

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 31, 2005

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-50612

INNOCAP, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

01-0721929

(IRS Employer
Identification Number)

5675B Baldwin Court
Norcross, GA 30071

(Address of principal executive offices)

770-378-4180

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

At January 31, 2006 the number of shares of the registrant's common stock outstanding was 68,000,000.

INNOCAP, INC.

INDEX

PART I		
ITEM 1	FINANCIAL STATEMENTS	4
ITEM 2	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	11
ITEM 3	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	13
ITEM 4	CONTROLS AND PROCEDURES	14
PART II		
ITEM 1	LEGAL PROCEEDINGS	14
ITEM 2	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	14
ITEM 3	DEFAULTS UPON SENIOR SECURITIES	14
ITEM 4	SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	14
ITEM 5	OTHER INFORMATION	14
ITEM 6	EXHIBITS	14

PART I

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act"). These statements are based on management's beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning possible or assumed future results of operations of the Company set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements also include statements in which words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "consider" or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The Company's future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

**ITEM 1
FINANCIAL STATEMENTS**

**INNOCAP, INC
(A development stage company)**

Balance Sheets

	October 31, 2005	January 31, 2005
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accrued expenses	\$ 51,500	\$ 40,000
STOCKHOLDERS' DEFICIT		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none outstanding at either date		
Common stock, \$0.001 par value; 190,000,000 shares authorized; 68,000,000 shares issued and outstanding in both periods	68,000	68,000
Additional paid-in capital	1,600	1,600
Deficit accumulated during development stage	(121,100)	(109,600)
Stockholders' Deficit	(51,500)	(40,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ -	\$ -

See notes to financial statements.

INNOCAP, INC.
(A development stage company)

Statements of Operations

Three Months Ended October 31, 2005 and 2004
(Unaudited)

	2005	2004
Revenue	\$ -	\$ -
General and administrative	5,000	10,100
Net loss	\$ (5,000)	\$ (10,100)
Basic and diluted loss per share	\$ *	\$ *
Weighted average number of common shares outstanding	68,000,000	65,260,870

*Less than \$(.01)

See notes to financial statements.

INNOCAP, INC.
(A development stage company)

Statements of Operations
(Unaudited)

	Nine Months Ended October 31, 2005	Nine Months Ended October 31, 2004	Period From January 23, 2004 (Inception) to October 31, 2005
Revenue	\$ -	\$ -	\$ -
General and administrative	11,500	26,600	121,100
Net loss	<u>\$ (11,500)</u>	<u>\$ (26,600)</u>	<u>\$ (121,100)</u>
Basic and diluted loss per share	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Weighted average number of common shares outstanding	<u>68,000,000</u>	<u>51,081,272</u>	<u>62,305,556</u>

*Less than \$(.01)

See notes to financial statements.

INNOCAP, INC
(a development stage company)
Statement of Stockholders' Deficit

	Common stock		Additional Paid-in Capital	Deficit Accumulated During Development Stage	Total
	Shares	Amount			
Inception	-	\$ -	-	-	-
Common stock issued for services at \$0.001 per share, January 23, 2004	50,000,000	50,000	-	-	50,000
Net loss for the period	-	-	-	(50,000)	(50,000)
Balance, January 31, 2004	50,000,000	50,000	-	(50,000)	-
Issuance of stock options	-	-	1,600	-	1,600
Exercise of stock options	18,000,000	18,000	-	-	18,000
Net loss for the year	-	-	-	(59,600)	(59,600)
Balance, January 31, 2005	68,000,000	68,000	1,600	(109,600)	(40,000)
Net loss for the period	-	-	-	(11,500)	(11,500)
Balance, October 31, 2005	<u>68,000,000</u>	<u>\$ 68,000</u>	<u>\$ 1,600</u>	<u>\$ (121,100)</u>	<u>\$ (51,500)</u>

See notes to financial statements.

