30 June 2011

Scancell Holdings Plc

Final Results for the year ended 30 April 2011

A Year of Significant Progress

Scancell Holdings plc, ('Scancell' or the 'Company') the developer of therapeutic cancer vaccines, announces results for the year ended 30 April 2011.

Highlights during the period:

- Key development milestone reached with lead therapeutic melanoma vaccine SCIB1
  - Phase I/IIa clinical trials commenced 15 June 2010
- Secured licensing agreements with:
  - The National Institutes of Health (an agency of the United States Department of Health and Human Services); and
  - Cancer Research Technology Ltd (Cancer Research UK's commercialisation and development arm)
- Entered strategic collaborations with ImmuneRegen BioSciences, Inc and immatics biotechnologies GmbH
- Loss before tax for the year of £1.72 million (2010: £1.8 million)
- Cash at year end £1.1 million (not including the net proceeds from the Placing to be announced today)

To be announced today:

- New lung cancer vaccine, SCIB2 – latest anti-tumour results in animal models provide further validation of ImmunoBody® vaccine technology platform and its commercial potential
- Placing to raise £1.73 million (before costs) to fund the working capital of the Company
- Appointment of Richard Goodfellow as Joint Chief Executive Officer

Professor Lindy Durrant, commented:

"We believe that, following completion of the Placing, we will have sufficient funding to complete the Phase I trials of our melanoma treatment and to advance the development of our series of new ImmunoBody® cancer vaccines to the pre-clinical proof of principle stage. After the Phase I clinical trial has been completed, and if the data is positive, the Company will seek to generate revenues from a commercial deal on the ImmunoBody® technology and will continue with the Phase II clinical trial. A successful outcome should present Scancell as an excellent acquisition opportunity with an exit remaining firmly on the agenda following the completion of the Phase II trial, expected early 2013."

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Chairman's Statement

I am pleased to report on a year of significant progress in bringing our exciting cancer vaccine technology closer to market. Separately, today we have also announced the development of a new vaccine for the treatment of lung cancer and a Placing. The Board believes that the proceeds of the Placing, together with the Company's existing cash resources, will provide sufficient capital to enable the completion of the Phase I trials on our lead product. I will comment further on both of these matters below.

Scancell is a biopharmaceutical company focused on the cancer therapeutics market and is developing a series of DNA vaccines for the treatment of cancer. The Company's products are based on its patented ImmunoBody® platform, which has the potential to overcome many of the limitations of conventional approaches to the development of cancer vaccines.

Financial results

Profit and Loss
The Group made an operating loss for the year of £1,733,749 (2010: £1,805,066). The reduction in direct costs is due to the slower than anticipated recruitment of patients for the clinical trials, which have resulted in mile-stone payments to the CRO, which runs the trials, being delayed.

The overall financial loss for the year was £1,649,225 (2010: £1,737,129)

Balance Sheet
At the end of the year the Group cash balances amounted to £1,110,630 (2010: £2,830,145). The reduced cash reflects the losses that have been incurred.

The Group's net assets at 30th April 2011 amounted to £4,635,742 (2010: 6,047,877).

The ImmunoBody® Technology Platform

Scancell's mission is to develop medications that fight cancer by spurring the body's immune system, a form of treatment that many cancer specialists believe may hold the key to keeping a patient permanently disease-free. Unlike traditional therapies that attack a cancer directly, immunotherapy uses the body's own internal defences to ward off the disease, with the ultimate hope of building up long term resistance to the cancer.

Scancell's ImmunoBody® vaccines generate potent killer T-cells that target and eliminate tumours. Each ImmunoBody vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches.

In addition to developing its own products, the Company intends to license ImmunoBody® on a target by target basis to companies working in the cancer vaccine field. The manipulation and enhancement of human immune systems is also relevant to the treatment of other diseases such as chronic infectious disease. Although Scancell does not intend to venture outside the oncology arena itself, the Company intends to license ImmunoBody® to companies working in other therapeutic areas.

Collaboration with immatics biotechnologies GmbH

On 29 June 2010 Scancell entered into a research collaboration agreement with immatics biotechnologies GmbH ("immatics") to explore the development of novel ImmunoBody® vaccines for colorectal cancer. As part of the agreement, colorectal cancer-specific TUMAPs (Tumour Associated Peptides) will be incorporated into the ImmunoBody® platform to create vaccines targeted towards colorectal cancer. If the research project is successful, immatics and Scancell will explore additional product candidates.

