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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended September 30, 2004**

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: 000-30230

INTERACTIVE MULTIMEDIA NETWORK, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

65-0488983
(IRS Employer
Identification No.)

3163 KENNEDY BOULEVARD, JERSEY CITY, NEW JERSEY 07306
(Address, including zip code, of principal executive offices)

(201) 217-4137
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 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 filings for the past 90 days. YES (X) NO ()

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of September 30, 2004 the number of the Company's shares of par value \$.001 common stock outstanding was 13,070,211.

Transitional Small Business Disclosure format (check one): Yes ☐ No ☒

SEC 2334 (3-03)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

INTERACTIVE MULTIMEDIA NETWORK, INC.
FORM 10-QSB
September 30, 2003

INDEX

Part I – Financial Information

Item 1. Consolidated Financial Statements (Unaudited)	3
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Controls and Procedures	15

Part II – Other Information

Item 1. Legal Proceedings	16
Item 2. Changes in Securities and Use of Proceeds	16
Item 3. Defaults Upon Senior Securities	(a)
Item 4. Submission of Matters to a Vote of Security Holders	(a)
Item 5. Other Information	(a)
Item 6. Exhibits and Reports on Form 8-K	16
Signature Page	17
Index to Exhibits	18

(a) There are no issues requiring disclosure for these items and they have therefore been omitted

INTERACTIVE MULTIMEDIA NETWORK, INC.
FORM 10-QSB
September 30, 2004

Part I - FINANCIAL INFORMATION

Item 1 - Financial Statements

**INTERACTIVE MULTIMEDIA NETWORK, INC.
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30,**

ASSETS			
		2004	2003
CURRENT ASSETS			
Cash and cash equivalents	\$	839	\$ 976
Accounts receivable - net		15,484	17,440
TOTAL CURRENT ASSETS		<u>16,323</u>	<u>18,416</u>
OTHER ASSETS			
Property and equipment, net		37,059	37,050
TOTAL OTHER ASSETS		<u>37,059</u>	<u>37,050</u>
TOTAL ASSETS	\$	<u><u>53,382</u></u>	\$ <u><u>55,466</u></u>
LIABILITIES AND SHAREHOLDERS' DEFICIT			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	145,824	\$ 836,290
TOTAL CURRENT LIABILITIES		<u>145,824</u>	<u>836,290</u>
OTHER LIABILITIES			
Other liabilities (principally related parties)		142,481	115,147
TOTAL OTHER LIABILITIES		<u>142,481</u>	<u>115,147</u>
SHAREHOLDERS' DEFICIT			
Preferred stock, \$.001 par value, 5,000,000 shares authorized, none issued and outstanding		-	-
Common stock, \$.001 par value, 25,000,000 shares authorized, 13,220,211 issued and outstanding in 2004 and 10,210,211 in 2003		13,220	9,850
Common stock options, none issued and outstanding in 2004 and 2,000,000 in 2003		-	330,000
Paid-in-capital		2,954,019	2,543,869
Accumulated deficit		(3,202,164)	(3,779,691)
TOTAL SHAREHOLDERS' DEFICIT		<u>(234,924)</u>	<u>(895,971)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$	<u><u>53,382</u></u>	\$ <u><u>55,466</u></u>

INTERACTIVE MULTIMEDIA NETWORK, INC.

