability are modified the Group needs to consider whether that modification is substantial. If the modification is considered substantial the original financial liability is derecognised and a new financial liability is recognised at fair value.

Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the Cashflow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdraft which is integral to the Group's cash management.

Employee Benefits

The Group operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contribution payable by the Group during the year.

The costs of short-term employee benefits are recognised as a liability and an expense in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Taxation

The tax expense represents the sum of the current and deferred tax recognised in the reporting period.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets

are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Current Asset Investments

Investments represent Level 1 traded instruments which are regarded as liquid investments and are subject to market fluctuations. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The investments are held at fair value through the profit and loss.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting judgements will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Contingent consideration:

Contingent consideration is valued at fair value at the reporting date based on expected cash outflows calculated on the information available at that time, with changes in fair value recognised in the profit or loss.

Weighted Average Cost of Capital:

The Group's weighted average cost of capital is used as a discount factor for impairment testing and valuation of contingent and deferred consideration.

The equity portion of the calculation is valued using the capital asset pricing model and weighted based on market capitalisation.

The debt portion of the calculation is valued using the Group's actual borrowing rate at the reporting date and weighted based on the value of borrowing facility agreed at that time.

Goodwill impairment testing:

Goodwill is assigned to the smallest identifiable cash generating unit (CGU) which it relates to and tested annually for impairment using discounted forecasted cashflows to calculate the value-in-use of the CGUs.

The Group has identified the majority of its CGUs to be individual companies acquired, on the basis that each company offers a specific service and there is no lower level of reporting that could result in a smaller CGU.

There is inherent uncertainty in forecasted information but calculations have been made using assumptions on prior period working capital cycles and the forecasted performance of each CGU which are agreed at board level based on a reasonable set of assumptions and estimates. A discount factor has been applied to cashflows using the weighted average cost of capital.

Other intangible assets – impairment testing:

The Group recognised intangible assets relating to long term contracts upon an acquisition in the prior year. The contracts are deemed to have an indefinite useful life and initially recognised using a value-in-perpetuity calculation.

These contracts are tested for impairment at the year end by reperforming the value-in-perpetuity calculation using updated inputs.

Accrued Income:

For recurring revenue, accrued income is recognised at the amount which has been earned for a period but not yet paid. All sums are payable within 30 days of the reporting date.

For non-recurring revenue, accrued income is recognised on the cases that were live at the reporting date at the lower of the value of billable work completed and the recoverable amount.

The recoverable amount is a management estimation based on historical calculations of actual recoverability of billable time and any other relevant information in relation to a case.

Share Based Compensation:

The fair value of share-based awards is measured using the Black-Scholes model and/or the Monte Carlo model as appropriate. Such models inherently make use of significant estimates and assumptions concerning the future applied by the directors. Such estimates and judgements include the expected life of the options and the number of employees that will achieve the non-market vesting conditions. Further details of the share option scheme are given in note 14.

Leases:

When the interest rate implicit in the lease is not readily determinable, the Group estimates the incremental borrowing rate based on its expected borrowing rate. The Group applied a rate of 7.56% to all new leases in the year.

Investment Property Valuation:

Investment properties are carried at a fair value estimate based on a formal valuation by a qualified independent valuer. The valuer makes their estimate based on the condition and location of the property and market analysis of similar properties, as well as any other factors they deem relevant.

Low value investment properties, i.e. those with a carrying value below £75k, may be carried at a fair value estimate based on publicly available estimates of the value of the property in question and similar properties in the area.

Intangible contract asset valuation:

Intangible assets are recognised relating to long-term contracts. These contracts have a 100% success rate on renewal, there are few competitors and significant barriers to entry. Therefore, management is of the opinion that there is no foreseeable limit to the period over which the assets are expected to generate cash inflows and as such the contracts are judged to have an indefinite useful life.

Such contracts are valued using their value-in-perpetuity. The relevant inputs for this calculation are operating cashflows (contractual inflows less operating expenses) and the Group's Cost of Capital is used as the relevant discount factor.

Expected Credit Losses:

Expected credit loss rates are calculated using historic loss rates, adjusted for relevant factors in the current economic environment. In the model, all customers are classified within the same category as all Group companies operate within the PI and Clin Neg marketplace and have similar debtor profiles.

Notes To The Financial Statements for the year ended 31 December 2024

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 2024 £'000	Group 2023 £'000
Recurring	13,405	11,961
Non-recurring	23,996	20,848
Total revenue	37,401	32,809

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.

