GILDER ENTERPRISES INC
Form 10QSB
April 10, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **February 28, 2006**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period __________ to __________

Commission File Number **0-51038**

GILDER ENTERPRISES, INC.

(Exact name of small Business Issuer as specified in its charter)

NEVADA	**Nil**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
3639 Garibaldi Drive North Vancouver, British Columbia Canada	**V7H 2W2**
(Address of principal executive offices)	(Zip Code)

Issuer s telephone number, including area code: **604-924-8180**

None
(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 Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days
[X] **Yes** [ ] No

State the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date:
7,855,000 common shares, par value of $0.001 per share, outstanding as of April 7, 2006.

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

Gilder Enterprises, Inc.
Quarterly Report On Form 10-QSB

For The Nine Months Ended February 28, 2006

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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 generally accepted accounting principles. 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 three and nine months ended February 28, 2006 are not necessarily indicative of the results that can be expected for the year ending May 31, 2006.

The following consolidated interim unaudited financial statements of Gilder Enterprises, Inc. (the Company) for the three-month period ended February 28, 2006 are included with this Quarterly Report on Form 10-QSB:

(a) Consolidated balance sheets as at February 28, 2006 (unaudited) and May 31, 2005;

(b) Consolidated statements of operations for the three and nine months ended February 28, 2006 and February 28, 2005 and for the period from April 25, 2002 (inception) to February 28, 2006 (cumulative);

(c) Consolidated statements of changes in stockholders equity (capital deficit) for the period from April 25, 2002 (inception) to February 28, 2006 (cumulative);

(d) Consolidated statements of cash flows for the nine months ended February 28, 2006 and February 28, 2005 and for the period from April 25, 2002 (inception) to February 28, 2006 (cumulative); and

(e) Notes to the consolidated financial statements.

Gilder Enterprises, Inc.
(A Development Stage Company)

Consolidated Interim Financial Statements
February 28, 2006 (unaudited) and May 31, 2005
(Stated in US Dollars)
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Gilder Enterprises, Inc.
(A Development Stage Company)

Consolidated Interim Financial Statements
February 28, 2006 (unaudited) and May 31, 2005
(Stated in US Dollars)

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Gilder Enterprises, Inc.
(A Development Stage Company)

Consolidated Interim Balance Sheets
(Stated in US Dollars)

	February 28 2006 (Unaudited)	May 31 2005
Assets		
Current		
Cash	$ 2,248	$ 8,982
Receivables	1,851	1,945
	4,099	10,927
Computer equipment and software	12,583	13,819
Total Assets	$ 16,682	$ 24,746
Liabilities and Capital Deficit		
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 42,543	$ 29,847
Due to related party (Note 3)	57,913	48,848
	100,456	78,695
Loans payable (Note 4)	10,000	10,000
	110,456	88,695
Capital deficit		
Share capital		
Authorized		
100,000,000 shares of preferred stock, par value $0.001 per share		
100,000,000 shares of common stock, par value $0.001 per share		
Issued		
7,855,000 (May 31, 2005 7,855,000) shares of common stock	7,855	7,855
Additional paid-in capital	97,395	97,395
Deficit accumulated in the development stage	(199,024)	(169,199)
	(93,774)	(63,949)

Total Liabilities and Capital Deficit	**$**	**16,682**	$	24,746

The accompanying notes are an integral part of these consolidated interim financial statements.

Gilder Enterprises, Inc.
(A Development Stage Company)

Consolidated Interim Statements of Operations
(Unaudited - Stated in US Dollars)

	Three months ended Feb 28 2006	Three months ended Feb 28 2005	Nine months ended Feb 28 2006	Nine months ended Feb 28 2005	April 25 2002 (Inception) to February 28 2006 (Cumulative)
Revenues					
Internet access services	$ 4,145	$ 2,898	$ 13,591	$ 8,926	$ 26,251
Operating Expenses					
Depreciation	1,254	1,139	3,531	3,416	8,821
Operations and technical support	3,281	2,952	9,513	8,825	24,564
Professional fees	6,480	9,499	17,377	44,484	119,530
Office and administrative services	3,029	3,885	10,541	8,836	46,943
Total operating expenses	14,044	17,475	40,962	65,561	199,858
Operating loss	(9,899)	(14,577)	(27,371)	(56,635)	(173,607)
Other expense					
Interest	(946)	(308)	(2,454)	(431)	(4,168)
Loss from continued operations before minority interest	(10,845)	(14,885)	(29,825)	(57,066)	(177,775)
Minority interest in loss from continued operations	-	-	-	-	37
Loss from continued operations	(10,845)	(14,885)	(29,825)	(57,066)	(177,738)
Loss from discontinued operations	-	-	-	-	(21,286)
Net loss for the period	$ (10,845)	$ (14,885)	$ (29,825)	$ (57,066)	$ (199,024)
Basic and diluted loss per share					
- continued operations	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.03)
- discontinued operations	-	-	-	-	(0.00)
Net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.03)
Weighted average outstanding shares	7,855,000	7,855,000	7,855,000	7,855,000	7,693,598