	THREE MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
REVENUE	\$ -	\$ 19,540	\$ 1,052	\$ 19,800
COST OF REVENUE	-	-	-	72
INCOME BEFORE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>-</u>	<u>19,540</u>	<u>1,052</u>	<u>19,728</u>
OPERATING EXPENSES				
Marketing	-	-	-	-
Consulting services	-	-	0	-
Rent	300	300	600	600
Selling, general and administrative expenses	15,369	2,343	17,453	8,541
TOTAL OPERATING EXPENSES	<u>15,669</u>	<u>2,643</u>	<u>18,053</u>	<u>9,141</u>
INCOME (LOSS) FROM OPERATIONS	<u>(15,669)</u>	<u>16,897</u>	<u>(17,001)</u>	<u>10,587</u>
OTHER INCOME (EXPENSE)				
Gain on Reduction of debt of discontinued subsidiary	-	-	882,812	
Interest expense	(2,262)	(1,653)	(4,525)	(3,306)
TOTAL OTHER INCOME (EXPENSE)	<u>(2,262)</u>	<u>(1,653)</u>	<u>878,287</u>	<u>(3,306)</u>
DISCONTINUED OPERATIONS:				
Income (loss) from operations of discontinued subsidiary	0	0	(221,160)	-
NET INCOME (LOSS) BEFORE MINORITY INTEREST	<u>(17,932)</u>	<u>15,244</u>	<u>640,125</u>	<u>7,281</u>
MINORITY INTEREST IN SUBSIDIARY	-	-	-	1,747
NET INCOME (LOSS)	<u><u>\$ (17,932)</u></u>	<u><u>\$ 15,244</u></u>	<u><u>\$ 640,125</u></u>	<u><u>\$ 9,028</u></u>
EARNINGS (LOSS) PER SHARE:				
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	13,198,782	10,202,299	13,134,497	10,026,255
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	<u><u>\$ (0.001)</u></u>	<u><u>\$ 0.001</u></u>	<u><u>\$ 0.049</u></u>	<u><u>\$ 0.001</u></u>

**INTERACTIVE MULTIMEDIA NETWORK, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,**

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 640,125	\$ 9,027
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	3,442	1,971
Accrued interest - shareholders loan	4,525	0
Office rent applied to paid in capital	600	3,306
Changes in operating assets and liabilities:		
Accounts receivable	4,938	(16,504)
Inventory	-	-
Other current assets	-	-
Accounts payable and accrued liabilities	(664,525)	(11,010)
NET CASH USED IN OPERATING ACTIVITIES	<u>(10,894)</u>	<u>(12,610)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment	(2,150)	-
Minority interest paid in capital from subsidiary acquisition (net)	1,747	(1,747)
Issuance of common stock	150	-
Additional paid-in-capital	9,850	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,597</u>	<u>(1,747)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from shareholder loans	1,600	15,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,600</u>	<u>15,000</u>
NET INCREASE IN CASH	303	643
CASH, BEGINNING OF PERIOD	<u>536</u>	<u>333</u>
CASH, END OF PERIOD	<u><u>\$ 839</u></u>	<u><u>\$ 976</u></u>

SUPPLEMENTAL INFORMATION:

Issuance of shares in settlement of liabilities	-	-
Issuance of shares in payment of services	-	-

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Interactive Multimedia Network, Inc. (the “Company”) was organized in the State of New Jersey on March 04, 1994 and reincorporated in the State of Delaware on June 13, 1995. The Company’s primary business activity is developing and marketing consumer products, including health and wellness products and ocular health products.

The Company had two subsidiaries: AutoSmart USA, Inc., a Nevada corporation and AutoSmart USA Leasing, Inc., a Florida corporation, which operate in tandem the vehicle sales operations of the Company. During the fiscal year ended March 31, 2002, these two subsidiaries ceased operations.

During fiscal year 2003, the Company formed Best Health, Inc., a health product developer and distributor in the development stage. The Company also acquired 90 percent of the outstanding shares of SoySlim Corp., another health product distributor in the development stage. The Company also acquired the rights to a patent-pending security system known as Global *P.O.M.*™

Interactive Multimedia Network, Inc. prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. Financial statement items are recorded at historical cost and may not necessarily represent current values.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

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. Certain amounts included in the financial statements are estimated based on currently available information and management’s judgment as to the outcome of future conditions and circumstances. Changes in the

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

status of certain facts or circumstances could result in material changes to the estimates used in the preparation of financial statements and actual results could differ from the estimates and assumptions. Every effort is made to ensure the integrity of such estimates.

Fair value of Financial Instruments

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued expenses and other liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments.

