FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

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FILER

PHYTOMEDICAL TECHNOLOGIES INC
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SIC: **8093** Specialty outpatient facilities, nec

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FORM 10-KSB

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

For the fiscal year ended December 31, 2005.

OR

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

For the transition period from _____ to _____

Commission File Number 000-30156

PHYTOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES

(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation)

87-0429962B
(I.R.S Employer Identification No.)

1628 West 1st Avenue, Suite 216, Vancouver, British Columbia, V6J 1G1
(Address of principal executive offices)

(604) 659-5004
(Registrant' s telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class
Common Stock, $.00001 par value per share

Name of Each Exchange on Which Registered
OTC Bulletin Board

Securities registered under Section 12(g) of the Exchange Act:

None

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 of Section 15(d) of the Act.
Yes [ ] No [X]

Check whether the registrant: (1) has filed all reports required 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 registrant was required to file such reports), and (2) has been subject to such filing for the past 90 days. Yes [X] No [_]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or

information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

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

Revenues for its most current fiscal year: None

Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of April 7, 2006: $66,336,639.

Number of shares of Common Stock, $0.00001 par value, outstanding as of April 7, 2006: 187,045,505.

Documents incorporated by reference: None.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

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ANNUAL REPORT ON FORM 10-KSB
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995:

Except for the historical information presented in this document, the matters discussed in this Form 10-KSB for the fiscal year ending December 31, 2005, and specifically in the items entitled "Management' s Discussion and Analysis or Plan of Operation", or otherwise incorporated by reference into this document, contain "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are identified by the use of forward-looking terminology such as "believes", "plans", "intend", "scheduled", "potential", "continue", "estimates", "hopes", "goal", "objective", expects", "may", "will", "should" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

The safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, apply to forward-looking statements made by the Company. The reader is cautioned that no statements contained in this Form 10-KSB should be construed as a guarantee or assurance of future performance or results. These forward-looking statements involve risks and uncertainties, including those identified within this Form 10-KSB. The actual results that the Company achieves may differ materially from any forward-looking statements due to such risks and uncertainties. These forward-looking statements are based on current expectations, and the Company assumes no obligation to update this information. Readers are urged to carefully review and consider the various disclosures made by the Company in this Form 10-KSB and in the Company's other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect the Company's business.

The Company

PhytoMedical Technologies, Inc. (“PhytoMedical” or the “Company”), together with its wholly owned subsidiaries, is an early stage research based biopharmaceutical company focused on the identification, acquisition, development and eventual commercialization of innovative plant derived pharmaceutical and nutraceutical compounds targeting cachexia, obesity and diabetes.

An estimated 300 new drugs of world-wide importance, worth over $150 billion, still remain to be discovered amongst the 250,000 species of higher plants found on earth, of which less than 15% have been investigated for bioactive compounds. Presently, twenty of the best selling drugs come from natural sources and 25% of all prescription drugs contain active compounds originally derived from or patterned after compounds derived from plants.

Cachexia

Presently, through contract research organizations, the Company is working to isolate potentially active pharmacological elements in PhytoMedical's first plant derived compound, BDC-03, which has been successful in reducing body fat percentage, increasing lean muscle mass and lowering cholesterol in a study of growing animals.

For obese or overweight individuals, BDC-03’ s potential capacity to decrease the deposition of fat and lower cholesterol would be a vitally important therapeutic outcome. However, its prospective ability to induce overall weight gain in the form of lean muscle mass may well be the difference between life and death for individuals suffering from cachexia.

Cachexia, which is characterized by dramatic weight loss, not only of fatty tissue, but also muscle tissue and bone, is among the most devastating and life-threatening aspects of AIDS and cancer. Once the body loses 30% of its lean muscle mass, major organs are affected, resulting in death.

Sadly, cachexia afflicts 25% of all AIDS patients and upwards of 90% of all advanced cancer patients. In fact, half of all cancer related deaths are a result of cachexia, not the cancer itself.

Diabetes

Additionally, through a Cooperative Research and Development Agreement, PhytoMedical is working towards synthesizing the active components of several polyphenolic compounds found in cinnamon bark and characterizing their beneficial health effects in cell cultures systems, animals and ultimately humans.

These compounds, which increase insulin sensitivity by activating key enzymes that stimulate insulin receptors, while inhibiting the enzymes that deactivate them, have increased sugar metabolism by a factor of 20 in test tube assays using fat cells. Impaired sugar and fat metabolism, present in millions around the world, may lead to Type-2 diabetes and cardiovascular diseases.

Insulin is a hormone made by the pancreas to help the body use glucose (sugar) for energy. In people with Type-2 diabetes, either the pancreas doesn't make enough insulin or the body is unable to use it correctly. Without sufficient insulin, glucose accumulates in the blood and urine, and the cells of the body are starved, a condition known as diabetes - the leading cause of end-stage renal disease, blindness and lower limb amputations.

Diabetes, which results from the body' s inability to produce enough insulin or use it efficiently, affects 18.2 million people in the United States, or 6.3% of the population (American Diabetes Association). The Centers for Disease Control and Prevention expects this number to rise to over 30 million by 2030. As the leading cause of end-stage renal disease, blindness and lower limb amputations, diabetes now costs the health care system over $132 billion each year.

While the causes of diabetes are not entirely clear, it is known that diet plays a key role in the prevention and cure of diabetes. In fact, research studies have shown that aqueous extracts of cinnamon improves the action of insulin and helps to control risk factors associated with diabetes including, glucose, insulin, cholesterol, triglycerides and related variables.

One study published in Diabetes Care, a journal of the American Diabetes Association, showed that as little as one gram a day of cinnamon – one-fourth of a teaspoon twice a day – can lower blood sugar by an average of 18 to 29 percent, triglycerides (fatty acids in the blood) by 23 to 30 percent, LDL (or "bad") cholesterol by 7 to 27 percent and total cholesterol by 12 to 26 percent. Changes in HDL ("good") cholesterol were not significant. Amazingly, the study found that the beneficial effects of cinnamon lasted for at least 20 days after people stopped taking it.

At present, the Company does not currently have commercial products intended to diagnose, treat, cure or prevent any disease. The statements contained in this Form 10-KSB regarding our on going research and development and the results attained by us to-date have not been evaluated by the Food and Drug Administration. There can be no assurance that further research and development, and /or whether clinical trial results, if any, will validate and support the results of our preliminary research and studies.

Cooperative and License Agreements

On July 29, 2004, Phytomedical Technologies Corporation, a wholly owned subsidiary of PhytoMedical Technologies, Inc., entered into an exclusive worldwide licensing agreement with New York University (NYU) for certain patented inventions ("NYU Patents") related to pharmacologically active elements of a muira puama plant extract and ion channel modulators from natural sources.

In consideration for the grant of the License, PhytoMedical Technologies Corporation agreed to:

- reimburse NYU for its patent costs incurred to date;
- pay to NYU a royalty of four percent (4%) of the net sales of all licensed products related to medical, pharmacological, therapeutic, prophylactic, nutritional and research applications of the muira puama extract;
- pay NYU twenty percent (20%) of the net sales for all other licensed products;
- pay NYU ten percent (10%) of all sublicense fees.

In connection with the licensing agreement, PhytoMedical Technologies Corporation granted to each of NYU and Dr. Bruce Cherksey, a NYU scientist and inventor of the NYU Patents, an option to acquire, for a period of two years from July 29, 2004, a number of shares equal to 12.5% of the outstanding common stock of PhytoMedical on a fully diluted basis.

This combined 25% equity position may not be diluted until a total of $1,825,000, after deduction of all related financing costs, has been invested to further develop the technology. Thereafter, NYU and Dr. Cherksey will be diluted pari passu with other equity holders of PhytoMedical Technologies Corporation.

On December 1, 2004, Polyphenol Technologies Corporation, a wholly owned subsidiary of PhytoMedical Technologies, Inc., entered into a three year, three-way Cooperative Research and Development Agreement (CRADA) with the USDA's Agricultural Research Service (ARS) and Iowa State University (ISU). Polyphenol Technologies Corporation committed to providing $666,336 in research funding to the ARS and $186,865 to ISU under the following schedule below. To fund the Company' s operations and financial obligations, the Company intends to seek additional funds from shareholders and third parties.

On March 6, 2006, Polyphenol Technologies Corporation, a wholly-owned subsidiary of PhytoMedical Technologies, Inc. agreed to extend its Cooperative Research and Development Agreement (CRADA) with the USDA' s Agricultural Research Service (ARS) and Iowa State University (ISU) for an additional two years through October 31, 2009.

The USDA' s Agricultural Research Service will receive $1,760,845, or $1,094,479 in additional funds, to support the research work and related administrative costs. This represents a 164% increase over our prior funding commitment of $666,366.

ARS:

Year 1: $238,300 in 4 installments, the first of which is due to ARS within 30 days of signing of the CRADA, with the following three payments commencing at the hiring of appropriate research personnel and at three month intervals thereafter;

Year 2: $482,964 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment; and

Year 3: $507,114 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment.

Year 4: $532,468 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment.

As at December 31, 2005, the Company has made four payments, in total of $238,300 as per agreement with USDA' s ARS.

ISU:

Year 1: $60,000 to ISU in 4 quarterly installments, the first of which is due within 30 days of signing of the CRADA, with the following three payments commencing at the hiring of appropriate research personnel and at three month intervals thereafter;

Year 2: $62,251 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment; and

Year 3: $70,295 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment.

Year 4: $72,140 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment.

As at December 31, 2005, the Company has paid the initial payment and four quarterly payments, in total of $75,000, as per agreement with Iowa State University.

All rights, title, and interest in any subject invention made solely by employee(s) of ARS shall be owned by ARS, solely by the Company are owned by the Company, solely by ISU are owned by ISU, owned jointly by any of three parties if made by any of those parties.

The Agreement or parts thereof, is subject to termination at any time by mutual consent. Any party may unilaterally terminate the entire agreement at any time by giving the other parties written notice not less than sixty calendar days prior to the desired termination date.

