

INNOVATIVE DESIGNS INC  
Form 10QSB  
June 08, 2005

OMB APPROVAL

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

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY  
THREE MONTH PERIOD ENDED APRIL 30, 2005:

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION  
PERIOD FROM \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: **333-103746**

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

**INNOVATIVE DESIGNS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**03-0465528**

(IRS Employer Identification No.)

**223 North Main Street, Suite 1**

**Pittsburgh, Pennsylvania 15215**

(Address of principal executive offices)

**(412) 799-0350**

(Registrant's telephone number, including area code)

**Not applicable**

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

**All Correspondence to:**

**Eric S. Gillen, Esquire**

**Leech Tishman Fuscaldo & Lampl, LLC**

**Citizens Bank Building, 30th Floor**

**525 William Penn Place**

**Pittsburgh, Pennsylvania 15025**

As of April 30, 2005, there were 16,903,625 shares of the registrant's common stock outstanding.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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

**INNOVATIVE DESIGNS, INC.**

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

**PART 1 - FINANCIAL INFORMATION**

**INNOVATIVE DESIGNS, INC.**

**(A DEVELOPMENT STAGE COMPANY)**

**FINANCIAL STATEMENTS**

**ITEM 1. FINANCIAL STATEMENTS.**

The information in this report for the three months ended April 30, 2005 is unaudited but includes all adjustments (consisting only of normal recurring accruals, unless otherwise indicated) which the "Company" considers necessary for a fair presentation of the financial position, results of operations, changes in stockholders' equity and cash flows for those periods.

The condensed consolidated financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Audited Financial Statements for the year ended October 31, 2004 in the Form 10-KSB filed with the SEC on January 31, 2005.

Interim results are not necessarily indicative of results for the full fiscal year.

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

**INNOVATIVE DESIGNS, INC.****(A Development Stage Company)****BALANCE SHEETS**April 30, 2005 (Unaudited) and October 31, 2004ASSETS

|                             | April 30,<br><u>2005</u><br>(Unaudited) | October 31,<br><u>2004</u> |
|-----------------------------|---|----------------------------|
| CURRENT ASSETS:             |   |                            |
|                             | \$                                      | \$                         |
| Cash                        | 48,797                                  | 27,384                     |
| Accounts receivable         | 19,950                                  | 30,355                     |
| Other receivables           | 5,000                                   | 5,000                      |
| Inventory                   | 278,277                                 | 286,310                    |
| Deferred financing fee      | 7,500                                   | -                          |
| Total current assets        | 359,524                                 | 349,049                    |
| PROPERTY AND EQUIPMENT, NET | 21,956                                  | 26,118                     |
|                             | \$                                      | \$                         |
| TOTAL ASSETS                | 381,480                                 | 375,167                    |

LIABILITIES AND STOCKHOLDERS' DEFICIT

|                              |         |           |
|------------------------------|---------|-----------|
| CURRENT LIABILITIES:         |         |           |
|                              | \$      | \$        |
| Accounts payable             | 142,842 | 138,842   |
| Note payables                | 106,000 | 102,000   |
| Note payable - related party | 50,000  | 727,275   |
| Due to shareholders          | 46,000  | 46,000    |
| Accrued expenses             | 6,888   | 13,596    |
| Total current liabilities    | 351,730 | 1,027,713 |

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LONG TERM LIABILITIES:

|                               |                |                  |
|-------------------------------|----------------|------------------|
| Note payable - related party  | 200,000        | 236,364          |
| Loan payable to related party | 109,000        | 71,000           |
| Total long term liabilities   | 309,000        | 307,364          |
| <b>TOTAL LIABILITIES</b>      | <b>660,730</b> | <b>1,335,077</b> |

