

ENDO NETWORKS INC  
Form 10QSB  
June 21, 2005

**U.S. SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-QSB**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2005

OR

**TRANSITION REPORT UNDER SECTION 13 OF 15(D) OF THE EXCHANGE ACT OF 1934**

From the transition period from \_\_\_\_\_ to \_\_\_\_\_.

*Commission File Number 333-42640*

**ENDO NETWORKS, INC.**

(Exact name of small business issuer as specified in its charter)

Nevada

75-2882833

(State or other jurisdiction of

(IRS Employer

incorporation or organization)

Identification No.)

**2624 Dunwin Drive, Unit #3, Mississauga, Ontario, Canada L5L 3T5**

(Address of principal executive offices)

(905) 820-8800

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(Issuer's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last  
report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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:**

As of June 1, 2005, there were 12,665,366 shares of common stock of the issuer outstanding.

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**PART I - FINANCIAL INFORMATION**

ITEM I. FINANCIAL STATEMENTS

ENDO NETWORKS, INC.

BALANCE SHEET

March 31, 2005

(Unaudited)

ASSETS

Cash	112	
Accounts receivable, net of allowance of \$22,307	124,504	
Prepaid expenses		<u>68,823</u>
Total current assets		193,519
Property, Plant & Equipment, net of accumulated depreciation of \$730,650		<u>472,168</u>

TOTAL ASSETS	\$
	<u>665,687</u>

LIABILITIES AND STOCKHOLDERS DEFICIT

Current liabilities:

Accounts payable	179,696
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Accrued expenses related party	191,443
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Accrued expenses other	<u>189,825</u>
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Total current liabilities	560,965
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Capitalized leases non current	<u>229,247</u>
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TOTAL LIABILITIES	\$
	<u>790,212</u>

STOCKHOLDERS DEFICIT:

Common stock, \$.001 par value, 50,000,000 shares authorized, 12,665,366 shares issued and outstanding	12,665
Additional paid in capital	299,105
Accumulated deficit	(580,625)
Other comprehensive income	<u>144,330</u>
Total Stockholders Deficit	<u>(124,525)</u>
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	\$
	<u>665,687</u>

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ENDO NETWORKS, INC.

STATEMENT OF OPERATIONS

Three and Six Months Ended March 31, 2005 and 2004

(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenue	\$ 290,146	\$ 145,311	\$ 437,227	\$ 202,055
Cost of sales	<u>59,976</u>	<u>77,215</u>	<u>95,107</u>	<u>172,952</u>
Gross profit	230,171	68,096	342,120	29,103
Operating expenses:				
Depreciation	48,056	4,912	104,902	16,736
Other general and administrative	<u>178,369</u>	<u>107,864</u>	<u>363,287</u>	<u>192,894</u>
	<u>226,425</u>	<u>112,776</u>	<u>468,189</u>	<u>209,630</u>



Net income (loss)	<u>\$ 3,746</u>	<u>\$ (44,680)</u>	<u>\$(126,069)</u>	<u>\$(180,527)</u>
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Net loss per share:

Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
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Weighted average shares outstanding:

Basic and diluted	<u>12,665,366</u>	<u>12,565,866</u>	<u>12,665,366</u>	<u>12,565,866</u>
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ENDO NETWORKS, INC.

STATEMENT OF CASH FLOWS

Six Months Ended March 31, 2005 and 2004

(Unaudited)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net loss	\$ (126,069)	\$ (180,527)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	104,902	16,736
Provision for bad debt	22,307	
Stock options issued		47,688
Changes in assets and liabilities:		
Accounts receivable	(1,490)	60,072

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Prepaid expenses	3,319	(1,080)
Accounts payable and accrued expenses	(6,652)	88,931
		-
Net cash provided by (used in) operating activities	<u>(3,683)</u>	<u>31,820</u>
Cash flows from investing activities:		
Capital expenditures	<u>(124,503)</u>	<u>(12,521)</u>
Net cash used in investing activities	(124,503)	(12,521)
Cash flows from financing activities:		
Proceeds from lease financing	<u>16,471</u>	<u>(34,949)</u>
Net cash provided by (used in) financing activities	16,471	(34,949)
Effect of foreign exchange rate change on cash	100,215	
Net decrease in cash	(11,500)	(15,650)

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Cash, beginning of period	<u>11,612</u>	<u>15,650</u>
Cash, end of period	\$ <u>112</u>	\$ -

Supplemental information:

Income taxes paid	\$ -	\$ -
Interest paid	\$ 7,174	\$ 4,982

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ENDO NETWORKS, INC.

