

ENDO NETWORKS INC  
Form 10KSB  
January 23, 2006

**FORM 10-KSB**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005, OR**

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

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

*Commission file number: (333-42640)*

**Endo Networks, Inc.**

(Exact name of registrant as specified in its charter)

(Former name of registrant if changed since last report)

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Nevada

75-2882833

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(State of Incorporation)

(Tax ID No.)

2624 Dunwin Drive, Unite #3, Mississauga, Ontario, Canada L5L3T5

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(Address of principal executive offices)

(ZIP code)

Registrant's telephone number, including area code: 905 820 8800

Securities registered pursuant to Section 12(b) of the Act: NONE

**Securities registered pursuant to Section 12(g) of the Act: Common Stock**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the past 12 months and (2) has been subject to such filing requirement for the past 90 days.

YES  NO

Aggregate market value of the voting stock held by non-affiliates of the registrant as of September 30, 2005

\$ 471,366

Shares of common stock outstanding at September 30, 2005: 12,720,366

## **PART I.**

### **ITEM 1 DESCRIPTION OF BUSINESS**

#### **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 a sale.

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
- Scaleable
- 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.

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

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

Endo Networks was incorporated in Texas as Discount Mortgage Services, Inc. on July 11, 2000 and in September 2001 purchased Endo Networks, a company incorporated in Ontario, Canada on January 30, 2001, in which conceptual and software development was ongoing prior to this date for approximately two years by company founders. Endo Networks Inc. (Canada) was acquired by Discount Mortgage Services Inc. (Texas) in September, 2001. Discount Mortgage Services Inc. (Texas) underwent a name change to Endo Networks, Inc. (US) in November, 2001 and was re-domiciled to Nevada in December, 2002.

As of December 2005 Endo Networks had 18 total employees, 13 full-time.



## **PRODUCTS/SERVICES/MARKETS**

### **Deployment Locations**

Endo Networks deployments are located online and in high-traffic public areas including:

- Events (consumer and trade shows)
- Retail stores
- Restaurants
- Office towers
- Campus
- Malls

Endo Networks deployments utilize most available forms of connectivity for remote management and content delivery.

### **APPLICATIONS**

Endo Networks has developed applications in the following categories:

- Customer interacting applications such as database, survey, registration, messaging and rewards.
- Engaging add-ons such as Spin and Win, Contest, Picture Postcard and Jukebox.
- Administrative software tools related to the remote management of content and applications.

### **DEPLOYMENT CATEGORIES**

Endo deployments fall into one of two categories: Dedicated and Coalition.

A Dedicated deployment is generally dedicated to a single or primary brand, where that brand can justify the whole investment in the program based on their results, or where that brand requires such dominance of the program that it makes other brand participation impractical. Most of our Field and Event Marketing programs are Dedicated deployments.

A Coalition deployment is generally a synergy of non-competitive brand partners, sharing a single program and the program costs for maximum cost-effectiveness. Endo directs the Coalition program, balancing the needs of all the brand partners. Coalition programs have the added benefit of more consumer value, as each of the brand partners use the channel to engage the participating consumer. In certain cases, Endo will pilot a Coalition program without a full complement of brand partners, but with enough partners to test the viability of the opportunity.

## **NETWORK ACCESS**

In the short and medium term, network access is accomplished through a network of one or more interactive freestanding kiosks, wireless handheld computers, and PC workstations. The actual configuration of devices varies with the type of deployment.

In the long term, we will provide network access via wireless local area networking technology to the user's own device.

## **COMPETITORS**

Endo has encountered competitive offerings to specific elements of our offering, but none that offer direct competition to our entire offering. The market opportunity means there is room for direct competition, which can assist in growing the market segment.

It is our strategy to pursue opportunities for exclusive partnerships with our host location partners wherever appropriate, and invest continually in our own software and systems development.

As direct competitors emerge, it will be the continual improvement of our service offering and the continual strengthening of our network of relationships that will create competitive barriers, and make our service increasingly more attractive to new potential clients. This will require a continual investment in research and development.

## **SUPPLIERS**

Endo Networks relies on a number of key hardware suppliers to provide us with reliable hardware to enable our applications. Most Endo application development and other components of a deployment are effected in house.

## **FINANCING**

### **Operations**

Current operations are financed out of cash flow. Investment in operations to enable enhanced growth will be commensurate with new revenues, although additional sources of funding to accelerate growth will be explored.

## **CUSTOMERS**

Over the course of this year, our focus has continued to shift to developing Place-based Direct Marketing programs in high traffic places such as malls and office towers - highly-relevant direct marketing programs to our growing database of opt-ed in consumers. Field and Event Marketing programs are becoming a smaller percentage of our overall business, and are generally developed in partnership with appropriate agencies, while Place-based Direct Marketing programs are selected based on their ability to scale in both quantity and number of sponsors.

## **RESEARCH AND DEVELOPMENT**

We continue to invest in research and development, a portion of which we are able to invoice through to clients on various projects.