The accompanying notes are an integral part of these consolidated interim financial statements.

Gilder Enterpris
(A Development Stage Co

Consolidated Interim Statement of Changes in Stockholders Equity (Capital Deficit)
(Stated in US Dollars)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deficit Accumulated in the Development Stage	Stockh (Capital D
Issued on April 25, 2002 (inception) at $0.001 per share	4,000,000	$ 4,000	$ -	$ -	$
Net loss for the period (Fiscal 2002)	-	-	-	(2,931)	
Balance, May 31, 2002	4,000,000	4,000	-	(2,931)	
Issued in June 2002 at $0.02 per share	3,750,000	3,750	71,250	-	
Issued in May 2003 at $0.25 per share	105,000	105	26,145	-	
Net loss for the year (Fiscal 2003)	-	-	-	(37,773)	(
Balance, May 31, 2003	7,855,000	7,855	97,395	(40,704)	
Net loss for the year (Fiscal 2004)	-	-	-	(50,194)	(
Balance, May 31, 2004	7,855,000	7,855	97,395	(90,898)	
Net loss for the year (Fiscal 2005)	-	-	-	(78,301)	(
Balance, May 31, 2005	7,855,000	7,855	97,395	(169,199)	(
Net loss for the period (Fiscal 2006, 1st Quarter) (unaudited)	-	-	-	(10,347)	(
Balance, August 31, 2005 (unaudited)	7,855,000	7,855	97,395	(179,546)	(
Net loss for the period (Fiscal 2006, 2nd Quarter) (unaudited)	-	-	-	(8,633)	
Balance, November 30, 2005 (unaudited)	7,855,000	$ 7,855	$ 97,395	$ (188,179)	$ (
Net loss for the period (Fiscal 2006, 3rd Quarter) (unaudited)	-	-	-	(10,845)	(
Balance, February 28, 2006 (unaudited)	**7,855,000**	**$ 7,855**	**$ 97,395**	**$ (199,024)**	**$ (**

The accompanying notes are an integral part of these consolidated interim financial statements.

Gilder Enterprises, Inc.
(A Development Stage Company)

Consolidated Interim Statements of Cash Flows
(Unaudited - Stated in US Dollars)

	Nine months ended February 28 2006	Nine months ended February 28 2005	April 25 2002 (Inception) to February 28 2006 (Cumulative)
Cash provided by (used in)			
Operating activities			
Net loss from continued operations	$ **(29,825)**	$ (57,066)	$ (177,738)
Adjustments to reconcile loss from continued operations to cash used in operating activities			
Minority interest	**-**	-	(37)
Depreciation	**3,531**	3,416	8,821
(Increase) decrease in receivables	**94**	138	(1,851)
Increase in accounts payable and accrued liabilities	**12,696**	4,547	42,543
Cash used in continued operations	**(13,504)**	(48,965)	(128,262)
Cash used in discontinued operations	**-**	-	(21,286)
	(13,504)	(48,965)	(149,548)
Financing activities			
Shares issued for cash	**-**	-	105,250
Investment by minority interest	**-**	-	37
Increase in due to related party	**9,065**	34,374	57,913
	9,065	34,374	163,200
Investing activity			
Purchase of computer equipment and software	**(2,295)**	-	(11,404)
Net change in cash	**(6,734)**	(14,591)	2,248
Cash, beginning of period	**8,982**	27,394	-
Cash, end of period	$ **2,248**	$ 12,803	$ 2,248
Supplemental information			
Income tax paid	$ **-**	$ -	$ -

Interest paid	**$ -**	$ -	$ -

The following transactions which did not result in cash flows have been excluded from financing and investing activities:

Acquisition of assets from 5G Wireless	**$ -**	$ **-**	$ (10,000)
Loans payable to 5G Wireless for the acquisition of assets	**$ -**	$ **-**	$ 10,000

The accompanying notes are an integral part of these consolidated interim financial statements.