Inventories

Inventories are stated at the lower of cost or market determined by the LIFO method and specific identification.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives when the property and equipment is placed in service.

	<u>Estimate Useful Life</u> <u>(In Years)</u>
Furniture and Fixtures	7
Equipment & Vehicles	5
Computer Equipment & Software	3

Leasehold improvements are amortized over their estimated useful lives or the estimated useful lives of the leasehold improvements, whichever is shorter.

The cost of fixed assets retired or sold, together with the related accumulated depreciation, are removed from the appropriate asset and depreciation accounts, and the resulting gain or loss is included in net earnings. Maintenance and repairs are expensed as incurred.

Repairs and maintenance are charged to operations as incurred, and expenditures for significant improvements are capitalized. The cost of property and equipment retired or

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

sold, together with the related accumulated depreciation, are removed from the appropriate asset and depreciation accounts, and the resulting gain or loss is included in operations.

Revenue Recognition

Revenues are principally from services and commissions from providing marketing plans, services related to the Internet marketing arena and sales from health related products. Revenues from marketing and Internet related activity are recognized when the services are completed. Revenues from the sale of health related products are recognized when the products are shipped to the customer.

In December 1999, the Securities and Exchange Commission (“SEC”) issued Staff Accounting Bulletin No. 101 (“SAB 101”), “Revenue Recognition,” which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provide guidance for disclosures related to revenue recognition policies. Management believes that Interactive Multimedia Network, Inc.’s revenue recognition practices are in conformity with the guidelines of SAB 101.

Advertising

The Company expenses advertising costs as incurred. There was no advertising expense for the six months ended September 30, 2004 and 2003.

Earnings (Loss) Per Share of Common Stock

Earnings (Loss) per common share are calculated under the provisions of SFAS No. 128, “Earnings per Share,” which establishes standards for computing and presenting earnings per share. SFAS No. 128 requires the Company to report both basic earnings (loss) per share, which is based on the weighted-average number of common shares outstanding during the period, and diluted earnings (loss) per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive common shares outstanding. Options and warrants are not considered in calculating diluted earnings (loss) per share since considering such items would have an anti-dilutive effect.

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Recent Accounting Pronouncements:

The Statement of Financial Accounting Standards Board (SFAS) No. 141, “Business Combinations,” was issued by the Financial Accounting Standards Board (FASB) in July 2001. This Statement establishes standards for accounting and reporting for business combinations. This statement requires the purchase method of accounting to be used for all business combinations, and prohibits the pooling-of-interests method of accounting. This Statement is effective for all business combinations initiated after June 30, 2001 and supercedes APB Opinion No. 16, “Business Combinations” as well as Financial Accounting Standards Board Statement of Financial Accounting Standards No. 38, “Accounting for Preacquisition Contingencies of Purchased Enterprises.” The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

The Statement of Financial Accounting Standards Board (SFAS) No. 142, “Goodwill and Other Intangible Assets,” was issued by the Financial Accounting Standards Board (FASB) in July 2001. This Statement addresses how intangible assets that are acquired individually or with a group of other assets should be accounted for in financial statements upon their acquisition. This statement requires goodwill amortization to cease and for goodwill to be periodically reviewed for impairment, for fiscal years beginning after October 31, 2001. SFAS No. 142 supercedes APB Opinion No. 17, “Intangible Assets.” The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

The Statement of Financial Accounting Standards Board (SFAS) No. 143, “Accounting for Asset Retirement Obligation,” was issued by the Financial Accounting Standards Board (FASB) in August 2001. This Statement requires companies to record a liability for asset retirement obligations in the period in which they are incurred, which typically could be upon completion or shortly thereafter. The FASB decided to limit the scope to legal obligation and the liability will be recorded at fair value. The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

The Statement of Financial Accounting Standards Board (SFAS) No. 144, “Accounting

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

for the Impairment or Disposal of Long-Lived Assets,” was issued by the Financial Accounting Standards Board (FASB) in October 2001. This Statement provides a single accounting model for long-lived assets to be disposed of and replaces SFAS No. 121 “Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of.” This Statement is effective for fiscal years beginning after December 15, 2001. The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

