VENTUREAXESS GROUP LIMITED

A.B.N. 42 087 426 953

AND CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2011

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by VentureAxess Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

VENTUREAXESS GROUP LIMITED

AND CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE HALF-YEAR ENDED

31 DECEMBER 2011

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Richard Green - Independent Non-Executive Chairman
David Hickie – Independent Non-Executive Director (Appointed 22 October 2009)
Simon Van Assche – Independent Non-Executive Director (Appointed 22 October 2009)
Charles Wantrup – Independent Non-Executive Director (Appointed 17 November 2009

Company Secretary

David Hickie

Registered Office & Principal Place of Business

Level 7
160 Queen Street
Melbourne Vic 3000

Telephone: (03) 9670 2122
Facsimile: (03) 9923 6303

E-mail: info@ventureaxess.com

Share Registry

Share Transfers Registrars Pty Ltd
770 Canning Hwy
Perth WA 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Email www.register@securitytransfer.com

Auditors

C W Sincock & Co
Level 4
112 Wellington Parade
East Melbourne VIC 3000

Stock Exchange Listing

VentureAxess Group Limited shares and options are quoted on the National Stock Exchange and coded as "VAX" and "VAXO" respectively.

Web Site

www.ventureaxess.com

Directors' Report

The Board of Directors of VentureAxess Group Limited ("the Company") present their report of the financial half-year ended 31 December 2011.

DIRECTORS
The names and details of the directors of VentureAxess Group Limited in office at the date of this report are:

Richard Green
Independent Non-Executive Director

Richard has been actively involved over a number of years in conducting numerous capital raisings, company floats and restructures in Australia and the United Kingdom. This includes transforming the Pharmacy College of Victoria from a very small lab based consultancy into a company that now has a market capitalisation of over $80 million. He has also been an active investor, director and chairman of several corporations. He is currently the Chairman of Queensland Trustees and Investment Limited and Managing Director of Authorised Investment Fund Limited, both of which are ASX listed companies.

Appointed to the Board on 21 April 2008.

Charles Wantrup
Independent Non-Executive Director

Mr Charles Wantrup has been practicing exclusively as a commercial solicitor for over 30 years. He has extensive experience in funding and financing, taxation law and practice, intellectual property law, industrial relations, international trade and investment and in corporation's law, capital raising and mergers and acquisitions. A key aspect of his approach to providing services is his concentration on structuring business enterprises. This involves an understanding of corporations and other business structures, both in Australia and overseas, at a legal and accounting level. He has pioneering experience in the establishment and structuring of high technology companies, mining joint ventures and venture capital funds.

Appointed to the Board on 17 November 2009.

Directors' Report

David M Hickie
Independent Non Executive Director

David Hickie has over 40 years experience in banking, finance and funds management. His experience extends across the banking, building society, friendly society and credit union movement from 1969 to 1983 before entering funds management. Whilst at Global Funds Management, David managed the Global Monthly Income Fund, it was awarded the Mortgage Fund of the year 1994 and 1995 and runner-up in 1993 by Money Management Magazine. David was responsible for the establishment of the YWCA Ethical Fund, the first Ethical Fund in Australia and the management of the Fixed Interest and Mortgage part of the portfolio. David also set up and managed the Undervalued Property Fund of Australia for the Indigenous Inuits of Canada.

David worked for the Queensland and Federal Governments in assisting the setting up of the Cape Bank Limited to provide banking services to the remote areas of Cape York for Indigenous people, David also helped introduce the Family Income Management Program to the women of Cape York causing budgeting systems to be introduced and a savings mentality to be generated and ultimately an increase in the wealth in the community. He was instrumental in negotiating a settlement between Rio Tinto, the largest listed mining company in Australia and the 17,000 indigenous people of Cape York that were affected by the companies mining operation.

David has had extensive experience in the management of various listed and unlisted trusts, including Mortgage and Property Trusts, Mortgage Securitisation, Equity Funds, Healthcare/Hospital Funds and Master Superannuation Funds particularly through his previous directorships and his time at Oceanic and Global Funds Management Australia Limited.

Appointed to the Board on 22 October 2009

Simon Van Assche
Independent Non Executive Director

Simon has degrees in Law/Commerce at the University of Melbourne. He was admitted as a Barrister and Solicitor of the Supreme Court of Victoria in 1979.

Simon has been involved in a senior capacity in the investment banking industry for over twenty five years both in Australia and for periods in London, New York and Tokyo.