Employees

At December 31, 2005, the Company employed 1 full-time person and 2 part-time persons. All of our research and development activities are provided on our behalf by scientists and others employed governmental agencies and academic institutions with which we have agreements or by third party providers. To the best of the Company' s knowledge, none of the Company' s officers or directors is bound by restrictive covenants from prior employers. None of the Company' s employees are represented by labor unions or other collective bargaining groups. We consider relations with our employees to be good. We plan to retain and utilize the services of outside consultants as the need arises.

Risk Factors

We have sought to identify what we believe to be the most significant risks to our business. However, we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Stock. We provide the following cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could adversely affect us.

Inability to Obtain Funding

The process of developing our products requires significant research and development efforts, including basic research, preclinical and clinical development, as well as FDA regulatory approval. Our ability to achieve profitability depends on our ability, alone or with future potential collaborators, to develop our drug candidates, conduct clinical trials, obtain necessary regulatory approvals, and manufacture, distribute, market and sell our drug products. We cannot assure you that we will be successful at any of these activities or predict when we will ever become profitable.

We may not be able to obtain additional funding when needed, which could limit future expansion and marketing opportunities, as well as result in lower than anticipated revenues. We may require additional financing to pursue relationships with joint venture partners. If the market price of the common stock declines, some potential financiers may either refuse to offer us any financing or will offer financing at unacceptable rates or unfavorable terms. If we are unable to obtain financing on favorable terms, or at all, this unavailability could prevent us from expanding our business, which could materially impact our future potential revenues.

Lack of Operating History

Our business is subject to the risks inherent in the establishment of a new business. In formulating our business plan, we have relied on the judgment of our officers, directors and consultants but have not conducted any formal independent market studies concerning the demand for our products. Because of our limited operating history and

lack of past profitability, you may lose your investment if we are unable to successfully market our products and implement our business plan.

We have had limited revenues since inception. In both 2005 and 2004, we had zero revenues. We have not been profitable, experiencing an accumulated loss of $19,052,426 through December 31, 2005. Even if we become profitable in the future, we cannot accurately predict the level of, or our ability to sustain profitability. Because we have not yet been profitable and cannot predict any level of future profitability, you bear the risk of a complete loss of your investment in the event our business plan is unsuccessful.

Continued Control by Existing Management

You may lack an effective vote on corporate matters and management may be able to act contrary to your objectives. As of April 6, 2006, our officers and board members own 69% of the 187,045,505 of our outstanding common stock. If management votes together, it could influence the outcome of corporate actions requiring shareholder approval, including the election of directors, mergers and asset sales. As a result, new stockholders may lack an effective vote with respect to the election of directors and other corporate matters. Therefore, it is possible that management may take actions with respect to its ownership interest, which may not be consistent with your objectives or desires.

Liquidity of Shares in Market Place

As of April 6, 2006, one of our directors beneficially owns approximately 69% of the Company' s outstanding common stock, which could affect the liquidity of the company' s shares in the market.

Dividends

We have not paid and do not currently intend to pay dividends, which may limit the current return you may receive on your investment in our common stock. Since inception, we have paid no dividends to our stockholders. Future dividends on our common stock, if any, will depend on our future earnings, capital requirements, financial condition and other factors. We currently intend to retain earnings, if any, to increase our net worth and reserves. Therefore, we do not anticipate that any holder of common stock will receive any cash, stock or other dividends on his shares of common stock at any time in the near future. You should not expect or rely on the potential payment of dividends as a source of current income.

Dependence on Executive Officers and Technical Personnel

The success of our business plan depends on attracting qualified personnel, and failure to retain the necessary personnel could adversely affect our business. Competition for qualified personnel is intense, and we may need to pay premium wages to attract and retain personnel. Attracting and retaining qualified personnel is critical to our business. Inability to attract and retain the qualified personnel necessary would limit our ability to implement our business plan successfully.

Adverse Effect of Shares Eligible for Future Sale

Future sales of large amounts of common stock could adversely affect the market price of our common stock and our ability to raise capital.

Future sales of our common stock by existing stockholders pursuant to Rule 144 under the Securities Act, or following the exercise of outstanding options and warrants, could adversely affect the market price of our common stock. Substantially all of the outstanding shares of our common stock are freely tradable, without restriction or registration under the Securities Act, other than the sales volume restrictions of Rule 144 applicable to shares held beneficially by persons who may be deemed to be affiliates. Our directors and executive officers and their family members are not under lockup letters or other forms of restriction on the sale of their common stock. The issuance of any or all of these additional shares upon exercise of options or warrants or conversion of preferred stock will dilute the voting power of our current stockholders on corporate matters and, as a result, may cause the market price of our common stock to decrease. Further, sales of a large number of shares of common

stock in the public market could adversely affect the market price of the common stock and could materially impair our future ability to generate funds through sales of common stock or other equity securities.

Government Regulation

Regulation by government authorities in the United States and foreign countries is a significant factor in the development, manufacture and marketing of our proposed products and in our ongoing research and product development activities. All of our products will require regulatory approval by government agencies prior to commercialization. In particular, human therapeutic products are subject to rigorous preclinical studies and clinical trials and other approval procedures of the FDA and similar regulatory authorities in foreign countries. Various federal and state statutes and regulations also govern or influence testing, manufacturing, safety, labeling, storage and record-keeping related to such products and their marketing. The process of obtaining these approvals and the subsequent compliance with appropriate federal and state statutes and regulations require the expenditure of substantial time and financial resources.

Preclinical studies generally are conducted in laboratory animals to evaluate the potential safety and the efficacy of a product. Drug developers submit the results of preclinical studies to the FDA as a part of an IND application that must be approved before clinical trials can begin in humans. Typically, clinical evaluation involves a time consuming and costly three-phase process.

Phase I	Clinical trials are conducted with a small number of patients to determine the early safety profile, maximum tolerated dose and pharmacological properties of the product in human volunteers.
Phase II	Clinical trials are conducted with groups of patients afflicted with a specific disease in order to determine preliminary efficacy, optimal dosages and expanded evidence of safety.
Phase III	Large-scale, multi-center, comparative clinical trials are conducted with patients afflicted with a specific disease in order to determine safety and efficacy as primary support for regulatory approval by the FDA to market a product candidate for a specific disease.

The FDA closely monitors the progress of each of the three phases of clinical trials that are conducted in the United States and may, at its discretion, reevaluate, alter, suspend or terminate the testing based upon the data accumulated to that point and the FDA' s assessment of the risk/benefit ratio to the patient. To date, we have not conducted any clinical trials.

Once Phase III trials are completed, drug developers submit the results of preclinical studies and clinical trials to the FDA in the form of an NDA or a biologics licensing application for approval to commence commercial sales. In response, the FDA may grant marketing approval, request additional information or deny the application if the FDA determines that the application does not meet regulatory approval criteria. FDA approvals may not be granted on a timely basis, or at all. Furthermore, the FDA may prevent a drug developer from marketing a product under a label for its desired indications, which may impair commercialization of the product.

If the FDA approves the NDA, the drug becomes available for physicians to prescribe in the United States. After approval, the drug developer must submit periodic reports to the FDA, including descriptions of any adverse reactions reported. The FDA may request additional studies, known as Phase IV, to evaluate long-term effects.

In addition to studies requested by the FDA after approval, a drug developer may conduct other trials and studies to explore use of the approved compound for treatment of new indications. The purpose of these trials and studies and related publications is to broaden the application and use of the drug and its acceptance in the medical community.

We will also have to complete an approval process similar to that in the United States in virtually every foreign target market for our products in order to commercialize our product candidates in those countries. The approval procedure and the time required for approval vary from country to country and may involve additional testing. Foreign approvals may not be granted on a timely basis, or at all. In addition, regulatory approval of prices is

required in most countries other than the United States. We face the risk that the resulting prices would be insufficient to generate an acceptable return to us or our corporate collaborators.

Competition

The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face competition from numerous pharmaceutical companies, pharmaceutical divisions of chemical companies, and biotechnology companies of various sizes. Many of these companies have commercial arrangements with other companies in the biotechnology industry to supplement their own research capabilities. Developments by others may render our product candidates or technologies obsolete or noncompetitive.

Compared to us, many of our competitors and potential competitors have substantially greater:

- capital resources;
- research and development resources, including personnel and technology;
- regulatory experience;
- preclinical study and clinical testing experience;
- manufacturing and marketing experience; and
- production facilities.

Any of these competitive factors could harm our business, prospects, financial condition and results of operations, which could negatively affect our stock price.

Limited Experience

Even if we are able to develop our products and obtain necessary regulatory approvals, we have limited experience or capabilities in marketing or commercializing our products. We currently have no sales, marketing or distribution infrastructure. Accordingly, we are dependent on our ability to find collaborative marketing partners or contract sales companies for commercial sale of any future products. Even if we find a potential marketing partner, we may not be able to negotiate a licensing contract on favorable terms to justify our investment or achieve adequate revenues.

Intellectual Property

The Company relies on a combination of copyright law, trade secret protection, confidentiality agreements and other contractual arrangements with employees, vendors and others to protect its rights to intellectual property. These measures, however, may be inadequate to deter misappropriation of proprietary information. Failure to adequately protect its intellectual property could harm the Company, devalue its proprietary content and affect the Company's ability to compete effectively.

Our success depends in significant part on our ability to obtain important research and invention licenses, obtain patents, protect trade secrets, operate without infringing upon the proprietary rights of others and prevent others from infringing on our proprietary rights.

If we do obtain patents, the claims allowed may not be sufficiently broad to protect our technology. In addition, issued patents that we own or license may be challenged, invalidated or circumvented. Our patents also may not afford us protection against competitors with similar technology. Because patent applications in the United States are maintained in secrecy until patents issue, third parties may have filed or maintained patent applications for technology used by us or covered by our pending patent applications without our being aware of these applications.

We may not hold proprietary rights to all of the patents related to our proposed products. These patents may be owned or controlled by third parties. As a result, we or any future collaborative partners may be required to obtain licenses under third-party patents to market our proposed products. If licenses are not available on acceptable terms, we or any future collaborative partners will not be able to market these products or services.

