Summer 2009 Issue 2

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THE VOICE FOR COMPANIES ON THE PLUS-QUOTED MARKET

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* Unquoted
Share prices at 31 July 2009

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AH Medical Properties increases its dividend

Strong profitability has enabled AH Medical Properties to increase its total dividend by 20% to 1.2p a share for the year to April 2009. The company's net asset value fell sharply during the period but it generated cash from its operations. Cash generation is strong because the main customer is the NHS.

AH acquires and develops medical facilities for the NHS and it was spun out of Aim-quoted Ashley House on to the Plus-quoted market in 2007. Ashley House retains a small stake in the company.

Rental revenues increased 17% to £6m in the year to April 2009 with 94% of those revenues coming from the NHS.

Profits excluding property revaluation losses improved from £513,000 to £761,000.

The NAV, including deferred tax, fell from 39.5p to 25.6p a share, although that is higher than at the interim stage. Borrowings are relatively high but this is not surprising for a property backed company. Net debt is £72.3m compared with investment property assets of £88.7m and £2.9m of assets under development. There are no loan to value covenants relating to this debt and there are spare facilities to finance the newer developments.

Having maintained the interim dividend at 0.5p a share, the final was increased by 40% to 0.7p a share. The final dividend will be paid on 7 September 2009. Cash flow from operations is good and the dividends paid in 2008-09 were covered twice by operating cash flow.

The dominance of NHS revenues is good for the business because there is little likelihood of bad debts. Unexpired leases average 19 years with rental increases averaging 4.5% a year. That provides a predictable revenue stream for AH.

DHAIS

Corporate Adviser: Alfred Henry Corporate Finance
Website: www.dhais.co.uk

Hearing aids and mobility products retailer DHAIS has acquired the Hearsavers business from its administrator. Hearsavers, which has 57 outlets in Matalan stores, cost £100,000 and a further £150,000 is likely to be paid to creditors so that there is a smooth transition.

Hearsavers lost £500,000 on revenues of £1.5m in the year to March 2009. Cardiff-based DHAIS believes that it can reorganise the business and make it profitable. It believes the acquisition will be earnings enhancing. DHAIS already operates 27 retail outlets.

Key management has also joined DHAIS. The two former Hearsavers directors, Steve Wilkinson and Mark Harwood, have subscribed for DHAIS shares at 27.5p each, which has been funded by £1.1m worth of loans from the company. They own 4.3% and 2.4% respectively. If the two men leave the company then DHAIS will buy back the shares.

Hearing aids supplier Phonak has made an unsecured loan of £500,000 to DHAIS at an interest rate of 5%. A supply agreement means DHAIS will be able to buy Phonak hearing aids at lower prices. Loan repayments will be based on the number of hearing aids bought. Phonak has been issued shares equal to 4.9% of DHAIS.

DHAIS has been quoted for just over a year. The shares were introduced to Plus-quoted in June 2008 at 7.5p each. They have risen to 32.5p each, which values DHAIS at £19.3m. The shares are tightly held with directors owning 81%.

SURETRACK MONITORING

Corporate Adviser: Bridge Hall
Website: www.sure-track.co.uk

SureTrack Monitoring reported a higher loss in the year to January 2009 but this year should show a much improved result. It will include the recently acquired asset tracking services provider IBP plus contributions from new contracts.

Coventry-based SureTrack operates a GSM-based asset tracking service using its own monitoring platform. Customers include the owners of construction vehicles, agricultural equipment and caravans. SureTrack launched its MT2 updated version of its system during the year.

SureTrack blames the increase in loss from £191,000 to £313,000 on the delayed launch of the new technology and weak second half trading. Revenues grew from £299,000 to £360,000 but admin expenses grew even faster. There was cash in the bank of £76,000 at the end of January 2009.

SureTrack plans to raise up to £250,000 from a share placing in order to provide working capital for IBP and finance its integration into the group.

At the AGM on 31 July, the chief executive Will Hirons said that SureTrack had made an "excellent start to 2009". He believes that revenues could build up quickly enough for SureTrack to generate monthly profits before the end of January 2010.