Gilder Enterprises, Inc. (A Development Stage Company)

Notes to the Consolidated Interim Financial Statements
Nine months ended February 28, 2006
(Unaudited - Stated in US Dollars)

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

In the opinion of the Company s management, the balance sheet as of February 28, 2006 and the statements of operations, changes in stockholders equity (capital deficit) and cash flows for the nine-month period ended February 28, 2006 contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the information set forth therein. The results of operations for the nine-month period ended February 28, 2006 are not necessarily indicative of the results for any other periods.

These statements should be read in conjunction with the May 31, 2005 annual financial statements, including the accounting policies and notes thereto appearing in the Company s annual report on Form 10-KSB. These financial statements follow the same significant accounting policies as those described in the notes to the Company s audited financial statements for the year ended May 31, 2005.

2. Nature of Business and Ability to Continue Operations

Gilder Enterprises, Inc. (the Company) was incorporated on April 25, 2002 under the laws of the State of Nevada. The Company was originally established to pursue mineral exploration and development business opportunities. In January 2003, the Company abandoned its mineral exploration activities. In May 2003, the Company entered into an agreement with a Singapore company whereby the Company and the Singapore company would pursue opportunities to provide high speed Internet access to hotel and other targeted properties. Pursuant to the agreement, the Company has become a 51% stockholder in Nex Connectivity Solutions Inc. (Nex Connectivity) while the Singapore company controls the remaining 49% of shares of the subsidiary (Note 4). Nex Connectivity commenced revenue-generating activities in May 2004 and, to February 28, 2006, had recorded cumulative internet access service revenues of $26,251.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As at February 28, 2006, the Company had only recently completed its first full year of revenue-generating operations and had accumulated losses of $199,024 (to May 31, 2005 - $169,199) since its inception. Additionally, the Company has negative working capital of $96,357 at February 28, 2006. The continuation of the Company is dependent upon it achieving a profitable level of operations as well as obtaining further long-term financing. Management plans to raise equity capital to finance the operations and capital requirements of the Company. The Company has committed all of its net working capital as at February 28, 2006 to complete the development of the Company s business plan. It earns revenue from its Internet access network at one hotel property in Vancouver, Canada. It plans to undertake the necessary marketing efforts to secure further contracts involving the design, installation and operation of Internet access network(s) and to secure further long-term financing. While the Company is expending its best efforts to achieve the above plans, there is no assurance that such activity will generate funds that will be available to sustain operations.

Gilder Enterprises, Inc. (A Development Stage Company)

Notes to the Consolidated Interim Financial Statements
Nine months ended February 28, 2006
(Unaudited - Stated in US Dollars)

3. Due to Related Party

On October 26, 2004, the Company entered into a loan with Angus Consulting Inc., a private company controlled by the Company s President, for a principal amount of $25,000. The loan is repayable at any time on or after October 26, 2005, unsecured and evidenced by a convertible promissory note. It bears interest at the rate of 5% per annum, with accrued interest payable on the anniversary of the loan. All outstanding amounts of the principal and accrued interest are convertible at the option of Angus Consulting Inc. into shares of the Company s common stock at any time prior to repayment at a price of $0.25 per share. As at February 28, 2006, total unpaid interest accrued in connection with this loan totaled $1,687 (May 31, 2005 - $747) and is included in amounts due to related party.

Under US generally accepted accounted principles, Emerging Issues Task Force (EITF) No. 00-27 requires the value of the beneficial conversion feature associated with convertible instruments to be recorded as a discount and to be amortized over the term of the related convertible instrument using the effective interest rate method. When a company issues a convertible instrument that is convertible into common stock, the value of the beneficial conversion feature is computed by comparing the proceeds of the convertible instrument allocated to the common stock portion of the conversion option and the fair value at the commitment date of the common stock to be received by the holder upon conversion. For the above noted convertible promissory note, no beneficial conversion feature was recorded as the fair value of the common stock on the commitment date equals the proceeds of the convertible instrument.