2024	Financial services £'000	Costs Law £'000	Other Professional Services £'000	Central Services £'000	Total £'000
Revenue	14,207	9,852	13,206	136	37,401
Depreciation	419	166	267	-	852
Finance Income	18	1	1	1	21
Finance Costs	21	8	30	685	744
Profit before tax	4,312	1,769	2,628	(4,558)	4,151
Corporation tax	(412)	(228)	(513)	33	(1,120)
Profit After Tax	3,900	1,541	2,115	(4,525)	3,031
Additions to plant property and equipment	536	179	558	-	1,273
Additions to Goodwill and other intangibles	-	-	-	1,392	1,392

2023	Financial services £'000	Costs Law £'000	Other Professional Services £'000	Central Services £'000	Total £'000
Revenue	12,778	8,355	11,570	106	32,809
Depreciation	341	115	264	-	720
Finance Income	12	1	2	5	20
Finance Costs	23	7	18	484	532
Profit before tax	4,153	1,609	2,598	(5,167)	3,193
Corporation tax	(625)	(306)	(352)	(3)	(1,286)
Profit After Tax	3,528	1,303	2,246	(5,170)	1,907
Additions to plant property and equipment	536	91	202	-	829
Additions/(disposals) to Goodwill and other intangibles	-	-	-	(369)	(369)

Measures of total assets and total liabilities are not shown as they are not regularly reviewed by the CEO.

2 Profit From Operations	Group 2024 £'000	Group 2023 £'000
Profit from operations is stated after charging:		
Share based compensation (note 14)	133	610
Other adjustments to profit from operations	2,350	1,554
Depreciation and amortisation on right-of-use assets	585	500
Depreciation and amortisation (other)	267	220

Other adjustments to profit from operations are expanded upon below:

	Group 2024 £'000	Group 2023 £'000
Acquisition costs	460	209
Investment in people	484	307
Investment in technology	363	433
Provision for specific debtor	-	10
Reorganisation costs	557	370
Non continuing operations	-	38
Exceptional items	486	187
	2,350	1,554

Acquisition costs includes transaction fees, taxes and other directly attributable costs related to the acquisitions made.

Investment in people primarily includes costs related to the training academies within our Costs businesses.

Investment in technology includes costs related to projects aimed at increasing efficiencies across the Group to drive future intra-group referrals and increase revenue in future years.

2 Profit From Operations (Continued)

Exceptional items predominantly relates to costs associated with an employment tribunal (£380k) during the year which ruled in our favour.

Reorganisation costs relate to the reorganisation of the structure of support functions within the Group.

Amounts payable to HaysMac LLP in respect of audit services:

	2024 £'000	2023 £ '000
Audit Services		
- Statutory audit	103	101
Other Services		
The auditing of accounts of associates of the company pursuant to legislation:		
- Audit of subsidiaries where such services are provided by Haysmac LLP	140	117
	243	218

3 Interest And Similar Items

	Group 2024 £'000	Group 2023 £ '000
Fair value gains/(losses) on investments	8	7
Interest income	13	13
Total finance and other income/(loss)	21	20
Unwinding discount – deferred and contingent consideration	278	334
Interest on lease liabilities	59	38
Loan and other interest charges	407	10
Arrangement fees	-	150
Total finance costs	744	532

The gain/loss on investments includes a mix of unrealised investment gains, investment income and realised gains on disposals.

	Group 2024 £'000	Group 2023 £ '000
Revaluation of contingent consideration	204	(1,364)

This represents the revaluation of contingent consideration payable in relation to Forth Associates Limited and Cardinal Management Limited. This is in line with the stated Critical Accounting Estimates and Judgements.

The fair value is linked to the financial performance of the companies and exceeds the amounts recognised at acquisition.

4 Employees

Number Of Employees

The average monthly numbers of employees (including the Directors) during the year was made up as follows. The Company has no employees other than the directors:

	2024 Number	2023 Number
Directors	7	7
Sales & Administration	409	362
	416	369

Employment costs	2024 £'000	2023 £'000
Wages and salaries	17,227	14,514
Social security costs	1,814	1,560
Pension costs	890	733
Other benefits	355	278
Share based compensation – equity settled (note 14)	224	499
Share based compensation – social security costs (note 14)	(100)	111
	20,410	17,695

Remuneration Of Key Management Personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate. Further information about the remuneration of the individual directors is provided in the Directors' remuneration report.

	2024	2023
	£'000	£'000
Short-term employee benefits	1,133	1,099
Post-employment benefits	45	43
	1,178	1,142
Social security costs	136	139
	1,314	1,281
	Number	Number
Number of Directors to whom retirement benefits are accruing under a defined contribution scheme	2	2
	2024	2023
	£'000	£'000
The remuneration in respect of the highest paid director was:		
Emoluments	385	389

During the year, no directors exercised share options.

5 Pension costs

The Group operates defined contribution pension schemes. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £890k (2023: £733k).