Research Agreement

We are a party to a Cooperative Research and Development Agreement which grants the Company an option to negotiate an exclusive license to any invention or other intellectual property conceived or reduced to practice under the Agreement which is patentable or otherwise protectable under Title 35 of the United States Code or under the patent laws of a foreign country. There can be no assurance that such a license will be granted to us or that we can obtain a license on terms favorable to us. If we do not obtain an exclusive license, our ability to generate revenue would be adversely affected.

We expect to enter into additional research agreements and licenses in the future that relate to important technologies that may be necessary for the development and commercialization of related and unrelated products. These agreements and licenses may impose various commercialization, indemnification, royalty, insurance and other obligations on us, which, if we fail to comply may result in the termination of these agreements and licenses or make the agreements and licenses non-exclusive, which could affect our ability to exploit important technologies that are required for successful development of our products.

Insurance Coverage

Our products may prove to be unsuccessful if various parties, including government health administration authorities, private healthcare insurers and other healthcare payers, such as health maintenance organizations and self-insured employee plans that determine reimbursement to the consumer, do not accept our products for reimbursement. Sales of therapeutic and other pharmaceutical products depend in significant part on the availability of reimbursement to the consumer from these third party payers. Third party payers are increasingly challenging the prices charged for medical products and services. We cannot assure you that reimbursement will be available, if at all. If we fail to achieve adequate reimbursement levels, patients may not purchase our products and sales of these products will be absent or reduced.

We are considered a penny stock.

The Company's stock differs from many stocks, in that it is a "penny stock." The Securities and Exchange Commission has adopted a number of rules to regulate "penny stocks." These rules include, but are not limited to, Rules 3a5l-l, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6 and 15g-7 under the Securities and Exchange Act of 1934, as amended.

Because our securities probably constitute "penny stock" within the meaning of the rules, the rules would apply to us and our securities. The rules may further affect the ability of owners of our stock to sell their securities in any market that may develop for them. There may be a limited market for penny stocks, due to the regulatory burdens on broker-dealers. The market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all.

Stockholders should be aware that, according to the Securities and Exchange Commission Release No. 34- 29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These patterns include:

- Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;

- Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;

- "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;

- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and

- The wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

Furthermore, the "penny stock" designation may adversely affect the development of any public market for the Company's shares of common stock or, if such a market develops, its continuation. Broker-dealers are required to personally determine whether an investment in "penny stock" is suitable for customers.

Penny stocks are securities (i) with a price of less than five dollars per share; (ii) that are not traded on a "recognized" national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); or (iv) of an issuer with net tangible assets less than $2,000,000 (if the issuer has been in continuous operation for at least three years) or $5,000,000 (if in continuous operation for less than three years), or with average annual revenues of less than $6,000,000 for the last three years.

Section 15(g) of the Exchange Act, and Rule 15g-2 of the Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in the Company's common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stock."

Rule 15g-9 of the Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for the Company's stockholders to resell their shares to third parties or to otherwise dispose of them.

Stock Price Fluctuations

The market price of our common stock could be subject to significant fluctuations. Among the factors that could affect our stock price are:

- negative results from our research efforts, future clinical or pre-clinical studies or adverse FDA decisions related to our product candidates;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- low average daily trading volumes;
- general market conditions, and
- numerous other factors unrelated to our performance.

The stock markets in general and the markets for biotechnology stocks in particular, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock.

Independent Directors.

We cannot guarantee our Board of Directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our executive officers, who are also principal stockholders and directors, could establish policies and enter into transactions without independent review and approval thereof. This could present the potential for a conflict of interest between the Company and its stockholders generally and the controlling officers, stockholders or directors.

Environmental Matters

The Company believes it conducts its business in compliance with all environmental laws presently applicable to its facilities. To date, there have been no expenses incurred by the Company related to environmental issues.

ITEM 2. DESCRIPTION OF PROPERTY

The Company's corporate office is located at 100 Overlook Drive, 2nd Floor, Princeton, New Jersey, 08540. The Company' s administrative office is located at 1628 West First Avenue, Suite 216, Vancouver, British Columbia, Canada, V6J 1G1. These premises in Vancouver, British Columbia are owned by a private corporation controlled by a director and majority shareholder.

ITEM 3. LEGAL PROCEEDINGS

The Company is not party to any current legal proceedings.

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

There were no matters submitted to a vote of the security holders in the fourth quarter of 2005. It is our intention to schedule a shareholder' s meeting to elect directors and transact any additional business in the second or third quarter of 2006.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's Common Stock is listed on the OTC Bulletin Board under the symbol "PYTO". The following table sets forth the high and low sale prices for the periods indicated:

	High	Low
First Quarter 2004	$0.55	$0.34
Second Quarter 2004	$0.45	$0.36
Third Quarter 2004	$0.69	$0.38
Fourth Quarter 2004	$1.50	$0.46
First Quarter 2005	$1.24	$0.85
Second Quarter 2005	$1.46	$0.89
Third Quarter 2005	$1.12	$0.65
Fourth Quarter 2005	$1.09	$0.56
January 1, 2006 – April 7, 2006	$1.54	$0.96

As of March 31, 2006, there were approximately 290 stockholders of record of the Company's Common Stock.

Dividend Policy

We do not have a history of paying dividends on our Common Stock, and there can be no assurance that we will pay any dividends in the foreseeable future. We intend to use any earnings, which may be generated, to finance the growth of our businesses. Our Board of Directors has the right to authorize the issuance of preferred stock, without further shareholder approval, the holders of which may have preferences over the holders of the Common Stock as to payment of dividends.

Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	9,275,000	$0.682	15,000,000
Equity compensation plans not approved by security holders			
Total	9,275,000	$0.682	15,000,000

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and notes thereto included in Item 7 of this Form 10-KSB. Except for the historical information contained herein, the discussion in this Annual Report on Form 10-KSB contains certain forward-looking statements that involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations and intentions as of the date of this filing. The

cautionary statements made in this document should be read as being applicable to all related forward-looking statements wherever they appear in this document. The Company's actual results could differ materially from those discussed here. Factors that could cause differences include those discussed in "Risk Factors", as well as discussed elsewhere herein.

Overview

PhytoMedical Technologies, Inc. ("PhytoMedical" or the "Company"), together with its wholly owned subsidiaries, is an early stage research based biopharmaceutical company focused on the identification, acquisition, development and eventual commercialization of innovative plant derived pharmaceutical and nutraceutical compounds targeting cachexia, obesity and diabetes.

An estimated 300 new drugs of world-wide importance, worth over $150 billion, still remain to be discovered amongst the 250,000 species of higher plants found on earth, of which less than 15% have been investigated for bioactive compounds. Presently, twenty of the best selling drugs come from natural sources and 25% of all prescription drugs contain active compounds originally derived from or patterned after compounds derived from plants.

Results of Operations

Revenues: The Company generated revenues of $0 for the years ended December 31, 2005 and December 31, 2004.

General and Administrative Expenses: During 2005, the Company incurred $4,261,079 in general and administrative expenses, an increase of 520% over 2004 expenses of $687,075. The increase is primarily attributable to increases in research and development costs, investor relations costs, stock based compensation expenses and the stock offering expense that incurred in the Fusion Capital transaction with the issuance of commitment shares.

Interest Income: Interest income was $3,697 and $580 for the years ended December 31, 2005, and 2004, respectively. Interest earned in the future will be dependent on Company funding cycles and prevailing interest rates.

Provision for Income Taxes: As of December 31, 2005, the Company's accumulated deficit was $19,052,426, and as a result, there has been no provision for income taxes to date.

Net Loss: For the year ended December 31, 2005, the Company recorded a net loss of $4,257,382, an increase of 520%, compared to a net loss of $686,495 for the same period in 2004. The increase is primarily attributable to increases in investor relations costs, stock based compensation expenses and the stock offering expense that incurred in the Fusion Capital transaction with the issuance of commitment shares.

Liquidity and Capital Resources

At December 31, 2005, the Company had a cash balance of $63,770 compared to a cash balance of $337,538 at December 31, 2004.

During 2005, the Company used $2,117,231 of net cash from operating activities, an increase of 213%, as compared to net cash flows used by operating activities of $675,884 in 2004, primarily due to increases in operating expenses, research and development costs and investor relation costs.

Net cash flows used in investing activities was $20,540 for 2005, compared to $0 for 2004, due to equipment purchases during the periods presented.

Net cash provided by financing activities was $1,864,003 for 2005 compared to $915,776 for 2004. The Company has financed its operations primarily from cash on hand, through loans from shareholders and proceeds from warrant and stock option exercises.

Subsequently, as of April 1, 2006, Fusion Capital had purchased 1,811,064 shares of common stock for an aggregate of $1,761,997 under the Purchase Agreement.

Plan of Operation

Presently, through contract research organizations, the Company is working to isolate potentially active pharmacological elements in PhytoMedical's first plant derived compound, BDC-03, which has been successful in reducing body fat percentage, increasing lean muscle mass and lowering cholesterol in a study of growing animals.

Additionally, through a Cooperative Research and Development Agreement, PhytoMedical is working towards synthesizing the active components of several polyphenolic compounds found in cinnamon bark and characterizing their beneficial health effects in cell cultures systems, animals and ultimately humans.

The Company anticipates that its major shareholder will contribute sufficient funds to satisfy the cash needs of the Company through calendar year ending December 31, 2006, however, if necessary additional funds maybe provided by debt or equity financings.

Due to the "start up" nature of the Company's business, the Company expects to incur losses as the Company conducts its ongoing research and product development programs. We will require additional funding to continue our research and product development programs, to conduct preclinical studies and clinical trials, for operating expenses, to pursue regulatory approvals for our product candidates, for the costs involved in filing and prosecuting patent applications and enforcing or defending patent claims, if any, for any possible acquisitions or new technologies, and we may require additional funding to establish manufacturing and marketing capabilities in the future. We may seek to access the public or private equity markets whenever conditions are favorable. We may also seek additional funding through strategic alliances and other financing mechanisms. We cannot assure you that adequate funding will be available on terms acceptable to us, if at all. If adequate funds are not available, we may be required to curtail significantly one or more of our research or development programs or obtain funds through arrangements with collaborators or others. This may require us to relinquish rights to certain of our technologies or product candidates. To the extent that we are unable to obtain third-party funding for such expenses, we expect that increased expenses will result in increased losses from operations. We cannot assure you that we will successfully develop our products under development or that our products, if successfully developed, will generate revenues sufficient to enable us to earn a profit.