**ACQUISITION STRATEGY**

Not applicable.

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## RISK FACTORS

Much of the information included in this annual report includes or is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other "forward-looking statements" involve various risks and uncertainties as outlined below. We caution readers of this annual report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward-looking statements". In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

***We have had cash flow issues in the past and must generate sufficient revenue with a higher profit margin in order to meet all of our cash requirements. If we do not generate sufficient revenue with a higher profit margin, we may need to raise additional funds and if we raise additional funds, it may not be available or may be available at a price that is highly dilutive to our current shareholders.***

We must generate sufficient revenues with a higher profit margin for our business to meet all of our current cash requirements. Since our cash situation had been tight, we are in default on lease obligations which are secured by certain computer equipment. This default puts us in a situation where this equipment securing these leases could be foreclosed upon. The equipment underlying these lease is equipment that we not not use in our revenue producing activities and therefore, if the equipment was foreclosed upon, it would not impair our ability to generate the same level of revenues. However, if the Company is forced to raise additional capital, the capital may not be available, or if available, available at a price that would be highly dilutive to our current shareholders.

***Because the SEC imposes additional sales practice requirements on brokers who deal in our shares which are penny stocks, some brokers may be unwilling to trade them. This means that you may have difficulty in reselling your shares and may cause the price of the shares to decline.***

Our shares qualify as penny stocks and are covered by Section 15(g) of the Securities Exchange Act of 1934 which imposes additional sales practice requirements on broker/dealers who sell our securities in this offering or in the aftermarket. For sales of our securities, the broker/dealer must make a special suitability determination and receive from you a written agreement prior to making a sale to you. Because of the imposition of the foregoing additional sales practices, it is possible that brokers will not want to make a market in our shares. This could prevent you from reselling your shares and may cause the price of the shares to decline.



*Our three largest shareholders own more than 50% of the outstanding shares of our company, so they are able to decide who are the directors and you may not be able to elect any directors.*

Our three largest shareholders own more than 50% of the issued and outstanding shares of our company and because of this they are able to elect all of our directors and control our operations.

## **ITEM 2**

### **DESCRIPTION OF PROPERTY**

Endo Networks leases its office space for approximately \$3,000 US per month on a month to month basis.

### **HARDWARE RELATED TO DEPLOYMENTS**

Endo Networks currently owns quantities of hardware technology, including kiosks, touchscreens, notebook computers, wireless and wired networking equipment, servers, Plasma and LCDTVs, Internet appliances and sound systems, which are utilized in our deployments. Many of these items have been specifically modified by Endo to make them more appropriate for their use.

### **SOURCE CODE**

Endo Networks currently owns source code as follows:

Proprietary applications including interactive in-field, interactive online, audio, video, wireless, content management, network management, sports registration and various eCommerce applications, as well as software related to integrating third party applications such as POS.

## **ITEM 3 LEGAL PROCEEDINGS**

The Company is not involved in any legal proceedings.

## **ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

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**PART II.****ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

## a. Market Information.

The Company's common stock is currently traded on the NASDAQ bulletin board. The following were the high and low sales prices for each quarter for which the Company's stock traded:

<u>Period</u>	<u>High</u>	<u>Low</u>	
Calendar Year 2003	4th Quarter	\$0.25	\$0.11
Calendar Year 2004	1st Quarter	\$0.18	\$0.05
	2nd Quarter	\$0.13	\$0.07
	3rd Quarter	\$0.18	\$0.12
	4th Quarter	\$0.15	\$0.08
Calendar Year 2004	1st Quarter	\$0.09	\$0.09
	2nd Quarter	No sales	No sales
	3rd Quarter	No sales	No sales

There are approximately one hundred (100) shareholders.

## c. Dividends

Registrant has not paid a dividend to the holders of its common stock and does not anticipate paying dividends in the near future.

e. Warrants/Options At September 30, 2005, the Registrant had 634,000 options outstanding exercisable at \$0.50, expiring on September 30, 2006.

**ITEM 6 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

*The following discussion should be read in conjunction with our financial statements and the notes thereto which*

*appear elsewhere in this report. The results shown herein are not necessarily indicative of the results to be expected in any future periods. This discussion contains forward-looking statements based on current expectations, which involve uncertainties. Actual results and the timing of events could differ materially from the forward-looking statements as a result of a number of factors. Readers should also carefully review factors set forth in other reports or documents that we file from time to time with the Securities and Exchange Commission.*

**Significant Accounting Policies**

*Cash and equivalents*

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Cash and equivalents include cash, checks issued in excess of funds on deposit, bank indebtedness, and highly liquid short term market investments with terms to maturity of three months or less.

*Accounts receivable*

Accounts receivable is presented net of allowance for doubtful accounts. The allowance for doubtful accounts reflects estimates of probable losses in accounts receivable. The allowance is determined based on balances outstanding for over 90 days at the period end date, historical experience and other current information.

*Intangible assets*

Intangible assets are recorded at cost. Cost is amortized over the estimated useful life of the asset unless that life is determined to be indefinite.