6 Taxation

	Group 2024 £'000	Group 2023 £'000
Analysis of charge in year		
Current tax		
UK corporation tax	1,163	1,251
Adjustments in respect of previous periods	(10)	(7)
Total current tax charge	1,153	1,244
Deferred tax		
Temporary differences, origination and reversal	(33)	42
Total deferred tax charge/(credit)	(33)	42
Tax on profit on ordinary activities	1,120	1,286

Factors Affecting Tax Charge For Year

The corporation tax rate rose to 25% from 1 April 2024. The effective standard rate of tax applied to reported profit on ordinary activities is 25 per cent (2023: 23.52 per cent). 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 2024 £'000	Group 2023 £'000
Profit before taxation	4,151	3,193
Profit multiplied by effective rate of corporation tax in the UK of 25% (2023: 23.52%)	1,038	751
EFFECTS OF:		
Expenses not deductible less capital allowances	155	241
Revaluation of contingent consideration not tax allowable	(51)	321
Deferred tax relating to Share based payments	(6)	(140)
Previous period adjustments	(10)	(7)
Deferred tax	(27)	162
Other (deductions)/charges	21	(42)
Total tax expense for year	1,120	1,286

7 Earnings Per Share

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

	Group 2024 £'000	Group 2023 £'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (net profit for the year attributable to equity holders of the parent)	2,795	1,661
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)	4,759	5,217
Number of shares	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	128,013	127,693
Weighted average shares in issue	(5,128)	(5,216)
Less: weighted average own shares held		
	122,885	122,477
Effect of dilutive potential ordinary shares:		
- Share options	7,254	7,300
Weighted average number of ordinary shares for the purposes of diluted earnings per share	130,139	129,777
Earnings per ordinary share – basic (pence)	2.3p	1.4p
Earnings per ordinary share – diluted (pence)	2.1p	1.3p
Adjusted earnings per ordinary share – basic (pence)	3.9p	4.3p
Adjusted earnings per ordinary share – diluted (pence)	3.7p	4.0p

8 Goodwill And Other Intangibles

Goodwill	£'000
As at 1 January 2024	24,257
Goodwill arising on acquisition during the year (Note 20)	1,366
Goodwill accounting corrections on prior year acquisitions	26
Net book values	
At 31 December 2024	25,649
At 31 December 2023	24,257
Other Intangibles	
Long term contracts with an indefinite useful life	
Net book values	
At 31 December 2023 & 31 December 2024	4,953
Total goodwill and other intangibles	£'000
At 31 December 2024	30,602
At 31 December 2023	29,210

As part of the preparation of the financial statements, the directors have carried out an impairment review of the carrying value of goodwill and other intangibles.

Impairment testing on Goodwill has been carried out using the Group's 5-year business plan and applying appropriate adjustments for the receipt of debtors beyond this point.

Pre-tax cashflows were then discounted using the Group's weighted average cost of capital. A discount rate of 7.18% was used (2023: 7.56%).

Impairment testing on intangible contract assets has been carried out by reperforming the value in perpetuity calculation for each of the contracts and updating the inputs, namely the cost of capital (as above) and updated cashflows relating to each contract. Based on the impairment reviews performed, the directors have concluded no impairment is required. Sensitivity analysis has been performed to show the impact of reasonable or possible changes in key assumptions. A decrease in discounted cash flows of 27% to 91% for Various CGU's or an increase in discount rate from the current rate of 7.18% to rates ranging from 17% to 227% for various CGU's would be required in order for an impairment to become necessary.

9 Investments

Current Investments	£'000
Group	
As at 1 January 2023	100
Fair value movement	7
As at 1 January 2024	107
Fair value movement	7
At 31 December 2024	114
Net book values	
At 31 December 2024	114
At 31 December 2023	107
At 31 December 2022	100

Investments represent Level 1 traded instruments which are regarded as liquid investments and are subject to market fluctuations. The fair value of listed investments was determined with reference to the quoted market price at the reporting date.

A gain of £7k (2023: £7k) in relation to these investments was recognised in profit or loss during the year. This gain includes a mix of unrealised investment gains, investment income and realised gains on disposals.

Company

Cost	£'000
As at 1 January 2023	42,205
Share based compensation	142
Impairment of asset	(62)
Investment accounting correction on prior year acquisitions	(327)
At 31 December 2023	41,958

Company

	£'000
At 31 December 2023	41,958
Share based compensation	148
Impairment of asset	2,678
Investment accounting corrections on prior year acquisitions	26
At 31 December 2024	44,810

Net book values

At 31 December 2024	44,810
At 31 December 2023	41,958
At 31 December 2022	42,205

9 Investments (Continued)

Shares in subsidiary undertakings are stated at cost. As at 31 December 2024, Frenkel Topping Group plc owned the following principal subsidiaries which are included in the consolidated accounts:

Company	Nature of business	Class of shares held	Proportion of shares held	Direct/ Indirect Shareholding
Frenkel Topping Group Holdings Limited	Holding	Ordinary	100%	Direct
Frenkel Topping Limited	Financial services	Ordinary	100%	Indirect
Ascencia Investment Management Limited	Financial services	Ordinary	100%	Direct
Obiter Wealth Management Limited	Financial services	Ordinary	100%	Direct
Luci Platform Limited	Financial services	Ordinary	100%	Direct
Forth Associates Limited	Professional services	Ordinary	99.9%	Direct
Partners in Costs Limited	Legal costs services	Ordinary	100%	Indirect
TMA Holdings Limited	Holding	Ordinary	100%	Direct
A&M Bacon Limited	Legal costs services	Ordinary	100%	Indirect
Bacon Legal Consulting Limited	Holding	Ordinary	100%	Direct
Bidwell Henderson Costs Consultants Limited	Legal costs services	Ordinary	100%	Direct
Frenkel Topping Recruitment Services Limited	Recruitment	Ordinary	100%	Direct
Keystone Case Management Limited	Professional services	Ordinary	100%	Direct
Cardinal Management Limited	Professional services	Ordinary	100%	Direct
N-Able Services Limited	Professional services	Ordinary	100%	Direct
Somek & Associates Limited	Professional services	Ordinary	100%	Direct
Ascexit Limited	Financial services	Ordinary	100%	Indirect
Aspire + Wealth Management Limited	Financial services	Ordinary	50%	Indirect
Frenkel Topping Financial Management Services Limited	Financial services	Ordinary	100%	Indirect
HCC Investment Solutions Limited	Financial services	Ordinary	100%	Indirect
ExpressFT Limited	Financial services	Ordinary	100%	Indirect
Frenkel Topping Associates Limited	Financial services	Ordinary	50%	Indirect
Ralli Financial Services Limited	Financial services	Ordinary	50%	Indirect
Pattinson and Brewer Financial Services Limited	Financial services	Ordinary	100%	Indirect
CFG Financial Services Limited	Financial services	Ordinary	100%	Indirect
HJA Financial Management Services Ltd	Financial services	Ordinary	100%	Indirect
Lime Wealth Management Limited	Financial services	Ordinary	50%	Indirect
Serious Law Investments Limited	Financial services	Ordinary	50%	Indirect
Amicus Curiae Financial Planning Limited	Financial services	Ordinary	50%	Indirect
New Horizon AM Limited	Dormant	Ordinary	100%	Indirect
Nucleus Medical Reporting Limited	Dormant	Ordinary	100%	Direct
Equatas Accountants Limited	Dormant	Ordinary	100%	Direct
NWL (Group) Limited	Holding	Ordinary	100%	Direct
North West Law Services (Holdings) Limited	Holding	Ordinary	100%	Indirect
Northwest Law Services Limited	Legal costs services	Ordinary	100%	Indirect

All subsidiaries are registered at Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY.

10 Group Property, Plant And Equipment

	Freehold building	Office equipment	Computer equipment	Marketing Equipment	Right of use assets	Total
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	1,480	786	713	14	1,555	4,548
Additions	-	58	232	-	539	829
Disposals	-	(395)	(89)	-	(148)	(632)
Revaluation	50	-	-	-	-	50
At 31 December 2023	1,530	449	856	14	1,946	4,795
Business combinations	-	213	114	-	-	327
Additions	-	56	182	-	1,035	1,273
Revaluation	-	(130)	(43)	(12)	(99)	(284)
At 31 December 2024	1,530	588	1,109	2	2,882	6,111
Depreciation						
At 1 January 2023	-	702	433	11	569	1,715
Charge for the year	30	51	137	2	500	720
Disposals	-	(394)	(89)	-	(125)	(608)
Revaluation	(30)	-	-	-	-	(30)
At 31 December 2023	-	359	481	13	944	1,797
Business combinations	-	197	110	-	-	307
Charge for the year	30	57	180	-	585	852
Disposals	-	(130)	(43)	(12)	(80)	(265)
Revaluation	(30)	-	-	-	-	(30)
At 31 December 2024	-	483	728	1	1,449	2,661

10 GROUP PROPERTY, PLANT AND EQUIPMENT (continued)**Net book values**

	Freehold building	Office equipment	Computer equipment	Marketing Equipment	Right of use assets	Total
At 31 December 2024	1,530	105	381	1	1,433	3,450
At 31 December 2023	1,530	90	375	1	1,002	2,998
At 1 January 2023	1,480	84	280	3	986	2,833

Freehold property with a carrying value of £1.5m (2023: £1.5m) was revalued as at 31 December 2024 by a Royal Institution of Chartered Surveyors (RICS) registered firm, on an existing use open market value basis, in accordance with the Guidance Notes of the RICS. The firm which carried out the valuation are not connected with the Group. The valuation was based on recent market transactions on an arm's length basis for similar properties.

Freehold property with a carrying value of £30k (2023: £30k) has been arrived at on the basis of a valuation carried out at 31st December 2024 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The carrying amount of property, plant and equipment include right-of-use assets, at 31 December 2024 as detailed below:

	2024 £'000
Carrying amount of right-of-use assets included within property, plant and equipment	
Office equipment	62
Motor vehicles	435
Property rentals	936
Total carrying amount presented within property, plant and equipment	1,433

The depreciation charged in respect of right-of-use assets is as follows:

	2024 £'000
Office equipment	89
Motor vehicles	219
Property rentals	277
Total amount presented within property, plant and equipment	585

11 Other Receivables	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Prepayments	822	765	130	6
Other receivables	89	131	383	256
Amount due from group undertakings	-	-	14,721	11,711
	911	896	15,234	11,973