Related Party Transactions

Management Fees and Stockholder Advances

Management Fees: During the years ended December 31, 2005 and 2004, the Company charged $6,000 and $11,700 respectively, to operations for director fees incurred for services rendered by Directors. As of December 31, 2005, the Company owed $63,000 (2004: $67,000) for outstanding management fees owed to a director and major shareholder, which is included in accounts payable-related party on the consolidated balance sheets.

The Company also owed to a director and major shareholder an amount of $6,834 (2004: $1,000) for expenses incurred on behalf of the Company.

Notes payable

At a Board of Directors meeting held on September 10, 2004, the Company' s Board of Directors agreed to accept a loan of up to $1,000,000 from a director and major stockholder. Proceeds from the loan, which will be drawn down on a "as needed basis", will be used to fund the Company' s research and development commitment, management fees, staff salaries, investor and public relations costs, legal and audit costs, and other ongoing working capital requirements.

On September 13, 2004, the Company drew down $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 7.50% per annum, due on September 13, 2005.

On December 31, 2004, the Company drew down an additional $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 8.25% per annum, due on December 31, 2005.

Accrued interest expense on the promissory notes of $4,688 for 2004 is included in accounts payable – related parties at December 31, 2004.

In December 2004, the same director and major stockholder of the Company paid $323,776 in investor relation fees on behalf of the Company. For reimbursement, the Company issued an unsecured promissory note bearing interest at a rate of 8.50% per annum and due on September 1, 2006.

On March 8, 2005, the Director and majority shareholder advanced $750,000 to the Company with interest rate of 8.5% per annum.

On April 5, 2005, the Director and majority shareholder advanced $150,000 to the Company with interest rate of 8.75% per annum.

On December 5, 2005, the Company repaid $20,000 to the Director and majority shareholder.

Notes Payable totaled $1,703,776 as of December 31, 2005 (2004: $823,776), representing unsecured loans of $230,000 (interest rate of 7.50%), $250,000 (8.25%), $323,776 (8.50%), $750,000 (8.50%), and $150,000 (8.75%) due to a Director and majority shareholder of the Company. The entire principal and accrued interest is due and payable on demand. Accrued and unpaid interest on these notes during the year ended December 31, 2005, amounted to $133,228 (2004 - $4,686) and is included in accounts payable – related party.

Rent Expenses

Property: The Company' s principal office is located at 1628 West 1st Avenue, Suite 216, Vancouver, British Columbia, Canada, V6J 1G1. These premises are owned by a privately held corporation controlled by the director and majority shareholder. The Company has entered into a one year lease agreement to pay rent in the amount of C$2,800 per month, effective April 1, 2006 for the above office. The tenant may terminate this lease anytime during the term upon 30 days prior written notice to the Landlord.

Going Concern

The Company has incurred net operating losses since inception. The Company faces all the risks common to companies in their early stages of development, including under capitalization and uncertainty of funding sources, high initial expenditure levels, uncertain revenue streams, and difficulties in managing growth. The Company' s recurring losses raise substantial doubt about its ability to continue as a going concern. The Company' s financial statements do not reflect any adjustments that might result from the outcome of this uncertainty. The Company expects to incur losses from its business operations and may require additional funding during 2006. The satisfaction of our cash hereafter will depend in large part on the Company' s ability to successfully raise capital from external sources to pay for planned expenditures and to fund operations.

To meet these objectives, the Company has arranged a Common Stock Purchase Agreement with Fusion Capital Fund II, LLC to purchase from the Company up to $10,000,000 of the Company' s common stock over a twenty-five month period. Management believes that its current and future plans enable it to continue as a going concern. The Company's ability to achieve these objectives cannot be determined at this time. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

ITEM 7. FINANCIAL STATEMENTS

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
PhytoMedical Technologies, Inc.
Vancouver, British Columbia
CANADA

We have audited the accompanying consolidated balance sheet of PhytoMedical Technologies, Inc. and Subsidiaries as of December 31, 2005, and the related consolidated statements of operations, stockholders' deficiency, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PhytoMedical Technologies, Inc. and Subsidiaries as of December 31, 2005, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has experienced recurring losses from operations since inception, and has a substantial accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Peterson Sullivan PLLC

April 1, 2006
Seattle, Washington

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

PHYTOMEDICAL TECHNOLOGIES, INC.
(formerly Enterprise Technologies, Inc.)
& SUBSIDIARIES

We have audited the consolidated balance sheets of PhytoMedical Technologies, Inc. (formerly Enterprise Technologies, Inc.) & Subsidiaries ("the Company") as at December 31, 2004 and the related consolidated statements of stockholders' equity (deficiency), operations and cash flows for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and the results of its operations and its cash flows for the years ended December 31, 2004 and 2003 in conformity with generally accepted accounting principles in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred significant recurring net losses resulting in a substantial accumulated deficit, which raise substantial doubt about its ability to continue as a going concern. Management' s plans regarding these matters are also disclosed in Note 1 to the financial statements. The ability to meet its future financing requirements and the success of future operations cannot be determined at this time. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
March 15, 2005

"MOORE STEPHENS ELLIS FOSTER LTD."
Chartered Accountants

PHYTOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(Formerly Enterprises Technologies, Inc.)

CONSOLIDATED BALANCE SHEETS
December 31, 2005 and 2004

(Expressed in U.S. Dollars)	2005	2004
ASSETS		
Current assets		
Cash	$ 63,770	$ 337,538
Total current assets	63,770	337,538
Property and Equipment, Net (Note 3)	18,881	-
Total assets	$ 82,651	$ 337,538
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 113,333	$ 24,424
Accounts payable - related parties (Note 4)	203,062	71,687
Advances from stockholder - related party	-	1,000
Promissory notes - related party (Note 4)	1,703,776	823,776
Total liabilities	2,020,171	920,887
STOCKHOLDERS' DEFICIENCY		
Stockholders' Deficiency		
Preferred stock: $0.25 par value; Authorized: 1,000,000		
Issued and outstanding: nil	-	-
Common stock: $0.00001 par value; Authorized: 300,000,000		
Issued and outstanding: 185,137,412 (2004: 168,541,165)	1,851	1,685
Additional paid-in capital	17,113,055	14,210,010
Accumulated deficit	(19,052,426)	(14,795,044)
Total stockholders' deficiency	(1,937,520)	(583,349)
Total liabilities and stockholders' deficiency	$ 82,651	$ 337,538

(The accompanying notes are an integral part of these consolidated financial statements)

PHYTOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(Formerly Enterprise Technologies, Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS
for the years ended December 31, 2005 and 2004

(Expressed in U.S. Dollars)	**2005**	**2004**
Revenue	$ -	$ -
Expenses		
Management fees - related party (Note 4)	6,000	11,700
Investor relations	1,589,440	509,275
Other operating expenses, including interest of $128,967 in 2005 and $4,740 in 2004	479,685	77,537
Research and development costs (Note 8)	267,745	88,563
Stock based compensation	924,000	-
Stock offering costs	994,209	-
	4,261,079	687,075
Operating loss	(4,261,079)	(687,075)
Other income		
Interest income	3,697	580
Net loss available to common shareholders	$ (4,257,382)	$ (686,495)
Loss per common share - basic and diluted	$ (0.02)	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	173,456,330	161,527,543

(The accompanying notes are an integral part of these consolidated financial statements)

PHYTOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(Formerly Enterprise Technologies, Inc.)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
for the years ended December 31, 2005 and 2004

(Expressed in U.S. Dollars)	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated deficit	Comprehensive loss	Accumulated other comprehensive income	Total stockholders' deficiency
		$	$	$	$ -	$ -	$
Balance, December 31, 2003	161,223,308	1,612	14,118,083	(14,108,549)			11,146
Common stock issued upon exercise of stock options, at $0.24 per share	175,000	2	41,998	-	-	-	42,000
Common stock issued upon exercise of warrants, at $0.007 per share	7,142,857	71	49,929	-	-	-	50,000
Loss, year ended December 31, 2004	-	-	-	(686,495)	(686,495)	-	(686,495)
Total comprehensive (loss)					(686,495)		
Balance, December 31, 2004	168,541,165	1,685	14,210,010	(14,795,044)		-	(583,349)
Common stock issued upon exercise of stock options	550,000	6	419,994	-	-	-	420,000
Stock based compensation expenses (options)	-	-	924,000	-	-	-	924,000
Common stock issued upon exercise of warrants at $0.007 per share	14,285,714	143	99,857	-	-	-	100,000

Restricted common stock issued pursuant to share purchase agreement	1,027,397	10	994,199	-	-	-	994,209
Common stock issued for cash	733,136	7	464,995	-	-	-	465,002
Loss, year ended December 31, 2005	-	-	-	(4,257,382)	(4,257,382)	-	(4,257,382)
					$ (4,257,382)		
Balance, December 31, 2005	185,137,412	$ 1,851	$ 17,113,055	$(19,052,426)		-	$ (1,937,520)

(The accompanying notes are an integral part of these consolidated financial statements)

PHYTOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(Formerly Enterprise Technologies, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended December 31, 2005 and 2004

(Expressed in U.S. Dollars)		2005		2004
Cash flows from (used in) operating activities				
Net loss	$	(4,257,382)	$	(686,495)
Adjustments for items not involving cash:				
Accrued interest payable to stockholder		128,542		-
Amortization and depreciation		1,659		-
Stock based compensation		924,000		-
Stock offering costs		994,209		-
Change in non-cash working capital items:				
Increase in accounts payable		91,741		10,611
		(2,117,231)		(675,884)
Cash flows used in investing activities				
Purchase of property and equipment		(20,540)		-
Cash flows from financing activities				
Proceed from issuance of common stock		985,003		92,000
Payback loans to stockholder		(21,000)		-
Promissory note proceeds from stockholder		900,000		823,776
		1,864,003		915,776
Increase (decrease) in cash		(273,768)		239,892
Cash, beginning of year		337,538		97,646
Cash, end of year	$	63,770	$	337,538
Supplemental disclosure of cash flow information:				
Interest paid in cash	$	425	$	-
Income tax paid in cash	$	-	$	-
Noncash financing activities:				
Issuance of common stock as stock offering costs	$	994,209	$	-

(The accompanying notes are an integral part of these consolidated financial statements)

1. Organization and Nature of Operations

PhytoMedical Technologies, Inc. (formerly Enterprise Technologies, Inc.) (the "Company"), a Nevada Corporation, has an authorized capital of 301,000,000 shares of which 300,000,000 shares are $0.00001 par value common stock and 1,000,000 shares are $0.25 par value preferred stock. On September 7, 2004, the Company changed its name to PhytoMedical Technologies, Inc.

