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ENDO NETWORKS INC
Form 10QSB
June 07, 2004

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, 2004

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 incorporation or organization)

(IRS Employer Identification No.)

2425 Dunwin Drive, Unit #3, Mississauga, Ontario, Canada L5L 3T5

(Address of principal executive offices)

(905) 820-8800

(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 : X No:

As of March 9, 2004, there were 12,568,866 shares of Common Stock of the issuer outstanding.

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ENDO NETWORKS, INC.

BALANCE SHEETS
March 31, 2004

ASSETS

March 31, 2004

CURRENT ASSETS:

Accounts receivable

\$98,152

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Prepaid expenses	60,222

Total current assets	158,374
PROPERTY AND EQUIPMENT, net of accumulated deprecaition	522,022

TOTAL ASSETS	\$680,396
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Accounts payable	\$226,517
Accrued expenses	152,200
Capitalized leases - current	132,643

Total current liabilities	511,360
Capitalized leases - non current	181,321

TOTAL LIABILITIES	692,681
STOCKHOLDERS' EQUITY	
Common stock, \$0.001 par value, 50,000,000 authorized, 12,568,866 shares issued and outstanding	12,569
Additional paid-in-capital	340,134
Accumulated deficit	(364,988)

Total Stockholders' Equity	(12,285)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$680,396
	=====

See accompanying notes to interim condensed financial statements

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ENDO NETWORKS, INC.

STATEMENT OF OPERATIONS Three and Six Months Ended March 31, 2004 and 2003

	Three Months Ended Mar 31, 2004	Three Months Ended Mar 31, 2003	Six Months Ended Mar 31, 2004
Revenue	\$145,311	\$187,019	\$202,000
Cost of Goods Sold	77,215	113,866	172,900
Gross Profit	68,096	73,153	29,100
Operating Expense:			
Depreciation and amortization	4,912	9,735	16,700
General and administrative	107,864	66,785	192,800
Total Operating Expense	112,776	76,520	209,500
NET LOSS	(\$44,680)	(\$3,367)	(\$180,500)
Weighted average shares outstanding	12,565,866	12,565,866	12,565,866
Loss per share - basic and diluted	(\$0.00)	(\$0.00)	(\$0.00)

See accompanying notes to interim condensed financial statements

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ENDO NETWORKS, INC.

STATEMENT OF CASH FLOWS
Six Months Ended March 31, 2004 and 2003

	Six Months Ended Mar 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	(\$180,5
Adjustments to reconcile net loss to net cash (used) by operating activities:	
Items not requiring cash - depreciation and amortization	16,7
Items not requiring cash - stock options issued	47,6
(Increase) decrease in accounts receivable	60,0
(Increase) decrease in deposits	
(Increase) decrease in parts inventory	
(Increase) decrease in prepaid expenses	(1,0
Increase (decrease) in accounts payable & accrued expenses	88,9

NET CASH (USED) IN OPERATING ACTIVITIES:	31,8
CASH FLOWS FROM INVESTING ACTIVITIES:	
(Purchase) disposal of assets	(12,5
CASH FLOWS FROM FINANCING ACTIVITIES:	
Subscriptions receivable	
Proceeds from (payments on) lease financing	(34,9

Total cash flows from financing activities	(34,9

NET INCREASE IN CASH	(\$15,6
CASH, BEGINNING OF PERIOD	15,6

CASH, END OF PERIOD	=====

See accompanying notes to interim condensed financial statements

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ENDO NETWORKS, INC.
Notes to the Financial Statements
March 31, 2004

NOTE 1: MANAGEMENT REPRESENTATION AND PRESENTATION

Operating results for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the year ending September 30, 2004. 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, 2003 included in the Endo Network's Current Report on Form 10-KSB filed on February 6, 2004.

The balance sheet of ENDO Networks as of March 31, 2004, the related statements of operations for the three months ended March 31, 2004 and 2003 and the statements of cash flows for the three months ended March 31, 2004 and 2003 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 Network's financial position and results of operations. The results of operations for the three and six months ended March 31, 2004 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, 2003 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 occurs, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading

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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 of our operations. We

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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 October 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). This standard, if fully adopted, changes the method of accounting for employee stock-based compensation plans to the fair value based method. For stock options and warrants, fair value is determined using an option pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option or warrant and the annual rate of quarterly dividends. Compensation expense, if any, is recognized over the applicable service period, which is usually the vesting period.

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 690,500 stock options issued during the three months ended March 31, 2004. We used the Black Scholes method to value these options and took a charge to our income statement of \$47,688. The options are exercisable at \$0.50 and expire on December 31, 2006.

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.

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, our future effective tax rate and use of tax income from withholding, 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 qualified new customers and profitably build sales with existing customers. We use interactive technology like touchscreen kiosks, handheld computers, wireless and websites, digital TVs and background audio, combined with promotional marketing tactics to filter large numbers of consumers, to find highly qualified prospects, and even precondition them for the sales process.

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Our services can be deployed within a businesses own retail environment, to increase sales with their own customer base by increasing frequency of visit and/or average spend with individual customers (onsite CRM), or they can be deployed within the community, i.e. within a partner retailer or at a home or trade show, to find and acquire qualified new customers. Our services can also be deployed against employees or a business's sales channel, to achieve increased sales and improved profitability through better channel performance.

