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20/20 NETWORKS INC
Form 10QSB
June 01, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2005

OR

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

From the transition period from _____ to _____.

Commission File Number 0-29935

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
(Exact name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

33-0677140
(IRS Employer
Identification No.)

20700 Ventura Blvd., #227, Woodland Hills, California 91364
(Address of principal executive offices)

(818) 227-9494
(Issuer's telephone number)

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

Indicate by check mark whether the registrant (1) filed all reports
required to be filed by Section 13 or 15(d) of the Exchange Act during the past
12 months (or for such shorter period that the registrant was required to file
such reports), and (2) has been subject to such filing requirements for the past
90 days:

Yes: No:

As of May 18, 2005 there were 4,824,465 shares of Common Stock of the issuer
outstanding.

Micro Bio-Medical Waste Systems, Inc.
BALANCE SHEET
March 31, 2005
(unaudited)

ASSETS

Assets
Advance - related party \$ 20,000

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| | | |
|---|----|-------------|
| | | ===== |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ | 164,925 |
| Accounts payable - related party | | 31,886 |
| Advances - related party | | 45,520 |
| | | ----- |
| Total current liabilities | | 242,331 |
| | | ----- |
| STOCKHOLDERS' DEFICIT: | | |
| Common stock, \$.001 par value, 500,000,000 shares authorized, 4,824,465 shares issued and outstanding | | 4,824 |
| Additional paid in capital | | 2,626,646 |
| Accumulated deficit | | (2,853,801) |
| | | ----- |
| Total Stockholders' Deficit | | (222,331) |
| | | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ | 20,000 |
| | | ===== |

Micro Bio-Medical Waste Systems, Inc.
STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2005 and 2004
(unaudited)

| | 2005 | 2004 |
|--------------------------------------|-----------|-------------|
| | ----- | ----- |
| Costs and Expenses: | | |
| General and administrative | \$ -- | \$ 23,181 |
| | ----- | ----- |
| Net loss | \$ -- | \$ (23,181) |
| | ===== | ===== |
| Net loss per share: | | |
| Net loss basic and diluted | \$ (0.00) | \$ (0.00) |
| | ===== | ===== |
| Weighted average shares outstanding: | | |
| Basic and diluted | 4,824,465 | 4,394,133 |
| | ===== | ===== |

Micro Bio-Medical Waste Systems, Inc.
STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2005 and 2004
(unaudited)

| | 2005 | 2004 |
|---|-------|-------------|
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ -- | \$ (23,181) |
| Adjustments to reconcile net deficit to cash used by operating activities: | | |
| Net change in: | | |
| Accounts payable and accrued expenses | -- | 356 |

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| | | |
|---|-------|----------|
| CASH FLOWS USED IN OPERATING ACTIVITIES | -- | (22,825) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Advance to a related party | -- | (20,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from advances-related party | -- | 45,520 |
| NET DECREASE IN CASH | -- | 2,695 |
| Cash, beginning of period | -- | -- |
| Cash, end of period | \$ -- | \$ 2,695 |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | -- | -- |
| Income taxes paid | -- | -- |

Micro Bio-Medical Waste Systems, Inc.
NOTES TO FINANCIAL STATEMENTS
(unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Micro Bio-Medical Waste Systems, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's registration statement filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end December 31, 2004 as reported in Form 10-KSB, have been omitted.

NOTE 2 - ADVANCES RECEIVABLE - RELATED PARTY

Micro Bio-Medical has advanced \$20,000 to a related party. The advance is due on demand.

NOTE 3 - ADVANCES - RELATED PARTY

Micro Bio-Medical has received advances from one shareholder totaling \$45,520. The advances are unsecured and are due upon demand.

NOTE 4 - COMMON STOCK

The board of directors approved a 20 for 1 stock split in January 2004. All stock information is shown post split on these financial statements.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

This report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. The Company's actual results could differ materially from those set forth on the forward looking statements as a result of the risks set forth in the Company's filings with the Securities and Exchange Commission, general economic conditions, and changes in the assumptions used in making such forward looking statements.