STOCKHOLDERS' DEFICIT:

|  |                |                |
|--|----------------|----------------|
| Preferred stock, \$.0001 par value,<br>100,000,000 shares authorized   | -              | -              |
| Common stock, \$.0001 par value,<br>500,000,000 shares authorized,<br>17,304,693 and 16,903,625 shares<br>issued and outstanding, respectively | 1,731          | 1,691          |
| Additional paid in capital   | 4,810,469      | 3,948,259      |
| (Deficit) accumulated during the development stage   | (5,091,450)    | (4,909,860)    |
| Total stockholders' (deficit)  | (279,250)      | (959,910)      |
|  | \$             | \$             |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>   | <b>381,480</b> | <b>375,167</b> |

**INNOVATIVE DESIGNS, INC.****(A Development Stage Company)**

## STATEMENTS OF OPERATIONS

Three Months Ended April 30, 2005 and 2004, Six Months Ended April 30, 2005 and 2004,Period from Inception to April 30, 2005

(Unaudited)

|  | Three Months Ended April 30, |             | Six Months Ended April 30, |             | Inception to             |
|--|------------------------------|-------------|----------------------------|-------------|--------------------------|
|  | <u>2005</u>                  | <u>2004</u> | <u>2005</u>                | <u>2004</u> | April 30,<br><u>2005</u> |
|  | \$                           | \$          | \$                         | \$          | \$                       |
| REVENUE  | 16,512                       | 2,199       | 32,265                     | 13,408      | 159,680                  |
| OPERATING EXPENSES:                                |                              |             |                            |             |                          |
| Cost of sales                                      | 4,414                        | 924         | 13,551                     | 5,632       | 139,531                  |
| Non-cash stock<br>compensation                     | (26,750)                     | -           | 80,150                     | -           | 3,655,180                |
| Selling, general and<br>administrative<br>expenses | 52,702                       | 91,801      | 116,154                    | 172,408     | 934,933                  |
|  | 30,366                       | 92,725      | 209,855                    | 178,040     | 4,729,644                |
| (Loss) from operations                             | (13,854)                     | (90,526)    | (177,590)                  | (164,632)   | (4,569,964)              |
| INTEREST EXPENSE                                   | 2,000                        | 55,147      | 4,000                      | 110,325     | 404,538                  |
| (Loss) before<br>extraordinary items               | (15,854)                     | (145,673)   | (181,590)                  | (274,957)   | (4,974,502)              |
| Extraordinary item - casualty                      |                              |             |                            |             |                          |

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|  |            |            |            |            |             |
|--|------------|------------|------------|------------|-------------|
| loss from flooding,<br>net<br>of insurance<br>proceeds | -          | -          | -          | -          | 116,948     |
|  | \$         | \$         | \$         | \$         | \$          |
| NET (LOSS)   | (15,854)   | (145,673)  | (181,590)  | (274,957)  | (5,091,450) |
| Per share information -<br>basic and fully<br>diluted  |            |            |            |            |             |
| Weighted Average<br>Shares Outstanding                 | 17,093,353 | 16,430,689 | 17,037,563 | 15,650,495 | 15,171,906  |
|  | \$         | \$         | \$         | \$         | \$          |
| Net (loss) per share                                   | (0.001)    | (0.009)    | (0.011)    | (0.018)    | (0.336)     |

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



**INNOVATIVE DESIGNS, INC.****(A Development Stage Company)**

## STATEMENTS OF CASHFLOW

Six Months Ended April 30, 2005 and 2004, Period from Inception to April 30, 2005