Notes to the Financial Statements

March 31, 2005

NOTE 1: MANAGEMENT REPRESENTATION AND PRESENTATION

Operating results for the three months ended March 31, 2005 are not necessarily indicative of the results that may be expected for the year ending September 30, 2005. It is suggested that the financial statements be read in conjunction with the audited financial statements and notes for the fiscal year ended September 30, 2004 included in the Endo Networks' Current Report on Form 10-KSB filed on February 18, 2005.

The balance sheet of ENDO Networks as of March 31, 2005, the related statements of operations for the three and six months ended March 31, 2005 and 2004 and the statements of cash flows for the three and six months ended March 31, 2005 and 2004 included in the financial statements have been prepared by Endo Networks without audit. In the opinion of management, the accompanying financial statements include all adjustments (consisting of normal, recurring adjustments) necessary to summarize fairly the Endo Networks' financial position and results of operations. The results of operations for the three and six months ended March 31, 2005 are not necessarily indicative of the results of operations for the full year or any other interim period. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year ended September 30, 2004 to be reported in Form 10-KSB, have been omitted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OUR BUSINESS

ENDO Networks, Inc. (ENDO) is a company that uses technology and proven marketing tactics to engage consumers and compel specific behaviors in high traffic public locations such as events, retail and restaurant locations across North America, and online. ENDO also develops application software and client controlled media including television and radio.

RISKS AND UNCERTAINTIES

All of the following risks may impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment. Additional risks include: We may not be able to adequately protect and maintain our intellectual property. Our dependence on certain local third parties may impact our ability to control certain aspects

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of our operations. We may have difficulty competing with larger and better-financed companies in our sector. New legislative or regulatory requirements may adversely affect our business and operations. We are dependant on certain key existing and future personnel. We may be subject to product liability claims in the future. There may not be sufficient liquidity in the market for our securities in order for investors to sell their securities.

## ACCOUNTING FOR STOCK-BASED COMPENSATION

Endo Networks accounts for stock-based compensation issued to employees and advisors of Endo Networks using the intrinsic value based method as prescribed by APB Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB 25"). Under the intrinsic value based method, compensation is the excess, if any, of the fair value of the stock at the grant date or other measurement date over the amount an employee must pay to acquire the stock. Compensation, if any, is recognized over the applicable service period, which is usually the vesting period.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), :Share-Based Payment . Statement 123(R) will provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Statement 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Statement 123(R) replaces FASB Statement No. 123, Accounting for Stock-Based Compensation, and supercedes APB Opinion No. 25, Accounting for Stock Issued to Employees. Statement 123, as originally issued in 1995, established as preferable a fair-value based method of accounting for share-based payment transactions with employees. However, that Statement permitted entities the option of continuing to apply the guidance in Opinion No. 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value-based method been used. Public companies filing as small business issuers will be required to apply the Statement 123(R) as of the first interim or annual reporting period that begins after December 31, 2005.

## RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

ENDO Networks does not expect the adoption of recently issued accounting pronouncements to have a significant impact on ENDO's results of operations, financial position or cash flow.

## STOCK OPTION PLANS





There were no stock options issued during the three months ended March 31, 2005. At March 31, 2005, there were 634,000 stock options outstanding which are exercisable at \$0.50 per share and expire on December 31, 2006. The 634,000 stock options were 100% vested on September 30, 2004. There is no pro-forma effect on net income (loss) or net income (loss) per share for the six months ended March 31, 2005 and 2004.

#### REVENUE RECOGNITION

ENDO recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectability is probable. ENDO recognizes revenue from the sale of advertising related products and services like interactive advertising, studio promotion, and event management as the services are performed. ENDO maintains allowances for doubtful accounts on all its accounts receivable for estimated losses resulting from the inability of its customers and others to make required payments. If the financial condition of ENDO's customers and others were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### NOTE 3 - LEASE FINANCING OBLIGATIONS

As of March 31, 2005, the Company is in technical default on its lease obligations since it has missed payments totaling approximately \$94,000. On June 10, 2005, the leasing company verbally agreed to add the sum of the missed payments to the outstanding lease amount and proportionately increase the remaining payments on the lease, without penalty.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with the financial statements and notes thereto included elsewhere in this Form 10-QSB and in our Form 10-KSB. This report contains forward-looking statements including, without limitation, statements regarding trends, cyclicalities, seasonality, volatility and growth in the markets we sell into, our strategic direction, new product introductions, our liquidity position, our ability to generate cash from continuing operations, our expected order and revenue growth, the potential impact of our adopting new accounting pronouncements, our financial results, the impact and timing of our enterprise resource planning and customer relationship management systems implementation, our obligations under our retirement and post-retirement benefit plans, timing of, costs related to, and savings from our restructuring programs, the existence or length of an economic recovery and our ability to take advantage of a recovery that involve risks and uncertainties. Our actual results could differ materially from the results contemplated by these forward-looking statements due to various factors, including those discussed below in "Factors That May Affect Future Results" and elsewhere in this Form 10-QSB.