PhytoMedical Technologies, Inc. ("PhytoMedical" or the "Company"), together with its wholly owned subsidiaries, is an early stage research based biopharmaceutical company focused on the identification, acquisition, development and eventual commercialization of innovative plant derived pharmaceutical and nutraceutical compounds targeting cachexia, obesity and diabetes.

The Company has incurred net operating losses since inception. The Company faces all the risks common to companies in their early stages of development, including under capitalization and uncertainty of funding sources, high initial expenditure levels, uncertain revenue streams, and difficulties in managing growth. The Company' s recurring losses raise substantial doubt about its ability to continue as a going concern. The Company' s financial statements do not reflect any adjustments that might result from the outcome of this uncertainty. The Company expects to incur losses from its business operations and will require additional funding during 2006. The adequacy of our cash flows hereafter will depend in large part on the Company' s ability to successfully raise capital from external sources to pay for planned expenditures and to fund operations.

To meet these objectives, the Company has arranged a Common Stock Purchase Agreement with Fusion Capital Fund II, LLC to purchase from the Company up to $10,000,000 of the Company' s common stock over a twenty-five month period (Note 9). Management believes that its current and future plans enable it to continue as a going concern. The Company's ability to achieve these objectives cannot be determined at this time. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Significant Accounting Policies

(a) Principles of Accounting

These financial statements are stated in U.S. Dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of PhytoMedical Technologies, Inc. and its wholly owned subsidiaries, PhytoMedical Technologies Corporation, incorporated on March 9, 2004, and Polyphenol Technologies Corporation, incorporated on August 24, 2004, both Nevada corporations. All significant inter-company transactions and balances have been eliminated.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes its best estimate of the ultimate outcome

for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available to management. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents for the year ended December 31, 2005 and 2004. The Company occasionally has cash deposits in excess of insured limits. The Company places its cash and cash equivalents with high credit quality financial institutions.

(e) Equipment and Depreciation

Equipment is initially recorded at cost and are depreciated under the straight-line method over its estimated useful life as follows:

Computer equipment	2 years
Office equipment	2 years

Repairs and maintenance costs are charged to operations as incurred.

(f) Research and Development Costs

Research and development costs are expensed as incurred.

(g) Fair Value of Financial Instruments

Fair value of financial instruments is made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, accounts payable – related parties, and notes/advances payable to related parties approximates their fair value because of the short-term nature of these instruments.

(h) Advertising Expenses

The Company expenses advertising costs as incurred. The Company did not incur any advertising costs during the years ended December 31, 2005 and 2004.

(i) Impairment and Disposal of Long-Lived Assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable in accordance with the guidance established in Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. For assets that are to be held and used, an impairment loss is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

(j) Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, *"Accounting for Income Taxes."* Under SFAS No. 109, deferred income tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary, to reduce deferred income tax assets to the amount expected to be realized.

(k) Earnings (Loss) Per Share

Basic earnings (loss) per share is based on the weighted average number of common shares outstanding. Diluted earnings (loss) per share is based on the weighted average number of common shares outstanding and dilutive common stock equivalents. Basic earnings (loss) per share is computed by dividing income (loss) (numerator) applicable to common stockholders by the weighted average number of common stocks outstanding (denominator) for the period. All earnings (loss) per share amounts in the financial statements are basic earnings (loss) per share, as defined by SFAS No. 128, *"Earnings Per Share."* Diluted earnings (loss) per share does not differ materially from basic earnings per share for all periods presented. Convertible securities that could potentially dilute basic earnings (loss) per share in the future, such as options and warrants, are not included in the computation of diluted earnings (loss) per share because to do so would be anti-dilutive.

(l) Stock-Based Compensation

The Company accounts for employee stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, *"Accounting for Stock Issued to Employees."* Compensation cost for stock options, if any, is measured as the excess of the quoted market price of the Company' s stock at the date of grant over the amount an employee must pay to acquire the stock. SFAS No. 123, *"Accounting for Stock-Based Compensation,"* established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. The Company has elected to remain on its current method of accounting as described above, and has adopted the disclosure requirements of SFAS No. 123.

Had compensation expense for the Company's stock-based compensation plans been determined under SFAS No. 123, based on the fair market value at the grant dates, the Company's pro forma net loss and pro forma net loss per share would have been reflected as follows:

	2005	2004
	$	$
Net income (loss)	(4,257,382)	(686,495)
Stock-based employee compensation expenses as determined under the fair value based method	(4,158,131)	(379,740)
Stock-based compensation using intrinsic value	924,000	
	$	$
Pro-forma	(7,491,513)	(1,066,235)
Net income (loss) per stock - basic and diluted		
	$	$
As reported	(0.02)	(0.00)
	$	$
Pro-forma	(0.04)	(0.01)

The weighted average fair values of the options vested in 2005 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 91.5%, risk free interest rates of 3.6%, and expected lives of 3.4 years.

The fair value of the options vested in 2004 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 159%, risk-free interest rates of 3.5%, and expected lives of five years.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

(m) Comprehensive Income (Loss)

The Company has adopted SFAS No. 130, *Reporting Comprehensive Income*, which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. The Company is disclosing this information on its Statements of Stockholders' Equity (Deficiency). Comprehensive income (loss) comprises all equity changes except those resulting from investments by owners and distributions to owners.

(n) Foreign Currency Translations

The Company maintains both U.S. Dollar and Canadian Dollar bank accounts at a financial institution in Canada. Foreign currency transactions are translated into their functional currency, which is U.S. Dollar, in the following manner:

At the translation date, each asset, liability, revenue and expense is translated into the functional currency by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities are translated into U.S. Dollars by using the exchange rate in effect at that date. There are no subsidiaries using a functional currency other than the U.S. Dollar at December 31, 2005 and 2004. Transaction gains and losses that arise from exchange rate fluctuations are included in the results of operations.

(o) Accounting for Derivative Instruments and Hedging Activities

The Company adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities,* which requires companies to recognize all derivatives contracts as either assets or liabilities in the balance sheet and to measure them at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that is attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

The Company has not entered into derivative contracts either to hedge existing risks or for speculative purposes. The adoption of this pronouncement does not have an impact on the Company' s financial statements.

(p) Intangible Assets

The Company adopted the SFAS No. 142, "*Goodwill and Other Intangible Assets"*, which requires that goodwill and intangible assets with indefinite life to not be amortized but rather tested at least annually for impairment. Intangible assets with a definite life are required to be amortized over its useful life.

As of December 31, 2005 and 2004, the Company did not have any goodwill or intangible assets.

(q) Related Party Transactions

A related party is generally defined as (i) any person that holds 10% or more of the Company' s securities and their immediate families, (ii) the Company' s management, (iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties (See Note 3).

(r) Stock Offering Costs

As discussed in Note 9, the fair value of stock issued to Fusion Capital under the stock purchase agreement has been expensed in the year the stock was issued because the agreement can be terminated without the stock being returned.

(s) New Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123(R), *"Share-Based Payments"*. SFAS 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. This Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 123(R) requires that the fair value of such equity instruments be recognized as expense in the historical financial statements as services are performed. Prior to SFAS 123(R), only certain pro-forma disclosures of fair value were required. SFAS 123(R) shall be effective for the Company as of the beginning of the first interim or annual reporting period that begins after December 15, 2005. The Company is determining the impact of this pronouncement on its 2006 financial statements.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-monetary Assets – an amendment of APB Opinion No. 29." The guidance in APB Opinion No. 29, "Accounting for Non-monetary Transactions," is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged and provided an exception to the basic measurement principle (fair value) for exchanges of similar productive assets. That exception required that some non-monetary exchanges, although commercially substantive, be recorded on a carryover basis. This Statement eliminates the exception to fair value for exchanges of similar productive assets and replaces it with a general exception for exchange transactions that do not have commercial substance - that is, transactions that are not expected to result in significant changes in the cash flows of the reporting entity. The provisions of this Statement are effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005, applied prospectively. The adoption of SFAS No. 153 will not have any impact on the Company' s consolidated financial statements.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections". SFAS No. 154 replaces APB Opinion No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements". SFAS No. 154 requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The adoption of SFAS No. 154 will not have any impact on the Company' s consolidated financial statements.

3. Equipment

	2005	2004
		$
	$	-
Computer equipment	19,266	
Furniture and fixtures	1,274	-
	20,540	-
Less: accumulated depreciation	(1,659)	-
		$
	$	-
	18,881	

Depreciation expense charged to operations during 2005 was $1,659 (2004 - $nil).

4. Related Party Transactions

(a) Management Fees and Stockholder Advances

Management Fees: During the years ended December 31, 2005 and 2004, the Company charged $6,000 and $11,700 respectively, to operations for director fees incurred for services rendered by Directors. As of December 31, 2005, the Company owed $63,000 (2004: $67,000) for outstanding management fees owed to a director and major shareholder, which is included in accounts payable-related party on the consolidated balance sheets.