Intangible assets not subject to amortization are tested for impairment on at least an annual basis. If the fair value of the intangible asset is determined to be less than the carrying amount, an impairment loss is recognized in the amount of that difference.

Intangible assets subject to amortization are reviewed for impairment in accordance with the provisions applying to long-live assets.

*Property, plant, and equipment*

Property, plant, and equipment are recorded at cost less accumulated amortization and are amortized in the following manner based on estimated useful lives:

Automobiles

3 years

Kiosk equipment

3 years

Furniture and equipment

5 - 7 years

Computer equipment and software

3 - 5 years

Intellectual property

2 years

Application development (software)

3 years

*Impairment of long-lived assets*

The Company monitors the recoverability of long-lived assets, including property and equipment and intangible assets, based upon estimates using factors such as expected future asset utilization, business climate, and undiscounted cash flows resulting from the use of the related assets or to be realized on sale. The Company's policy is to write down assets to the estimated net recoverable amount, in the period in which it is determined likely that the carrying amount of the asset will not be recoverable.

*Income taxes*

The Company calculates its provision for income taxes in accordance with Statement of Financial Accounting Standards No. 109 (Accounting for Income Taxes) ( SPAS 109 ),

which requires an asset and liability approach to financial accounting for income taxes. This approach recognizes the amount of taxes payable or refundable for the current year, as well as deferred tax assets and liabilities attributable to the future tax consequences of events recognized in the financial statements and tax returns. Deferred income taxes are adjusted to reflect the effects of enacted changes in tax laws or tax rates. Deferred income tax assets are recorded in the financial statements if realization is considered more likely than not.

#### *Revenue recognition*

ENDO recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility 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.

Revenue derived from professional services provided on a time and materials basis is recognized as services are performed.

For time and material contracts, revenue is recognized and billed by multiplying the number of hours expended by our professionals in the performance of the contract by the established billing rates. For fixed fee projects, revenue is generally recognized using the proportionate performance method. Provisions for estimated losses on uncompleted contracts are made on a contract-by-contract basis and are recognized in the period in which such losses are determined.

#### *Foreign exchange*

The functional currency of our foreign subsidiaries is the local foreign currency. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate prevailing on the balance sheet date. Revenues, costs and expenses are translated at average rates of exchange prevailing during the period. Translation adjustments resulting from translation of the subsidiaries' accounts are accumulated as a separate component of shareholders' equity. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations and have not been significant.

#### *Use of estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Such estimates include providing for amortization of property, plant, and equipment, and valuation of inventory. Actual results could differ from these estimates.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our investors.

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*Going Concern*

Due to our having defaulted on certain leases, in their report on our financial statements for the year ended September 30, 2005, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure.

We have historically incurred losses, and through September 30, 2005 have incurred losses of (\$668,777) from our inception. Because of these historical losses, we have historically had cash flow issues and may have to raise additional working capital to develop our business operations. If we need to raise such capital, we intend to pursue such capital through private placements, public offerings, bank financing and/or advances from related parties or shareholder loans.

As of the date of this filing, our lease holders have worked with us through our cash flow issues and if those lease holders should foreclose upon the equipment under lease, the continuation of our business in its present state will be dependent upon obtaining further financing and achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current or future stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. The equipment securing these leases is made up of electronic equipment that we do not use any more in our revenue producing activities so should the lease holders foreclose the loss of that equipment will not impair our ability to generate the same level of revenues. There are no assurances that if we need additional working capital that we will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that we need to raise additional capital and funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. If adequate working capital is not available we may not increase our operations.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern.

**SUMMARY OF FISCAL YEAR ENDED SEPTEMBER 30, 2005**

Revenues for the year ended September 30, 2005 were \$1,289,498 compared with \$770,522 for the previous year and cost of sales for the same periods were \$441,138 and \$397,469 respectively. Sales increased by 67%, and our gross profit increased by 85 %, which reflects an increase in our gross profit to \$ 690,015 or 54 % of sales from \$373,053 or 48% of sales in the prior year. In the year ended September 30, 2005, our revenues consisted of service and product deployments and the increase in gross profit being due to doing similar deployments with less custom programming and less new hardware requirements. Much of the hardware purchased will be able to be used in future



deployments since many of the deployments we are focusing on are based upon using similar hardware.

Our general and administrative expenses increased to \$808,552 from \$552,262 the prior fiscal year which resulted in the company posting a loss, after depreciation and amortization expenses, of \$214,221 compared to a loss of \$270,095 the prior fiscal year.

Managing cash flow continues to be a key focus of the organization, to fund the existing operation and investments in new hardware technology. We paid down \$14,616 in lease financing and purchased \$ 202,242 of new equipment out of our cash flow. Our accounts payable and accrued expenses increased by approximately \$33,000 while our accounts receivable decreased by approximately \$ 41,000 .

## **DEPLOYMENTS**

Expansion of our office tower partnerships across Canada in key cities of Montreal, Toronto, Calgary and Vancouver, working with leading property management companies.