GENERAL

Micro Bio-Medical Waste Systems, Inc. formerly known as 20/20 Networks, Inc. (the "Company") was incorporated on August 31, 1995 as "Visioneering Corporation" under the laws of the State of Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

In December, 2003, the Company entered into an Agreement with its majority shareholder, Crown Partners, Inc. ("Crown") to acquire Crown's wholly owned subsidiary, Sanitec Services of Hawaii, Inc. The Company is obligated to pay Crown the sum of \$550,000 and issue five percent of its common stock to Crown. The \$550,000 was due within 60 days of the agreement but the Company has been unable to pay the sum owing, so that the transaction with Crown has not been closed. As part of the transaction with Crown, the Company changed its name to "Micro Bio-Medical Waste Systems, Inc." and approved a twenty-for-one forward stock split which was implemented in January, 2004.

Once the Company is able to pay Crown the money it owing to it, the Company will assume management and control of Crown's Hawaiian operations. The Company anticipates engaging in the medical waste disposal business and other related business ventures.

The Company presently shares office space provided to it at no cost by a shareholder of the Company.

As of March 31, 2005, the Company had no employees.

RESULTS OF OPERATIONS

For the three month periods ended March 31, 2005 and 2004, the Company had no revenues. The Company's expenses for the three months ended March 31, 2005 were approximately \$0, representing general and administrative expenses. The Company recorded a net loss of \$0 for the period ended March 31, 2005. The Company's expenses for the three months ended March 31, 2004 were \$23,181 representing general and administrative costs. The Company recorded a net loss of (\$23,181) for the period. The net loss per share was \$0.00 for the period ended March 31, 2005 compared to a net loss of \$0.00 per share for the period ended March 31, 2004.

For the three months ended March 31, 2005, the Company had no assets other than an advance receivable from a related party. At December 31, 2004, the Company had no assets other than an advance receivable from a related party. The Company's current liabilities for the three months ended March 31, 2005 were approximately \$242,000 compared to liabilities of approximately \$242,000 for the year ended December 31, 2004. Shareholders' deficit for the three months ended March 31, 2005 was approximately \$242,000 compared to total shareholders' deficit of \$242,000 for the year ended December 31, 2004.

The Company anticipates that until a business combination is completed with an acquisition candidate or it completes its transaction with Crown, it will not

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generate revenues and may operate at a loss after completing a business combination, depending upon the performance of the acquired business.

The Company will attempt to carry out its business plan as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has experienced no significant change in liquidity or capital resources or stockholders equity other than the receipts of proceeds from offerings of its capital stock. The Company received \$250,000 from an offering conducted under Rule 504 of Regulation D in 1999. The Company also raised approximately \$158,000 from the issuance of 7,200,000 shares of the Company's common stock prior to 1997. In 1997, the Company raised an additional \$345,000 from the sale of its common stock. The Company's balance sheet as of March 31, 2005 reflects no assets and limited liabilities. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

The Company is currently working to raise the funds necessary to pay Crown so that the proposed acquisition of the Hawaiian medical waste business can be completed, providing the Company with a source of revenue. The Company has thus far been unsuccessful in locating and raising the necessary capital and cannot predict how much more of an extension Crown will give it to pay the funds owing before seeking to terminate the proposed transaction with the Company.

The Company will attempt to carry out its plan of business and hopes to raise the capital to complete the Crown transaction as soon as possible. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan.

NEED FOR ADDITIONAL FINANCING

The Company's existing capital is not sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. Once a business combination is completed, the Company's need for additional financing will increase substantially.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any funds will be available to the Company to allow it to cover its expenses.

The Company might seek to compensate providers of services by issuing common stock in lieu of cash.

DESCRIPTION OF PROPERTIES

The Company presently shares office space provided by a shareholder at no cost to the Company.

EMPLOYEES

As of March 31, 2005, the Company had no employees.

ITEM 3. CONTROLS AND PROCEDURES

We maintain controls and procedures designed to ensure that information required

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to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed as of the end of the period covered by this report, our chief executive officer and principal financial officer concluded that our disclosure controls and procedures were adequate.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II

Items No. 1, 2, 3, 4 and 5 - Not Applicable.

Item No. 6 - Exhibits and Reports on Form 8-K

(a) No reports on Form 8-K were filed during the quarter ended March 31, 2005.

(b) Exhibits

None

SIGNATURES

In accordance with the requirements 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.

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

By /s/ Charles Smith

Charles Smith, CEO, CFO

Date: May 31, 2005