Other amounts due to the Company s president totaling $31,226 at February 28, 2006 (May 31, 2005 - $23,101) are unsecured, non-interest bearing and repayable on demand.

4. Commitments

a) Agreement with 5G Wireless Communications Pte Ltd. (5G Wireless)

On May 25, 2003, the Company entered into an agreement with 5G Wireless, a Singapore incorporated company of which one of the Company s directors, is the president and a director. The Company entered into the agreement to pursue a business opportunity of providing high- speed Internet access to hotel and other targeted properties. Nex Connectivity, a Canadian company was incorporated to undertake initial business operations, with the Company and 5G Wireless owning 51% and 49% interests in Nex Connectivity respectively.

Gilder Enterprises, Inc.
(A Development Stage Company)

Notes to the Consolidated Interim Financial Statements
Nine months ended February 28, 2006
(Unaudited - Stated in US Dollars)

4. Commitments (continued)

The Company has agreed pursuant to a shareholders agreement with 5G Wireless to provide management services and advance up to $40,000 to Nex Connectivity as a loan in order to fund its start-up operations and its initial Internet access network installation. 5G Wireless has agreed to provide (i) certain network hardware and software valued at $10,000 (ii) the technical expertise and support of its employees, and (iii) a license of certain software developed by 5G Wireless for the management of the Internet access networks. 5G Wireless and its President have each provided a guarantee of repayment of the loan advances to be made under the shareholders agreement. These guarantees are in turn supported by corresponding general security agreements. To February 28, 2006, the Company had advanced $14,889 (May 31, 2005 - $21,000) to Nex Connectivity as a loan pursuant to the shareholders agreement. Such amount has been eliminated on consolidation. As required by the shareholders' agreement, 5G Wireless provided the hardware and software equipment as well as the license of the software to Nex Connectivity in the first quarter of the 2004 fiscal year. As at February 28, 2006, the acquisition of the assets was recorded at its fair value of $10,000 with the corresponding charges to loans payable. These loans payable are non-interest bearing and are repayable from net profits of Nex Connectivity available to be distributed upon the approval of the Board of Directors of Nex Connectivity or when 5G Wireless ceases to be a shareholder of Nex Connectivity.

b) Management Services Agreement

The Company entered into a Management Services Agreement (the Service Agreement) with a company controlled by the Company s President. Under the terms of the Service Agreement, the Company agreed to pay a fee of $900 per month for a two-year term ending June 30, 2004, in consideration for management and administrative services. On April 1, 2004, without material amendment to the terms of the agreement, the Service Agreement was extended to March 31, 2006.

During the nine-month period ended February 28, 2006, the Company was charged $8,100 (nine-month period ended February 28, 2005 - $8,100) in fees owing under this Service Agreement and a total of $29,700 was outstanding and accrued in accounts payable and accrued liabilities as at February 28, 2006 (May 31, 2005 - $21,600).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meanings of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential" or "continue", the negative of such terms, and other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Such risks and uncertainties include amongst others the market for our Internet access services, technology developments, availability of funds, government regulations, common share prices, operating costs, capital costs, and other factors. These risks and uncertainties may cause our actual results to differ materially from any forward-looking statement. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In evaluating these statements, you should consider various factors, including the risks outlined below and, from time to time, in other reports we file with the SEC. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any forward-looking statements to conform them to actual results. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Our statements are stated in United States dollars (US $) and are prepared in accordance with United States Generally Accepted Accounting Principles (GAAP).

In this Quarterly Report, unless otherwise specified, all dollar amounts are expressed in United States Dollars. All references to CDN$ refer to Canadian dollars and all references to common shares refer to the common shares in our capital stock.

As used in this quarterly report, the terms we , us and our , mean Gilder Enterprises, Inc.

OVERVIEW

We are a development stage company. We have an operating subsidiary, Nex Connectivity Solutions Inc. (Nex Connectivity Solutions), which is a Canadian federal corporation incorporated on March 25, 2003. Through Nex Connectivity Solutions we are engaged in the business of installing and operating computer networks that enable business travelers at hotel properties to have high-speed access to the Internet (Internet access networks). We own a majority 51% interest in Nex Connectivity Solutions. Our joint venture partner, 5G Wireless Communications Pte. Ltd. (5G Wireless), a Singapore company, owns the remaining 49% interest in Nex Connectivity Solutions. Nex Connectivity Solutions was incorporated in order that we could carry out a joint venture with 5G Wireless for the design, building, owning and operation of specialized Internet access networks, initially serving the needs of business travelers.