(Unaudited)

|  | Six Months Ended April 30,<br><u>2005</u> | Six Months Ended April 30,<br><u>2004</u> | Inception to<br>April 30,<br><u>2005</u> |
|--|---|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      |   |   |  |
|  | \$  | \$  | \$                                       |
| Net (loss)   | (181,590)                                 | (274,957)                                 | (5,091,450)                              |
| Adjustments to reconcile net (loss) to cash<br>provided by operating activities: |   |   |  |
| Common stock issued to founders  | -   | -   | 1,405                                    |
| Common stock returned for<br>noncompliance services                              | (39,600)                                  | -   | (1,639,600)                              |
| Common stock issued for services   | 119,750                                   | -   | 5,304,295                                |
| Depreciation   | 4,163                                     | 6,226                                     | 20,577                                   |
| Interest added to related party note   | -   | 109,092                                   | 395,494                                  |
| Interest added to note payable   | 4,000                                     | -   | 6,000                                    |
| Loss from extraordinary item   | -   | -   | 173,830                                  |
| Changes in operating assets and liabilities:                                     |   |   |  |
| Accounts receivable  | 10,405                                    | 2,814                                     | (19,950)                                 |
| Inventory  | 8,033                                     | (40,799)                                  | (401,349)                                |
| Other receivables  | -   | -   | (5,000)                                  |
| Due to related party   | -   | 3,500                                     | -  |
| Accounts payable   | 4,000                                     | 28  | 142,842                                  |
| Accrued expenses   | (6,708)                                   | -   | 6,888                                    |
| Net cash (used in) operating activities  | (77,547)                                  | (194,096)                                 | (1,106,018)                              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                     |   |   |  |
| Purchase of property and equipment   | -   | -   | (48,290)                                 |

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|  |        |          |           |
|--|--------|----------|-----------|
| Purchase of license agreement                    | -      | -        | -         |
| Insurance proceeds from casualty loss            | -      | -        | 38,202    |
| Insurance proceeds used to pay off vehicle loans | -      | -        | (38,202)  |
| Net cash (used in) investing activities          | -      | -        | (48,290)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>     |        |          |           |
| Payments on note payable                         | -      | (3,267)  | (3,884)   |
| Payment on related party note                    | -      | -        | (50,000)  |
| Shareholder advances                             | -      | 15,000   | 363,875   |
| Proceeds from note payable from related party    | 50,000 | -        | 50,000    |
| Proceeds from loan payable from related party    | 38,000 | 71,000   | 109,000   |
| Common stock shares issued for cash              | 10,960 | 86,900   | 675,230   |
| Proceeds from short term debt                    | -      | -        | 58,884    |
| Net cash provided by financing activities        | 98,960 | 169,633  | 1,203,105 |
| Net increase (decrease) in cash                  | 21,413 | (24,463) | 48,797    |
| Cash - beginning                                 | 27,384 | 73,476   | -         |
|  | \$     | \$       | \$        |
| Cash - ending                                    | 48,797 | 49,013   | 48,797    |

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

STATEMENTS OF CASHFLOW

Six Months Ended April 30, 2005 and 2004, Period from Inception to April 30, 2005

(Unaudited)

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

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Inception to

Six Months Ended April 30,

April 30,

2005

2004

2005

Supplemental cash flow information:

Cash paid for interest

\$

-

\$

601

\$

3,043

Non-cash investing and financing activities:

License agreement

\$

-

\$

-

\$

618,145

Property and equipment acquired

with note payable

\$

-

\$

-

\$

45,000

Conversion of notes payable -

related party to equity

\$

763,639

\$

-

\$

763,639

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

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

NOTES TO FINANCIAL STATEMENTS

1.

BASIS OF PRESENTATION

The accompanying unaudited financial statements in the Form 10QSB are presented in accordance with the requirement of the form and do not include all of the disclosures required by accounting principles generally accepted in the United States of America. For additional information, reference is made to the Company's annual report on Form 10KSB for the year ended October 31, 2004. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

2.

EARNINGS PER SHARE

The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standard No. 128, Earnings per Share. Basic earnings (loss) per share is calculated by dividing income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. During the periods presented common stock equivalents, if any, were not considered as their effect would be anti-dilutive.

3.