LOTUS RESOURCES

Corporate adviser: Rivington Street
Website: www.lotus-resources.com

After initially focusing on exploration opportunities in China, Lotus Resources has decided to focus on fluorspar in Mongolia. Lotus has four joint ventures – one with a mining licence, two with exploration licences and one with no licence yet. According to Lotus, Mongolia's mining laws are favourable to mining companies.

The plan is to start producing fluorspar for the steel industry in Russia and then, after a while, buy equipment that can process the fluorspar so it can be sold to chemicals companies. Lotus gets paid as soon as the fluorspar is loaded onto trains. The price is normally set in advance. The projects that Lotus is involved in will have a relatively short life. Most of the mines will have a life of three to four years.

Lotus owns 51% of Chuluut which should start producing in August. It will be open pit mining. The Dai Uul project should commence production by October. These will generate cash for the business and help it to expand.

A trading deal with one of the company's joint venture partners produces commissions of $7,100 a month which pays for corporate overheads in Mongolia.

Lotus has been looking to raise up to £500,000. The company has raised £133,000 at 3p a share so far. This share issue included warrants to subscribe for shares between August 2009 and August 2010. Worship Street Investments invested £75,000 of this cash in return for a 5.5% stake. Worship Street is managed by an offshoot of Lotus' Corporate Adviser Rivington Street.

Lotus needs around £320,000 to buy equipment and get mining up and running at two sites and £180,000 for group overheads, particularly in London. The cash will also help finance additional exploration.

Chief executive Simon Longworth says that Lotus is looking for other opportunities in Mongolia and China. There are other small fluorspar operations that lack cash and which could be attractive targets for Lotus.

ORACLE COALFIELDS

Corporate adviser: St Helen's Capital
Website: www.oraclecoalfields.com

Oracle Coalfileds is making good progress towards opening a 2.5m tonnes per annum open pit coal mine in Pakistan.

Oracle owns 80% of a company that has the exploitation rights to the Thar lignite coal project in Sindh province. The other 20% is owned by local interests with influence in the province. There is a JORC equivalent resource of 371mt and the plan is for opencast mining by the end of 2011. The coal will be used to supply a power station. The Pakistan government wants to generate more electricity from coal. Chairman Shahrukh Khan says that there are already two local power generators interested in the project. The authorities are considering the construction of a canal to provide water to the project area as well as upgrading the local electricity grid.

Wardell Armstrong is undertaking the Environmental & Social Impact Assessment (ESIA) and the Bankable Feasibility Study (BFS). The ESIA and BFA should be completed early in 2010.

Oracle attempted to move to Aim near the end of last year. Market conditions meant that the move was postponed although Oracle had gone

Plus-quoted **Three's A Crowd** is holding a Plus networking seminar on Friday 4 September at the Andaz Hotel in Liverpool Street, London.

This is intended to be an informal networking forum and lunch to help management make the most of their company's Plus quotation.

The event is free to directors and direct employees of Plus-quoted companies who register prior to the event.

The morning starts with coffee at 9am before the first speaker at 9.45am. There will be lunch at 12.30pm and further speakers in the afternoon. In between these events there will be networking sessions.

The themes for the day include generating liquidity, conducting corporate transactions, secondary fundraisings and communicating with the market.

The sponsors are Plus Markets Group, accountants and Plus Corporate Adviser Vantis, Corporate Adviser Fisher Corporate, Plus-quoted Structured Investment Products, Hedblom Partners Group and EuroIR.com.

The speakers at the seminar have not been announced.

Contact Melissa Gilmour at Three's A Crowd on Melissa@3sacrowd.com or go to www.threesacrowdevents.com/plusnetworkingseminar.

through all of the due diligence and the rest of the process - that cost more than £200,000. The move to Aim could still happen.

Oracle has still managed to raise nearly £250,000 in recent months and is trying to raise more cash. This will be used to finance the completion of the BFS and ESIA.

At 3.375p a share, Oracle is valued at £4.13m.

EDEN RESEARCH

Corporate adviser: FinnCap
Website: www.edenresearch.com

Eden Research has released additional positive data for its products. Eden is developing environmentally friendly pest control products based on terpene chemistry. This is a more environmentally-friendly form of treatment than synthetic pesticides. Many of these synthetic treatments will be banned over the next decade.