Collaboration with ImmuneRegen BioSciences, Inc.

On 4 June 2010 Scancell announced that a treatment utilising a DNA vaccine based on ImmunoBody®, in combination with ImmuneRegen BioSciences, Inc.®'s lead compound, Homspera®, had significantly improved the immune response of the vaccine in an animal model.

Follow-up studies on an ImmunoBody® vaccine targeting the lung cancer antigen NY-ESO-1 combined with Homspera have produced encouraging results in animal models, as announced today.

Product Development

SCIB1 – Melanoma

On 15 June 2010 the Company announced the enrolment and treatment of the first patient in a multicentre Phase I/IIa clinical trial of SCIB1, Scancell's DNA ImmunoBody® vaccine for the treatment of melanoma. The trial will evaluate the safety and tolerability of SCIB1 in patients with late stage melanoma. The trial, which is currently based at five leading UK hospital centres in Nottingham, Manchester, Leeds, Southampton and Newcastle and being run by world-leading oncology CRO, PharmaNet Development Group, is expected to be completed in early 2013. The Company has also appointed Oxford Immunotec to collect immune response data during the trial.

Advanced melanoma currently has a very poor prognosis with late stage disease having a median survival of approximately six months. The Phase I trial will be in nine Stage III/IV malignant melanoma patients.

Phase II of the clinical trial is expected to commence in 4Q11 and is aimed at generating further immune response data. If positive, this would provide clinical validation for both SCIB1 and the entire ImmunoBody® Platform which, together with the pipeline of pre-clinical vaccine candidates, would enable the Company to position itself for a trade sale to one of the leading pharmaceutical or biotechnology companies operating in the oncology market.

The vaccine will be injected using Ichor Medical Systems' TriGrid™ electroporation delivery device.

Ichor Medical Systems ('Ichor') and Scancell entered into an agreement in July 2009 for the TriGrid™ electroporation device to be used for the delivery of SCIB1 during Scancell's pre-clinical and clinical studies. In vivo electroporation is widely regarded as an effective method of enhancing the potency of DNA vaccines by up to 100 -fold compared to conventional methods of delivery.

Scancell's IP position around SCIB1 has been further strengthened by the signing of a worldwide non-exclusive licensing agreement with the National Institutes of Health (`NIH'), an agency of the United States Department of Health and Human Services, for use of the melanoma antigens TRP-2 and gp100, developed in the laboratory of Steven A. Rosenberg, M.D., Ph.D., at the National Cancer Institute. These antigens will be utilised as key components of SCIB1.

SCIB2 – Lung Cancer

Today Scancell announced encouraging anti-tumour results in animals using its new product, SCIB2. This DNA vaccine is also based on the Company's ImmunoBody® technology and is used in combination with Homspera®, an adjuvant developed by ImmuneRegen BioSciences, Inc.® as mentioned above.

The vaccine stimulates immune responses to the lung cancer antigen NY-ESO-1 and may also have potential utility in oesophageal, liver, gastric, prostate, ovarian and bladder cancers. Unlike classical adjuvants, Homspera® did not enhance the SCIB2 systemic immune response but did make it more effective at the tumour site. This could have profound implications for cancer vaccine therapy.

Licence Agreements

National Institute of Health

On 13 May 2010 the Company announced a worldwide non-exclusive licensing agreement with the National Institutes of Health ('NIH'), an agency of the United States Department of Health and Human Services, for use of the melanoma antigens TRP-2 and gp100, developed in the laboratory of Steven A. Rosenberg, M.D., Ph.D., at the National Cancer Institute. These antigens will be utilized as key components of Scancell's lead ImmunoBody® vaccine for melanoma, SCIB1.

Under the agreement, Scancell has agreed to pay the US Public Health Service an undisclosed upfront fee in addition to certain milestone fees and a royalty on future sales of SCIB1. Scancell will have the right to develop and commercialise its ImmunoBody® vaccines for the treatment of melanoma in humans incorporating epitopes from these targets.

Cancer Research Technology Ltd

On 10 August 2010 Scancell announced an agreement with Cancer Research Technology Ltd ('CRT'), Cancer Research UK's commercialisation and development arm, granting the Company the rights to a human antibody known as 105AD7.