These positions involved opening the London office of DBSM (now UBS), Head of Capital Markets London and New York (BZW), Director International Capital Markets Daiwa (Tokyo), and Director Structured Finance Merrill Lynch.

During this period Simon developed expertise over the entire asset class spectrum including debt, equity, property, including structured debt and equity capital markets, structured finance, securitisation, infrastructure, equity raisings and property funds management.

Simon was also founding director of York Capital Limited and Lamont Capital Limited. These companies are specialist property investment banking conduits. They are the structured financial and legal project manager in large property transactions. They both coordinate and act in a lead role with experts in public property acquisitions. Simon has successfully completed over $650 million of listed and unlisted property management investment schemes over the past ten years.

Appointed to the Board on 22 October 2009

Directors' Report

All Directors shown were in office for the entire half year and up to the date of this report, unless otherwise stated.

On behalf of the Board of VentureAxess Group Limited, I am pleased to report on the activities of the Company over the last 6 months.

Principal Activities

VentureAxess Group Limited ("VAG") is an Australian company which provides Funds Management and Corporate Advisory Services. VAG is listed on the National Stock Exchange of Australia (NSXA - see www.nsxa.com.au – stock code: VAX).

Review of Operations

For the six month period ended 31 December 2011 the Company made a loss of ($102,716).

The company made a placement to assist and the relisting of company and the acquisition of an agriculture business. Following substantial due diligence, the significant failure of a similar business during the due diligence period and the value of the business the board of directors declined to proceed with the proposed acquisition.

The directors agreed to assist in the listing of the business on a standalone basis on the NSX subject to a suitable agreed valuation and suitable bank finance. The directors are currently awaiting the bank approval of finance, the bank valuation and return of documents to establish the suitable structure. The directors intended under valuation to vend in the aquaculture technology controlled by Medical Science.

The company with the assistance of Credit Elect directors at part cost to VAG re established the web based technology previously owned by Web Nd (in liquidation) a company that Medical Science had invested in and since written off due to its failure . The technology will be called BIG Communities and will be utilised by Credit Elect under licence. The technology was converted to open source prior to Web Nd being put into liquidation and was made available to Credit Elect on behalf of VAG by previous directors of WebNd. The technology will be valued at a later date.

The company has been prepared for re listing on the NSX.

Likely developments and expected results of operations and Subsequent Events

To date, the Venture Axess Group Limited (VAX) has been a dedicated to delivering advice and investment to emerging business in Australia. Services range from corporate advisory and capital raising to IPO support, direct investment and funds management.

It is anticipated that VAX will extend its range of financial services to provide a full suite of services and products to individuals, families and communities. Particular emphasis will be placed on ethical business practices and socially responsible projects where appropriate. This includes the extension of VAX's traditional corporate advisory and venture capital funding and the roll-out or sale of relevant existing VAX investments.

The company is in the process of offering a private placement to enable funds to be raised to invest in Credit Elect so that Credit Elect can complete its delivery of its card system and the web site so that the business can be scaled up.

Funding has been arranged to enable investments to be made in Credit Elect with re quoting of the company and move to a rights issue to raise funds from existing shareholders by allowing each shareholder to top up their unmarketable shareholding to shares of a value of $500 each with over subscriptions .

Directors' Report

Auditors' independence

Section 307C of the Corporations Act 2001 requires the Company's auditors, CWS Sincock and Co to provide the directors with a written Independence Declaration in relation to their review of the financial report for the period ended 31 December 2011. The written Auditor's Independence Declaration is attached to the Directors' Report and forms part of this Directors' Report.

Rounding

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest dollar.

Richard Green

Chairman

Sydney, 22 February 2012

4th December 2011

The Board of Directors
Ventureaxess Group Limited
Level 7
160 Queen Street
MELBOURNE VIC 3000

Dear Board Members,

Ventureaxess Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Venutreaxess Group Limited. As the audit partner responsible for the review of the financial statements of Ventureaxess Group Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the audit independence requirements of the *Corporations Act 2001* in relation to the review: and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