12 Trade And Other Payables**Current Trade And Other Payables**

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade payables	855	1,098	8	31
Other tax and social security	1,864	1,456	-	-
Lease liabilities	519	421	-	-
Other payables	247	215	-	-
Loans	93	71	-	-
Deferred consideration	540	-	540	-
Contingent consideration	484	3,269	484	3,269
Amount due to group undertakings	-	-	17,062	15,149
Accruals	1,704	1,582	588	837
	6,306	8,112	18,682	19,286

Non-Current Trade And Other Payables

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Lease liabilities	929	580	-	-
Deferred tax	661	498	566	402
Loans	6,900	-	6,900	-
Deferred consideration	505	1,546	505	1,546
Contingent consideration	1,286	-	1,286	-
	10,281	2,624	9,257	1,948

Loans shown within non-current and other payables are due to be repaid in January 2027 and as such are classified as within 2-5 years

13 Deferred Taxation

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Property, plant and equipment	73	81	-	-
Intangible assets	1,238	1,238	1,238	1,238
Share-based payments	(737)	(908)	(672)	(836)
Revaluation	87	87	-	-
Tax losses carried forward	-	-	-	-
	661	498	566	402

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Movement in the period				
At 1 January	498	476	402	410
Deferred tax in profit and loss	(33)	42	(33)	3
Deferred tax recognised in equity	196	(20)	197	(11)
At 31 December	661	498	566	402

14 Share Capital (Group And Company)

	Number of shares	2024 £'000	Number of shares	2023 £'000
Authorised				
Ordinary shares of £0.005 each	140,187,370	701	140,187,370	701
Preference shares of £1 each	50,000	50	50,000	50
		751		751
Allotted, called up and fully paid				
As at 1 January	128,013,064	640	127,443,064	637
New shares issued	-	-	570,000	3
As at 31 December				
Ordinary shares of £0.005 each	128,013,064	640	128,013,064	640

During 2023, 570,000 new shares were issued with a fair value of 44 pence per share. Accordingly, £3k was recognised in Share Capital and a further £247k within Merger Reserve.

The Company operates an unapproved equity-settled share option plan. The Company plan provides for a grant price not less than the nominal value of the shares. Options issued to employees and directors vest upon the attainment of the performance conditions which relate to the profitability of the Group and can be exercised at any point in time after vesting. Furthermore, options are forfeited if the employee or director leaves the Group before the options vest.

14 Share Capital (Group And Company) Continued

Grant date	Subscription price per share	Number of shares for which rights exercisable	Earliest date on which options can be exercised	Date at which unexercised options lapse
24 August 2016	0.5p	315,000	Immediately	24/08/2026
12 March 2018	0.5p	1,000,000	Immediately	12/03/2028
12 March 2018	13.5p	83,500	Immediately	12/03/2028
18 March 2021	0.5p	5,000,000	Subject to board approval	18/03/2031
8 December 2021	0.5p	440,091	Immediately	08/12/2031
22 March 2023	0.5p	368,913	31/12/2026	22/03/2033
Employee share options in issue		7,207,504		

	2024	2024	2023	2023
	Options	Weighted average exercise price (pence)	Options	Weighted average exercise price (pence)
Outstanding at 1 January	7,270,392	0.65	7,126,777	0.65
Granted during the year	-	-	423,178	0.50
Lapsed during the year	(52,400)	0.50	(94,563)	0.50
Exercised during the year	(10,488)	0.50	(185,000)	0.50
Outstanding at 31 December	7,207,504	0.65	7,270,392	0.65
Exercisable at 31 December	1,838,591	0.66	1,398,500	1.28

The options outstanding at 31 December 2024 had a weighted average remaining contractual life of

5.71 years (2023: 6.73 years). The share based compensation charge of £133k (2023: £610k) consists of £233k (2023: £499k) in relation to the share based payment charge in the year and credit of £100k (2023: £111k) relating to accrued and paid social security costs on share based payments.

The inputs used for the valuation of the options are shown below:

Date of grant	18 March 2021	18 March 2021	8 December 2021	22 March 2023
Number of shares	3,750,000	1,250,000	440,091	368,913
Model used for valuation	Monte Carlo	Black Scholes	Black Scholes	Black Scholes
Weighted average exercise price	0.5 pence	0.5 pence	0.5 pence	0.5 pence
Weighted average share price at valuation date	45.5 pence	45.5 pence	77 pence	67 pence
Expected volatility	45.65%	45.65%	50.22%	48.66%
Expected life	3 years	3 years	3 years	3 years
Risk-free rate	0.17%	0.17%	0.90%	3.45%
Expected dividend yields	2.97%	2.97%	2.96%	2.13%

15 Related party transactions

Details of key management compensation are included in note 4. Key management are considered to be the directors of the Group. Key management received £35k (2023: £26k) in dividends in aggregate.

Four close family members of executive directors are employed by the Group. All are employed on an arm's-length basis and contributing to the success of the Group.

The Association for Spinal Injury Research Rehabilitation and Reintegration (ASPIRE) which is viewed as a related party as this entity has significant influence over the subsidiary company Aspire + Wealth Management Limited. An unsecured loan to ASPIRE for the sum of £100,000 remains outstanding in full at the reporting date. The loan is interest free (except in default) and is repayable on demand.