NOTE 3 – DETAILS OF FINANCIAL STATEMENT COMPONENTS

	<u>September 30,</u>	
	<u>2004</u>	<u>2003</u>
Property and Equipment:		
Furniture and Fixtures	\$ 4,770	\$ 4,770
Equipment	5,136	5,136
Computer Equipment	26,718	24,568
Software	1,626	1,626
Website	<u>53,250</u>	<u>53,250</u>
	91,500	89,350
Less: Accumulated depreciation and amortization	<u>54,441</u>	<u>52,300</u>
Property and equipment, net	<u>\$ 37,059</u>	<u>\$ 37,050</u>

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In September 2002, the Company’s wholly owned subsidiaries, AutoSmart USA, Inc. and AutoSmart Leasing, Inc. ceased operations. Due to unpaid obligations to vendors, AutoSmart USA, Inc. was a party to several lawsuits. The Company was a party to two of these lawsuits which were settled.

NOTE 5 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company reported net income of \$640,125 and \$9,028 for the six months ended September 30, 2004 and 2003 respectively. Management anticipates that additional investments will be needed to develop an effective sales and marketing program before the organization will generate sufficient

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 5 – GOING CONCERN (continued):

cash flow from operations to meet current operating expenses and overhead. Management has continued to develop a strategic plan to develop a management team, maintain reporting compliance and seek new expansive areas in marketing through multiple media channels. Management intends to seek new capital from new equity security issuance's that will provide funds needed to increase liquidity, fund internal growth, and fully implement its business plan.

NOTE 6 – DISCONTINUED OPERATIONS

In September 2002, The Company ceased operations at its wholly owned subsidiaries, AutoSmart USA, Inc. and AutoSmart Leasing, Inc. The results of those businesses have been reflected as Discontinued Operations in the accompanying consolidated financial statements. Operating results of the discontinued operations are as follows:

	<u>2002</u>	<u>2004</u>
Net Sales	1,350,673	-
Loss before income taxes	(692,373)	(221,160)
Provision for income taxes	-	-
Loss from discontinued operations	<u>(692,373)</u>	<u>(221,160)</u>

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company has been involved in periodic transactions, whereby money has been advanced to the Company by the former President of the Company. As of September 30, 2004 the Company was obligated to the former President for a total of \$9,267.

Legal services to Interactive Multimedia Network, Inc. have been performed by Verdiramo & Verdiramo, P.A. This professional association is owned by Vincent L. Verdiramo, the former President of Interactive Multimedia Network, Inc. and his son Vincent S. Verdiramo. The cost of legal services billed to the Company for the six months ended September 30, 2004 and 2003 were zero.

Verdiramo & Verdiramo, P.A. is providing limited use of office space to Interactive Multimedia Network, Inc. Although Verdiramo & Verdiramo, P.A. has agreed not to charge rent and is not expecting payment from the Company for the office use, an amount has been reflected in the financial statements as rent expense with an offset to Paid in Capital in the amount of \$600 for the six months ended September 30, 2004 and \$600 for the six months ended September 30, 2003.

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 7 – RELATED PARTY TRANSACTIONS (continued):

The Company has received loans and advances from stockholders during the year. These transactions are in the form of unsecured demand loans bearing interest of 4% to 8% per annum. The balance due at September 30, 2004 is \$142,481 which includes approximately \$28,743 accrued interest on these loans.

NOTE 8 – STOCKHOLDER’S EQUITY

Preferred Stock

The company has 5,000,000 shares of preferred stock with a par value of \$0.001, which to date have never been issued. The preferred stock contains no voting privileges and is not entitled to accrue dividends or convert into shares of the Company’s common stock.