COMMON STOCK

During the six month period ended April 30, 2005, the Company entered into various common stock transactions that included 311,000 shares issued for services at an average price of \$0.39 per share or \$119,750, 33,000 shares cancelled for non performance of services at an average price of \$1.20 per share or \$39,600, 73,068 shares purchased by investors for an average price of \$0.15 per share or \$10,960, and 50,000 shares issued as additional consideration for a loan from a related party as further discussed in Note 4. The individual stock transactions are as follows:

Common Stock Issued for Service

On December 12, 2004, the Company issued 100,000 shares of our stock to Sean W. Dills in exchange for past and future consulting services pertaining to strategic business planning. The shares to Sean W. Dills were valued at a price of \$0.75 per share, or an aggregate price of \$75,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. These shares were issued without a restrictive legend.

On December 21, 2004, the Company issued 10,000 shares of our stock to Anthony C. Mengine in exchange for legal services rendered to us. The shares to Anthony C. Mengine were valued at a price of \$0.50 per share, or an aggregate price of \$5,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. These shares were issued without a restrictive legend.



**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

NOTES TO FINANCIAL STATEMENTS

On December 21, 2004, the Company issued 6,000 shares of our stock to Roy S. Devine in exchange for consulting services rendered to us. The shares to Roy S. Devine were valued at a price of \$0.50 per share, or an aggregate price of \$3,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. These shares were issued without a restrictive legend.

On January 7, 2005, the Company issued 50,000 shares of our stock to Sean W. Dills in exchange for past and future consulting services pertaining to strategic business planning. The shares to Sean W. Dills were valued at a price of \$0.30 per share, or an aggregate price of \$15,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. These shares were issued without a restrictive legend.

On April 19, 2005, the Company issued 75,000 shares of our stock to Bonnie Dake in exchange for past and future administrative and marketing services pertaining to the operation of the business. The shares to Bonnie Dake were valued at a price of \$0.15 per share, or an aggregate price of \$11,250. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company issued 25,000 shares of our stock to Owen Dake in exchange for past and future marketing services pertaining to the operation of the business. The shares to Owen Dake were valued at a price of \$0.15 per share, or an aggregate price of \$3,750. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company issued 25,000 shares of our stock to Gary M. Tyra in exchange for past and future marketing services pertaining to the operation of the business. The shares to Gary M. Tyra were valued at a price of \$0.15 per share, or an aggregate price of \$3,750. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company issued 10,000 shares of our stock to Anthony Fazio in exchange for providing construction modifications and improvements to our facility. The shares to Anthony Fazio were valued at a price of \$0.15 per share, or an aggregate price of \$1,500. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

NOTES TO FINANCIAL STATEMENTS

general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company issued 10,000 shares of our stock to Gregory P. Domion in exchange for past, present and future sales and marketing services pertaining to the operation of the business. The shares to Gregory P. Domion were valued at a price of \$0.15 per share, or an aggregate price of \$1,500. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 28, 2005, the Company issued 50,000 shares of our stock to David W. Lampl as additional consideration for a loan Lampl made to the Company as further described Note 4. The shares to David W. Lampl were valued at a price of \$0.15 per share, or an aggregate price of \$7,500. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

Common Stock Sold

On April 19, 2005, the Company sold 33,334 shares of our stock to Jenniffer Lee Dake for a price of \$0.15 per share or \$5,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company sold 33,334 shares of our stock to Anna Mae Lipski for a price of \$0.15 per share or \$5,000. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale. We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

On April 19, 2005, the Company sold 6,400 shares of our stock to Thomas Gniewkowski for a price of \$0.15 per share or \$960. We relied upon Section 4(2) of the Act for the sale. We believed that Section 4(2) was available because the sale did not involve a public offering and there was no general solicitation or general advertising involved in the sale.

We placed legends on the stock certificates stating that the securities were not registered under the Securities Act and set forth the restrictions on their transferability and sale.

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

NOTES TO FINANCIAL STATEMENTS

Common Stock Cancelled

On December 29, 2004, the Company cancelled 3,000 shares of our stock previously issued to Barry Douglas in exchange for sales services for nonperformance of these services. The shares were valued at \$1.20 per share or an aggregate of \$3,600.