The Company also owed to a director and major shareholder an amount of $6,834 (2004: $1,000) for expenses incurred on behalf of the Company.

(b) Notes payable

At a Board of Directors meeting held on September 10, 2004, the Company' s Board of Directors agreed to accept a loan of up to $1,000,000 from the same director and major stockholder in Note 4(a). Proceeds from the loan, which will be drawn down on a "as needed basis", will be used to fund the Company' s research and development commitment, management fees, staff salaries, investor and public relations costs, legal and audit costs, and other ongoing working capital requirements.

On September 13, 2004, the Company drew down $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 7.50% per annum, due on September 13, 2005.

On December 31, 2004, the Company drew down an additional $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 8.25% per annum, due on December 31, 2005.

Accrued interest expense on the promissory notes of $4,688 for 2004 is included in accounts payable – related parties at December 31, 2004.

In December 2004, the same director and major stockholder of the Company paid $323,776 in investor relation fees on behalf of the Company. For reimbursement, the Company issued an unsecured promissory note bearing interest at a rate of 8.50% per annum and due on September 1, 2006.

On March 8, 2005, the Director and majority shareholder advanced $750,000 to the Company with interest rate of 8.5% per annum.

On April 5, 2005, the Director and majority shareholder advanced $150,000 to the Company with interest rate of 8.75% per annum.

On December 5, 2005, the Company repaid $20,000 to the Director and majority shareholder.

Notes Payable totaled $1,703,776 as of December 31, 2005 (2004: $823,776), representing unsecured loans of $230,000 (interest rate of 7.50%), $250,000 (8.25%), $323,776 (8.50%), $750,000 (8.50%), and $150,000 (8.75%) due to a Director and majority shareholder of the Company. The entire principal and accrued interest is due and payable on demand. Accrued and unpaid interest on these notes during the year ended December 31, 2005, amounted to $133,228 (2004 - $4,686) and is included in accounts payable – related party.

(c) Rent Expenses

Property: The Company' s principal office is located at 1628 West 1st Avenue, Suite 216, Vancouver, British Columbia, Canada, V6J 1G1. These premises are owned by a privately held corporation controlled by the director and majority shareholder. The Company has entered into a lease agreement to pay rent in the amount of C$2,800 per month, effective April 1, 2006 for the above office.

5. Warrants

The movement of share purchase warrants can be summarized as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2003	1,285,714	0.021
Exercised/Expired	-	-
Balance, December 31, 2004	21,285,714	0.021
Expired	(7,000,000)	0.050
Exercised	(14,285,714)	0.007
Balance, December 31, 2005	-	

As of December 31, 2005, there are no outstanding share purchase warrants.

6. Stock Options

On July 12, 2001, the Company approved its 2001 Stock Option Plan, which has 10,000,000 shares reserved for issuance thereunder, all of which were registered under Form S-8 on October 2, 2003. The objective of this plan is to attract and retain the best personnel, providing for additional performance incentives and promoting the success of the Company by providing individuals the opportunity to acquire common stock.

On September 22, 2003, the Company's Board of Directors granted Non-Statutory Stock Options under the 2001 Stock Option Plan to three employees to purchase 4,750,000 common stock shares at a price of $0.24 per share, the closing price of the Company's shares on September 22, 2003. The options shall vest and become exercisable in two equal installments of fifty percent (immediately) and the balance 180 days from issuance. Each stock option entitles the holder to acquire one common share of the Company.

On February 28, 2005, the Company granted an aggregate of 5,500,000 stock options to employees, with an exercise price of $0.96 per share, expiring 10 years from the date of grant, being vested immediately. The Company recorded stock based compensation expense of $660,000.

On December 5, 2005, the Company granted an aggregate of 1,200,000 stock options to employees, with an exercise price of $0.60 per share, expiring 10 years from the date of grant, being vested immediately. The Company recorded stock based compensation expense of $264,000.

The movement of stock options can be summarized as follows:

	Number of options	Weighted average exercise price
		$
Balance, December 31, 2003	4,750,000	0.240
Exercised	(175,000)	0.240
Balance, December 31, 2004	4,575,000	0.240
Granted	6,700,000	0.896
Exercised	(550,000)	0.764
Cancelled	(1,450,000)	0.240
Balance, December 31, 2005	9,275,000	0.682

The weighted average remaining contractual life of the outstanding stock options at December 31, 2005, is 8.81 years.

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (yr.)
$ 0.24	2,000,000	2,000,000	7.73
0.24	975,000	975,000	7.73
0.96	3,900,000	3,900,000	9.17
0.96	1,200,000	1,200,000	9.17
0.60	650,000	650,000	9.93
0.60	550,000	550,000	9.93
	9,275,000	9,275,000	8.81

7. Income Taxes

There is no current or deferred tax expense for the years ended December 31, 2005 and 2004, due to the Company's loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carry-forward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes and has recorded a 100% valuation allowance against the deferred tax asset.

The income tax effect, utilizing a 34% income tax rate, of temporary differences giving rise to the deferred tax assets and deferred tax liabilities is a result of the following:

	2005	2004
Deferred tax assets:		
	$	$
Net operating loss carryforwards	5,710,000	4,915,000
Valuation allowance	(5,710,000)	(4,915,000)
	$	$
Net deferred tax assets	-	-

The 2005 increase in the valuation allowance was $795,000 (2004: $277,000).

The Company has available net operating loss carry-forwards of approximately $16,794,000 (2004: $14,456,000) for tax purposes to offset future taxable income, which expires commencing 2008 through to the year 2025. Pursuant to the Tax Reform Act of 1986, annual utilization of the Company' s net operating loss carry-forwards may be limited if a cumulative change in ownership of more than 50% is deemed to occur within any three-year period.

A reconciliation between the statutory federal income tax rate (34%) and the effective rate of income tax expense for each of the years during the period ended December 31 follows:

	2005	2004
Statutory federal income tax rate	(34.00%)	(34.00%)
Valuation allowance	18.80%	34.00%

Stock based compensation	7.30%	-
Stock offering costs	7.90%	-
Effective income tax rate	0.00%	0.00%

8. Cooperative Agreement

On July 29, 2004, Phytomedical Technologies Corporation, a wholly owned subsidiary of PhytoMedical Technologies, Inc., entered into an exclusive worldwide licensing agreement with New York University (NYU) for certain patented inventions ("NYU Patents") related to pharmacologically active elements of a muira puama plant extract and ion channel modulators from natural sources.

In consideration for the grant of the License, PhytoMedical Technologies Corporation agreed to:

- reimburse NYU for its patent costs incurred to date;
- pay to NYU a royalty of four percent (4%) of the net sales of all licensed products related to medical, pharmacological, therapeutic, prophylactic, nutritional and research applications of the muira puama extract;
- pay NYU twenty percent (20%) of the net sales for all other licensed products;
- pay NYU ten percent (10%) of all sublicense fees.

In connection with the licensing agreement, PhytoMedical Technologies Corporation granted to each of NYU and Dr. Bruce Cherksey, a NYU scientist and inventor of the NYU Patents, an option to acquire, for a period of two years from July 29, 2004, a number of shares equal to 12.5% of the outstanding common stock of PhytoMedical on a fully diluted basis.

This combined 25% equity position may not be diluted until a total of $1,825,000, after deduction of all related financing costs, has been invested to further develop the technology. Thereafter, NYU and Dr. Cherksey will be diluted pari passu with other equity holders of PhytoMedical Technologies Corporation.

On December 1, 2004, Polyphenol Technologies Corporation, a wholly owned subsidiary of PhytoMedical Technologies, Inc., entered into a three year, three-way Cooperative Research and Development Agreement (CRADA) with the USDA's Agricultural Research Service (ARS) and Iowa State University (ISU). Polyphenol Technologies Corporation committed to providing $666,336 in research funding to the ARS and $186,865 to ISU under the following schedule below. To fund the Company' s operations and financial obligations, the Company intends to seek additional funds from shareholders and third parties.

On March 6, 2006, Polyphenol Technologies Corporation, a wholly-owned subsidiary of PhytoMedical Technologies, Inc. agreed to extend its Cooperative Research and Development Agreement (CRADA) with the USDA' s Agricultural Research Service (ARS) and Iowa State University (ISU) for an additional two years through October 31, 2009.

The USDA' s Agricultural Research Service will receive $1,760,845, or $1,094,479 in additional funds, to support the research work and related administrative costs. This represents a 164% increase over our prior funding commitment of $666,366.

ARS:

Year 1: $238,300 in 4 installments, the first of which is due to ARS within 30 days of signing of the CRADA, with the following three payments commencing at the hiring of appropriate research personnel and at three month intervals thereafter;

Year 2: $482,964 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment; and

Year 3: $507,114 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment.

Year 4: $532,468 in 4 quarterly installments, the first of which is due to ARS 3 months from the previous payment.

As of December 31, 2005, the Company has made four payments, in total of $238,300 as per agreement with USDA' s ARS.

ISU:

Year 1: $60,000 to ISU in 4 quarterly installments, the first of which is due within 30 days of signing of the CRADA, with the following three payments commencing at the hiring of appropriate research personnel and at three month intervals thereafter;

Year 2: $62,251 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment; and

Year 3: $70,295 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment.

Year 4: $72,140 to ISU in 4 quarterly installments, the first of which is due to ISU 3 months from the previous payment.

As of December 31, 2005, the Company has paid the initial payment and four quarterly payments, in total of $75,000, as per agreement with Iowa State University.

All rights, title, and interest in any subject invention made solely by employee(s) of ARS shall be owned by ARS, solely by the Company are owned by the Company, solely by ISU are owned by ISU, owned jointly by any of three parties if made by any of those parties.

The Agreement or parts thereof, is subject to termination at any time by mutual consent. Any party may unilaterally terminate the entire agreement at any time by giving the other parties written notice not less than sixty calendar days prior to the desired termination date.

