NUVEEN FLOATING RATE INCOME FUND
Form N-Q
June 29, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21494

Nuveen Floating Rate Income Fund
(Exact name of registrant as specified in charter)
333 West Wacker Drive, Chicago, Illinois 60606
(Address of principal executive offices) (Zip code)
Kevin J. McCarthy Vice President and Secretary
333 West Wacker Drive, Chicago, Illinois 60606
(Name and address of agent for service)

Registrant s telephone number, including area code: 312-917-7700
Date of fiscal year end: 7/31
Date of reporting period: 4/30/2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Portfolio of Investments (Unaudited)
Nuveen Floating Rate Income Fund (JFR)
April 30, 2007

Principal Amount (000)	Description (1)	Weighted Average Coupon	Maturity (3)	Ratings (4)	Value
	Variable Rate Senior Loan Interests 143.8% (93.1% of Total Investments) (2)				
	Aerospace & Defense 1.6% (1.0% of Total Investments)				
$ 5,043	Mid-Western Aircraft Systems Inc., Term Loan B	7.105%	12/31/11	BB+	$ 5,070,885
2,300	Transdigm Inc., Term Loan B	7.348%	6/23/13	Ba3	2,316,388
2,403	Vought Aircraft Industries, Inc., Term Loan	7.830%	12/22/11	Ba2	2,423,589
545	Vought Aircraft Industries, Inc., Tranche B, Letter of Credit	7.822%	12/22/10	Ba2	549,545
10,291	Total Aerospace & Defense				10,360,407
	Airlines 2.5% (1.6% of Total Investments)				
8,000	Northwest Airlines Inc., Term Loan	7.320%	7/19/08	BBB-	8,037,504
8,700	United Air Lines Inc., Delayed Draw, Term Loan	7.375%	2/01/14	B+	8,713,594
16,700	Total Airlines				16,751,098
	Auto Components 4.3% (2.8% of Total Investments)				
3,000	Delphi Automotive Systems Corporation, DIP Term Loan	8.125%	12/31/07	BBB-	3,013,763
17,662	Federal-Mogul Corporation, Term Loan A, (6)	7.570%	2/24/04	N/R	17,601,287
2,000	Federal-Mogul Corporation, Term Loan B, (6)	7.820%	2/24/05	N/R	1,994,792
6,000	Goodyear Tire & Rubber Company, Second Lien Term Loan	7.100%	4/30/14	Ba2	6,030,945
28,662	Total Auto Components				28,640,787
	Beverages 0.3% (0.1% of Total Investments)				
2,083	Constellation Brands, Inc., Term Loan	6.875%	6/05/13	BB-	2,091,580

Building Products 8.0% (5.2% of Total Investments)

1,768	Atrium Companies Inc., Term Loan	8.518%	5/31/12	B1	1,761,862
5,000	Building Materials Corporation of America, Second Lien Term Loan	11.125%	9/15/14	B	4,958,333
8,978	Building Materials Corporation of America, Term Loan	8.188%	2/22/14	BB-	8,939,346
14,625	Nortek, Inc., Term Loan B	7.365%	8/27/11	Ba2	14,687,156
4,412	PP Acquisition Corporation, Term Loan	8.320%	11/12/11	Ba3	4,433,836
7,344	Stile Acquisition Corporation, Canadian Term Loan	7.350%	4/05/13	BB-	7,198,019
7,356	Stile Acquisition Corporation, Term Loan B	7.350%	4/05/13	BB-	7,210,281
3,980	TFS Acquisition, Term Loan	8.850%	8/11/13	B+	4,009,850
53,463	Total Building Products				53,198,683

Capital Markets 1.1% (0.7% of Total Investments)

2,773	Ameritrade Holdings Corporation, Term Loan B	6.820%	12/31/12	Ba1	2,781,886
4,643	BNY Convergex Group LLC, Term Loan	8.350%	10/02/13	B+	4,686,964
7,416	Total Capital Markets				7,468,850