CWS Sincock & Co
Chartered Accountants

RJ Sincock
Partner

Partner Liability by a scheme approved under Professional Standards Legislation

Consolidated Income Statement

For the half-year ended 31 December 2011	Notes	DECEMBER 2011 $	DECEMBER 2010 $
Continuing operations			
Revenues from continuing operations			
Expenses from continuing operations		(102,716)	(30,507)
Profit (loss) before income tax		(102,716)	(30,507)
Income tax expense			
Profit (loss) from continuing operations		(102,716)	(30,507)
(Profit)/loss attributable to minority equity interest			
Profit/(loss) attributable to members of VentureAxess Group Limited		(102,716)	(30,507)
Profit/(loss) per share attributable to the ordinary equity holders of the Company			
Basic profit/(loss) per share (cents per share)		(0.0003)	0.0009
Diluted profit/(loss) per share (cents per share)		(0.0003)	0.0009
Net assets per share		0.00657	0.00461
Net tangible assets per share		0.00657	0.00461

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2011	Notes	31 DECEMBER 2011 $	31 DECEMBER 2010 $
ASSETS			
Current assets			
Cash and cash equivalents		15,131	1,078
Trade and other receivables		25,000	51,717
Total current assets		40,131	52,795
Non-current assets			
Shares and Loans			1,514,950
Investments	9	3,040,800	918,396
Patents			680,816
Property, plant and equipment			866
Total non-current assets		3,040,800	3,115,028
Total assets		3,080,931	3,167,823
LIABILITIES			
Current liabilities			
Trade and other payables		165,778	25,423
Total current liabilities		165,778	25,423
Non-current liabilities			
Bank Loan		265,370	265,370
Loan Notes		190,000	190,000
Loans from related parties		67,950	1,104,980
Total non-current liabilities		523,320	1,560,350
Total liabilities		689,098	1,585,773
Net assets (liabilities)		2,391,833	1,582,050
EQUITY			
Contributed equity	6	8,177,362	7,829,807
Convertible Notes			-
Asset Revaluation Reserve		1,441,588	
Accumulated losses		(7,227,117)	(8,042,960)
Minority interest			1,795,203
Total equity		2,391,833	1,582,050

The above consolidated balance statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Issued Capital Ordinary $	Retained Earnings (losses) $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2011	8,057,502	(7,124,401)		933,101
Share issues in the period net of costs	119,860			119,860
Asset Revaluation Reserve			1,441,588	1,441,588
Profit attributable to members of parent entity		(102,716)		(102,716)
Profit attributable to minority shareholder				
At 31 December 2011	8,177,362	(7,227,117)	1,441,588	2,391,833

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2011	Notes	DECEMBER 2011 $	DECEMBER 2010 $
Cash flows from operating activities			
Cash receipts from customers (inclusive of goods and services tax)			
Payment to suppliers and employees (inclusive of goods and services tax)		(79,900)	(135,154)
Interest received and other receivables			
Net cash (outflow) from operating activities		(79,900)	(135,154)
Cash flows from investing activities			
Proceeds from sale of/(payment for) property, plant and equipment		(25,000)	
Payment for mining and exploration costs			
Net cash (outflow) from investing activities		(25,000)	
Cash flows from financing activities			
Net advances/(receipts) with related parties including Loan Note for acquisition			
Net cash received on acquisitions			
Loan Notes issued			100,000
Bank Loan repayments			
Share issue and transaction costs		119,860	
Net cash inflow (outflow) from financing activities		14,960	100,000
Net increase (decrease) in cash and cash equivalents		14960	(35,154)
Cash and cash equivalents at the beginning of the year		171	36,232
Cash and cash equivalents at the end of the half-year		15,131	1,078

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of significant accounting policies

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

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2011 and any public announcements made by VentureAxess Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of preparation of half-year financial report

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention
These financial statements have been prepared on an accruals basis and is based on historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of VentureAxess Group Limited ("company" or "parent entity") as at 31 December 2011 and the results of all subsidiaries for the half-year then ended, or in the case of Medical Science Australia Limited which was acquired with effect from 1st December 2008, the results from that date. VentureAxess Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

(ii) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

(iii) Joint Ventures

Joint venture operations

The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated in the financial statements under the appropriate headings.