Our business plan is to earn revenues from Internet access fees paid by hotel guests at hotels where we have installed Internet access networks. We anticipate that revenues will be shared between ourselves and the hotel property owners based upon negotiated revenue sharing agreements. We also anticipate that we will pay the up-front cost of the installation of any additional Internet access networks, without contribution from the hotel property owner.

In early 2004, Nex Connectivity Solutions secured its initial contract for the installation and operation of a high-speed Internet access network at the Empire Landmark Hotel, a hotel property in Vancouver, British Columbia, 4

Canada. The installation of the Internet access network was completed in May 2004. Nex Connectivity Solutions plans to use this initial contract to build an Internet access network operations business in the Vancouver area. If Nex Connectivity Solutions is successful in securing additional contracts for Internet access network operations in the Vancouver area, then our business plan is to expand the business into new geographical areas and into new target markets, such as convention centers and institutions. There is no assurance that revenues from the initial contract will be sufficient to pursue further Internet access network installations. Also, our present cash reserves and working capital are not sufficient to enable us to maintain our plan of operation without additional financing, of which there is no assurance.

Recent market developments would indicate that the market is maturing and becoming more competitive. In Gilder s chosen initial geographic market, Vancouver, Canada, substantially all of the downtown hotel properties have implemented some form of Internet access for their guests. While this has the effect of significantly limiting the available downtown hotel property market for the Company, there has been some replacement of suppliers as hotel properties have upgraded from dial-up to broadband access. We believe our broadband Internet access services compare favorably with that of our competitors and Gilder plans to target certain of the hotel properties that are in the position of upgrading in order to compete for such contracts. Further, we believe other attractive hotel prospects may be available in nearby suburban markets, which we are now researching. In the prior quarter ended November 30, 2005, Gilder expanded its Empire Landmark Hotel Internet access network installation and now serves approximately double the number of guest rooms as were originally installed. The final system commissioning necessary for full revenue operations was completed in the last week of November. Accordingly, revenues for the quarter ended February 28, 2006 reflect guest utilization in the additional rooms being served for the full period. Under the terms of the contract extension agreed with the Empire Landmark Hotel, guest usage fees remain the same and a one-time network-servicing fee computed on a per floor basis was paid by the Hotel to Gilder.

Technology has also been advancing and there have been several promising developments that could impact future network design and installation, with the ultimate potential effect of reducing the time and capital costs required to complete an installation. These developments include newly available OEM commercial hardware that multiplexes (i.e. permits multiple uses of) existing wiring, and allows Internet access to be delivered over existing 120 volt power lines, telephone and/or TV cables. We are investigating these newly available commercial OEM products for potential adaptation into our Internet access service system.

Gilder has not been as successful as originally planned at building a significant Internet access network business involving multiple locations and contracts. To February 28, 2006, it had secured only one contract in over two years of operations. In the third quarter of fiscal 2006, recognizing that Gilder s future prospects here are less attractive than originally thought, management began to investigate other business opportunities for the Company. The Company has not entered into any definitive agreement with respect to any other business opportunity to date and there is no assurance that any definitive agreement will be entered into. The Company will continue its original plan of operations, as discussed above, pending the entering into of any definitive agreement with respect to a new business opportunity.

RESULTS OF OPERATIONS

Revenues

All of our revenues to date are attributable to our Internet access network installed at the Empire Landmark Hotel in Vancouver, British Columbia, which became operational in May 2004. We earned revenues of $4,145 during the quarter ended February 28, 2006 as compared to $2,898 for the same period in fiscal 2004. During the nine months ended February 28, 2006, we earned revenues of $13,591 as compared to $8,926 for the nine months ended February 28, 2005. There is no assurance that initial revenues will be indicative of future revenues from the Internet access network installed at the Empire Landmark Hotel.

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Operating Costs and Expenses

We incurred operating expenses of $14,044 in the quarter ended February 28, 2006 as compared to $17,475 for the same period in fiscal 2005. We incurred operating expenses of $40,962 during the nine months ended February 28, 2006 as compared to $65,561 for the nine months ended February 28, 2005.