## **DISCUSSION OF 2005**

### **FIRST CALENDAR QUARTER 2006**

Our primary focus for the first calendar quarter of 2006 will be on developing Place-based Direct Marketing programs for execution in this quarter and the next.

### **SECOND CALENDAR QUARTER 2006**

The second calendar quarter of 2006 will be primarily execution of Place-based Direct Marketing programs.

### **THIRD QUARTER 2006**

The third quarter of 2006 will see a continuation of the allocation of resources from the second quarter.

### **FOURTH QUARTER 2006**

We expect the last quarter of 2006 to see an increased emphasis on execution, as winter programs move to execution. Marketing activities will continue apace.

Anticipated number of employees by year end 2006 is approximately 14.

Endo Networks Inc. will provide an annual report including audited statements on request. Endo Networks Inc. files quarterly reports with the SEC.

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Public may read and copy any materials filed by Endo Networks with the SEC at the SEC's Public Reference Room at 100 F Street N.E., Washington, D.C. 20549. Public may

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obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at [www.sec.gov](http://www.sec.gov).

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 This discussion may contain certain "forward-looking" statements as such term is defined in the Private Securities Litigation Reform Act of 1995 and information relating to the Company and its subsidiaries that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. When used in this release, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or its subsidiaries or Company management, are intended to identify forward-looking statements. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitations, changes or anticipated changes in regulatory environments, competitive factors, general economic conditions, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonally, distribution networks, product introductions and acceptance, technological change, changes in industry practices, onetime events and other factors described herein and in other press releases to the public or filings made by the company with the Securities and Exchange Commission, the ability to secure partnership or joint-venture relationships with other entities, the ability to raise additional capital to finance expansion, and the risks inherent in new product and service introductions and the entry into new geographic markets. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward- looking statements. For further information, which could cause actual results to differ from the Company's expectations, as well as other factors, which could affect the Company's financial statements, please refer to the Company's report filed with the Securities and Exchange Commission. Endo Networks Inc.  
(905) 820 8800 [www.endonetworks.com](http://www.endonetworks.com)

## **ITEM 7 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Report of Independent Certified Public Accountant is attached hereto.

## **ITEM 8 CHANGES IN AND DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURES**

None.

### **Item 8A.**

#### **Controls and Procedures.**

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by the annual report, being August 31, 2005, we have carried out an evaluation of the effectiveness of the design and operation of our company's disclosure



controls and procedures. This evaluation was carried out under the supervision and with the participation of our company's management, including our company's president and our company's chief financial officer. Based upon that evaluation, our company's president and our company's chief financial officer concluded that our company's disclosure controls and procedures are effective as at the end of the period covered by this report. There has been no significant changes in our company's internal controls or in other factors, which could significantly affect internal control subsequent to the date we carried out our evaluation.

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management including our president and secretary as appropriate, to allow timely decisions regarding required disclosure.

**Item 8B.**

**Other Information**

None.

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**PART III.**

**ITEM 9 DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT**

The following persons serve as directors and officers of Registrant:

Peter B. Day                      President, Secretary and Director

Served since November 2001 and  
expires at the next annual meeting

Christopher R. Skillen      Director

Served since December 2003 and  
expires at the next annual meeting

Charles Smith                  Director

Served since March 2005 and expires at  
Next annual meetin g

**PETER B. DAY - PRESIDENT, SECRETARY AND DIRECTOR**

Mr. Day attended the University of Toronto from 1989 to 1992 studying English, History and Psychology and attended Humber College in 2000 studying Telecommunications. Mr. Day's relevant work experience follows: General Manager and Partner in Down Home Satellite Programming, Inc. from 1996 to 1998. Marketing Director and General Manager for Galaxy Satellite Programming, Inc. from 1998 to 2000. Vice President Streamline Media, Inc., a computer software and web design company from 2000 to 2002. Vice President and General Manager for Endo Networks, Inc. from 2000 to 2002, President for Endo Networks, Inc. 2002 to present.

**CHRISTOPHER R. SKILLEN, DIRECTOR**

Mr. Skillen received a BSc.major Computer Science from Sir George Williams University. Mr. Skillen held a number of executive positions with Crowntek and founded The Crowntek Business centers. Chris was the CEO at Telepanel Systems Inc. ,a public company, from 1988 until 2000. NASDAQ and TSE listed company. He is currently President of Skillen & Skillen a consultancy to technology startups.

Mr. Skillen serves as a director on four Canadian companies including Park Avenue Investments, a TSX-V listed company.

**CHARLES SMITH, DIRECTOR**

Mr. Smith graduated from Boston University, Boston, Massachusetts in 1979 and since that time has been a Certified Public Accountant involved in all phases of business, including the audit of companies and tax matters. He is a consultant to various companies

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ranging from an art distribution company to a junior resource company which is developing a gold property in Sinaloa State, Mexico. Mr. Smith has significant experience in accounting and securities matters.