Chemicals 9.8% (6.4% of Total Investments)

5,600	Celanese Holdings, LLC, Term Loan C	7.099%	4/02/14	BB-	5,635,876
1,400	Celanese Holdings, LLC, Credit-Linked Deposit	5.320%	4/02/14	BB-	1,408,969
1,882	Foamex LP, Term Loan	7.597%	2/12/13	B1	1,888,628
820	Headwaters Inc., First Lien Term Loan	7.360%	4/30/11	BB-	822,363
11,507	Hercules Inc., Term Loan B	6.820%	10/08/10	Baa3	11,531,671
4,892	Hexion Specialty Chemicals, Inc., Term Loan C1	7.875%	5/05/13	Ba3	4,933,352
1,063	Hexion Specialty Chemicals, Inc., Term Loan C2	7.875%	5/05/13	Ba3	1,071,664
8,150	Huntsman International LLC, Term Loan	7.070%	8/16/12	Ba1	8,177,088
3,960	Ineos Group Holdings PLC, Term Loan B	7.580%	12/06/13	Ba2	4,009,500
3,960	Ineos Group Holdings PLC, Term Loan C	8.080%	12/16/14	Ba2	4,009,500
461	JohnsonDiversey Inc., Term Loan	7.860%	12/16/11	Ba2	466,903
1,470	Lucite International, Term Loan B-1	8.070%	7/07/13	Ba3	1,488,182
519	Lucite International, Term Loan B-2, (5)	3.108%	7/07/13	Ba3	140,840
6,965	Lyondell Citgo Refining LP, Term Loan	6.860%	8/16/13	BB	6,995,691
12,740	Rockwood Specialties Group, Inc., Term Loan E	7.355%	7/30/12	Ba2	12,858,648
65,389	Total Chemicals				65,438,875

Commercial Services & Supplies 4.8% (3.1% of Total Investments)

4,278	Allied Waste North America, Inc., Letter of Credit	7.073%	1/15/12	BB	4,303,233
9,646	Allied Waste North America, Inc., Term Loan B	7.097%	1/15/12	BB	9,699,041
4,606	Aramark Corporation, Term Loan	7.475%	1/26/14	Ba3	4,633,402
329	Aramark, Letter of Credit	7.475%	1/26/14	Ba3	331,134
998	NCO Group Inc., Term Loan	8.355%	5/15/13	Ba3	1,005,293
3,000	Rental Services Corporation, Term Loan	8.857%	11/30/13	B-	3,051,000
5,500	Williams Scotsman, Inc., Term Loan B	6.820%	6/28/10	BB	5,498,281
1,362	Workflow Management, Inc., Term Loan	9.355%	11/30/11	BB-	1,360,876
1,800	Xerium Technologies Inc. Term Loan B	8.100%	5/18/12	B+	1,804,284
31,519	Total Commercial Services & Supplies				31,686,544
	Communications Equipment 1.0% (0.6% of Total Investments)				
2,985	Aspect Software, Term Loan B	8.375%	7/11/11	Ba3	3,016,093
1,990	IPC Acquisition Corporation, First Lien Term Loan	7.850%	9/29/14	B1	2,009,485
427	Valassis Communications, Inc., Delayed Draw, Term Loan, (5) (7)	1.000%	3/02/14	Ba2	(267)
1,573	Valassis Communications, Inc., Term Loan B	7.100%	3/02/14	Ba2	1,576,939
6,975	Total Communications Equipment				6,602,250
	Consumer Finance 0.5% (0.3% of Total Investments)				
2,981	Peach Holdings Inc., Term Loan	9.100%	11/30/13	B	3,007,336
	Containers & Packaging 4.9% (3.2% of Total Investments)				
1,980	Amscan Holdings Inc., Term Loan B	8.385%	4/30/12	Ba3	1,997,945
1,143	Bluegrass Container Company LLC, Delayed Draw, First Lien Term Loan	7.589%	6/30/13	BB-	1,156,961
3,820	Bluegrass Container Company, LLC, Term Loan B	7.591%	6/30/13	BB-	3,866,685
19,601	Graham Packaging Company, L.P., Term Loan B	7.625%	2/14/10	B1	19,743,590
699	Smurfit-Stone Container Corporation, Deposit-Funded Commitment	7.748%	11/01/11	Ba2	704,714
2,762	Smurfit-Stone Container Corporation, Term Loan B	7.531%	11/01/11	Ba2	2,785,558
1,679	Smurfit-Stone Container Corporation, Term Loan C	7.546%	11/01/11	Ba2	1,693,912
527	Smurfit-Stone Container Corporation, Tranche C-1	7.375%	11/01/11	Ba2	531,588
32,211	Total Containers & Packaging				32,480,953