INNOCAP, INC.
(A development stage company)

Statements of Cash Flows

(Unaudited)

	Nine Months Ended October 31, 2005	Nine Months Ended October 31, 2004	Period From January 23, 2004 (Inception) to October 31, 2005
OPERATING ACTIVITIES:			
Net loss	\$ (11,500)	\$ (26,600)	\$ (121,100)
Stock-based compensation	-	1,600	51,600
Net change in accrued liabilities	11,500	25,000	51,500
Net Cash Used by Operating Activities	<u>-</u>	<u>-</u>	<u>(18,000)</u>
FINANCING ACTIVITIES:			
Proceeds from exercise of stock options	<u>-</u>	<u>-</u>	<u>18,000</u>
INCREASE IN CASH	-	-	-
CASH BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW ACTIVITIES:			
Cash Paid For:			
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

INNOCAP, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1--BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and nine-month period ended October 31, 2005 are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2006. For further information, refer to the financial statements and footnotes thereto included in the Company's Form 10-K for the fiscal year ended January 31, 2005.

NOTE 2 -- ORGANIZATION

Innocap, Inc. (the "Company") was incorporated under the laws of the State of Nevada on January 23, 2004. In June 2004, it filed a notice with the Securities and Exchange Commission of its intent to elect in good faith, within 90 days from the date of such filing, to be regulated as a Business Development Company under the Investment Company Act of 1940 and be subject to Sections 54 through 65 of said Act. In February 2006, the Company decided to take the steps necessary to cease being a BDC and become a consulting firm. The 1940 Act provides that the Company may not change the nature of its business so as to cease to be, or to withdraw its election as, a business development company unless approved by a majority of its outstanding voting securities.

NOTE 3 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Year-end

The Company has elected a fiscal year ending on January 31.

b. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

c. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Basic Loss Per Common Share

Basic loss per common share has been calculated based on the weighted average number of shares outstanding during the period after giving retroactive effect to stock splits.

e. Impact Of New Accounting Standards

In June 2003, the Securities and Exchange Commission ("SEC") adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Commencing with the Company's Annual Report for the year ended January 31, 2007, the Company is required to include a report of management on the Company's internal control over financial reporting. The internal control report must include a statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting for the Company; of management's assessment of the effectiveness of the Company's internal control over financial reporting as of year end; of the framework used by management to evaluate the effectiveness of the Company's internal control over financial reporting; and that the Company's independent accounting firm has issued an attestation report on management's assessment of the Company's internal control over financial reporting, which report is also required to be filed as part of the Annual Report on Form 10-K.

In December 2005 the SEC's advisory committee on small business recommended that the SEC allow most companies with market values of less than \$700 million to avoid having their internal controls certified by auditors. The advisory committee recommended that most companies with market capitalizations under \$100 million be exempted totally. It further recommended that companies with market capitalizations of \$100 million to \$700 million not face audits of internal controls. Some companies with large revenues but low market values would still be required to comply with the act. There can be no assurances that these proposals or similar proposals will be adopted.

The Financial Accounting Standards Board has issued FASB Statement No. 154, "Accounting Changes and Error Corrections", which changes the requirements for the accounting for and reporting accounting changes and error corrections for both annual and interim financial statements, effective for 2006 financial statements. The Company has not determined the effect, if any, will be on Company's financial statements.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At October 31, 2005, the Company had no working capital and no revenues. These factors, among others, indicate that the Company's continuation as a going concern is dependent upon its ability to achieve profitable operations or obtain adequate financing. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company will engage in very limited activities without incurring any liabilities that must be satisfied in cash until a source of cash or financing is secured and will offer noncash consideration wherever possible. The Company is actively seeking consulting engagements. It has obtained its first such engagement as a subcontractor to another consulting firm to assist an unrelated client in Florida. It is not possible at this time to estimate the amount of fees to be realized from this engagement.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Certain matters discussed in this interim report on Form 10-Q are forward-looking statements. Such forward-looking statements contained in this annual report involve risks and uncertainties, including statements as to:

- our future operating results,
- our business prospects,
- our contractual arrangements and relationships with third parties,

- the dependence of our future success on the general economy and its impact on the industries in which we may be involved,
- the adequacy of our cash resources and working capital, and
- other factors identified in our filings with the SEC, press releases and other public communications.

