

ENTHEOS TECHNOLOGIES INC
Form 10QSB
November 14, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended September 30, 2005

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

For the transition period from _____ to _____

ENTHEOS TECHNOLOGIES, INC.

AND SUBSIDIARIES

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-30156

(Commission File Number)

98-0170247

(I.R.S Employer Identification No.)

1628 West 1st Avenue, Suite 216, Vancouver, British Columbia, V6J 1G1

(Address of principal executive offices)

(604) 659-5005

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required by Section 13 or 15 (d) of the Securities 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

State the number of shares outstanding of each of the Issuer's classes of common equity as of the latest practicable date. As of November 7, 2005, there were 96,625,122 shares of the Issuer's Common Stock, \$0.00001 par value per share outstanding.

Transitional Small Business Disclosure Format (Check One): Yes [] No

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ITEM 1. Financial Statements

In the opinion of management, the accompanying unaudited consolidated financial statements included in this Form 10-QSB reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods are presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

ENTHEOS TECHNOLOGIES, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEETS

September 30, 2005 and December 31, 2004

(Unaudited)

(Expressed in US Dollars)

(Basis of Presentation - Going Concern Uncertainties - Note 1)

September 30, 2005

December 31, 2004

ASSETS**Current assets**

Cash	\$96,590	\$128,286
Total current assets	96,590	128,286

Property and equipment, net (Note 4)	3,541	14,170
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Marketable equity securities - related party (Note 5)	1,801,875	318,331
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Total assets	\$1,902,006	\$460,787
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LIABILITIES**Current**

Accounts payable and accrued liabilities	\$5,049	\$4,048
Accounts payable - related parties (Note 5)	23,812	27,612

Total liabilities	28,861	31,660
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STOCKHOLDERS' DEFICIENCY**Stockholders' Equity**

Preferred stock:\$0.0001 par value:
Authorized: 10,000,000 shares

Issued and outstanding: nil	-	-
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Common stock: \$0.00001 par value;
Authorized: 200,000,000 shares

Issued and outstanding: 96,625,122	966	966
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Additional paid-in capital	3,838,116	3,838,116
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Accumulated deficit	(3,719,762)	(3,680,236)
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Accumulated other comprehensive income	1,753,825	270,281
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Total stockholders' equity	1,873,145	429,127
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Total liabilities and stockholders' equity	\$1,902,006	\$460,787
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(The accompanying notes are an integral part of these interim unaudited consolidated financial statements)

ENTHEOS TECHNOLOGIES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
for the three and nine months ended September 30, 2005 and 2004

(Unaudited)

(Expressed in US Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Revenue	\$-	\$ -	\$-	\$ -
Expenses				
Management fees - related party (Note 5)	\$ 6,000	\$18,500	\$ 6,000	\$ 18,500
Salaries and wages	-	-	-	9,616
Depreciation	3,544	2,275	10,629	57,130
Other Operating Expenses	11,487	24,240	24,851	93,824
	21,031	45,015	41,480	179,070
Operating Loss	(21,031)	(45,015)	(41,480)	(179,070)
Other income				
Interest income	731	343	1,954	1,095
	731	343	1,954	1,095
Net loss available to common	(20,300)	(44,672)	(39,526)	(177,975)

shareholders**Loss per common share - basic
and diluted**

(Note 3)	\$ (0.0002)	\$ (0.0005)	\$ (0.0004)	\$ (0.0018)
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**Weighted average number of
common shares**

outstanding - basic and diluted	96,625,122	96,625,122	96,625,122	96,625,122
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(The accompanying notes are an integral part of these interim unaudited consolidated financial statements)

ENTHEOS TECHNOLOGIES, INC. AND SUBSIDIARIES
**INTERIM CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
for the nine months ended September 30, 2005 and year ended December 30, 2004**

(Unaudited)

(Expressed in US Dollars)

	<u>Common Stock</u>		Additional	Accumulated	Comprehensive	Accumulated	Total
	Shares	Amount	paid-in	earnings	income (loss)	other	Stockholder's
			capital	(deficit)		income	Equity
Balance, December 31,	96,625,122	\$966	\$3,838,116	\$ (3,505,184)	\$-	\$144,118	\$478,016

2003

Components of
comprehensive
income (loss)- Unrealized
gains onmarketable
equity securities

-	-	-	-	126,163	126,163	126,163
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Net loss

-	-	-	(175,052)	(175,052)	-	(175,052)
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Total
comprehensive
(loss)Balance,
December 31,
2004

96,625,122	\$ 966	\$3,838,116	\$ (3,680,236)	\$ (48,889)	\$ 270,281	\$429,127
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Components of
comprehensive
income- Unrealized
gains onmarketable
equity securities

-	-	-	-	1,483,544	1,483,544	1,483,544
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Net loss

-	-	-	(39,526)	(39,526)	-	(39,526)
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Total
comprehensive
incomeBalance,
September 30,
2005

96,625,122	\$966	\$3,838,116	\$ (3,719,762)	\$1,444,018	\$1,753,825	\$1,873,145
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(The accompanying notes are an integral part of these interim unaudited consolidated financial statements)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the nine months ended September 30, 2005 and 2004
(Unaudited)
(Expressed in US Dollars)

	Nine months ended September 30,	
	2005	2004
Cash flows from (used in) operating activities		
Net loss	\$(39,526)	\$(177,975)
Adjustments for items not involving cash:		
Depreciation	10,629	57,129
Change in non-cash working capital item:		
Decrease in accounts payable	(2,799)	(4,429)
Net cash flows used in operating activities	(31,696)	(125,275)
Cash flows used in investing activities		
Purchase of property and equipment	-	(28,341)
Net cash flows used in investing activities	-	(28,341)
Cash flows from financing activities		
Net cash flows from financing activities	-	-
Decrease in cash	(31,696)	(153,616)
Cash, beginning of period	128,286	292,191
Cash, end of period	\$96,590	\$138,575
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$-	\$-
Income tax paid in cash	\$-	\$-

(The accompanying notes are an integral part of these interim unaudited consolidated financial statements)

ENTHEOS TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

(Unaudited)

(Expressed in US Dollars)

Note 1 - Basis of Presentation Going Concern Uncertainties

The Company has incurred net operating losses since inception. The Company faces all the risks common to companies in their early stages of development, including under capitalization and uncertainty of funding sources, high initial expenditure levels, uncertain revenue streams, and difficulties in managing growth. The Company's recurring losses raise substantial doubt about its ability to continue as a going concern. The Company's consolidated financial statements do not reflect any adjustments that may result from the outcome of this uncertainty. The Company expects to incur losses from its business operations and will require additional funding during 2005. The satisfaction of our cash hereafter will depend in large part on the Company's ability to successfully raise capital from external sources to pay for planned expenditures and to fund operations.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Note 2 Presentation of Inter