9. Commitments

Common Stock Purchase Agreement

On July 8, 2005, the Company entered into a Common Stock Purchase Agreement ("Purchase Agreement") and a Registration Rights Agreement ("Registration Agreement") with Fusion Capital Fund II, LLC ("Fusion Capital"). Pursuant to the terms of the Purchase Agreement, the Company has to issue to Fusion Capital 1,027,397 shares (issued) of its common stock, which Fusion has agreed to hold for twenty-five months. Fusion Capital has agreed to purchase from the Company up to $10,000,000 of the Company' s common stock over a twenty-five month period. Pursuant to the terms of the Registration Agreement, the Company has agreed to file a registration statement (the "Registration Statement") with the Securities and Exchange Commission covering shares which may be purchased by Fusion Capital under the Purchase Agreement. The fair value of the stock issued has been expensed in 2005.

Once the Registration Statement has been declared effective, each trading day during the term of the Purchase Agreement the Company has the right to sell to Fusion Capital $20,000 of the Company' s common stock at a purchase price equal to the lower of the (a) the lowest sale price of the common stock on such trading day and (b) the arithmetic average of the three (3) lowest closing sale prices for the common stock during the twelve (12) consecutive trading days immediately preceding the date of purchase. At the Company' s option, Fusion Capital can be required to purchase fewer or greater amounts of common stock each month. The Company has the right to control the timing and the number of shares sold to Fusion Capital. The effective date of the Registration Statement is October 14, 2005.

Up to December 31, 2005, Fusion Capital has subscribed 733,136 shares for $465,002 according to the Purchase Agreement.

Co-operative Agreement

See Note 8.

10. Subsequent Events

On March 6, 2006, Polyphenol Technologies Corporation, a wholly-owned subsidiary of PhytoMedical Technologies, Inc. agreed to extend its Cooperative Research and Development Agreement (CRADA) with the USDA' s Agricultural Research Service (ARS) and Iowa State University (ISU) for an additional two years through October 31, 2009.

As of April 1, 2006, Fusion Capital had purchased 1,811,064 shares of common stock under the Purchase Agreement.

ITEM 8: CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We have had no disagreements with our certified public accountants with respect to accounting practices, procedures or financial disclosure.

ITEM 8a: CONTROLS AND PROCEDURES

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. A company' s internal control over financial reporting is a process designed 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. A company' s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company' s assets that could have a material effect on the financial statements.

An evaluation was performed under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company' s disclosure controls and procedures (as defined in Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Notwithstanding the foregoing, there can be no assurance that our disclosure controls and procedures will detect or uncover all failures of persons associated with us to disclose material information otherwise required to be set forth in our periodic reports. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives.

There have been no significant changes in internal controls, or in factors that could significantly affect internal controls, subsequent to the date that management, including the Chief Executive Officer and the Chief Financial Officer, completed their evaluation

ITEM 8b: OTHER INFORMATION

None.

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Set forth below is certain information regarding each of the directors and officers of the Company:

Greg Wujek – President, Chief Executive Officer, Director

Mr. Greg Wujek earned his Bachelor' s degree in Science from Illinois State University in 1986. From November 2000 to May 2005, Mr. Wujek was employed by Andrx Laboratories. During his tenure at Andrx Laboratories, Mr. Wujek managed a team of over 450 individuals, and held several positions, including Vice President of Business Development, Vice President of Sales, as well as Vice President of Managed Care. During June 2005 to September 2005, Mr. Wujek performed independent consulting services for branded pharmaceutical companies. Consulting services ranged from sales management training, optimizing sales, managed care, and sales operations. From September 2005 to March 2006, Mr. Wujek was employed by Savient Pharmaceuticals, where he held the position of Vice President, Sales, and was responsible for sales, operations, training, and managed care. Mr. Wujek joined the Company as President, Chief Executive Officer and Director on April 3, 2006.

Derek J. Cooper - Secretary, Treasurer, Director.

Mr. Derek J. Cooper earned his Bachelor of Science degree in Physics at the University of British Columbia in May 2001, specializing in solid state and optics, and obtained his Bachelor of Applied Science degree in Geological Engineering in April 2005. From April 2002 through January 2003, Mr. Cooper tenured at the diversified mining and metals organization, Teck-Cominco, where he co-designed and commissioned a hydrometallurgy extraction process for molybdenum. Subsequently, from January 2003 thru September 2003, Mr. Derek Cooper joined Syncrude Canada Ltd. as Mine Development Engineer. While continuing to pursue his Applied Sciences degree in Geological Engineering, from June 2004 thru September 2004, Mr. Cooper successfully completed a near-term engineering-exploration contract with Stealth Minerals Ltd. Since June 2005, following completion of his Applied Sciences studies, Mr. Derek Cooper has joined Elk Valley Coal (Teck-Cominco, Inc. & Fording Coal Trust) as Drill-Blast Engineer. Mr. Cooper joined the Company as Secretary, Treasurer and Director on September 22, 2003.

Indy S. Panchi - Director

.Mr. Indy S. Panchi received his Bachelor' s degree in Business and Finance from Manchester University in June 1990 and subsequently acquired a Post Graduate Diploma in Management Studies from the University of Central England two years later (June, 1992). In October 1992, he joined the Executive Agency of the Department of Trade and Industry' s British Insolvency Service. In February 1998, Mr. Panchi was awarded an Executive Officer position with the British Foreign Office' s, Trade Partners UK (formerly, British Trade International). From June 2000 to March 2001, Mr. Panchi was self-employed as a business consultant, offering business development and market analysis consulting services to private companies, public corporations and start-up ventures. From April 2001 to July 2002, Mr. Panchi accepted a position with Kanester Johal, a firm affiliated with Kingston Sorel International. From July 2002 to September 2003, Mr. Indy Panchi joined BDO Dunwoody Ltd., and subsequently tenured at Deloitte & Touche LLP from September 2003 to April 2004. Since May 2004, Mr. Indy Panchi has been self-employed as a business consultant to numerous corporations, recently establishing his real estate consultancy practice at Sutton Group. Mr. Panchi joined the Company as a Director and its President and Chief Executive Officer on September 22, 2003. He resigned as our President on August 12, 2005.

Harmel S. Rayat - Chief Financial Officer, Principal Accounting Officer, Director

Mr. Rayat has been in the brokerage and venture capital industry since 1981. Between January 1993 and April 2001, Mr. Rayat served as the president of Hartford Capital Corporation, a company that provided financial consulting services to a wide range of emerging growth corporations. From April 2001 through January 2002, Mr. Rayat acted as an independent consultant advising small corporations and since January 2002, he has been president of Montgomery Asset Management Corporation, a privately held firm providing financial consulting services to emerging growth corporations. Mr. Rayat has served, and continues to serve, as a director, executive officer and majority shareholder of a number of publicly traded and privately held corporations, including, Hepalife Technologies, Inc., Entheos Technologies, Inc., and International Energy, Inc. Mr. Rayat has served as one of our directors since December 4, 2000. In 2002 he was appointed secretary and treasurer. On August 12, 2005 he was appointed our president and chief executive and financial officer, as well as our principal accounting officer. On April 3, 2006, Mr. Rayat resigned as President and Chief Executive Officer.

There are no family relationships among or between any of our officers and directors.

During the past five years, except as set forth below, none of our directors, executive officers, promoters or control persons has been:

(a) the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

(c) subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or

(d) found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.

Mr. Harmel S. Rayat, EquityAlert.com, Inc., Innotech Corporation and Mr. Bhupinder S. Mann, a former part-time employee of ours (collectively the "respondents"), consented to a cease-and-desist order pursuant to Section 8A of the Securities Act of 1933. The matter related to the public resale by EquityAlert of securities received as compensation from or on behalf of issuers for whom EquityAlert and Innotech provided public relation and stock advertising services; Mr. Rayat was the president of Innotech and Equity Alert was the wholly-owned subsidiary of Innotech at the time.

The U.S. Securities & Exchange Commission contended and alleged that Equity Alert had received the securities from persons controlling or controlled by the issuer of the securities, or under direct or indirect common control with such issuer with a view toward further distribution to the public; as a result, the U.S. Securities & Exchange Commission further alleged that the securities that Equity Alert had received were restricted securities, not exempt from registration, and hence could not be resold to the public within a year of their receipt absent registration; and, accordingly, the U.S. Securities & Exchange Commission further alleged, since Equity Alert effected the resale within a year of its acquisition of the securities, without registration, such resale violated Sections 5(a) and 5(c) of the Securities Act.

Without admitting or denying any of the findings and/or allegations of the U.S. Securities & Exchange Commission the respondents agreed, on October 23, 2003 to cease and desist, among other things, from committing or causing any violations and any future violations of Section 5(a) and 5(c) of the Securities Act of 1933. EquityAlert.com, Inc. and Innotech Corporation agreed to pay disgorgement and prejudgment interest of $31,555.14.

On August 8, 2000, Mr. Harmel S. Rayat and EquityAlert.com, Inc., without admitting or denying the allegations of the U.S. Securities & Exchange Commission that EquityAlert did not disclose certain compensation received by it in connection with stock advertisements and promotions, consented to the entry of a permanent injunction enjoining them from, among other things, violating Section 17(b) of the Securities Act of 1933; in addition, each of Mr. Rayat and EquityAlert agreed to pay a civil penalty of $20,000.

Compliance With Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, officers and persons who own more than 10 percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("the Commission"). Directors, officers and greater than 10 percent beneficial owners are required by applicable regulations to furnish the Company with copies of all forms they file with the Commission pursuant to Section 16(a). Based solely upon a review of the copies of the forms furnished to the Company, the Company believes that during fiscal 2005, the Section 16(a) filing requirements applicable to its directors and executive officers were satisfied.