The Group rents a property (The Station, 77 Canal Road, Leeds) from TIB Properties Limited (TIB). The directors and shareholders of TIB are Richard Forth and Anthony Flint who are also directors of Forth Associates Limited. During the year, £36,000 (2023: £36,000) was paid to TIB and is shown within the Group's consolidated statement of comprehensive income.

16 Financial Instruments

Interest rate risk

The Group has a revolving credit facility of £7.5m. Management are exploring options as to how best to mitigate interest rate risk moving forward.

Market risk

The Group is indirectly exposed to market risk in relation to the global securities markets through the impact a market downturn may have on the value of the Group's FUM and funds on a discretionary mandate and the consequential impact of this on recurring income streams. The nature of the Group's client base means there is a focus on asset protection which helps to limit this risk.

The Group's FUM and associated recurring income performed resiliently in light of turbulent market movements during recent years.

Liquidity risk

The Group monitors actual cashflows against forecast and expectations on a monthly basis to ensure sufficient liquidity is available. Cash forecasts are based on contractual accrued income and timing of receipts, new business trading levels and settlement of supplier balances when they fall due. Subject to unforeseen adverse trading conditions, the cash flows from operations are not expected to change significantly, moreover they have remained strong throughout the turbulent economy of recent years.

Whilst the Group can have long debtor days in connection with some litigation support services, the inflows from receipt of historic litigation support debtors mitigate the increase in the debtor value from new services and thus are not material to the liquidity of the Group. The nature of the Group's business means that cash flows are relatively stable and predictable. Any significant fall in the level of funds invested by the Group's clients could have a significant impact on the cash resources of the Group however this risk has been mitigated somewhat by diversification of income streams by way of the acquisition of transactional businesses in recent years which do not carry the same risk.

As previously mentioned, a revolving credit facility is in place to fund payment of consideration (including any deferred and contingent amounts) in relation to acquisitions.

16 Financial Instruments (Continued)

Additionally, the Board 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. These include a reduction or delay in planned spend on variable costs and/or making use of an overdraft or other borrowing facilities.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is limited to cash at bank, liquid investments and trade receivables. Credit risk on cash balances is minimised by the use of a major UK government backed clearing bank.

In relation to trade receivables, the Group evaluates a customer's ability to pay before entering into a transaction and only engages with customers who are demonstrably credit worthy. The Group actively manages receivables due on a case-by-case basis and carries out ongoing, continuous monitoring of key customer groups. Further information in relation to trade receivables is provided in note 18. The Group's maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned below.

Foreign currency risk

Any foreign currency risk is limited to a small number of suppliers based overseas to which we have minimal exposure. Anything outside of this is considered out of the course of normal business and the Group has no overseas assets or liabilities.

The interest rate profile of the financial assets of the Group as at 31 December 2024 is as follows:

	Financial assets at fair value through profit and loss	Floating rate financial assets	Financial assets at amortised cost	Total
2024	£'000	£'000	£'000	£'000
Cash at bank	-	3,138	-	3,138
Loans receivable	-	-	101	101
Trade receivables (note 18)	-	-	12,480	12,480
Accrued income	-	-	9,057	9,057
Investments	114	-	-	114
Other receivables	-	-	911	911
Total	114	3,138	22,549	25,801

	Financial assets at fair value through profit and loss	Floating rate financial assets	Financial assets at amortised cost	Total
2023	£'000	£'000	£'000	£'000
Cash at bank	-	2,425	-	2,425
Loans receivable	-	-	151	151
Trade receivables (note 18)	-	-	11,282	11,282
Accrued income	-	-	6,066	6,066
Investments	107	-	-	107
Other receivables	-	-	896	896
Total	107	2,425	18,395	20,927

16 Financial Instruments (Continued)

The interest rate profile of the financial liabilities of the Group as at 31 December 2023 is as follows:

	Fixed rate financial liabilities	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
2024	£'000	£'000	£'000	£'000
Trade payables	-	-	855	855
Lease liabilities	1,448	-	-	1,448
Loans	6,993	-	-	6,993
Other payables	-	-	247	247
Contingent consideration	-	1,770	-	1,770
Deferred consideration	-	-	1,045	1,045
Accruals	-	-	1,705	1,705
Total	8,441	1,770	3,852	14,063

	Fixed rate financial liabilities	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
2023	£'000	£'000	£'000	£'000
Trade payables	-	-	1,098	1,098
Lease liabilities	1,001	-	-	1,001
Loans	71	-	-	71
Other payables	-	-	215	215
Contingent consideration	-	4,815	-	4,815
Deferred consideration	-	-	1,582	1,582
Accruals	-	-	-	-
Total	1,072	4,815	2,895	8,782

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at amortised cost as at 31 December was as follows:

	2024	2023
	£'000	£'000
Payable within one year	3,347	2,895
Payable in over one year	505	-
	3,852	2,895

The maturity profile of the Group's fixed rate financial liabilities as at 31 December was as follows:

	2024	2023
	£'000	£'000
Payable within one year	612	492
Payable in over one year	7,829	580
	8,441	1,072

The maturity profile of the Group's financial liabilities at fair value through profit and loss as at 31 December was as follows:

	2024	2023
	£'000	£'000
Payable within one year	484	3,269
Payable in over one year	1,286	1,546
	1,770	4,815

16 Financial Instruments (Continued)

The interest rate profile of the financial assets of the Company as at 31 December 2024 is as follows:

	Financial assets at fair value through profit and loss	Floating rate financial assets	Financial assets at amortised cost	Total
	£'000	£'000	£'000	£'000
2024				
Cash at bank	-	61	-	61
Trade receivables	-	-	14	14
Other receivables	-	-	15,234	15,234
Total	-	61	15,248	15,309

	Financial assets at fair value through profit and loss	Floating rate financial assets	Financial assets at amortised cost	Total
	£'000	£'000	£'000	£'000
2023				
Cash at bank	-	67	-	67
Other receivables	-	-	18	18
	-	-	11,973	11,973
Total	-	67	11,991	12,058

The interest rate profile of the financial liabilities of the Company as at 31 December 2024 is as follows:

	Fixed rate financial liabilities	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000
2024				
Trade payables	-	-	8	8
Loans	6,900	-	-	6,900
Contingent consideration	-	1,770	-	1,770
Contingent consideration	-	-	1,045	1,045
Other payables	-	-	17,063	17,063
Accruals	-	-	588	588
Total	6,900	1,770	18,704	27,374

16 Financial Instruments (Continued)

	Fixed rate financial liabilities	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000
2023				
Trade payables	-	-	31	31
Contingent consideration	-	4,815	-	4,815
Deferred consideration	-	-	15,149	15,149
Other payables	-	-	837	837
Accruals	-	-	31	31
Total	-	4,815	16,017	20,832

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities at amortised cost as at 31 December was as follows:

	2024	2023
	£'000	£'000
Payable within one year	18,199	16,017
Payable in over one year	505	-
	18,704	16,017

The maturity profile of the Group's fixed rate financial liabilities as at 31 December was as follows:

	2024	2023
	£'000	£'000
Payable within one year	-	-
Payable in over one year	6,900	-
	6,900	-

The maturity profile of the Company's financial liabilities at fair value through profit and loss as at 31 December 2023 was as follows:

	2024	2023
	£'000	£'000
Payable within one year	484	3,269
Payable in over one year	1,286	1,546
	1,770	4,815

Fair values of financial assets and financial liabilities

The fair value, based upon the market value or discounted cashflows of the financial instruments detailed above was not materially different from their book values.

17 Financial Commitments

The Company shares a VAT registration with its subsidiary Frenkel Topping Limited. Both the Company and Frenkel Topping Limited are joint and severally liable for amounts due. As at 31 December 2024 the amount due to HM Revenue and Customs is £26k (2023: £27k).

18 Trade & Other Receivables

Accrued income contains a mix of recurring and non-recurring revenue valued in line with our Accounting Policies.

Trade receivables are non-interest bearing. Trade receivable average debtor days has been calculated as 179 (2023: 192). Debtor days has been calculated as the average balance in trade receivables against non-recurring income recorded in the year. The trade receivables represent fees due from reports issued in the claims process and investment of initial AUM.

Income arising from initial investment will be paid to the Group from the investment house upon receipt of the clients' funds by the investment house. Trade receivables are only recorded at the point the funds have been transferred to the investment house. Due to the laws and regulations connected to the Group's clients, these transactions have a substantial documented approval process by the underlying client, supporting the investment, which legally binds the client once the funds are transmitted.

A significant proportion of the trade receivables are from reports issued in the claims process. The cost of these reports is recovered as part of the costs of the claimant's case. Whilst the cases may have a complex nature and the timeframe for these cases can span numerous years before the case is settled, resulting in a lengthened debtor period. Management have considered the impact of discounting debtors in line with IFRS 15, however this has been judged not to be applicable under the practical expedient section as debtor days do not exceed 365 days. The risk of non-recovery is minimal.

Further, Management have reviewed Expected Credit Losses under IFRS9. Expected credit loss rates at the year-end were calculated using a historic loss rates applicable to each Group company, ranging between 0% and 2.5%, adjusted by the movement in Bank of England base rate during the reporting period (-0.50%). In the model, all customers are classified within the same category as all Group companies operate within the PI and Clin Neg marketplace and have similar debtor profiles. The specific loss rates used within each company have been applied across all debtors regardless of age. This is because our commercial terms make it no more or less likely that a debtor will need to be impaired based on its age alone.

During the year £117k (2023: £264k) of receivables were written off against a total of 103 cases (2023: 75). All of these cases had previously had a provision made against them in prior years, any write offs are made against the provision. This was as a result of senior management reviewing the cases on the debtor provision in 2024 and ascertaining that there were a number of cases where it was inefficient use of resources to continue the credit control process. At the reporting date, the total provision for bad debts was £405k (2023: £501k) in respect of specific outstanding invoices. During the year a credit of £19k (2023: credit of £49k) was recognised in the profit and loss in respect of debtor provisions or write offs.

