

INNOVATIVE DESIGNS INC
Form 10-Q
September 24, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 131 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended July 31, 2018

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: 000-51791

INNOVATIVE DESIGNS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware 03-0465528
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

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124 Cherry Street

Pittsburgh, Pennsylvania 15223

(Address of Principal Executive Offices, Zip Code)

(412) 799-0350

(Issuer's Phone Number Including Area Code)

N/A

(Former Name or Former Address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). YES

NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check One)

Large Accelerated Filer Accelerated Filer

Non-accelerated Filer Smaller reporting company

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(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of September 18, 2018, there were 27,334,560 shares of the Registrant's common stock, par value \$.0001 per share, outstanding.

Transitional Small Business Disclosure Format: YES NO

Innovative Designs, Inc.

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ITEM 1. CONDENSED FINANCIAL STATEMENTS**INNOVATIVE DESIGNS, INC.****CONDENSED BALANCE SHEETS**July 31, 2018 (Unaudited) and October 31, 2017ASSETS

	2018	2017
CURRENT ASSETS		
Cash	\$ 112,130	\$ 214,871
Accounts receivable - net of allowance for doubtful accounts of \$8,623 and \$0 as of July 31, 2018 and October 31, 2017, respectively	917	23,805
Inventory - net of obsolete inventory reserve of \$75,468 and \$51,000 as of July 31, 2018 and October 31, 2017, respectively	757,894	729,845
Inventory on consignment	1,625	1,625
Deposits on inventory	57,330	70,000
Prepaid expenses	13,320	14,653
Total current assets	943,216	1,054,799
PROPERTY AND EQUIPMENT - NET	138,486	160,862
OTHER ASSETS		
Advance to employees	8,200	4,000
Deposits on equipment	617,000	617,000
Total other assets	625,200	621,000
TOTAL ASSETS	\$ 1,706,902	\$ 1,836,661
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 193,910	\$ 129,278
Current portion of notes payable	17,718	18,096
Accrued interest expense	56,832	44,184
Due to shareholders	146,850	118,500
Accrued expenses	10,775	25,102
Total current liabilities	426,085	335,160

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Long-term portion of notes payable	104,611	119,262
TOTAL LIABILITIES	530,696	454,422
STOCKHOLDERS' EQUITY		
Common stock, \$0.0001 par value, 100,000,000 shares authorized, and 27,234,560 and 26,392,310 issued and outstanding as of July 31, 2018 and October 31, 2017	2,724	2,639
Additional paid-in capital	9,977,787	9,725,412
Accumulated deficit	(8,804,305)	(8,345,812)
Total stockholders' equity	1,176,206	1,382,239
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,706,902	\$1,836,661

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

INNOVATIVE DESIGNS, INC.

CONDENSED STATEMENTS OF OPERATIONS

Three and Nine Month Periods Ended July 31, 2018 and 2017 (Unaudited)

	Three Month Periods Ended July 31,		Nine Month Periods Ended July 31,	
	2018	2017	2018	2017
REVENUES - NET	\$34,149	\$41,811	\$167,515	\$250,183
OPERATING EXPENSES:				
Cost of sales	52,415	39,463	134,877	145,537
Selling, general and administrative expenses	127,604	183,868	473,303	562,080
	180,019			