Our solutions are:

- Permission based
- Easily integrated with legacy systems
- Highly-scalable, easily tested
- Focused on immediate results - Very measurable

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- Real-time or near real time
- Conducive to brand partnerships

Our role is not to replace incumbent agencies/suppliers, but to integrate and unlock untapped value and potential from existing initiatives, thereby delivering substantial incremental value.

Our areas of expertise include: web, CDROM, kiosk, handheld, wireless, CRM, ERM, loyalty, promotional marketing, direct marketing, point of sale, market research, survey, incentive, sampling, and field and event marketing.

Our client base includes specialty retail, general retail, food service, automotive, alcohol, tobacco, financial, energy, consumer packaged goods entertainment, government, manufacturing, amateur sports, professional sports, and telecommunications in both the United States and Canada.

LIQUIDITY AND CAPITAL RESOURCES

Total assets decreased from \$616,080 at December 31, 2003 to \$680,396 at March 31, 2004. The increase is primarily attributable to the increase in accounts receivable and fixed assets.

From December 31, 2003 to March 31, 2004, our cash and cash equivalents decreased by \$7,100 as a result of an operating loss of \$(44,860). The operating loss was a result of us putting a lot of emphasis on development of new business which we believe will result in sales in the remaining two fiscal quarters.

The general, administrative and selling expenditures were incurred primarily for salaries and consulting fees.

We do expect to incur material capital expenditures for the next 12 months. 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

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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

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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 collectibility 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

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tax assets.

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Such realization could positively impact our operating results and cash flows from operating activities.

RESULTS OF OPERATIONS

COMPARISON OF RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2004 TO THREE MONTHS ENDED MARCH 31, 2003

REVENUE. During the three months ended March 31, 2004, we generated \$145,311 from sales compared to revenues from sales for the three months ended March 31, 2003 of \$187,019. This decrease of \$41,708 or 22% is primarily due to key projects that we are working on which have taken time away from pursuing smaller business accounts.

GROSS PROFIT. Gross profit on sales for the three month ended March 31, 2004 was \$68,096 compared to \$73,153 for the three months ended March 31, 2003, a decrease of \$5,057. The decrease in gross profits during the three months ended March 31, 2004, was due to a decrease in revenue. However, the gross profit as a percent of sales increased to 47% in the three months ended March 31, 2004 from 39% in the three months ended March 31, 2003.

GENERAL, ADMINISTRATIVE AND SELLING EXPENSES. We incurred General, Administrative and Selling expenses of \$107,864 for the three months ended March 31, 2004, compared to \$66,785 for the three months ended March 31, 2003, an increase of \$41,079, which includes the \$47,688 charge for the stock options we issued. Excluding the charge for the stock options, our general & administrative expenses declined by \$6,609. This increase in General, Administrative and Selling expenses was primarily the result of the charge of \$47,688 for the stock options.

NET LOSS AND LOSS PER SHARE.

As a result of the above, in the three months ended March 31, 2004, our net loss was \$(44,680). The net loss per share was \$(0.0) compared to \$(0.00) per share in the same period during 2003.

ASSETS AND LIABILITIES. At March 31, 2004, we had total assets of \$680,396 compared to total assets of \$616,080 at December 31, 2003. Cash was \$-0- at March 31, 2004, a decrease of \$7,100 from \$7,100 cash on hand as of December 31, 2003. Cash generated from operations was a negative \$7,100 due to an increase of \$60,072 of accounts receivable; an increase of liabilities of \$88,931, and cash used by financing activities from the repayment of loans was \$(34,949); and we used \$12,521 to purchase equipment during the quarter ended March 31, 2004.

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Accounts receivable was \$98,152 at March 31, 2004, an increase of \$41,110 from the \$57,042 at December 31, 2004 due to an increase in sales. Total liabilities at March 31, 2004 were \$692,681, an increase of \$59,478 from \$633,203 at December 31, 2003. Accounts payable and accrued liabilities were \$511,360 at March 31, 2004, an increase of \$68,902 from the \$442,458 at December 31, 2003.

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 Network's 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 Network's 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 Network's management, including our Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) as of December 31, 2003. As a result of their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Endo Network's 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 the Endo Network's internal control over financial reporting that occurred during the quarter ended December 31, 2003, that has materially affected and is reasonably likely to materially affect, the Endo Network's internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. EMPLOYMENT AGREEMENTS

None

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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-14/15d-14(a) under the Exchange Act.
31.2	Certification of Chief Financial Officer required by Rule 13a-14/15d-14(a) under the Exchange Act.
32.1	Certification of Chief Executive Officer pursuant to 18 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 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

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 3, 2004

ENDO NETWORKS, INC.

By: /s/ Peter Day

Peter Day
President and CEO

/s/ Peter Day

Peter Day,
Chief Financial Officer

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

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I, Peter Day, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Endo Networks, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. 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 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

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employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: June 3, 2004

/s/ Peter Day

Peter Day
Chief Executive Officer

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Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Peter Day, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Endo Networks, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. 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,

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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 3, 2004

/s/ Peter Day

Peter Day,
Chief Financial Officer

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 Quarterly Report of Endo Networks, Inc. (the "Company") on Form 10-QSB for the period ending March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter 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 Day

Peter Day,
Chief Executive Officer

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June 3, 2004

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 Quarterly Report of Endo Networks, Inc. (the "Company") on Form 10-QSB for the period ending March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter 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 Day

Peter Day,
Chief Financial Officer

June 3, 2004