The aging profile of the debtors at the year end was as follows:

	2024	2023
	£'000	£'000
0-30 days	2,117	1,700
31-60 days	1,275	1,181
61-90 days	793	757
91+ days	8,295	7,644
Total	12,480	11,282

19 Capital Management

Our approach to capital management is driven by our strategic requirements taking into account the regulatory environment we operate in.

It is our objective to maintain a strong capital base to support the development of the Group and to meet regulatory capital requirements at all times whilst protecting returns to shareholders by ensuring the Group will continue to trade in the foreseeable future.

The Group considers its capital to include share capital, share based payment reserve, own shares reserve, other reserve and retained earnings and net debt. At the year end, excluding leases accounted for under IFRS 16, the Group had a gearing ratio of 17% (2023: <1%), the increase from prior year is due to the Group's revolving credit facility, secured in 2024.

Frenkel Topping Limited, Ascencia Investment Management Limited and Cardinal Management Limited are authorised by The Financial Conduct Authority (FCA). The FCA sets capital requirements for the Group on this basis. Our policy is to maintain adequate readily realisable assets at a level in excess of those determined by the FCA. The Board is satisfied that the Group has sufficient resources to meet its FCA capital resources requirement. The level of capital and realisable assets are actively monitored by the Board.

20 Business Combinations

The Group acquired 100% of the share capital of Northwest Law Services Limited ('NWL') via the acquisition of NWL (Group) Limited and the holding company North West Law Services (Holdings) Limited on 19 April 2024. NWL specialises in PI, CN, Court of Protection and Commercial Costs, perfectly complementing the range of services offered by the Group's existing costs companies

Recognised amounts of identifiable assets acquired and liabilities assumed are shown below. In all instances book value is equal to fair value.

	NWL £'000
Tangible fixed assets	19
Trade and other receivables	1,595
Cash acquired	232
Current liabilities	(534)
Net assets on acquisition	1,312
Goodwill on acquisition	1,366
Total consideration	2,678
Initial consideration – Cash	1,680
Deferred consideration – Cash	998
Total consideration	2,678

21 Exemption From Audit By Parent Guarantee

The subsidiary companies listed below are exempt under section 479A of the Companies Act 2006 relating to the audit of individual accounts as Frenkel Topping Group Plc has provided a guarantee under section 479C of the Act.

Company	Company number
Frenkel Topping Group Holdings Limited	08746800
Partners in Costs Limited	04158080
Obiter Wealth Management Limited	10927503
LUCI Platform Limited	11830448
TMA Holdings Limited	05922026
A&M Bacon Limited	03694494
Bacon Legal Consulting Limited	07641986
Bidwell Henderson Costs Consultants Limited	09004572
Frenkel Topping Recruitment Services Limited	09477303
Keystone Case Management Limited	13493080
Cardinal Management Limited	09393989
Ascexit Limited	12194326
Aspire + Wealth Management Limited	12119590
Frenkel Topping Financial Management Services Limited	12119604
HCC Investment Solutions Limited	12245883
ExpressFT Limited	10915143
Frenkel Topping Associates Limited	10303460
Ralli Financial Services Limited	13497327
Pattinson and Brewer Financial Services Limited	13357997
N-Able Services Limited	04568721
Lime Wealth Management Limited	14603637
HJA Financial Management Services Limited	15033441
CFG Financial Services Limited	13985357
Serious Law Investments Limited	14450247
NWL (Group) Limited	08559648
North West Law Services (Holdings) Limited	06643274
Northwest Law Services Limited	01623494

Shareholder Information

Substantial Shareholding As At 31 March 2025

The company has been notified of the following substantial interests in the ordinary share capital of the company as at the above date:

	Number of Shares held	% of total
North Atlantic Smaller Companies Investment Trust PLC	38,350,000	29.96
IPGL Ltd	16,253,414	12.70
Canaccord Genuity Group Inc	13,650,000	10.66
Gresham House	8,692,857	6.79
Downing LLP	7,564,774	5.91
Employee Benefit Trust	5,119,193	4.00
Octopus	4,651,233	3.63

The Directors are not aware of any other person who is beneficially interested in 3% or more of the issued share capital.



Board of Directors

The Directors of the Company who held office since 1 January 2024 are as follows:



C H B Mills
Non-Executive Chairman



R C Fraser
Chief Executive Officer



M S Holt
Chief Operating Officer



E N Cullen-Grant
Chief Finance Officer



T J T Linacre
Senior Non-Executive Director



Rt. Hon. M C Field
Non-Executive Director

Z B Holland
Non-Executive Director (resigned 24 October 2024)





FRENKEL TOPPING GROUP PLC

Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY.

T: 0161 886 8000 F: 0161 886 8002

DX: 20340 Salford Broadway

E: enquiries@frenkeltopping.co.uk

W: www.frenkeltoppinggroup.co.uk

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