A series of field trials in southern Europe for the control of whitefly and spider mites in tomato crops show that Eden's whitefly treatment performed better than the standard although the spider mites treatment was not quite as good as some existing treatments. However, Eden's treatments are well tolerated by the insects beneficial to the crops and could be combined in one product.

Whitefly causes farmers to lose crops worth millions of dollars each year. They have become resistant to many synthetic pesticides. Spider mites also cause millions of dollars of damage to crops. Registration trials are planned for later this year.

Trials continue for treatments for the control of nematodes, which are microscopic soil-dwelling worms that damage crops. This is already a $1bn market. The main Eden treatment gave 83% control of root knot nematode, compared with 50% control for conventional treatments. Many older treatments need to be replaced because of their toxicity.

Developing and testing products costs money and there was £13,000 of cash in the bank at the end of December 2008. There were £2.27m of 7.5% convertible loan notes in the balance sheet at that time. The majority of the loan notes are owned by shareholders and those loan note owners have confirmed their continued support for the company. Loss-making Eden will need their cash because it will take time for revenues to build up.

An agreement with Environmental Solutions North Africa during May provides for initial and milestone payments totalling £170,000 in return for the licensing of terpene formulations for professional crops in Egypt, Algeria, Morocco, Tunisia, Libya, Lebanon, Syria and Jordan. This includes a fungicide for the control of botrytis, which causes grey mould on fruit and vegetables.

At 27.5p a share, Eden is valued at £15.5m.

FRONTIER IP GROUP

Corporate adviser: Ruegg
Website: www.frontierip.co.uk

Frontier IP has launched a dedicated private equity fund for intellectual property developed by Robert Gordon University. RGU Ventures Investment Fund LP has raised an initial £1.1m, with £800,000 coming from the Aberdeen-based university and £300,000 from Frontier IP. The fund will remain open for up to two years.

Frontier IP was spun out of Aim -quoted Sigma Capital Group and a £633,000 fundraising left it with £1m in the bank. It has signed a 25-year partnership with Robert Gordon University. Sigma Technology Management will become interim manager of the fund until Frontier IP gains FSA approval.

The RGU fund is a partner of the Scottish Co-investment Fund, which can choose to invest alongside RGU in any of its investments.

At 0.8p a share, Frontier IP is valued at £3.98m.

PLUS-QUOTED CANCELLATIONS APRIL-JUNE 2009

COMPANY	DATE	REASON	COMMENT
Seven Arts Pictures	01/04/2009	S	The film producer obtained a Nasdaq Capital Market listing under the symbol SAPX on 13 February 2009. Management believes that the US-focused business is better served by the more liquid Nasdaq quote.
Matrix Valley	24/04/2009	C	The clean water machines supplier says that the quotation was not "an integral requirement" under current economic conditions. The shares had been suspended since 17 October 2008 due to non-payment of registrar.
Applied Technology Monitoring	30/04/2009	F	The remote video monitoring systems supplier failed to raise the cash it wanted from an open offer and the shares were suspended on 28 October 2008. Management decided to cease trading. The main subsidiary LookC Ltd was wound up by the Official Receiver on 17 June 2009.
Waltech	06/05/2009	RI	The online payments system developer decided to change its country of registration fromthe UK to Isle of Man because nearly all revenues are generated outside of the UK.
Lewmar Marine	08/05/2009	C	The Havant-based boat components manufacturer believes that the quotation was not worth the cost and the share price undervalued the business. Matched bargain trading will be undertaken by JPJL. Overheads are being minimised and the company plans to re-register as a private limited company.
Mediterranean Moorings	03/06/2009	C	The yacht moorings owner blames a lack of cash and an inability to raise any more for leaving Plus-quoted. The company is trying to sell the three moorings that it owns in Genoa.
S4T	15/06/2009	N	Shares in S4T, previously known as SIM4Travel Holdings, were suspended on 30 April 2009 because of non-payment of Plus annual fee. The pay as you go SIM cards business was sold to Software Cellular Networks Ltd (trading as Truphone) for £2.64m in cash and shares. S4T will look at other businesses.
ATI Oil	24/06/2009	T	Aim-quoted Northern Petroleum, which owned 37% of ATI, offered one of its shares for every eight shares it did not own. When the bid was launched it valued the Italy-focused oil explorer at £11.3m, or 11.9p a share.