ITEM 10: EXECUTIVE COMPENSATION

Remuneration and Executive Compensation

The following table shows, for the three-year period ended December 31, 2005, the cash compensation paid by the Company, as well as certain other compensation paid for such year, to the Company's Chief Executive Officer and the Company's other most highly compensated executive officers. Except as set forth on the following table, no executive officer of the Company had a total annual salary and bonus for 2005 that exceeded $100,000.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Other	Securities Underlying Options Granted	All Other Compensation
Harmel S. Rayat	2005	$0	$0	$1,800	0	$0
Chairman, President	2004	$0	$0	$3,500	0	$0
CEO and Director	2003	$27,000	$0	$0	0	$0
Indy Panchi	2005	$0	$0	$2,400	0	$0
Director	2004	$0	$0	$4,700	0	$0
	2003	$0	$0	$1,150	0	$0
Derek Cooper,	2005	$0	$0	$1,800	0	$0
Secretary, Treasurer,	2004	$0	$0	$3,500	0	$0
Director	2003	$0	$0	$850	0	$0

Stock Option Grants in Last Fiscal Year

Shown below is further information regarding employee stock options awarded during 2005 to the named officers and directors:

Name	Number of Securities Underlying Options	% of Total Options Granted to Employees in 2005	Exercise Price ($/sh)	Expiration Date
Harmel Rayat	0	0	n/a	n/a
Indy Panchi	0	0	n/a	n/a
Derek Cooper	0	0	n/a	n/a

Aggregated Option Exercises During Last Fiscal Year and Year End Option Values

The following table shows certain information about unexercised options at year-end with respect to the named officers and directors:

Name	Common Shares Underlying Unexercised Options on December 31, 2005		Value of Unexercised In-the-money Options on December 31, 2005	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Harmel Rayat	0	0	0	0
Indy Panchi	0	0	0	0
Derek Cooper	0	0	0	0

Changes in Control

There are no understandings or agreements, aside from the transaction completed and described under "Certain Relationships and Related Transactions," known by management at this time which would result in a change in control of the Company. If such transactions are consummated, of which there can be no assurance, the Company may issue a significant number of shares of capital stock which could result in a change in control and/or a change in the Company' s current management.

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 6, 2006, the beneficial ownership of the Company's Common Stock by each director and executive officer of the Company and each person known by the Company to beneficially own more than 5% of the Company's Common Stock outstanding as of such date and the executive officers and directors of the Company as a group.

Person or Group	Number of Shares of Common Stock	Percent
Harmel S. Rayat (1) 216-1628 West First Avenue Vancouver, B.C. V6J 1G1 Canada	129,361,471	69%
Greg Wujek 100 Overlook Drive, 2nd Floor Princeton, NJ 08540	0	0%
Indy Panchi 216-1628 West First Avenue Vancouver, B.C. V6J 1G1 Canada	0	0%
Derek Cooper 216-1628 West First Avenue Vancouver, B.C. V6J 1G1 Canada	0	0%
Directors and Executive Officers as a group (4 persons)	129,361,471	69%

(1) Includes 31,300 shares held by Tajinder Chohan, Mr. Rayat's wife. Additionally, other members of Mr. Rayat's family hold shares and share purchase warrants. Mr. Rayat disclaims beneficial ownership of the shares and share purchase warrants beneficially owned by his wife and other family members.

ITEM 12: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Management Fees and Stockholder Advances

Management Fees: During the years ended December 31, 2005 and 2004, the Company charged $6,000 and $11,700 respectively, to operations for director fees incurred for services rendered by Directors. As of December 31, 2005, the Company owed $63,000 (2004: $67,000) for outstanding management fees owed to a director and major shareholder, which is included in accounts payable-related party on the consolidated balance sheets.

The Company also owed to a director and major shareholder an amount of $6,834 (2004: $1,000) for expenses incurred on behalf of the Company.

Notes payable

At a Board of Directors meeting held on September 10, 2004, the Company' s Board of Directors agreed to accept a loan of up to $1,000,000 from a director and major stockholder. Proceeds from the loan, which will be drawn down on a "as needed basis", will be used to fund the Company' s research and development commitment, management fees, staff salaries, investor and public relations costs, legal and audit costs, and other ongoing working capital requirements.

On September 13, 2004, the Company drew down $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 7.50% per annum, due on September 13, 2005.

On December 31, 2004, the Company drew down an additional $250,000 from the loan commitment and issued an unsecured promissory note bearing interest at a rate of 8.25% per annum, due on December 31, 2005.

Accrued interest expense on the promissory notes of $4,688 for 2004 is included in accounts payable – related parties at December 31, 2004.

In December 2004, the same director and major stockholder of the Company paid $323,776 in investor relation fees on behalf of the Company. For reimbursement, the Company issued an unsecured promissory note bearing interest at a rate of 8.50% per annum and due on September 1, 2006.

On March 8, 2005, the Director and majority shareholder advanced $750,000 to the Company with interest rate of 8.5% per annum.

On April 5, 2005, the Director and majority shareholder advanced $150,000 to the Company with interest rate of 8.75% per annum.

On December 5, 2005, the Company repaid $20,000 to the Director and majority shareholder.

Notes Payable totaled $1,703,776 as of December 31, 2005 (2004: $823,776), representing unsecured loans of $230,000 (interest rate of 7.50%), $250,000 (8.25%), $323,776 (8.50%), $750,000 (8.50%), and $150,000 (8.75%) due to a Director and majority shareholder of the Company. The entire principal and accrued interest is due and payable on demand. Accrued and unpaid interest on these notes during the year ended December 31, 2005, amounted to $133,228 (2004 - $4,686) and is included in accounts payable – related party.

Rent Expenses

Property: The Company' s principal office is located at 1628 West 1st Avenue, Suite 216, Vancouver, British Columbia, Canada, V6J 1G1. These premises are owned by a privately held corporation controlled by the director and majority shareholder. The Company has entered into a one year lease agreement to pay rent in the amount of C$2,800 per month, effective April 1, 2006 for the above office. The tenant may terminate this lease anytime during the term upon 30 days prior written notice to the Landlord.

ITEM 13: EXHIBITS

(a) The following exhibits are filed as part of this Annual Report:

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)

32.1 Certification by the Chief Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification by the Chief Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) During the Company' s fourth fiscal quarter, there were no reports filed on Form 8-K

October 27, 2005: On October 24, 2005, PhytoMedical Technologies, Inc. issued a news release to acknowledge the ongoing efforts of Professor George A. Kraus and Dr. Yi Yuan, part of PhytoMedical' s growing team of collaborating scientists developing a new compound for type-2 diabetes.

December 5, 2005: At a Board of Directors meeting, the Company' s Board of Directors agreed to enter into 10 year NonStatutory Stock Option Agreements with certain employees and consultants for 1,200,000 stock options out of the 1,200,000 common shares reserved for issuance under the Company' s 2001 Stock Option Plan.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

The firm of Ernst & Young, LLP served as the Company's independent accountants from May 5, 2005 until their dismissal in March 2006. The firm of Peterson Sullivan, PLLC currently serves as the Company' s independent accountants. The Board of Directors of the Company, in its discretion, may direct the appointment of different public accountants at any time during the year, if the Board believes that a change would be in the best interests of the stockholders. The Board of Directors has considered the audit fees, audit-related fees, tax fees and other fees paid to the Company's accountants, as disclosed below, and had determined that the payment of such fees is compatible with maintaining the independence of the accountants.

Audit Fees: The aggregate fees, including expenses, billed by the Company's principal accountant in connection with the audit of our consolidated financial statements for the most recent fiscal year and for the review of our financial information included in our Annual Report on Form 10-KSB and our quarterly reports on Form 10-QSB during the fiscal years ending December 31, 2005 and December 31, 2004 were $17,221 and $8,817 respectively.

Tax fees: The aggregate fees billed to the Company for tax compliance, tax advice and tax planning by the Company' s principal accountant for fiscal 2005 and 2004 were $0.

All Other Fees: The aggregate fees, including expenses, billed for all other services rendered to the Company by its principal accountant during year 2005 and 2004 were $0.

The Company does not currently have an audit committee.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15 (d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 10th day of April, 2006.

Entheos Technologies, Inc.

/s/ Greg Wujek
Greg Wujek
President and CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in capacities and on the dates indicated.

Signature	Title	Date
/s/ Greg Wujek Greg Wujek	President, Chief Executive Officer and Director	April 10, 2006
/s/ Derek Cooper Derek Cooper	Secretary, Treasurer and Director	April 10, 2006
/s/ Harmel S. Rayat Harmel S. Rayat	Chief Financial Officer, Principal Accounting Officer and Director	April 10, 2006
/s/ Indy Panchi Indy Panchi	Director	April 10, 2006

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Greg Wujek, certify that:

(1) I have reviewed this annual report on Form 10-KSB of PhytoMedical Technologies, Inc. (the "registrant");

(2) Based on my knowledge, this 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 report;

(3) Based on my knowledge, the financial statements, and other financial information included in this 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) 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

(d) 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 registrant' 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 registrant' s internal control over financial reporting.

Date: April 10, 2006

By: /s/ Greg Wujek
Greg Wujek
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Harmel Rayat certify that:

(1) I have reviewed this annual report on Form 10-KSB of PhytoMedical Technologies, Inc. (the "registrant");

(2) Based on my knowledge, this 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 report;

(3) Based on my knowledge, the financial statements, and other financial information included in this 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) 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

(d) 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 registrant' 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 registrant' s internal control over financial reporting.

Date: April 10, 2006 By: /s/ Harmel S. Rayat
Harmel S. Rayat
Chief Financial Officer

Exhibit 32.1

Certification by the Chief Executive Officer pursuant to 18 U.S.C. 1350
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of PhytoMedical Technologies, Inc. (the "Company") on the Form 10-KSB for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Greg Wujek, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(i) the Report filed by the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of the Company on the dates and for the periods presented therein.

PHYTOMEDICAL TECHNOLOGIES, INC.

Date: April 10, 2006

By: /s/ Greg Wujek
Greg Wujek
President and Chief Executive Officer

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification by the Chief Financial Officer pursuant to 18 U.S.C. 1350
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of PhytoMedical Technologies, Inc. (the "Company") on the Form 10-KSB for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Harmel S. Rayat, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(i) the Report filed by the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of the Company on the dates and for the periods presented therein.

PHYTOMEDICAL TECHNOLOGIES, INC.

Date: April 10, 2006

By: /s/ Harmel S. Rayat
Harmel S. Rayat
Principal Financial Officer

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.