### **OVERVIEW**

Endo Networks Inc. helps businesses acquire new customers and build sales and loyalty with existing customers.

We use interactive technology such as touchscreen kiosks, handheld computers, and websites, combined with promotional marketing tactics to filter large numbers of consumers, to find qualified prospects, and even precondition them for the sales.

Our services can be deployed within a business' own retail environment, to increase sales with their own customer base by increasing frequency of visit and/or average spend with individual customers, or they can be deployed within a partner location such as an office tower or a consumer show, to find and acquire qualified new customers.

Our solutions are:

- Permission based
- Integratable with legacy systems
- Scalable
- Measurable
- Conducive to brand partnerships

Our areas of expertise include: Web, Kiosk, Handheld, Wireless, Loyalty, Promotional Marketing, Direct Marketing, Integration with Point of Sale, Survey, Incentive, Sampling, and Field and Event Marketing.

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Our client base includes specialty retail, general retail, food service, automotive, alcohol, energy, consumer packaged goods, entertainment, amateur sports, and telecommunications companies.

Our corporate head office is located at 2624 Dunwin Drive, Unit 3, Mississauga, Ontario, Canada, 20 minutes from Toronto and 60 minutes from Buffalo.

## **LIQUIDITY AND CAPITAL RESOURCES**

Total assets increased during the quarter ended March 31, 2005 from \$614,086 at December 31, 2004 to \$665,687 at March 31, 2005. The increase is primarily attributable to the increase in accounts receivable and the purchase of additional equipment.

We do expect to incur material capital expenditures during the next 12 months for equipment relating to new client deployments. There is no assurance we will be able to generate sufficient revenues or obtain sufficient funds when needed, or whether such funds, if available, will be obtained on terms satisfactory to us. We do not have any long term or contingent obligations that must be satisfied.

## **CRITICAL ACCOUNTING POLICIES**

Our Unaudited Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our financial statements:

### **ALLOWANCE FOR DOUBTFUL ACCOUNTS**

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. The allowance for doubtful accounts is based on specific identification of customer accounts and our best estimate of the likelihood of potential loss, taking into account such factors as the financial condition and payment history of major customers. We evaluate the collectability of our receivables at least quarterly. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The differences could be material and could significantly impact cash flows from operating activities.

### **VALUATION OF INTANGIBLES**

From time to time, we acquire intangible assets that are beneficial to our product development processes. We periodically evaluate the carrying value of intangibles, including the related amortization periods. In evaluating acquired intangible assets, we determine whether there has been impairment by comparing the anticipated undiscounted cash flows from the operation and eventual disposition of the product line with its carrying value. If the undiscounted cash flows are less than the carrying value, the amount of the impairment, if any, will be determined by comparing the carrying value of each intangible asset with its fair value. Fair value is generally based on either a discounted cash flows analysis or market analysis. Future operating income is based on various assumptions, including regulatory approvals, patents being granted, and the type and nature of competing products. If regulatory approvals or patents are not obtained or are substantially delayed, or other competing technologies are developed and obtain general market acceptance or market conditions otherwise change, our intangibles may have a substantially reduced value, which could be material.

## **DEFERRED TAXES**

We record a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized. We have considered estimated future taxable income and ongoing tax planning strategies in assessing the amount needed for the valuation allowance. Based on these estimates, all of our deferred tax assets have been reserved. If actual results differ favorably from those estimates used, we may be able to realize all or part of our net deferred tax assets. Such realization could positively impact our operating results and cash flows from operating activities.

## **RESULTS OF OPERATIONS**

### **COMPARISON OF RESULTS FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2005 TO THE THREE AND SIX MONTHS ENDED MARCH 31, 2004**

**REVENUE.** During the three months ended March 31, 2005, we generated revenues of \$290,146 from sales compared to revenues from sales for the three months ended March 31, 2004 of \$145,311, which represents an increase of \$144,835 over the same period of the prior year. Our revenue for the six months ended March 31, 2005 and 2004 was \$437,227 and \$ 202,055, respectively. The increases are due to performing work on projects that are scalable with moderate incremental costs.

**COST OF SALES.** Our cost of goods sold decreased from \$77,215 or 53% of sales to \$59,976 or 21% of sales, a decrease of \$17,239 or 32%. As a result of us having expended certain costs for prior jobs, we have found that some of the costs need not be duplicated or we have found a better and/or less expensive way of providing our services.