A - Move to Aim C - Choice F - Financial difficulties N - Non-payment of Plus annual fee P - Failure to comply with Plus rules R - Reversal S - Switch to another market (excluding Aim) T - Takeover RI-Reintroduction

ARROWPOINT TECHNOLOGIES

Corporate adviser:	St Helen's Capital
Website:	www.arrowpointtechnologies.com

Software supplier Arrowpoint Technologies plans to join Plus-quoted to raise its profile and help it to finance acquisitions.

Arrowpoint is seeking to raise up to £120,000 via an offer for subscription at 13p a share. This would value Arrowpoint at £26m so it represents a tiny percentage of the issued share capital. The offer is expected to close on 20 August and Plus-quoted dealings would follow on 25 August.

Arrowpoint supplies software that helps businesses to improve their efficiency and their return on investment. Pensions software and offshore actuarial services provider Lynchval Systems Worldwide and recruitment and consulting company KeyTech are also part of the group. Arrowpoint has operations in India but its main market is the US.

Arrowpoint reported a profit of $430,000 on revenues of $11.8m in the nine months to December 2008.

ABRAXUS INVESTMENTS

Corporate adviser:	IAF Capital
Website:	www.abraxusinvestmentsplc.com

Abraxus Investments is the latest former Aim company to transfer to Plus-quoted. Abraxus left Aim on 30 March 2009 and joined Plus-quoted on 19 May 2009. Management intends to invest in renewable energy businesses.

Abraxus left Aim because it is a shell company and it did not find a new activity in time to stop the shares being suspended and the quotation being cancelled six months later. In the past Abraxus has been involved in property investment although it started out in 1999, when it was known as Property Internet, as a shell that was going to build up a residential property website. Abraxus became a shell yet again in 2006 when it sold its Hungarian property subsidiary and it subsequently decided not to go ahead with a property investment in Romania.

Abraxus has identified a potential wind farm investment in Romania. Non-executive directors Uri Heller and Alon Liberman both have experience in eastern Europe.

There was £1.28m in the bank at the end of March 2009, which is slightly higher than the company's net asset value. There was a £233,000 cash outflow in 2008-09.

At 3.25p a share - a bid/offer spread of 2.75p/3.75p - Abraxus is valued at £1.12m.

WORSHIP STREET INVESTMENTS LTD

Corporate adviser	Rivington Street
Website	www.rs-cf.com

Worship Street Investments raised £1.3m of the £1.5m it was seeking in its offer for subscription at 2p a share. It subsequently raised a further £42,500 at 2p a share via a private placing. Management is already starting to invest this cash.

The first purchase was an investment of £30,000 for a 6.6% stake in One Media Publishing Group, which has investments in a number of music catalogues. The shares were acquired at their par value of 0.5p each. The bid/offer spread was 0.5p/1p although the mid price had halved from 1.5p to 0.75p each over the previous month.

One Media made its maiden profit before goodwill amortisation of nearly £17,000 on revenues of £344,000 in the year to April 2009. The company also had net cash of £189,000 at the end of April 2009. The catalogue covers more than 70,000 tracks. It includes 1,200 hours of classical music plus pop music. One Media's management believes that this well-known music will generate revenues from digital downloads. One Media has signed an agreement with EMI, which will market the company's music to the film, TV and advertising markets through its subsidiaries around the world.

The second investment was in Kent-based English Wines Group via a subscription for £100,000 of 8% convertible loan notes. They convert, at 10p a share, into a 1.88% stake in the enlarged share capital. The shares are trading at 15p each. English Wines made a profit of £35,000 on revenues of £2.34m in 2008.

Rivington Street, which owns the investment adviser of Worship Street, is Corporate Adviser to English Wines and Rivington Street director Nigel Wray is also a director and the biggest shareholder in the wine company.

Early in August 2009, Worship Street made further investments in Lotus Resources and ANS Group.

The Worship Street share price has held firm at 2.5p a share - a bid/offer spread of 2p/3p - since trading began on 8 June 2009. That values the investment company at £1.71m.