105AD7 is a human monoclonal antibody that mimics the complement regulatory protein, CD55. The antibody was discovered and originally developed at the University of Nottingham with support from Cancer Research UK and has previously been evaluated in clinical trials for osteosarcoma. The agreement will give Scancell a worldwide licence to use 105AD7 for the development of ImmunoBody® vaccines for any immunotherapy indication.

The licence will be restricted to the use of the antibody as a framework for future ImmunoBody® vaccines.

Under the terms of the agreement, Scancell made an upfront payment to CRT and will make further milestone payments as development progresses and royalty payments on future product sales. Scancell will exclusively fund the development work and have sub-licensing rights on agreed terms.

£1.73 million fund raising

In addition to the lung cancer vaccine success above, Scancell has today announced a placing to raise £1.73 million (£1.52 million, net of costs) to provide additional working capital for the Company. The Directors believe that the funds raised will be sufficient to enable the completion of the Phase I clinical trial of the Company's lead therapeutic melanoma vaccine, SCIB1.

After the Phase I clinical trial has been completed, the Company will seek to generate revenues from a commercial deal on the ImmunoBody® technology. However if the Company is unable to generate revenues from a commercial agreement or if it takes longer than expected to reach a commercial agreement on the technology then a further fundraising may be required in mid 2012 in order to provide sufficient working capital to enable completion of the Phase II clinical trial for SCIB1.

Staff

The Board recognises that the progress made over the year would not have been possible without the dedication and determination of all our staff and, on behalf of the directors, I offer our warmest thanks to them.

Outlook

We believe that, following completion of the Placing, we will have sufficient funding to complete the Phase I trial of our melanoma treatment whilst continuing to advance the development of new vaccines for other cancer indications. A successful outcome should present Scancell as an excellent acquisition opportunity with an exit remaining firmly on the agenda following the completion of the Phase II trial, expected in early 2013.

David Evans
Chairman

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2011	2011 £	2010 £
REVENUE	-	-
Cost of sales	(848,629)	(1,091,351)
Gross loss	(848,629)	(1,091,351)
Administrative expenses	(885,120)	(751,365)
	(1,733,749)	(1,842,716)
Other operating income	-	37,650
OPERATING (LOSS)	(1,733,749)	(1,805,066)
Interest receivable and similar income	9,613	2,427
(LOSS) BEFORE TAXATION	(1,724,136)	(1,802,639)
Taxation	(74,911)	(65,510)
(LOSS) AFTER TAXATION	(1,649,225)	(1,737,129)
EARNINGS PER ORDINARY SHARE (pence)		
Basic	(10.4)p	(16.2)p
Diluted	(10.4)p	(16.2)p

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2011

Loss for the year	(1,649,225)	(1,737,129)

All results relate to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2011

	Share capital £	Share Premium Account £	Retained earnings £	Total Equity £
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
(Loss) for the year	-	-	(1,649,225)	(1,649,225)
Share issue	785	47,215	-	48,000
Share option costs	-	-	189,090	189,090
At 30th April 2011	159,518	8,369,023	(3,892,799)	4,635,742

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2011

ASSETS	2011	2010
Non-current assets		
Plant and machinery	98,933	131,763
Goodwill	3,415,120	3,415,120
	3,514,053	3,546,883
Current assets		
Trade and other receivables	132,846	122,636
Cash and cash equivalents	1,110,630	2,830,145
	1,243,476	2,952,781
TOTAL ASSETS	4,757,529	6,499,664
LIABILITIES		
Current Liabilities		
Trade and other payables	(121,787)	(451,787)
TOTAL LIABILITIES	(121,787)	(451,787)
NET ASSETS	4,635,742	6,047,877
SHAREHOLDERS' EQUITY		
Called up share capital	159,518	158,733
Share premium	8,369,023	8,321,808
Profit and loss account	(3,892,799)	(2,432,664)
TOTAL SHAREHOLDERS' EQUITY	4,635,742	6,047,877

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2011

	2011	2010
Net cash outflow from operating activities	(1,842,219)	(1,504,392)
Returns on investment and servicing of finance	9,613	2,427
Taxation	65,510	190,376
Capital expenditure	(419)	(72,148)
	(1,767,515)	(1,383,737)
Financing	48,000	2,694,812
Increase/(Decrease) in cash in the period	(1,719,515)	1,311,075

Reconciliation of net cash flow to movement in net funds

Increase/(Decrease) in cash in the period	(1,719,515)	1,311,075
Change in net funds resulting from cashflows	(1,719,515)	1,311,075
Movement in net funds in the year	(1,719,515)	1,311,075
Net funds at 1 May	2,830,145	1,519,070
Net funds at 30 April	1,110,630	2,830,145

NOTES

1 BASIS OF PREPARATION AND GOING CONCERN

These financial results do not comprise statutory accounts for the year ended 30 April 2011 within the meaning of Section 434 of the Companies act 2006. The financial information in this announcement has been extracted from the audited financial statements for the year ended 30 April 2011.

The financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The Auditor's report included in the audited financial statements for the year ended 30 April 2011 is unqualified but includes an emphasis of matter drawing attention to the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

The Directors have reviewed the funding position for the forward period and considered the viability of business plans and budgets. These show that currently available cash resources will be sufficient to enable the group to meet its commitments until around November 2011 based on budgeted expenditure.

The Company is planning to raise additional funds of approximately £1.52m, net of costs, by means of a placing of shares on the AIM market. The directors consider that these funds will provide sufficient working capital, to take the Company through to completion of the Phase I trials of its therapeutic vaccine for melanoma. The placing of shares is subject to receiving approval from Scancell Holdings plc members. It is anticipated that, subject to shareholder approval, the placing will take place at the end of July 2011.

The Directors consider that on the basis of the planned funding being received the Company will be able to meet all of its obligations until at least July 2012. Accordingly the directors consider that the going concern basis is appropriate for the preparation of these financial statements.

2 OTHER OPERATING INCOME

	2011 £	2010 £
Sundry receipts	-	150
Government Grants	-	37,500
	-	37,650

3 OPERATING LOSS

	2011 £	2010 £
Operating profit is stated after charging/(crediting):		
Depreciation on tangible fixed assets	33,250	22,649
Operating lease rentals	14,056	14,056
Research and development	848,629	1,091,351
Auditors' remuneration – fee payable for audit of the company	6,000	6,000
Auditors' remuneration – fee payable for audit of the subsidiary company	6,000	6,000
Directors' remuneration	37,012	49,347

4 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2011	2010
Current tax	£	£
UK corporation tax credits due on R&D expenditure	(74,220)	(65,510)
Adjustment to prior year	(691)	-
	(74,911)	(65,510)

Factors affecting the tax charge

The tax assessed for the years are lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2011	2010
	£	£
(Loss) on ordinary activities before tax	(1,724,136)	(1,802,639)
(Loss) on ordinary activities multiplied by the standard rate of tax in the UK (21%)	(362,069)	(378,554)
Effects of:		
Disallowed expenditure	79,408	52
Timing differences	2,983	(11,960)
Enhanced tax relief on R&D expenditure	(56,726)	(47,467)
Reduced tax relief for losses surrendered for R&D tax credits	37,110	32,755
Prior period refund	(691)	-
Unrelieved losses carried forward	225,074	339,664
Current tax credit	(74,911)	(65,510)

The Group has tax losses to carry forward against future profits of approximately £5,100,000 (2010: £4,360,000)

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at a standard rate of 21% is £1,071,000 (2010: £915,600)

5 EARNINGS PER SHARE

The earnings per ordinary share has been calculated using the profit for the year and the weighted average number of ordinary shares in issue during the year as follows:

	2011	2010
	£	£
(Loss) for the year after taxation	(1,649,225)	(1,737,129)
	No.	No.
Basic weighted average of ordinary shares of 1p each	15,932,565	10,733,335
Basic earnings (pence per share)	(10.4)p	(16.2)p
Fully diluted earnings (pence per share)	(10.4)p	(16.2)p

As the Group is reporting a loss for both years then, in accordance with IAS33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

6 DELIVERY OF ACCOUNTS

The statutory accounts in respect of the prior year ended 30 April 2010 have been delivered to the Registrar of Companies and the auditors of the Company made a report thereon under Section 235 of the Act. That report was an unqualified report and did not contain a statement under Section 237 (2) or (3) of the Act.

7 AVAILABILITY OF ACCOUNTS

This announcement is not being posted to shareholders. The Report and Accounts will be posted to shareholders later today. Copies of this announcement and further copies of the Report and Accounts can be downloaded from the Company's website: www.scancell.co.uk.