Mr. Smith's business affiliations during the last five years are as follow: Chairman - Dynacap Group, Ltd. - a consulting and management firm - 1992 to the present; Sole proprietor as a Certified Public Accountant - 1983 to the present; Sole officer and Director - MC Cambridge, Inc. - a financial consulting firm - 1997 to present; Sole officer and director - Asset Servicing Corporation a leasing company - 1998 to 2001; Chief Financial Officer and Director - Electrical Generation Technology Corporation - April 2000 to May 2003; Chief Financial Officer DynaResource, Inc. 2005 to present. Mr. Smith is presently CEO and CFO of Micro Bio-Medical Waste Systems, Inc., traded on the OTC Bulletin Board under the symbol "MBWS." Mr. Smith is also a director of National Healthcare Technology, Inc., traded on the OTC Bulletin Board under the symbol "NHCT" and Crown Partners, Inc., traded on the OTC Bulletin Board under the symbol "CRWP".

**ITEM 10 EXECUTIVE COMPENSATION**

The Company paid or accrued salary for the President of \$ 103,200 . No other compensation was paid or accrued for its officers or directors. The Company has no retirement or stock option or bonus plan for the Executive Officers.

**ITEM 11 SECURITY OWNERSHIP OF MANAGEMENT AND BENEFICIAL OWNERS**

Set forth below is the direct ownership of Registrant's common Stock by management and any owner of 5% or more of Stock of Registrant.

Title of Securities	Name and address of owner	Amount of shares owned	% of class
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Common	Peter B. Day  2624 Dunwin Drive, Unit #3  Mississauga, Ontario L5L 3T5	4,577,500	36.4%
Common	Dean T. Hiebert  2624 Dunwin Drive, Unit #3	2,432,500	19.3%



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Mississauga, Ontario L5L 3T5

Common	Charles Smith	1,511,750 *	11.88%
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709-B West Rusk #580

Rockwall, Texas 75087

Common	All Officers, Directors &	8,521,750	66.99%
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Beneficial Holders as a Group

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\* Beneficially owned through Lynn Management, LLC

**ITEM 12 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

None.

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**PART IV.**

**ITEM 13 EXHIBITS, FINANCIAL STATEMENTS AND REPORTS ON FORM 8-K**

(a) The following documents are filed as a part of this report:

Included in Part II, Item 8 of this report:

Report of Independent Public Accountant  
Balance Sheet as of September 30, 2005  
Statement of Operations - Years Ended September 30, 2005 and 2004

Statement of Owners' Equity - Years Ended September 30, 2005 and 2004

Statement of Cash Flows - Years Ended September 30, 2005 and 2004

Notes to the Financial Statements.

(b) The Company is not filing any exhibits.

**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.

Endo Networks, Inc. Registrant

*By: /s/ Peter B. Day*

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*Peter B. Day*

*Its: President*



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Endo Networks, Inc.

Mississauga, Ontario, Canada

We have audited the accompanying balance sheet of Endo Networks, Inc. as of September 30, 2005, and the related statements of operations, stockholders' deficit, and cash flows for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion of these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Endo Networks, Inc. as of September 30, 2005, and the results of its operations and its cash flows for each of the two years then ended, in conformity with the accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Endo Networks, Inc. will continue as a going concern. As discussed in Note 2 to the financial statements, Endo Networks, Inc. has incurred losses from operations for the years ended September 30, 2005 and 2004 totaling approximately \$214,000 and \$270,000 and has negative net worth approximating \$215,000 and current liabilities exceed current assets by approximately \$512,000. Endo will require additional working capital to develop its business until Endo either (1) achieves a level of revenues adequate to generate sufficient cash flows from operations; or (2) obtains additional financing necessary to support its working capital requirements. These conditions raise substantial doubt about Endo's ability to continue as a going concern. Management's plans regard to this matter are described in Note 2. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Lopez, Blevins, Bork & Associates, LLP

Lopez, Blevins, Bork & Associates, LLP

Houston, Texas

December 29, 2005

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**ENDO NETWORKS, INC.**

**BALANCE SHEET**

September 30, 2005

U ASSETS U

**CURRENT ASSETS:**

Accounts receivable, net of allowance for doubtful accounts of \$0	\$83,209
Prepaid expenses	59,728
Total current assets	142,937

PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$869,600	441,170
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TOTAL ASSETS	\$584,107
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U LIABILITIES AND  
STOCKHOLDERS'  
DEFICIT U

**LIABILITIES**

Current Liabilities:

Current maturities of capital leases payable	\$54,028
Accounts payable	196,092
Accrued expenses - related party	251,120
Accrued expenses - other	153,244
Total current liabilities	654,484

Capital leases payable	144,132
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Commitments

STOCKHOLDERS' DEFICIT

Common stock, \$0.001 par value, 50,000,000 authorized, 12,720,366 shares issued and outstanding	12,720
Additional paid-in-capital	304,550
Accumulated deficit	(668,777)
Accumulated other comprehensive income	136,998
Total Stockholders' Deficit	(214,509)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$584,107

See accompanying summary of accounting policies and notes to financial statements.