MICRO NUMBERS

35.4%

Nigel Wray's fully diluted stake in English Wines Group

PLUS-QUOTED NEW ISSUES APRIL-JUNE 2009

COMPANY	BUSINESS	DATE	CORPORATE ADVISER	ISSUE TYPE	ISSUE PRICE (£m)	FUNDS RAISED (p)	MKT CAP (£m)
3D Diagnostic Imaging	Dental disease detection technology	21/04/2009	Whim Gully	P	7	0.2	6.855
Waltech	Online payments technology	07/05/2009	Matrix	RI	12	0	4.26
Abraxus Investments	Shell/Renewable energy	19/05/2009	IAF	I	3	0	1.03
Essenden (loan notes)	Tenpin bowling	26/05/2009	Cenkos	I	100	0	21.43
Worship Street Investments	Plus-focused investment company	08/06/2009	Rivington Street	O	2	1.3	1.33

I - Introduction O - Offer P - Placing T - Transfer from Aim RI-Reintroduction

Cash calls successful in difficult market

Plus-quoted new issues may be few and far between at the moment but secondary fundraisings continue to provide a source of growth capital for companies.

Secondary fundraisings continue to be an important source of funds to Plus-quoted companies. Although less money was raised during the first half of 2009 than in the first half of 2008 it is noticeable that there have been more individual cash calls and the cash has been spread across more companies.

There were 63 fundraisings in the first half of 2009 compared with 36 in the corresponding period in 2008. However, £6.41m was raised in total in the first half of 2009, against nearly £26m raised in the first six months of 2008. January and April were the only months where more was raised in 2009 than in 2008.

In 2008, the figures were boosted by the £10m raised by China CDM Exchange Centre in May 2008 and the £5m raised by Fluid Leader Group in March 2008. Those two accounted for more than one-half of the cash raised in the first half of 2008.

If the largest fundraising in each month is taken out of the figures these six cash calls account for 68.8% of the cash raised in the first half of 2008. In 2009, there has been just one cash call raising more than £1m and the largest fundraisings in each month account for 47.8% of the total so far in 2009.

This shows that investors are willing to put money into Plus-quoted companies. It is not surprising that large cash calls are much rarer given the tough market conditions during most of 2009. There was still more cash raised in the first half of 2009 than there was in the first half of 2007.

Many companies have issued shares more than once during 2009. Even so, there were 35 different companies raising money in the first half. That is roughly 18% of the companies on Plus-quoted. Of those companies, Mediterranean Moorings left Plus-quoted during the summer.

PLUS-QUOTED SECONDARY ISSUES JAN-JUN 2009

MONTH	TOTAL (£M)	NUMBER OF FUNDRAISINGS
January	0.721	6
February	0.731	9
March	1.109	11
April	1.673	14
May	0.782	11
June	1.394	12
Total (six months to June 2009)	**6.41**	**63**

Source: Plus primary market statistics

PLUS-QUOTED SECONDARY ISSUES 2008

MONTH	TOTAL (£M)	NUMBER OF FUNDRAISINGS
January	0.476	2
February	3.949	7
March	5.424	4
April	0.978	4
May	13.239	10
June	1.93	9
Total (six months to June 2008)	**25.996**	**36**
July	2.22	13
August	0.904	11
September	4.936	10
October	0.977	16
November	0.574	9
December	1.853	5
Total (six months to December 2008)	**11.464**	**65**
Total (year to December 2008)	**37.46**	**101**

Source: Plus primary market statistics

SECOND HALF COMPARISONS

The same trends are visible when the first half of 2009 is compared with the second half of 2008.

There was £11.5m raised through 65 secondary share issues in the second half of 2008. Even so, 66.7% of the cash was raised through the largest issues in each month in the second half. Student broadband services provider Keycom raised £4.4m to finance acquisitions in September 2008 and on its own this was just over 38% of the total in the six month period. In fact, Keycom raised more than £6.5m during 2008.

The only other fundraising of more than £1m during the second half of 2008 was by Quercus Publishing which raised £1.76m in December 2008.

Stripping out those two large issues there is a noticeable decline in cash raised during the autumn. Less than £100,000 was raised in December 2008 if Quercus is excluded. The monthly amounts raised in 2009 represent an underlying upturn compared to the second half of 2008. However, there does appear to be a possible downturn during the summer. Whether this is just an easing off of activity during the summer or a sign of a slowing in cash raisings will be seen in the coming months. June was undoubtedly a tougher month but this looks likely to be a blip.