Joint venture entities

The interest in a joint venture partnership is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is VentureAxess Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(h) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(l) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(m) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Property, plant and equipment

Land and buildings (except for investment properties - refer to note 1(s)) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or re-valued amount, net of their residual values, over their estimated useful lives.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When re-valued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(p) Intangible assets

Expenditure on research activities, undertaken with the prospect of obtaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(s) Employee benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments
Where share-based compensation benefits are provided to employees via an employee option plan and an employee share scheme the fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(u) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the half-year, adjusted for bonus elements in ordinary shares issued during the half-year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Financial instrument transaction costs

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The Group has applied previous Australian GAAP (AGAAP) in the comparative information on financial instruments within the scope of AASB 132 and AASB 139. Under previous AGAAP transaction costs were excluded from the amounts disclosed in the financial statements. Under AIFRS such costs are included in the carrying amounts. At the date of transition to AASB 132 and AASB 139 the adjustment to carrying amounts for the Group was immaterial.

(w) Rounding of amounts

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest dollar.

Notes to the Financial Statements

	Note	DECEMBER 2011 $	DECEMBER 2010 $
2. Revenues for the half- year			
Revenues from operations:			
Sales – fund management & corporate services			
Sales – software services			
Interest received – unrelated parties			
Total revenue from activities		-	

3. Dividend paid or provided for on ordinary shares

No dividends have been paid as at 31 December 2011.

4. Contingent assets and liabilities

(a) Contingent liabilities

The parent entity and Group are not aware of any contingent liabilities that need to be disclosed as at 31 December 2011.

(b) Contingent assets

The parent entity and Group are not aware of any contingent assets that need to be disclosed as at 31 December 2011.

5. Events occuring after the balance sheet date

There were no significant events that occurred after the balance sheet date.

6. Equity securities issued

	Half-year		**Half-year**	
	2011 Shares	**2010 Shares**	**2010 $**	**2009 $**
Issues of ordinary shares during the half-year				
(a) Ordinary shares fully paid	**363,732,433**	**337,732,433**		
(b) Movement in shares on issue				
On issue at the beginning of the half-year	**337,732,433**	**118,043,018**		
Shares issued for past acquisitions				
Placement of shares at 0.00463 cents each	**26,000,000**			
Conversion of Converting Loan		**219,689,415**		
On issue at the end of the half-year	**363,732,433**	**337,732,433**		

7. Share-based payment for Directors

No shares were issued to Directors for their services as Directors during the half year.

8. Investment in wholly owned subsidiary – Medical Science Australia Limited

Notes to the Financial Statements

9. Investments

Investments, at fair value

Shares in other corporations carried at fair value in accordance with accounting policy 1(m).

Investment		% Owned	Value
1) XempleX P/L		17.53	$260,000
2) Aquaculture Research & Marking P/L		20.87	$531,413
3) Ceebron		12.00	$51,973
4) Heart Assist Technologies P/L		38.01	$3,040,800

Note The accounts only include the value of the Heart Assist Technologies investment where a formal valuation is held , the investments 1,2 and 3 are the companies cost but not included as a value.

Directors' Declaration

In accordance with a resolution of the directors of VentureAxess Group Limited, we state that:

1. The directors declare that the financial statements and notes set out on pages 7 to 19 in accordance with the Corporations Act 2001:

   (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that VentureAxess Group Limited will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Richard Green
Chairman

Melbourne 22 February 2012

Independent Auditor's Review Report
To the Members of Ventureaxess Group Limited

We have reviewed the accompanying half-year financial report of Ventureaxess Group Limited which comprises the balance sheet as at 31 December 2011, and the income statement, cash flow statement, statement of change in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 1 to 10.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001.* This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review on accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying the Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations-2001. As the auditor of Venutreaxess Group Limited, ASRE2410 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.

Auditors' Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

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Basis of Qualified Review Opinion

Comparative figures

We draw attention to the fact that the review of the consolidated entity for the year ended 30 June 2010 was completed by another firm and accordingly we have been unable to verify the opening balances which comprise the starting point for the results and the state of affairs of the group as at 31 December, 2010.

Uncertainty Regarding Valuation of Investments

The financial statements include, as a non-current asset, the company's equity participation in a medical related technology. The directors have valued this investment at $3,040,800. The directors' assessment is supported by a written valuation which substantially exceeds the carrying value included in the financial statements however, given the volatile nature of the capital markets, any such valuation can only be regarded as speculative. We have been unable to determine a basis upon which to assess the realisable value of this investment and accordingly we draw attention to the subjectivity of this valuation.

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 Ventureaxess Group Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving the true and fair view of the consolidated entity'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 the Corporations Regulations 2001.

CWS Sincock & Co

CWS Sincock & Co
Chartered Accountants

RJ Sincock
Partner

Melbourne 22 February, 2012