

FORM: Half yearly/preliminary final report

Name of issuer

IQNOVATE LTD

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (Current period)
26 149 731 644	√		30.06.2011 TO 31.12.2011

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	up/down	678%	to	10
Profit (loss) for the period (item 1.9)	up/down	109%	to	(301)
Profit (loss) for the period attributable to security holders (item 1.11)	up/down	-%	to	-
Income Distributions		Current period	Previous corresponding period	
N/A		N/A	N/A	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.
4. This statement is based on financial statements to which one of the following applies:
- | | |
|---|--|
| <input type="checkbox"/> The financial statements have been audited. | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/~~will follow immediately they are available~~* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The issuer has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:

(Director/Company secretary)

Date:

05/03/2012.

Print name:

GEORGE SYRMALIS

Iqnovate Ltd

ABN 26 149 731 644

Financial Statements

For the half-year ended 31 December 2011

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Directors' Report

For the half-year ended 31 December 2011

Your directors present their report on the Company for the half-year ended 31 December 2011.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

George Syrmalis

Anthony Tsigounis (Resigned 11 July 2011)

Con Tsigounis

Peter Buchanan Simpson (Appointed 28 July 2011)

William Economos (Appointed 28 July 2011)

Principal Activities

The principal activities of Iqnovate Ltd during the half-year were to provide global contract scientific services to the Biopharmaceutical Industry.

Review of operations

The loss from ordinary activities half year ended 31 December 2011 amounted to \$301,045.

The company has had an efficient first year thus far, achieving its strategic and operational objectives. The IQnovate Board of Directors (BoD) and Management Team have set out the annual objectives, metrics and KPI's and all have been achieved. The 2011 objectives were to conclude a private placement, IPO and listing with the NSX.

The company's current market capitalization is 48.7 million AUD and was approximately 8 million AUD pre listing 15 December 2011.

The IQnovate management team believes in a strong performance management culture and implements such a system. In September we hired our Operations Manager, responsible for setting up SOP's, compliance, and providing ongoing tactical support to BDM, CEO and BoD.

In February we hired a highly qualified and experienced head of Business Development. Further to this IQN has successfully relocated to the CBD, being now closer to its key support groups, business partners and advocates.

IQN is now a member of Medicines Australia, placing the company, locally, at the same table with all the global pharmaceutical companies CEO's. A member of AUS Biotech, the peak Australian Biotechnology association, opens the doors to the Australian Biotechnology industry and the Australian Pharmaceutical Marketing Association.

IQnovate is leading innovation and this is unpredictable nor can it be systematic, it requires patience and impatience, optimism and brutal realism. This innovation element just reaffirms that our greatest assets are our people.

We believe that winning people result in winning companies hence in more opportunity for the company and the shareholders.

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Directors' Report

For the half-year ended 31 December 2011

We believe in candour by our people, this generates speed and as a result reduces cost.

We believe in clarity and commitment to people and the task at hand.

We believe in simple strategies and winning through differentiation.

We believe in turning good ideas in to measurable performance.

Rounding of Amounts

The company has applied the relief available to it in ASIC Class Order 98/100 and accordingly, certain amounts in the financial report and the director's report have been rounded off to the nearest \$1.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 3.

Signed in accordance with a resolution of the Board of Directors:

GEORGE SYRMALIS
DIRECTOR

Dated in Sydney, this 29th day of February 2012



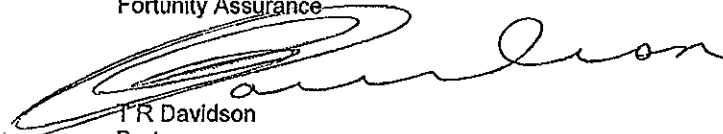
Iqnovate Ltd

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Iqnovate Ltd

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2011, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Fortunity Assurance



T R Davidson
Partner

Erina Business Park
155 The Entrance Road
Erina NSW 2250

29 February, 2012

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Statement of Comprehensive Income

For the half-year ended 31 December 2011

	Note	31.12.2011 \$	30.06.2011 \$
Other income	2	10,415	1,338
Employee costs		(183,405)	(75,440)
Depreciation, amortisation and impairments		(3,453)	(773)
IPO related expenditure		(9,067)	(63,400)
Other expenses		(115,535)	(38,960)
Loss before income tax		(301,045)	(177,235)
Income tax benefit		-	33,322
Loss for the period		(301,045)	(143,913)
Other comprehensive income			
Net gain on revaluation of land and buildings		-	-
Share of other comprehensive income of associates and joint ventures		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members		(301,045)	(143,913)

The accompanying notes form part of these financial statements.