ADVISERS

There were 19 Corporate Advisers that raised money in the first half of 2009, which shows that cash could be generated by a range of firms, of which, 13 raised at least £100,000 for clients during the period.

Alfred Henry raised the most cash for clients during the period thanks the £1.1m raised for hearing aids distributor DHAIS (see page 2). That took the total to £1.35m. Axiom Capital raised nearly £723,000 in five issues for Ascot Mining, which was the second largest total raised for one company. Rivington Street Holdings, which was advised by Daniel Stewart, was the only other company to come anywhere near to raising £500,000 during the period.

St Helen's Capital was just behind Alfred Henry with £1.14m raised for six companies.

Three companies raised cash through more than one Corporate

LARGEST AMOUNTS RAISED BY COMPANIES H1 2009

COMPANY	AMOUNT RAISED	ADVISER	SECTOR
DHAIS	£1,099,999	Alfred Henry	Media & Entertainment
Ascot Mining	£722,894	Axiom Capital	Mining
Creative Entertainment Group	£484,919	St Helen's Capital	Media & Entertainment
Mastermailer Holdings	£462,743	Watlington Securities	Support Services
Rivington Street Holdings	£452,378	Daniel Stewart	Speciality & Other Finance
Datum International	£349,556	FinnCap/St Helen's	Software & Computer Services
ANTnano	£251,372	Alfred Henry	Engineering & Machinery
Oracle Coalfields	£249,400	St Helen's Capital	Mining
U3O8 Holdings	£247,500	Grant Thornton	Mining
Woodspeen Training	£220,000	Whim Gully	Support Services

Source: Plus primary market statistics

Adviser during the first half of 2009 and that is why the number of companies column in the table totals 38 rather than 35.

There were some notable absentees from the list in the first half of 2009. Seymour Pierce raised nearly one-fifth of the cash generated by secondary issues in 2008 because of Keycom's acquisitive activities during the year. Keycom has been digesting those acquisitions and has been quiet so far in 2009.

London Asia was the Corporate Adviser to China CDM Exchange Centre when it raised £10m but it has kept a low profile in 2009. Many of its clients have left Plus-quoted during the year.

FUTURE

The secondary fundraising figures show that cash can be raised on Plus-quoted even under the toughest market conditions back at the start of this year. Companies are still leaving Plus-quoted but the rate of cancellation of quotations has slowed significantly in the second quarter of 2009, which is in contrast to the experience of Aim. Many of the companies leaving found it difficult to raise the cash they needed to grow their businesses.

The difficulty of raising cash in these markets should not be underestimated. Many Plus-quoted companies are still finding it tough to raise cash but there is evidence in the secondary fundraising figures that it can be done.

It appears that when the market up turn filters down to the smallest end of the market there should be even more opportunities for companies to raise cash. It will be interesting to see when new issues start to make a comeback.

AMOUNTS RAISED BY ADVISERS H1 2009

ADVISER	NUMBER OF FUNDRAISINGS	NUMBER OF COMPANIES	AMOUNT RAISED
Alfred Henry	2	2	£1,351,371
St Helen's Capital	13	6	£1,140,491
Axiom Capital	5	1	£722,894
Watlington Securities	3	2	£681,634
Daniel Stewart	9	3	£563,404
Fisher Corporate	3	3	£266,625
Rivington Street	5	4	£260,259
FinnCap	2	1	£256,556
Ruegg & Co	5	3	£249,409
Grant Thornton	1	1	£247,500
Whim Gully Capital	1	1	£220,000
Beaumont Cornish	1	1	£147,400
Bridge Hall Stockbrokers	5	3	£118,330
City & Merchant	2	1	£74,357
LHM Casey McGrath.	1	1	£51,345
Orange Corporate Finance	2	2	£26,500
W H Ireland	1	1	£17,400
Venture Alliance	1	1	£10,000
Merchant Capital	1	1	£4,000

Source: Plus primary market statistics

Plus-quoted plans Evolve

Aim-quoted Evolve Capital is well on the way to becoming the largest Corporate Adviser on the Plus-quoted market. The investment company plans to acquire St Helen's Capital and Whim Gully Capital. Evolve also owns 57% of Astaire, which has bought Corporate Advisers Dowgate and Ruegg & Co. If all these deals are completed then Evolve and its subsidiaries will be Corporate Adviser to around one-fifth of the companies on Plus-quoted.