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**ENDO NETWORKS, INC.**  
**STATEMENTS OF OPERATIONS**  
 Years Ended September 30, 2005 and 2004

	2005	2004
Revenue	\$1,289,498	\$770,522
Cost of Goods Sold	599,483	397,469
Gross Profit	690,015	373,053
Operating Expense:		
Depreciation and amortization	95,684	90,886
General and administrative	808,552	552,262
Total Operating Expense	904,236	643,148
 NET LOSS	 (\$214,221)	 (\$270,095)
 Weighted average shares outstanding	 12,693,092	 12,631,837
 Loss per share - basic and fully diluted	 (\$0.02)	 (\$0.02)

See accompanying summary of accounting policies and notes to financial statements.

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ENDO NETWORKS, INC.  
 STATEMENTS OF STOCKHOLDERS' DEFICIT  
 Years Ended September 30, 2005 and 2004

	Common Shares	Stock Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, September 30, 2003	12,568,866	\$ 12,569	\$ 292,446	\$ (184,461)		\$120,554
Common stock issued for services	96,500	96	6,659			6,755
Net loss				(270,095)		(270,095)
Foreign currency translation adjustment					\$ 44,115	44,115
Total comprehensive loss						(225,980)
Balance September 30, 2004	12,665,366	12,665	299,105	(454,556)	44,115	(98,671)
Common stock issued for services	55,000	55	5,445			5,500
Net loss				(214,221)		(214,221)
Foreign currency Translation adjustment					92,883	92,883
Total comprehensive loss						(121,338)
Balance						

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September 30, 2005	12,720,366	\$12,720	\$304,550	(\$668,777)	\$136,998	(\$214,509)
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See accompanying summary of accounting policies and notes to financial statements.

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**ENDO NETWORKS, INC.****STATEMENTS OF CASH FLOWS**

Years Ended September 30, 2005 and 2004

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	(\$214,221)	(\$270,095)
Adjustments to reconcile net loss to net cash provided by operations:		
Items not requiring cash:		
Bad debt	20,717	18,000
Depreciation and amortization	254,029	341,181
Common stock issued for services	5,500	6,755
Changes in assets and liabilities:		
Accounts receivable	41,475	(5,177)
Prepaid expenses	12,413	(12,999)
Accounts payable	(88,336)	128,752
Accrued expenses	121,175	149,078
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	<b>152,752</b>	<b>355,495</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	<u>(202,242)</u>	<u>(267,511)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(202,242)</b>	<b>(267,511)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on lease financing	<u>(14,616)</u>	<u>(136,137)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(14,616)</b>	<b>(136,137)</b>
Effect of foreign exchange rate changes on cash	52,494	44,115
<b>NET CHANGE IN CASH</b>	<b>(11,612)</b>	<b>(4,038)</b>

Cash, beginning of period	11,612	15,650
Cash, end of period	\$ -	\$11,612

See accompanying summary of accounting policies and notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

ENDO Networks, Inc. (ENDO) is an interactive media, promotion, application, and advertising aggregator deploying through wireless capable public access portals to retail and restaurant locations across North America. ENDO also develops application software and client controlled media including television and radio.

Cash Equivalents

ENDO considers all highly liquid investment instruments purchased with original maturities of three months or less when acquired to be cash equivalents.

Revenue Recognition

ENDO recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility 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.

Revenue derived from professional services provided on a time and materials basis is recognized as services are performed.

For time and material contracts, revenue is recognized and billed by multiplying the number of hours expended by our professionals in the performance of the contract by the established billing rates. For fixed fee projects, revenue is generally recognized using the proportionate performance method. Provisions for estimated losses on uncompleted contracts are made on a contract-by-contract basis and are recognized in the period in which such losses are

determined.

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.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 these estimates.

#### Intangible assets

Intangible assets are recorded at cost. Cost is amortized over the estimated useful life of the asset unless that life is determined to be indefinite.

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Intangible assets not subject to amortization are tested for impairment on at least an annual basis. If the fair value of the intangible asset is determined to be less than the carrying amount, an impairment loss is recognized in the amount of that difference.

Intangible assets subject to amortization are reviewed for impairment in accordance with the provisions applying to long-lived assets.

### Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation of furniture and equipment is calculated on straight-line method over the estimated useful lives of the assets. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. No impairment losses have been recorded since inception.

### Impairment of long-lived assets

The Company monitors the recoverability of long-lived assets, including property and equipment and intangible assets, based upon estimates using factors such as expected future asset utilization, business climate, and undiscounted cash flows resulting from the use of the related assets or to be realized on sale. The Company's policy is to write down assets to the estimated net recoverable amount, in the period in which it is determined likely that the carrying amount of the asset will not be recoverable.

### Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

### Loss per Share

The basic net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding.

Diluted net loss per common share is computed by dividing the net loss applicable to common stockholders, adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the year ended September 30, 2005 and 2004 potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. These securities consisted of 634,000 of stock options at September 30, 2005 and 2004.