NOTE 9 – OPTIONS AND WARRANTS

In December 1998, Marion Verdiramo, a related party, returned 2,000,000 shares of common stock to the Company as part of a capital restructuring and in return received 2,000,000 common stock options at \$0.10 per share which can be exercised any time during the subsequent three years. This exchange was believed to be beneficial to the Company as it reduced its outstanding float. Prior to their expiration, the Company and Ms. Verdiramo agreed to extend the term of this Option Agreement for an additional five (5) years. These options were valued at \$330,000 based upon the minimal value of the common stock at the time of the options’ issuance.

Marion Verdiramo has never been an employee, officer, director or independent consultant for the Company. Marion Verdiramo converted a loan to the Company for 2,000,000 shares of restricted common stock. Subsequently, those shares were never freed from restrictive legend and returned to the Company.

In February 2004 the stock options were retired and the shares originally issued to Marion Verdiramo were re-issued to her. The terms of the original option allowed for this re-issuance if the market price of the Company’s stock stayed at or below the option price for 60 consecutive days. This occurred during the last quarter of 2003 and the first quarter of 2004.

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 10 – INCOME TAXES

The Company did not provide any current or deferred United States federal, state or foreign income tax provision or benefit for the period presented because it has experienced operating losses since inception. The Company has provided a full valuation allowance on the deferred tax asset, consisting primarily of net operating loss carryforwards, because of uncertainty regarding its realizability.

NOTE 11 – BUSINESS SEGMENT INFORMATION

The Company's segment information has been prepared in accordance with Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information." Segments were determined based on products and services provided by each segment. Accounting policies of the segments are the same as those described in the summary of significant accounting policies. Performance of the segments is evaluated on operating income (loss) before taxes, interest income or expense and other income or (loss). The Company has elected to organize its businesses based principally upon products and services. Interactive Multimedia Network, Inc. has two reportable segments: Marketing, including services related to the Internet marketing arena and sales of health products.

For the three months ended September 30, 2004 (unaudited)

	Marketing & Internet Services	Health Products	Corporate and Other	Consolidated Total
Net sales to external customers	\$ -	\$ -	\$ -	\$ -
Intersegment revenues	\$ -	\$ -	\$ -	\$ -
Segment operating profit(loss)	\$ -	\$ -	\$ (17,932)	\$ (17,932)
Segment assets	\$ 53,117	\$ -	\$ 265	\$ 53,382

INTERACTIVE MULTIMEDIA NETWORK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 11 – BUSINESS SEGMENT INFORMATION (continued):

For the three months ended September 30, 2003 (unaudited)

	Marketing & Internet Services	Health Products	Corporate and Other	Consolidated Total
Net sales to external customers	\$ 19,540	\$ -	\$ -	\$ 19,540
Intersegment revenues	\$ -	\$ -	\$ -	\$ -
Segment operating profit(loss)	\$ 19,540	\$ -	\$ (4,296)	\$ 15,244
Segment assets	\$ 55,227	\$ -	\$ 239	\$ 55,466

For the six months ended September 30, 2004 (unaudited)

	Marketing & Internet Services	Health Products	Corporate and Other	Consolidated Total
Net sales to external customers	\$ 1,052	\$ -	\$ -	\$ 1,052
Intersegment revenues	\$ -	\$ -	\$ -	\$ -
Segment operating profit(loss)	\$ 500	\$ -	\$ 639,625	\$ 640,125
Segment assets	\$ 53,117	\$ -	\$ 265	\$ 53,382

For the six months ended September 30, 2003 (unaudited)

	Marketing & Internet Services	Health Products	Corporate and Other	Consolidated Total
Net sales to external customers	\$ 19,800	\$ -	\$ -	\$ 19,800
Intersegment revenues	\$ -	\$ -	\$ -	\$ -
Segment operating profit(loss)	\$ 19,728	\$ -	\$ (12,448)	\$ 7,280
Segment assets	\$ 55,227	\$ 239	\$ -	\$ 55,466

INTERACTIVE MULTIMEDIA NETWORK, INC.
FORM 10-QSB
September 30, 2004

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Results of Operations

Three months and six months ended September 30, 2004 and 2003

During the three month period ending September 30, 2004, the Company incurred a loss from operations of \$17,932 compared to a profit of \$15,244 for the same period ended September 30, 2003. The main component contributing to this decrease was a decrease in revenue in the current year.