**GROSS PROFIT.** Based on the foregoing, our gross profit increased from \$68,096 or 47% of sales to \$230,171 or 79% for the three months ended March 31, 2005 and 2004

respectively. For the six months ended March 31, 2005 and 2004, our gross profit increased from \$29,103 to \$342,120, respectively. Again this was due to the reduction in the cost of goods sold. Margins on sales increased due to the type of service/product offering Endo sold in the quarter.

**GENERAL, ADMINISTRATIVE AND SELLING EXPENSES.** Our General, Administrative and Selling expenses were \$178,369 for the three months ended March 31, 2005, compared to \$107,864 for the three months ended March 31, 2004, representing an increase of \$70,505. As a percentage of sales, our general and administrative expenses were 61% of sales compared with 74% of sales in the same period the prior year, a decrease of 13%. For the six months ended March 31, 2005, our general and administrative costs increased to \$363,287 from \$192,894 in the six months ended March 31, 2004.

Depreciation expenses are not included in our general and administrative expenses. These expenses were \$48,056 and \$4,912 for the three months ended March 31, 2005 and 2004 respectively, and \$104,902 and \$16,736 for the six months ended March 31, 2005 and 2004 respectively.

**NET INCOME (LOSS) AND INCOME (LOSS) PER SHARE.**

As a result of the above, in the three months ended March 31, 2005, we had a net income of \$3,746 or \$0.00 per share, compared to a loss of \$44,680 or \$(0.00) per share for the three months ended March 31, 2004. For the six months ended March 31, 2005, we had a loss of \$126,069 compared to a net loss of \$180,527 for the same period the prior year.

**FORWARD LOOKING STATEMENTS.** This Form 10-QSB contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements made by Endo Networks involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from the forward looking statements include, but are not limited to, risks associated with lack of significant operating history, demand for the Endo Networks' products, international business operations, dependence on licensees, governmental regulations, technological changes, intense competition and dependence on management. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company's management disclaims any obligation to forward-looking statements contained herein to reflect any change in the Endo Networks' expectation with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements.

**ITEM 3. CONTROLS AND PROCEDURES**

An evaluation was carried out under the supervision and with the participation of the Endo Networks' management, including our Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934) as of March 31, 2005. As a result of their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Endo Networks' disclosure controls and procedures are effective to ensure that information required to be disclosed by Endo Networks in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms. There were no changes in Endo Networks' internal control over financial reporting that occurred during the quarter ended December 31, 2004, that has materially affected and is reasonably likely to materially affect, the Endo Networks' internal control over financial reporting.

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**PART III**

**ITEM 1. LEGAL PROCEEDINGS**

None

**ITEM 2. EMPLOYMENT AGREEMENTS**

None

**ITEM 3. RECENT SALES OF UNREGISTERED SECURITIES**

None

**ITEM 4. EXHIBITS AND REPORTS ON FORM 8-K**

(a) The following exhibits are filed as part of this report.

Exhibit No. Document

31.1 Certification of Chief Executive Officer required by Rule 13a-14a/15d-14(a) under the Exchange Act.

31.2 Certification of Chief Financial Officer required by Rule 13a-14a/15d-14(a) under the Exchange Act.

32.1 Certification of Chief Executive Officer pursuant to Section 8 U.S.C.  
Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer pursuant to Section 18 U.S.C.  
Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports of Form 8-K

None



SIGNATURES.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

/s/ Peter B. Day

Peter B. Day

Chief Executive Officer

June 13, 2005

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter B. Day, certify that:

1. I have reviewed this annual report on Form 10-QSB of ENDO NETWORKS, INC.
  
2. Based on my knowledge, this annual 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 annual report;
  
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;
  
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14 for the small business issuer and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  
  - b. Evaluated the effectiveness of the small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and



5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: June 13, 2005

/s/ Peter B. Day

Peter B. Day

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Peter B. Day, certify that:

1. I have reviewed this annual report on Form 10-QSB of Endo Networks, Inc.
  
2. Based on my knowledge, this annual 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 annual report;
  
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;
  
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14 for the small business issuer and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Evaluated the effectiveness of the small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
  
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: June 13, 2005

/s/ Peter B. Day

Peter B. Day,

Chief Financial Officer

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Exhibit 32.1

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

In connection with the Annual Report of Endo Networks, Inc. (the "Company") on Form 10-QSB for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter B. Day, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

/s/ Peter B. Day

Peter B. Day,

Chief Executive Officer

June 13, 2005





Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report of Endo Networks, Inc. (the "Company") on Form 10-QSB for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter B. Day, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

/s/ Peter B. Day

Peter B. Day,

Chief Financial Officer

June 13, 2005