Professional fees were $6,480 in the quarter ended February 28, 2006 as compared to $9,499 for the same period in fiscal 2005. We incurred professional fees of $17,377 during the nine months ended February 28, 2006 compared to $44,484 for the nine months ended February 28, 2005. In fiscal 2005, these fees were primarily attributable to costs incurred in filing a registration statement with the Securities and Exchange Commission, which was declared effective in November 2004. We will continue to incur professional fees, as Gilder is now a reporting issuer under the Securities Exchange Act of 1934.

Operations and technical support expenses were $3,281 during the three months ended February 28, 2006 as compared to $2,952 for the same period in fiscal 2005. We incurred operations and technical support expenses of $9,513 during the nine months ended February 28, 2006 as compared to $8,825 for the nine months ended February 28, 2005. These expenses were incurred in connection with the operation of the Internet access network at the Empire Landmark Hotel. We anticipate that these expense levels will be maintained during the current fiscal year. These expenses will increase in the event that we are able to establish additional Internet access networks.

Office and administrative services expenses were $3,029 in the quarter ended February 28, 2006 as compared to $3,885 for the same period in fiscal 2005. We incurred office and administrative services expenses of $10,541 during the nine months ended February 28, 2006 as compared to $8,836 for the nine months ended February 28, 2005. Office and administration services expenses were attributable primarily to management services provided by Angus Management, a private company controlled by Mr. Joseph Bowes, our president and a director. We pay Angus Management a fee of $900 per month plus out-of-pocket expenses for management and administration services.

Depreciation expense was $1,254 during the three months ended February 28, 2006 as compared to $1,139 for the same period in fiscal 2005. Depreciation expense was $3,531 during the nine months ended February 28, 2006 as compared to $3,416 for the same period in fiscal 2005.

Our corporate marketing efforts to date have mainly been direct sales activities involving Gilder management contacting hotel property managers and owners directly to discuss our Internet access network services and capabilities. We anticipate continuing with similar marketing efforts for the balance of the year. Accordingly, the majority of our marketing expenses are attributable to management compensation costs, which are included in the Statement of Operations under office and administrative services.

We anticipate that our operating expenses will increase substantially over the next twelve months due to the fact that we plan to expand our business operations by undertaking marketing efforts in order to secure additional Internet access networks installation contract with hotel property owners. We may also incur additional operating expenses if we determine to pursue the negotiation of a definitive agreement with respect to a new business opportunity.

Our net loss for the quarter ended February 28, 2006 decreased to $10,845 as compared to $14,885 for the same period in fiscal 2005 mainly as a consequence of better revenue performance and lower professional fees. For the same reasons, our net loss for the nine months ended February 28, 2006 decreased to $29,825 compared to $57,066 for the nine months ended February 28, 2005. Our net losses are attributable primarily to our operating expenses. We anticipate incurring continuing operating losses in the foreseeable future as we carry out our business plan and incur increased operating expenses. The amount and the extent of our operating losses will depend on our success in implementing our business strategy.

FINANCIAL CONDITION AND LIQUIDITY

Cash and Working Capital

We had cash of $2,248 and a working capital deficit of $96,357 as of February 28, 2006, compared to cash of $8,982 and working capital deficit of $67,768 as of May 31, 2005.

Our working capital deficit has increased due to the fact that our operating expenses have continued to exceed our revenues from our one Internet access network. Our present cash reserves and working capital are not sufficient to enable us to maintain our plan of operations over the next twelve months without additional financing. We anticipate that we will require approximately $225,000 in additional financing over the next twelve-month period in order to enable us to cover our working capital deficit and to provide necessary further funding to pursue our plan of operations, as discussed below under Plan of Operations . If we do not achieve any additional financing, we anticipate that we will be able to maintain current operations for approximately three months based on current cash and working capital.

If we do not achieve this additional financing, or if the additional financing that we achieve is less than required, then we will scale back our operations according to the funds available to us, as discussed below under Plan of Operations .