	Diversified Consumer Services 1.7% (1.1% of Total Investments)				
2,992	Riverdeep Group Limited, Term Loan	8.100%	12/20/13	B1	3,015,693
8,112	West Corporation, Term Loan	7.750%	10/24/13	B+	8,179,751
11,104	Total Diversified Consumer Services				11,195,444
	Diversified Financial Services 0.8% (0.5% of Total Investments)				
3,400	NASDAQ Stock Market, Inc., Term Loan B	7.070%	12/01/11	BB+	3,411,809
1,971	NASDAQ Stock Market, Inc., Term Loan C	7.070%	4/18/12	BB+	1,977,746
5,371	Total Diversified Financial Services				5,389,555
	Diversified Telecommunication Services 5.5% (3.6% of Total Investments)				
6,000	Cequel Communications LLC., Term Loan B	7.349%	11/05/13	B+	6,000,750
1,000	Choice One Communications, Term Loan B	9.375%	6/27/12	Ba3	1,015,000
1,000	Choice One Communications, Term Loan B	8.875%	6/30/12	B1	1,015,000
6,000	Crown Castle International Corporation, Term Loan	6.893%	1/26/14	BB+	6,018,048
3,930	Intelsat Corporation, Term Loan	7.349%	7/01/13	Ba2	3,962,183
6,800	Level 3 Communications Incorporated, Term Loan	7.605%	3/13/14	B1	6,830,814
5,965	MetroPCS Inc., Term Loan	7.625%	11/03/13	B1	6,010,496
5,500	Qwest Corporation, Term Loan B	6.950%	6/30/10	BB	5,666,147
36,195	Total Diversified Telecommunication Services				36,518,438
	Electric Utilities 3.0% (1.9% of Total Investments)				
17,778	Calpine Corporation, DIP Term Loan	7.590%	3/29/09	N/R	17,890,738
2,222	Calpine Corporation, DIP Revolver, (5) (7)	0.250%	3/29/09	N/R	(33,333)
188	MACH Gen LLC, Synthetic Letter of Credit	7.350%	2/22/13	B	187,764
1,808	MACH Gen LLC, Term Loan	7.360%	2/22/14	B	1,809,777
21,996	Total Electric Utilities				19,854,946
	Electrical Equipment 0.9% (0.6% of Total Investments)				
6,017	Mueller Group, Inc., Term Loan	7.348%	10/03/12	BB-	6,063,388
	Electronic Equipment & Instruments 1.7% (1.1% of Total Investments)				
10,000	Sanmina-SCI Corporation, Term Loan	8.375%	7/31/08	Ba3	10,052,085