Aim-quoted St Helen's Capital plans to sell its business to Whim Gully, which itself is being acquired by Evolve. The combined business will trade under the St Helen's name. Barry Hocken has resigned as head of St Helen's Plus Markets division and Mark Anwyl has taken on the role.

Whim Gully will pay £250,000 for the business and this will leave St Helen's Capital as an Aim-quoted shell. The deal, which was announced in July 2009, is still subject to due diligence and Whim Gully has three months' exclusivity. The disposal will require the approval of St Helen's shareholders.

An added complication to the deal is the proposed acquisition of Whim Gully by Evolve. Whim Gully is owned by Evolve directors Oliver Vaughan and Edward Vandyk, Vandyk's wife and Oliver Cooke.

The acquisition of Whim Gully by Evolve is dependent on the St Helen's deal going through. No terms have been announced for the purchase of Whim Gully. A payment will be determined by the independent directors of Evolve and its advisers and it will have to be agreed by shareholders.

Meanwhile, Astaire has bought Aim and Plus-quoted company adviser Ruegg & Co for £315,000 in shares at 5.25p each, plus a cash payment for net assets.

Knightsbridge-based Ruegg says that it will benefit from Astaire's additional services, such as research. Aim adviser Astaire is based in the City of London and it would make sense for everyone to be under one roof.

Ruegg made a profit of £131,000 in 2008 and had net assets of £187,000. The payment for net assets in excess of £25,000 on completion of the deal is expected to end up at around £334,000.

This deal will make Astaire itself a major Corporate Adviser on Plus-quoted. Ruegg has 12 Plus-quoted clients and the recently acquired Dowgate has a further four.

Assuming all these deals are completed, the Evolve group of companies, including Astaire, will have 41 Plus-quoted companies – based on the June 2009 Plus-quoted primary statistics. That is more than one-fifth of the Plus-quoted companies.

It will be interesting to see if all of the Plus-quoted operations are combined into one or whether Astaire will continue to run this part of the business separate from the St Helen's business. It would appear to make sense to run them as one business, which would become the major adviser on Plus-quoted.

In the first six months of 2009, these advisers completed 19 secondary fundraisings for 10 companies. The biggest individual fundraising was £361,000 raised by St Helen's for Creative Entertainment Group in January 2009. All the firms raised a total of £1.61m, which is one-quarter of the £6.41m raised in secondary issues, in the six months to June 2009.

SCANCELL HOLDINGS

VITAL STATISTICS

Corporate Adviser:	Zeus Capital
Epic:	SCLP
Share price:	39.5p
Bid/offer spread:	37p-42p
Mkt cap:	£4.06m
12 month high/low:	62.5p/30.5p
Last traded:	30 July 2009
Float price:	60p
Float date:	24 September 2008
Website:	www.scancell.co.uk

ACTIVITIES

Scancell is a developer of cancer vaccines. Chief executive Professor Lindy Durrant is a leader in the field of cancer immunotherapy and she is Professor of Cancer Immunotherapy in the Department of Clinical Oncology, Nottingham University. Professor Durrant was behind the spin out of the Scancell business from Nottingham University and the company still operates from laboratories at City Hospital Nottingham. However, all trials are outsourced to contract research companies. Scancell's ImmunoBody technology uses an engineered human monoclonal antibody to both target and activate key cells that stimulate an immune response against cancers.

The initial focus is on a melanoma vaccine called SCIB1. The strategy is to licence treatments for different types of cancer.

In 2006, Scancell sold its portfolio of antibodies to Aim-quoted Arana Therapeutics. There was an upfront payment of £2m and £2.85m of additional consideration is payable if the first antibody enters Phase 1 clinical trials on or before 1 December 2011. This is payable in cash and/or Arana shares.

Scancell joined Plus-quoted on 24 September 2008. At that time Scancell raised £1.41m gross at 60p a share and this valued the company at £5.97m. This means that Scancell has raised £7.5m since 1999.

More than one-half of cancer sufferers die from the disease. This is why millions of pounds are spent each year to try and find treatments. The vaccines market is growing rapidly and cancer treatments are a large part of that growth. The cancer vaccines market is expected to be worth $6bn in 2010. All this makes Scancell's market highly lucrative.