#### Recently Issued Accounting Pronouncements

In December 2004, the FASB issued Statement No. 123(R) (revised 2004) ( FAS 123(R) ). In addition, in March 2005 the Securities and Exchange Commission ( SEC ) issued Staff Accounting Bulletin Topic 14, Share-Based Payment (SAB 107) which provides interpretations

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regarding the interaction between FAS 123(R) and certain SEC rules and regulations and provided the staff's views regarding the valuation of share-based payment arrangements for public companies. FAS 123(R) focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions, including stock option awards. FAS 123(R) revises FASB Statement No. 123, Accounting for Stock-Based Compensation and supersedes APB Opinion No. 25. FAS 123(R) will require us to measure the cost of employee services received in exchange for stock option awards based on the grant-date fair value of such awards. That cost will be recognized over the period during which an employee is required to provide service in exchange for the award, which is usually the vesting period. We will report such costs as part of our general and administrative expenses. On April 14, 2005, the Securities and Exchange Commission announced amended compliance dates for SFAS 123(R). The SEC previously required companies to adopt this standard no later than July 1, 2005, but the new rules now require us to adopt FAS 123(R) as of the beginning of the first annual or interim reporting period that begins after December 15, 2005. We will recognize the cumulative effect of initially applying this statement as of the effective date. Currently, the cumulative effect of initially applying FAS 123(R) has not been determined and is subject to change depending on future events.

#### Stock-Based Compensation

The Company accounts for its stock-based compensation plans under Accounting Principles Board ( APB ) Opinion No. 25, Accounting for Stock Issued to Employees.

#### Foreign Currency Translation

As nearly all operations are conducted in Canada, the Canadian dollar is the functional currency. All balance sheet accounts have been translated at the current exchange rate as of September 30, 2005. Statement of operations items have been translated at average currency exchange rates during the years ended September 30, 2005 and 2004. The resulting translation adjustment is recorded as a separate component of comprehensive loss within stockholders deficit.

#### Software Capitalization

ENDO adopted Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". In accordance with this standard, certain direct development costs associated with internal-use software are capitalized, including external direct costs of material and services, and payroll costs for employees devoting time to the software projects. These costs are amortized over a period not to exceed five years beginning when the asset is substantially ready for use. Costs incurred during the preliminary project stage, as well as maintenance and training, are expensed as incurred.

## Advertising

Advertising and promotional costs are expensed when incurred. These expenses were \$2,822 and \$3,830 for the periods ended September 30, 2005 and 2004 respectively.

## Financial instruments

The carrying amount of the Company's financial instruments, which include accounts receivable, accounts payable and accrued liabilities, capital leases payable approximate fair value. It is

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management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments unless otherwise noted.

#### NOTE 2 GOING CONCERN

For the years ended September 30, 2005 and 2004, ENDO incurred losses totaling \$214,221 and \$270,095, respectively, and at September 30, 2005 had a working capital deficit of \$511,547. Because of these recurring losses, ENDO will require additional working capital to develop and/or renew its business operations.

ENDO intends to raise additional working capital either through private placements, public offerings and/or bank financing. As of December 29, 2005, no financing agreements have been closed.

There are no assurances that ENDO will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support ENDO's working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, ENDO will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to ENDO. If adequate working capital is not available ENDO may not continue its operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following as of September 30, 2005:

Estimated

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	Useful	
	Lives	
Automobiles	3	\$ 3,337
Kiosk equipment	3	229,671
Furniture and equipment	5-7	664,095
Computer equipment and software	3-5	33,664
Intellectual property	2	344,160
Application development (software)	3	36,043
		1,310,970
Less: accumulated depreciation and		
Amortization		(869,800)
		\$ 441,170

Depreciation and amortization expense was \$254,029 and \$341,181 for the periods ending September 30, 2005 and 2004, respectively.

## NOTE 4 PAYROLL TAXES

The Company is required to remit employer payroll and employee payroll and income tax withholding payments in the month following the payroll period. As of December 31, 2005 payroll tax and income tax withholding payments for the three months ended November 30, 2005 in the amount of \$16,477 are in arrears.

## NOTE 5 COMMITMENTS

## Capital Leases

ENDO leased equipment under long-term lease agreements. Property and equipment includes equipment under capital leases of \$659,514. Monthly payments for this note are \$5,890 with the final payment due in August 2008. The balance outstanding on the capable lease payable at September 30, 2005 was \$198,160.

Future maturities of these capital leases payable are as follows:

Year Ending September 30,

2006	\$
	54,028
2007	60,280
2008	<u>83,852</u>
	198,160
Less: current portion	<u>(54,028 )</u>
Total non-current portion	\$
	144,132

## Operating Lease

ENDO leases its office space on a month to month basis. ENDO had no other operating leases for the years ended September 30, 2005 and 2004. Rent expense was \$23,675 and \$34,728 for the periods ended September 30, 2005 and 2004 respectively.

## NOTE 6 - INCOME TAXES

For the years ended September 30, 2005 and 2004, ENDO has incurred net losses and, therefore, has no tax liability.