On April 18, the Company cancelled 30,000 shares of our stock previously issued to Anthony P. Leech in exchange for legal services for nonperformance of these services. The shares were valued at \$1.20 per share or an aggregate of \$36,000.

4.

DEBT

In April 2005, Innovative Designs, Inc. (the Company) entered into discussions with David W. Lampl, Esq. (Lampl) regarding the terms of a potential loan from Lampl to the Company. Lampl disclosed the potential conflict of interest to the Company and followed the Pennsylvania Rules of Professional Conduct with regard to conflict of interest matters. Joseph Riccelli, the Company's Chief Executive Officer, executed, on behalf of the Company, a letter dated April 19, 2005, which outlined the terms of the loan. Mr. Riccelli also executed a Disclosure Statement stating that he understood the terms of the loan and consented to Lampl's role as both counselor to the Company and as payee of the loan. On April 28, 2005, the Company entered into a Secured Term Promissory Note (the Note) with Lampl, whereby Lampl loaned and the Company agreed to pay Lampl the principal amount of fifty thousand and 00/100 dollars (\$50,000.00) plus interest at a rate of twelve and 00/100 percent (12%) per annum on or before December 31, 2005. Lampl is a member of the law firm of Leech Tishman Fuscaldano & Lampl, LLC which represents the Company with regard to various corporate matters.

To secure the indebtedness the Company granted a security interest to Lampl in and to all presently owned and after acquired personal property of the Company, including, but not limited to, Accounts, Equipment, Raw Materials, Inventory, Contract Rights and Proceeds and all General Intangibles. The Company also issued two (2) twenty-five thousand (25,000) share blocks of Rule 144 Common stock of the Company as additional consideration (the

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Additional Consideration ). If all sums due under the Note have been paid on or before December 31, 2005, and if the closing price on the one (1) year anniversary date of the issuance of the Company stock to Lampl is equal to or greater than one and 00/100 (\$1.00) per share, then Lampl will return one (1) twenty-five thousand (25,000) share block to the Company. Otherwise, Lampl will retain the entire fifty thousand (50,000) shares of the Company stock free and clear of any claims or obligations.

If the Company defaults under the terms of the Note, the payment of the indebtedness will be accelerated and the interest rate will accrue on any remaining principal balance at a rate of eighteen percent (18%) from the date of default forward. The Note also contains a Confession of Judgment provision.

**INNOVATIVE DESIGNS, INC.**

**(A Development Stage Company)**

NOTES TO FINANCIAL STATEMENTS

5.

CONVERSION OF NOTES PAYABLE RELATED PARTY TO EQUITY

Due to cash flow problems currently being experienced by the Company, on January 31, 2005, the holder of the note payable, RMF-Global Inc., a company solely owned by the Chief Financial Officer of Innovative Designs, Inc., Joseph Riccelli, agreed to accept 1,909,098 shares of the Company's \$.0001 par value common stock in settlement of \$763,639 of the Company's obligation. The Company still has \$200,000 outstanding of a note payable related party at April 30, 2005.

6.

GOING CONCERN

The Company's financial statements are presented on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has experienced a significant loss from operations as a result of its investment necessary to achieve its operating plan, which is long-range in nature. For the six month period ended April 30, 2005 and 2004, the Company incurred a net operating loss of \$177,590 and \$164,632, respectively. Since the Company's inception, they have incurred a net loss from operations of \$4,569,964 which included \$3,655,180 resulting from non-cash stock compensation paid to various individuals for performance of services on behalf of the Company. The Company has a working capital deficit of \$7,794 and \$678,664 and a stockholders' deficit of \$279,250 and \$959,910 at April 30, 2005 and 2004, respectively. In addition, the Company has no significant revenue generating operations.

The Company's ability to continue as a going concern is contingent upon its ability to attain profitable operations and secure financing. Further, the Company's ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered by entrance into established markets and the competitive environment in which the Company operates.