These forward-looking statements can generally be identified as such because the context of the statement will include words such as we “believe,” “anticipate,” “expect,” “estimate” or words of similar meaning. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which are described in close proximity to such statements and which could cause actual results to differ materially from those anticipated as of the date of this Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this report and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Operations

To date, our efforts have been limited primarily to organizational activities and preparation of documents to be filed with the Securities and Exchange Commission and in our efforts to becoming a business development company. In June 2004, we filed a notice with the Securities and Exchange Commission of its intent to elect in good faith, within 90 days from the date of such filing, to be regulated as a Business Development Company under the Investment Company Act of 1940 and be subject to Sections 54 through 65 of said Act. In February 2006, we decided to take the steps necessary to cease being a BDC and becoming a consulting firm. The 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a business development company unless approved by a majority of its outstanding voting securities. We have no resources and have realized no revenues to date.

Liquidity

We will engage in very limited activities without incurring any liabilities that must be satisfied in cash until a source of cash or financing is secured and will offer noncash consideration wherever possible. We are actively seeking consulting engagements and have obtained our first such engagement as a subcontractor to another consulting firm to assist an unrelated client in Florida. It is not possible at this time to estimate the amount of fees to be realized from this engagement.

Recent Accounting Pronouncements

In June 2003, the Securities and Exchange Commission adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002. Commencing with our annual report for the year ended January 31, 2007, we will be required to include a report of management on our internal control over financial reporting. The internal control report must include a statement

- of management's responsibility for establishing and maintaining adequate internal control over our financial reporting;
- of management's assessment of the effectiveness of our internal control over financial reporting as of year end;
- of the framework used by management to evaluate the effectiveness of our internal control over financial reporting; and
- that our independent accounting firm has issued an attestation report on management's assessment of our internal control over financial reporting, which report is also required to be filed.

In December 2005 the SEC's advisory committee on small business recommended that the SEC allow most companies with market values of less than \$700 million to avoid having their internal controls certified by auditors. The advisory committee recommended that most companies with market capitalizations under \$100 million be exempted totally. It further recommended that companies with market capitalizations of \$100 million to \$700 million not face audits of internal controls. Some companies with large revenues but low market values would still be required to comply with the act. There can be no assurances that these proposals or similar proposals will be adopted.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Since we have no assets and do not have any investments in eligible portfolio companies, there is no quantitative information, as of the end of October 31, 2005, about market risk that has any impact on our present business. Once we begin making investments in eligible portfolio companies we anticipate there will be market risk sensitive instruments and we will disclose the applicable market risk information at that time.

ITEM 4

CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was carried out by the Company under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures have been designed and are being operated in a manner that provides reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. A system of controls, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. There have been no changes in the Company's internal controls over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II

Item 1 Legal Proceedings

None

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

There have been no events that are required to be reported under this Item.

Item 3 Defaults Upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Securityholders

None

Item 5 Other Information

None

Item 6 Exhibits

Exhibit Number	Description
31.1	Section 302 Certification of Chief Executive Officer and Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Innocap, Inc.
(Registrant)

/s/ B. Alva Schoomer

By: B. Alva Schoomer
President
Date: March 1, 2006

Section 302 Certification of Chief Executive Officer and Chief Financial Officer

I, B. Alva Schoomer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Innocap, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
- b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ B. Alva Schoomer

By: B. Alva Schoomer
Chief Executive Officer and Chief Financial Officer
Date: March 1, 2006

**CERTIFICATIONS PURSUANT TO U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Innocap, Inc. (the "Company") on Form 10-Q for the period ended October 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, B. Alva Schoomer, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with requirements of the section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ B. Alva Schoomer

By: B. Alva Schoomer
Chief Executive Officer and Chief Financial Officer
Date: March 1, 2006