	Note	31.12.2011 \$	30.06.2011 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,033,510	338,724
Trade and other receivables		36,359	10,675
Other assets		3,112	7,788
Total current assets		1,072,981	357,187
Non-current assets			
Property, plant and equipment		40,974	39,518
Deferred tax asset		33,322	33,322
Intangible asset		4,000	4,000
Other assets		7,713	7,713
Total non-current assets		86,009	84,553
TOTAL ASSETS		1,158,990	441,740
LIABILITIES			
Current liabilities			
Trade and other payables		99,153	231,805
Total current liabilities		99,153	231,805
TOTAL LIABILITIES		99,153	231,805
NET ASSETS		1,059,837	209,935
EQUITY			
Issued capital		1,504,795	353,848
Accumulated losses		(444,958)	(143,913)
TOTAL EQUITY		1,059,837	209,935

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Statement of Changes in Equity

For the half-year ended 31 December 2011

	Ordinary Shares \$	Accumulated Loss \$	Total \$
Balance at 8 March 2011	-	-	-
Shares issued during the period	502,598	-	502,598
Losses for the period attributable to members of the entity	-	(143,913)	(143,913)
Share issue transaction cost	(148,750)	-	(148,750)
Balance at 30 June 2011	353,848	(143,913)	209,935
Balance at 1 July 2011	353,848	(143,913)	209,935
Shares issued during the period	1,209,600	-	1,209,600
Losses for the period attributable to members of the entity	-	(301,045)	(301,045)
Share issue transaction cost	(58,653)	-	(58,653)
Balance at 31 December 2011	1,504,795	(444,958)	1,059,837

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2011

	31.12.2011	30.06.2011
	\$	\$
Cash from operating activities:		
Payments to suppliers and employees	(461,667)	(107,384)
Interest received	10,415	-
Net cash used in operating activities	(451,252)	(107,384)
Cash flows from investing activities:		
Payment for acquisition of property, plant and equipment	(4,909)	(44,291)
Net cash used in investing activities	(4,909)	(44,291)
Cash flows from financing activities:		
Proceeds from issuance of shares	1,150,947	490,399
Net cash provided by financing activities	1,150,947	490,399
Net increase (decreases) in cash held	694,786	338,724
Cash and cash equivalents at the beginning	338,724	-
Cash and cash equivalents at the end	1,033,510	338,724

Notes to the Financial Statements

For the half-year ended 31 December 2011

NOTE 1: Basis of Preparation

This general purpose financial statement for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Iqnovate Ltd. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2011 and any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Comparative figures

This is the first half yearly report prepared by the company in compliance to its reportorial requirements. As such, the financial period reported in this financial statement covers the six (6) months period from 1 July 2011 to 31 December 2011. The comparative figures for this financial statement and related notes are for the period from 8 March 2011 to 30 June 2011. The results for the financial period are therefore not directly comparable with the results for the period ended 30 June 2011.

NOTE 2: Profit for the Period

	31.12.2011	30.06.2011
	\$	\$
Operating activities		
- interest received	10,415	1,338
Total Revenue	10,415	1,338

NOTE 3: Dividends

No dividends were paid or declared since the start of the half-year. No recommendation for payment of dividends has been made.

NOTE 4: Operating Segments

The company operates in one segment in Australia being to provide global contract scientific services to the Biopharmaceutical Industry.

NOTE 5: Contingent Liabilities

The directors are not aware of any contingent liabilities or contingent assets as at half-year ended 31 December 2011.

NOTE 6: Events After the End of the Interim Period

The directors are not aware of any events since the half year ended that will impact the financial report either materially or by nature.

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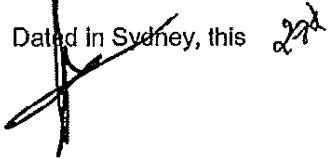
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes for the half year ended 31 December 2011, as set out on pages 4 to 9, are in accordance with the *Corporations Act 2001* including that:
 - (a) the financial statement complies with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) the financial statement gives a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

GEORGE SYRMALIS
DIRECTOR

Dated in Sydney, this  day of February 2012

29 February 2012

Independent Auditor's Review Report

To the members of Iqnovate Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Iqnovate Ltd, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Iqnovate Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Iqnovate Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Iqnovate Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Fortunity Assurance

A handwritten signature in black ink, appearing to read 'T R Davidson', is written over the printed name.

T R Davidson

29 February 2012