

DIGITAL ECOSYSTEMS CORP.
Form 10QSB
February 16, 2006

UNITED STATES
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 **December 31, 2005**

Transition Report Under Section 13 Or 15(d) Of The Securities Exchange Act Of 1934

For the transition period _____ to _____

COMMISSION FILE NUMBER **000-51152**

DIGITAL ECOSYSTEMS CORP.

(Name of small business issuer in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

98-0431245

(I.R.S. Employer Identification No.)

1313 East Maple Street, Suite 223

Bellingham, WA

(Address of principal executive offices)

98225

(Zip Code)

(360) 685-4240

Issuer's telephone number

Not Applicable

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past twelve 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: **As of February 15, 2006, the Registrant had 28,700,000 shares of common stock issued and outstanding.**

Transitional Small Business Disclosure Format (check one): Yes No

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the quarterly period ended December 31, 2005 are not necessarily indicative of the results that can be expected for the year ending March 31, 2006.

As used in this Quarterly Report, the terms "we", "us", "our", and Digital mean Digital Ecosystems Corp. unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

DIGITAL ECOSYSTEMS CORP.
(A Development Stage Company)

THIRD QUARTER FINANCIAL STATEMENTS

DECEMBER 31, 2005
(Unaudited)
(Stated in U.S. Dollars)
F-1

DIGITAL ECOSYSTEMS CORP.
(A Development Stage Company)

BALANCE SHEETS
(Unaudited)
(Stated in U.S. Dollars)

	DECEMBER 31 2005	MARCH 31 2005
ASSETS		
Current		
Cash	\$ 52,520	\$ 4,014
Prepaid expense	19,964	-
	\$ 72,484	\$ 4,014
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 8,914	\$ 26,932
Due to related party	10,100	1,000
Notes payable	203,518	-
	222,532	27,932
STOCKHOLDERS DEFICIENCY		
Capital Stock		
Authorized:		
1,000,000,000 voting common stock with a par value of \$0.001 per share		
100,000,000 preferred stock with a par value of \$0.001 per share		
Issued and outstanding		
28,700,000 common shares at December 31, 2005	28,700	91,200
91,200,000 common shares at March 31, 2005		
Additional paid-in capital	130,767	50,267
Deficit Accumulated During The Development Stage	(309,515)	(165,385)
	(150,048)	(23,918)
	\$ 72,484	\$ 4,014

The accompanying notes are an integral part of these financial statements

DIGITAL ECOSYSTEMS CORP.
(A Development Stage Company)

STATEMENTS OF OPERATIONS
(Unaudited)
(Stated in U.S. Dollars)

	THREE MONTHS ENDED		NINE MONTHS ENDED		CUMULATIVE
	DECEMBER 31		DECEMBER 31		PERIOD FROM
	2005	2004	2005	2004	INCEPTION
					ON
					FEBRUARY 21
					2002 TO
					DECEMBER 31
					2005
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Consulting Officers and directors	6,000	-	18,000	-	62,700
Management fees	30,000	-	35,000	-	35,000
Consulting Website development	-	-	-	-	10,094
Consulting	33,292	6,299	33,292	18,299	56,238
Other Management	40,500	-	40,500	-	40,500
Office and miscellaneous	5,580	5,820	8,060	7,729	17,300
Professional fees	3,849	17,730	23,939	34,548	97,544
Research	1,036	-	1,036	-	1,036
Rent	710	-	710	-	7,815
Telephone	309	112	522	256	1,352
Foreign exchange	90	(4,298)	58	(4,298)	(3,757)
Transfer agent	-	-	186	-	866
Loss Before The Under Noted	(121,366)	(25,663)	(161,303)	(56,534)	(326,688)
Gain On Extinguishment of Debt	17,173	-	17,173	-	17,173

Loss For The Periods	\$	(104,193)	\$	(25,663)	\$	(144,130)	\$	(56,534)	\$	(309,515)
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Loss Per Share Basic	\$	(0.00)	\$	(0.00)	\$	(0.00)	\$	(0.01)
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Weighted Average Number

Of Shares Outstanding	28,700,000	9,120,000	66,881,818	8,941,818
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DIGITAL ECOSYSTEMS CORP.)
(A Development Stage Company)

STATEMENTS OF CASH FLOWS
(Unaudited)
(Stated in U.S. Dollars)

	THREE MONTHS ENDED		NINE MONTHS ENDED		CUMULATIVE
	DECEMBER 31		DECEMBER 31		PERIOD FROM
	2005	2004	2005	2004	INCEPTION
					ON
					FEBRUARY 21
					2002 TO
					DECEMBER 31
					2005
Cash Flows					
From					
Operating					
Activities					
Loss for the periods	(104,193)	\$ (25,663)	(144,130)	\$ (56,534)	\$ (309,515)
Adjustments to reconcile net loss to net cash used in operating activities					
Non-cash services from officers	6,000	6,000	18,000	18,000	62,700
Changes in non-cash working capital items:					
Decrease in accounts receivable	-	-	-	1,134	-
	(19,964)	-	(19,964)	-	(19,964)

Increase in prepaid expense					
Increase (Decrease) in due to related party	(12,073)	-	9,100	-	10,100
Increase (Decrease) in accounts payable and accrued liabilities	(12,432)	8,662	(18,018)	13,490	8,914
	(142,662)	(11,001)	(155,012)	(23,910)	(247,765)
Cash Flows From Financing Activities					
Loan payable	(8,424)	-	-	-	-
Notes payable	203,518	-	203,518	-	203,518
Proceeds from issuance of common stock	-	-	-	37,569	96,767
	195,094	-	203,518	37,569	300,285
Net Increase (Decrease) In					
Cash	52,432	(11,001)	48,506	13,659	52,520
Cash, Beginning Of Period	88	46,643	4,014	21,983	-
Cash, End Of Period	\$ 52,520	\$ 35,642	\$ 52,520	\$ 35,642	\$ 52,520

The accompanying notes are an integral part of these financial statements

DIGITAL ECOSYSTEMS CORP.
(A Development Stage Company)

STATEMENT OF STOCKHOLDERS EQUITY (DEFICIENCY)

PERIOD FROM INCEPTION, FEBRUARY 21, 2002, TO DECEMBER 31, 2005

(Unaudited)

(Stated in U.S. Dollars)

	NUMBER OF SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	STOCK SUBSCRIPTIONS RECEIVED	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	TOTAL
Common stock issued for cash	15,000,000	\$ 15,000	\$ (13,500)	-	-	\$ 1,500
Net loss for the period	-	-	-	-	(1,770)	(1,770)
Balance, March 31, 2002	15,000,000	15,000	(13,500)	-	(1,770)	(270)
Common stock issued for cash	50,000,000	50,000	(45,000)	-	-	5,000
Cash received for stock subscriptions	-	-	-	31,200	-	31,200
Non-cash services from officers and directors	-	-	9,900	-	-	9,900
Net loss for the year	-	-	-	-	(20,484)	(20,484)
Balance, March 31, 2003	65,000,000	65,000	(48,600)	31,200	(22,254)	25,346
Common stock issued for cash	16,200,000	16,200	36,498	(31,200)	-	21,498
Non-cash services from officers						

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and directors	-	-	10,800	-	-	10,800
Net loss for the year	-	-	-	-	(39,527)	(39,527)