Cash Flows

We used cash in the amount of $13,504 in our operations during the nine months ended February 28, 2006, as compared to $48,965 for the nine months ended February 28, 2005. We also used cash in the amount of $2,295 to purchase network equipment during the nine months ended February 28, 2006. We financed cash used in operations and for the equipment purchases in part by using cash raised in financing activities in the amount of $9,065 during the nine months ended February 28, 2006. This amount represented an increase to amounts due to a related party, which increased from $48,848 as at May 31, 2005 to $57,913 as at February 28, 2006. In October 2004, we obtained a loan in the principal amount of $25,000 as a convertible loan from Angus Consulting, a private company controlled by Mr. Bowes. This convertible loan bears interest at the rate of 5% per annum and is due and payable upon demand at any time after October 26, 2005. All outstanding amounts of the principal and accrued interest under the convertible loan are convertible at the option of Angus Consulting into shares of the Company s common stock at any time prior to repayment at a price of $0.25 per share. There is no assurance that Angus Consulting will loan any additional funds to us. This amount is presently outstanding in the amount of $26,687 as at February 28, 2006 and includes $1,687 of accrued interest.

Future Financings

We anticipate that if we pursue any additional financing, the financing would be an equity financing achieved through the sale of our common stock. We do not have any arrangement in place for any debt or equity financing. If we are successful in completing an equity financing, existing shareholders will experience dilution of their interest in our company. In the event we are not successful in obtaining such financing when necessary, we may not be able to proceed with our business plan.

Off Balance Sheet Arrangements

We have no significant 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 stockholders.

Significant Contingencies

Our financial statements have been prepared assuming we will continue as a going concern. Our independent auditors have made reference to there being substantial doubt about our ability to continue as a going concern in their report of independent registered public accounting firm on our audited financial statements for the year ended May 31, 2005. As discussed in the notes to our audited financial statements, we had only recently completed our first full year of revenue-generating operations. We had accumulated operating losses of $199,024 from our inception to February 28, 2006. Our continuation is dependent upon our achieving a profitable level of operations as well as obtaining further long-term financing. These factors raise substantial doubt that we will be able to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

PLAN OF OPERATIONS

We anticipate that we will expend approximately $125,000 over the next twelve months pursuing our plan of operations as outlined below, subject to our achieving the necessary financing. These anticipated expenditures are broken down as follows:

Estimated Expenditures Required
During the Next Twelve Months

Operating expenditures	
Operations and technical support	$18,000
Marketing, general and administrative	43,000
Total operating expenditures	61,000
Capital expenditures (Note 1)	64,000
Total	$125,000

Note: (1) Capital expenditures include $59,000 for the network operations center and three hotel installations, and $5,000 for office equipment.

Our plan of operations for the next twelve months is set forth below, subject to our obtaining the requisite financing:

- We plan to attempt to secure additional installation contracts with additional hotel property owners for the installations of our Internet access networks. Our objective is to complete two to three additional new Internet access network installations during the next twelve months. In the next twelve months, it is also planned that we will incur development costs for expanding the functionality of the management information systems employed in our network operations centers in order to increase the sophistication of the billing options that we are able to offer to hotel property and other clients.
  We anticipate that we will incur costs of up to $59,000 for these additional network installations, additional network operations center equipment and the billing software development work during this period.
- As our business expands, we plan to locate our network operations center at the facilities of a third- party, computer equipment hosting service provider. We anticipate leasing third-party hosted network operations center facilities, at a cost of approximately $400 per month, after the completion our third network installation.
- As our operations requirements expand, and likely after the completion of our second network installation, we anticipate leasing packaged office premises of approximately 300 square feet for our operations and technical support staff at a cost of approximately $400 per month.

- Staffing costs are expected to be the largest operations and technical support expense and are estimated at approximately $12,500 for the next twelve months as we continue our strategy of staffing these activities on a permanent part-time basis.

We may also incur additional operating expenses if we determine to pursue the negotiation of a definitive agreement with respect to a new business opportunity. We will require additional financing to fund these expenses.

If we do not achieve the necessary additional financing, or if the additional financing that we achieve is less than required, then we will scale back the business expansion anticipated in our Plan of Operations according to the funds available to us. Specifically, based upon our cash position at the time, we would scale back our planned operations based upon a combination of some or all of the following actions: not install any additional Internet access networks, not establish a network operations center, not lease any premises, and not purchase any office equipment.

Further, we cannot be certain that future revenues from our existing Internet access network will meet our expectations. Also, we cannot be certain that future expenditures to sustain the existing Internet access network will not be significantly higher than we have anticipated. If revenues are less than anticipated or if expenses are greater than anticipated, then we will have to reduce our operating expenditures in respect of existing operations.

ITEM 3. CONTROLS AND PROCEDURES.