On May 1, 2005, Innovative Designs, Inc. (the Company ) entered into a Personal Services Agreement (the Agreement ) with William Maas ( Maas ), whereby the Company agreed to design and manufacture a line of hunting and outdoor apparel that will be known as the Bill Maas Hunting Line (the Hunting Line ). The initial term of the Agreement is three (3) years and will automatically renew for another three (3) year term, not to exceed ten (10) three (3) year terms, unless either party terminates the Agreement.

Maas agreed to permit the Company to utilize his name, image, likeness, reputation, signature, history, career statistics and other personal characteristics in order to communicate Maas endorsement, use and involvement with the Hunting Line. Maas also agreed to make himself available, at his discretion, to appear in person at various locations and/or functions to promote the Hunting Line.



**INNOVATIVE DESIGNS, INC.**

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NOTES TO FINANCIAL STATEMENTS

The Company agreed to compensate Maas by providing him with a commission on all revenues received by the Company from the sale of Hunting Line apparel.

During May 2005, the Company received a substantial purchase order from one prominent independent retailer for the Company's Bill Maas Hunting Line. The Company products are also currently carried by 18 retailers located primarily in Ohio and Pennsylvania. The Company also has an exclusive agreement with a major manufacturing representative firm that will be marketing and selling the Company's products in 37 states throughout the United States.

The Company is pursuing equity financing for its operations. Failure to secure such financing or to raise additional capital or borrow additional funds may result in the Company depleting its available funds and not being able to pay its obligations.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INNOVATIVE DESIGNS, INC.

/s/ Joseph Riccelli

By:

Joseph Riccelli

Chief Executive Officer

/s/ Anthony Fonzi

By:

Anthony Fonzi

Chief Financial Officer, Principal

Accounting Officer, and Director

Date:

06/08/05

Exhibit 32.1

## CERTIFICATIONS

I, Joseph Riccelli, certify that:

1.

I have reviewed this quarterly report on Form 10-QSB of Innovative Designs, 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 Innovative Designs, Inc. as of, and for, the periods presented in this report;

4.

The registrant's other certifying officers 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 Innovative Designs, Inc. 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 Innovative Designs, Inc., 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 Innovative Designs, Inc.'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 Innovative Designs, Inc.'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 registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Innovative Designs, Inc.'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 Innovative Designs, Inc.'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 Innovative Designs, Inc.'s internal control over financial reporting.

/s/ Joseph Riccelli

Date:

06/08/05

By:

Joseph Riccelli, Chief Executive Officer

Exhibit 32.1

### **CERTIFICATIONS**

I, Anthony Fonzi, certify that:

1.

I have reviewed this report on Form 10-QSB of Innovative Designs, 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 Innovative Designs, Inc. as of, and for, the periods presented in this report;

4.

The registrant's other certifying officers 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 Innovative Designs, Inc. 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 Innovative Designs, Inc., 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 Innovative Designs, Inc.'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 Innovative Designs, Inc.'s internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5.

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Innovative Designs, Inc.'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 Innovative Designs, Inc.'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 Innovative Designs, Inc.'s internal control over financial reporting.

/s/ Anthony Fonzi

Date:

06/08/05

By:

Anthony Fonzi, Chief Financial Officer,

Principal Accounting Officer, and Director

Exhibit 32.1

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 Form 10-QSB Quarterly Report of Innovative Designs, Inc. (the Company) for the period ended April 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

o

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

o

the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Riccelli

Date:

06/08/05

By:

Joseph Riccelli

Chief Executive Officer

Exhibit 32.1

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 Form 10-QSB Quarterly Report of Innovative Designs, Inc. (the Company ) for the period ended April 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report ), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

o

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

o

the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Anthony Fonzi

Date:

06/08/05

By:

Anthony Fonzi

Chief Financial Officer, Principal

Accounting Officer, and Director