The net deferred tax asset generated by the loss carry-forward has been fully reserved. The cumulative net operating loss carry-forward is approximately \$670,000 at September 30, 2005, and will expire in the years 2021 through 2025.

The provision for refundable Federal income tax for the years ending September 30 consists of the following:

	<b>September 30,</b>	<b>September 30,</b>
	<b>2005</b>	<b>2004</b>
Refundable Federal income tax attributable to:		
Current operations	\$(72,800)	\$(91,800)

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Less, Change in valuation allowance	72,800	91,800
Net refundable amount	-	-

The cumulative tax effect at the expected rate of 34% of significant items comprising the Company's net deferred tax amounts are as follows:

	<b>September 30,</b>	<b>September 30,</b>
	<b>2005</b>	<b>2004</b>
Deferred tax asset attributable to:		
Net operating loss carryover	\$(227,400)	\$(154,600)
Less, Valuation allowance	227,400	154,600
Net deferred tax asset	-	-

#### NOTE 7 - STOCKHOLDERS' EQUITY

##### Common Stock:

ENDO is authorized to issue 50,000,000 common shares of stock at a par value of \$0.001 per share. These shares have full voting rights. At September 30, 2005, there were 12,720,366 shares outstanding. ENDO has not paid a dividend to its shareholders.

During July 2005, ENDO issued 55,000 shares of common stock for services valued \$0.10 per share or \$5,500 which was the fair value of common stock on the date issued.

During July 2004, ENDO issued 96,500 shares of common stock for services valued \$0.07 per share or \$6,755 which was the fair value of common stock on the date issued.

##### Stock Options:

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Since the Company has elected to follow APB 25, Accounting for Stock Issued to Employees, no compensation cost has been recognized for grants under the employee stock option plans since all grants pursuant to these plans have been made at the current estimated fair values of ENDO's common stock at the grant date.

The following table summarizes stock option activity:

	2005	2004
Outstanding, beginning of the year	634,000	-
Granted	--	634,000
Canceled	--	-
Exercised	--	-
Outstanding, end of year	<u>634,000</u>	<u>634,000</u>
Exercisable at end of year	<u>634,000</u>	<u>634,000</u>

Weighted-average grant-date fair

Value of options, granted during		
the year	\$	<u>0.00</u> <u>\$0.15</u>

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Weighted-average remaining, years

Of contractual life	<u>.25</u>	<u>1.25</u>
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The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in fiscal 2004: zero dividend yield, expected volatility of 195%, risk-free interest rate of 2.75% and expected lives of 2 years.

The options granted have an exercise price of \$0.50 per share and vest at the date of issuance. The maximum term of the options is two years.

The following table illustrates the effect on net loss and net loss per share if the Company had applied the fair value provisions of FASB Statement No. 123(R), *Share Based Payment*, to stock-based employee compensation.

	2005	2004
Net loss, as reported	\$(214,221)	\$ (270,095)
Add: Intrinsic value expense recorded	-	-
	U	
Deduct: total stock-based employee compensation expense determined under fair value based method	-	(95,050)
Pro forma net loss	<u>\$(214,221)</u>	<u>\$(365,145 )</u>
<u>Earnings per share :</u>		
Basic and diluted - as reported	(.02)	(.02)
Basic and diluted pro forma	(.02)	(.03)

#### NOTE 8 - CONCENTRATIONS OF CREDIT RISK

As of September 30, 2005, amounts due from two customers individually amounted to 48% and 14% of total trade accounts receivable.

For the year September 30, 2005 the Company had four customers that individually accounted for 31%, 20%, 13%, and 12% of total revenues. For the year ended September 30, 2004 four customers individually accounted for 44%, 20%, 13% and 12% of total revenues.

NOTE 9 RELATED PARTY TRANSACTIONS

Per the terms of a verbal agreement the Company pays its President approximately \$8,600 per month in consulting fees. The Company has accrued consulting fees due to its President in the amount of \$238,787 at September 30, 2005. At September 30, 2005, an additional \$12,333 is

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owed to the President for an advance he made to the Company. These amounts are recorded under accrued expenses related parties in the financial statements.

The Company also pays for the President's home office rent. For the year ended September 30, 2005 the total rent paid by the Company for the President's home office was \$17,900.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter B. Day, certify that:

1.

I have reviewed this annual report on Form 10-KSB 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-15(e) and 15d-15(e)) 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

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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: January 9, 2006

/s/ Peter B. Day

Peter B. Day

Chief Executive Officer

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CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Peter B. Day, certify that:

1.

I have reviewed this annual report on Form 10-KSB 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-15(e) and 15d-15(e)) 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

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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: January 9, 2006

/s/ Peter B. Day

Peter B. Day,

Chief Financial Officer

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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-KSB for the period ending September 30, 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

January 9, 2006

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 Annual Report of Endo Networks, Inc. (the "Company") on Form 10-KSB for the period ending September 30, 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

January 9, 2005