Revenues

During the three month period ending September 30, 2004, the Company's revenues from operations \$ -0- compared to \$19,540 for the same period ended September 30, 2003. this decrease was the result of a marketing project that the Company was working on for a client ending. Revenues are principally from the provision of marketing services. Revenues from marketing services are recognized when the services are completed. Sales from health related products are recognized when the product is shipped.

Operating Expenses

During the three months ended September 30, 2004, the Company incurred \$15,669 in operating expenses from operations as compared to \$2,643 in the same period in 2003. This increase was primarily due to an increase in Selling, General and Administrative expenses in the current year due to decreased operations.

Material changes in financial condition, liquidity and capital resources

At September 30, 2004, the Company had \$ 839 in cash and cash equivalents. The Company had a negative working capital of approximately \$92,442 at September 30, 2004. The Company's operations are not generating sufficient cash to maintain its present operations. The Company's cash resources are determined entirely on the volume of sales and services generated and we currently cannot estimate how much they will contribute to our cash flow. The company has reviewed all non-essential activities and expenditures and has aggressively curtailed these items to assist in reducing the cash used in operating activities.

Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's chief executive officer has evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2004 (the "Evaluation"). Based on this evaluation, the Company's chief executive officer concluded that the disclosure controls and procedures are effective for gathering, analyzing and disclosing the information the Company is required to disclose in the reports it files under the Securities Exchange Act of 1934, within the time periods specified in the Securities and Exchange Commission's rule and forms. There were no changes in the Company's internal controls over financial reporting that occurred during the quarter ended September 30, 2003, that have materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

INTERACTIVE MULTIMEDIA NETWORK, INC.
FORM 10-QSB
September 30, 2004

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Please refer to the Form 10-KSB filed on July 14, 2003 for information regarding pending legal proceedings involving the Company or its subsidiaries. As of the date of this filing, the Wachovia vs. Interactive Multimedia Network, et al cases has been settled and the Pompano Motors vs. Autosmart USA, et al. has also been settled. There have been no material developments in any of the other outstanding legal proceedings.

Item 2. Changes in Securities.

NONE

Item 3. Defaults Upon Senior Securities.

NONE

Item 4. Submission of Matters to a Vote of Security-Holders.

NONE

Item 5. Other Information.

NONE

Item 6. Exhibits and Reports on Form 8K.

(a) Exhibits

Exhibit 31.1 – Certification required by Rule 13a-14(a) or Rule 15d-14(a).

Exhibit 32.1 – Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.

(b) Reports on Form 8K. – The company filed one report on Form 8K during the period covered by this report, regarding a change of accountants.

INTERACTIVE MULTIMEDIA NETWORK, INC.
FORM 10-QSB
September 30, 2004

SIGNATURES

In accordance with the requirements of the Security Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, duly authorized.

INTERACTIVE MULTIMEDIA NETWORK, INC.

Date: November 15, 2004

By: /s/ Richard J. Verdiramo

Richard J. Verdiramo, President and CEO

INDEX TO EXHIBITS

Exhibit 31.1 – Certification required by Rule 13a-14(a) or Rule 15d-14(a).

Exhibit 32.1 – Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Richard J. Verdiramo, certify that:

- (1) I have reviewed this revised quarterly report on Form 10-QSB of INTERACTIVE MULTIMEDIA NETWORK, INC.;
- (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 small business issuer as of, and for, the periods presented in this report;
- (4) I am 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) 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) I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 15, 2004

By: /s/ Richard J. Verdiramo

Richard J. Verdiramo, President and CEO

EXHIBIT 32

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of INTERACTIVE MULTIMEDIA NETWORK, INC. (the "Company") on Form 10-QSB for the period ended September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard J. Verdiramo, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 15, 2004

By: /s/ Richard J. Verdiramo

Richard J. Verdiramo, President and CEO