Scancell is developing the DNA vaccine SCIB1 as a potential treatment for late-stage melanoma cancer patients where the cancer continues to grow after surgery has taken place. The vaccine shows signs of reducing the rate of growth of tumours. A Phase I/IIa clinical trial will start in 2010. The initial trials are designed to show that there is a potential product that can be licensed to a larger pharma company.

More than 100,000 people suffer from melanoma worldwide and this figure is increasing by at least 4% each year. Datamonitor estimates that the market will be worth $775m in 2010.

Aim-quoted Cobra Bio-Manufacturing has won the contract to manufacture Scancell's SCIB1 DNA vaccine. Scancell has also signed a licensing agreement with Ichor Medical Systems so that the Ichor TriGrid electro oration device can be used to delver SCIB1. Scancell has also signed a research deal with Canada-based ImmunoVaccine Technologies Inc, to explore whether its IVT DepoVax delivery system can be used for Scancell's vaccines.

If SCIB1's clinical trial is successful then Scancell will begin negotiations with potential licensing partners. Commercial director Dr Richard Goodfellow has already started to lay the groundwork for these negotiations. This could provide revenues to finance the trials of other cancer treatments using ImmunoBody technology.

Melanoma was chosen as the first treatment because there is a good chance that it will prove the efficacy of the company's ImmunoBody technology. It is most important that Scancell shows that the ImmunoBody technology works. If SCIB1 does not work then Scancell can trial other treatments to prove the ImmunoBody technology. The company's second treatment is SCIB2, which is an anti-tumour vascular vaccine that targets solid tumours.

Scancell has spent its cash sensibly and has made good progress with relatively limited funds. Scancell raised £1.6m when it floated on Plus-quoted on 24 September 2008 and it received a £250,000 grant from the East Midlands Development Agency in January 2009. There was still more than £1m in the bank at the end of July 2009. This is enough for the company's immediate needs although it is not enough to complete the clinical programme for SCIB1. Ideally, Scancell will raise more cash in the next few months so that the SCIB1 trials can be completed.

Arana Therapeutics bought a portfolio of antibodies from Scancell, which appears reasonably confident that Arana will end up paying the £2.85m of additional consideration by December 2011. The clinical trial required to trigger the payment, which can be in cash and/or Arana shares, could start in 2010.

Longer-term, positive clinical trials make Scancell an attractive takeover target for larger pharma companies involved in the area of cancer vaccines.

Objective Capital is due to publish sponsored research on Scancell during September.

TMO Renewables gains backing for expansion

Unquoted TMO Renewables has raised £11m from existing and new shareholders in order to finance the company's entry to the US market. TMO has developed technology that can convert biomass into ethanol.

TMO was founded in 2002 but some of the research dates back to the 1970s. Professor Atkinson, who initially spotted the potential of the technology, is still on the board as technical director.

TMO stands for thermophilic micro organism. Thermophilic means that the organisms love heat. These organisms can exist at very high temperatures and can digest a wide range of materials. TMO's process can use this to produce ethanol from any cellulose-based material in a way that is almost carbon neutral. More of the material can be used so there is little waste and this means that agricultural land can be used more efficiently.

One of the attractions of the process is that it requires wet materials so there is no need to use up energy drying the materials as happens in other technologies. The initial focus is on corn but domestic, agricultural or industrial waste could be used in the process.

TMO had £2.06m in the bank at the end of 2008. There was a cash outflow from operating activities of more than £5m and a further £2.2m of capital investment during 2008. TMO had raised £16.1m in 2007.

Existing investors putting more money into TMO include RAB Capital, Jupiter Asset Management and Noble. The new investors are Presnow Ltd, Diverso Management and Libra Advisors.

Presnow promised to subscribe £4m for shares at 25p each as long as at least £4m more was raised from other sources. TMO achieved more than that target thanks to the other new investors. Presnow will also receive 16m warrants to subscribe for shares at 25p each. There will be another 4m warrants issued to other subscribers.

Presnow has experience in the ethanol and agricultural sectors in the US and Brazil. This could provide opportunities for TMO to expand in these areas.

Diverso is a cleantech private equity fund which specialises in opportunities in China. It has invested £2m and will help TMO to take advantage of the rapidly growing Chinese market.