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the Exchange Act), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of February 28, 2006, being the date of our most recently completed fiscal quarter. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, Mr. Joseph G. Bowes. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting management to material information relating to us required to be included in our periodic SEC filings. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date we carried out our evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods 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 Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During our most recently completed fiscal quarter ended February 28, 2006, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, the registrant's principal executive and principal financial officers, or persons performing similar functions, and effected by the registrant's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the registrant;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the registrant are being made only in accordance with authorizations of management and directors of the registrant; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the registrant's assets that could have a material effect on the financial statements.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We are not party to any legal proceedings.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

We did not issue any securities without registration pursuant to the Securities Act of 1933 during the nine months ended February 28, 2006.

Item 3. DEFAULT UPON SENIOR SECURITIES

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to our security holders for a vote during the third quarter of our current fiscal year ending February 28, 2006.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.	Articles of Incorporation(1)
3.2	Amended By-Laws(1)
4.1	Share Certificate(1)
10.1	Option Agreement between the Company and Rozemary Webb dated June 26, 2002(1)
10.2	Management and Administrative Services Agreement between the Company and Angus Consulting dated April 1, 2004(2)
10.3	Joint Venture Agreement between the Company, Michael Tan and 5G Wireless dated May 25, 2003(1)
10.4	Shareholders Agreement between the Company, Nex Connectivity Solutions and 5G Wireless dated May 25, 2003(1)
10.5	Amendment No. 1 to Joint Venture Agreement dated July 4, 2003 between the Company, 5G Wireless and Michael Tan(1)
10.6	Amendment No. 1 to Shareholders Agreement dated July 4, 2003 between the Company, Nex Connectivity Solutions, Michael Tan and 5G Wireless(1)

Exhibit Number	Description of Exhibit
10.7	Internet Services Agreement dated February 1, 2004 between Nex Connectivity Solutions Inc. and Global Gateway Corp (dba Empire Landmark)[1]
10.8	Letter Addendum to Internet Services Agreement dated March 31, 2004 between Nex Connectivity Solutions Inc. and Global Gateway Corp.[2]
10.9	10.9 Letter Agreement dated April 1, 2004 between the Company and 5G Wireless[2].
10.10	Internet Service Kiosk Agreement dated April 12, 2004 between Nex Connectivity Solutions Inc. and Paykiosks Internet Terminals Inc.[4]
10.11	Letter Agreement dated September 1, 2004 between the Company and Angus Consulting[4]
10.12	Addendum No. 2 dated September 15, 2004 to Internet Services Agreement dated March 31, 2004 between Nex Connectivity Solutions Inc. and Global Gateway Corp.[5]
10.13	Addendum No. 1 dated September 15, 2004 to the Internet Service Kiosk Agreement dated April 12, 2004 between Nex Connectivity Solutions Inc. and Paykiosks Internet Terminals Inc.[5]
10.14	Promissory Note dated October 26, 2004 executed by the Company in favor of Angus Consulting[6]
21.1	List of Subsidiaries[3]
31.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002[7]
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002[7]

(1) Filed as an exhibit to the Form SB-2 filed by the Registrant with the Securities and Exchange Commission on April 26, 2004.

(2) Filed as an exhibit to the Amendment No. 1 to Form SB-2 filed by the Registrant with the Securities and Exchange Commission on June 9, 2004.

(3) Filed as an exhibit to the Amendment No. 2 to Form SB-2 filed by the Registrant with the Securities and Exchange Commission on August 10, 2004.

(4) Filed as an exhibit to the Amendment No. 4 to Form SB-2 filed by the Registrant with the Securities and Exchange Commission on September 15, 2004.

(5) Filed as an exhibit to the Amendment No. 5 to Form SB-2 filed by the Registrant with the Securities and Exchange Commission on October 6, 2004.

(6) Filed as an exhibit to the Amendment No. 6 to Form SB-2 filed by the Registrant with the Securities and Exchange Commission on November 3, 2004.

(7) Filed as an Exhibit to this Quarterly Report on Form 10-QSB.

SIGNATURES

Pursuant to 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.

GILDER ENTERPRISES, INC.

DATE: April 7, 2006

/s/ Joseph G. Bowes
Joseph G. Bowes
President
Chief Executive Officer
(Principal Executive Officer)
Chief Financial Officer
(Principal Financial Officer)