993	Sensata Technologies B.V., Term Loan	7.105%	4/27/13	BB-	993,149
10,993	Total Electronic Equipment & Instruments				11,045,234
	Energy Equipment & Services 0.1% (0.1% of Total Investments)				
573	Petroleum Geo-Services, Term Loan	7.600%	12/15/12	BB-	577,821
	Food & Staples Retailing 2.3% (1.5% of Total Investments)				
10,997	Jean Coutu Group, Inc., Term Loan B	7.875%	7/30/11	BB-	11,022,960
3,930	Supervalu, Term Loan B	6.840%	6/02/12	BB-	3,950,766
14,927	Total Food & Staples Retailing				14,973,726
	Food Products 0.7% (0.5% of Total Investments)				
465	Dole Foods Company Inc., Deposit-Funded Commitment	7.356%	4/12/13	Ba3	465,181
1,036	Dole Foods Company Inc., Term Loan B	7.541%	4/12/13	Ba3	1,036,191
3,453	Dole Foods Company Inc., Term Loan C	7.456%	4/12/13	Ba3	3,453,968
4,954	Total Food Products				4,955,340
	Gas Utilities 0.2% (0.1% of Total Investments)				
1,000	Energy Transfer Partners LP, Term Loan	7.080%	2/08/12	BBB-	1,007,679
	Health Care Equipment & Supplies 0.4% (0.3% of Total Investments)				
2,802	Kinetic Concepts Inc., Term Loan B-1	6.850%	8/11/10	Ba1	2,807,701
	Health Care Providers & Services 10.7% (6.9% of Total Investments)				
9,745	Davita Inc., Term Loan B	6.842%	10/05/12	Ba1	9,785,054
10,973	HCA, Inc., Term Loan	7.600%	11/17/13	BB	11,100,011
10,000	Health Management Associates, Term Loan	7.100%	2/28/14	Ba2	10,051,040
3,970	HealthSouth Corporation, Term Loan	7.847%	3/10/13	B+	4,002,256
3,246	IASIS Healthcare, LLC, Delayed Draw Term Loan, WI/DD	TBD	TBD	Ba2	3,258,666
866	IASIS Healthcare, LLC, Letter of Credit, WI/DD	TBD	TBD	Ba2	868,978
9,501	IASIS Healthcare, LLC, Term Loan, WI/DD	TBD	TBD	Ba2	9,537,029
1,995	Invacare Corporation, Term Loan B	7.600%	2/12/13	Ba2	2,007,469
3,940	LifeCare Holdings Inc., Term Loan B	7.600%	8/01/12	B1	3,913,405
1,010	LifePoint Hospitals Holdings, Inc., Term Loan B	6.985%	4/15/14	BB-	1,008,910

2,940	Select Medical Corporation, Term Loan	7.349%	2/24/12	Ba2	2,935,156
12,740	Vanguard Health Holding Company, LLC, Replacement Term Loan	7.600%	9/23/11	Ba3	12,837,919
70,926	Total Health Care Providers & Services				71,305,893
	Health Care Technology 0.3% (0.2% of Total Investments)				
1,982	Emdeon Business Services Term Loan	7.600%	11/16/13	B+	1,992,902
	Hotels, Restaurants & Leisure 11.6% (7.5% of Total Investments)				
9,350	24 Hour Fitness Worldwide, Inc., Term Loan B	7.850%	7/01/09	Ba3	9,414,698
3,149	Ameristar Casinos, Inc., Term Loan B	6.820%	11/10/12	BB+	3,151,708
5,835	Boyd Gaming Corporation, Term Loan B	6.820%	6/30/11	Ba1	5,859,361
1,293	Burger King Corporation, Term Loan B	6.875%	6/30/12	Ba2	1,297,830
778	CBRL Group, Inc., Term Loan B-1	6.860%	4/27/13	BB	779,791
122	CBRL Group, Inc., Delayed Draw, Term Loan B-2 (5) (7)	0.750%	4/27/13	BB	(51)
4,963	Cedar Fair LP, Term Loan	7.320%	8/30/12	BB-	5,015,227
964	Green Valley Ranch Gaming, Term Loan B	7.360%	2/16/14	B+	969,831
4,727	Intrawest Corporation, Term Loan	9.250%	12/31/07	N/R	4,738,363
7,875	Penn National Gaming, Inc., Term Loan B	7.114%	10/03/12	BB	7,939,048
518	Seminole Gaming, Delayed Draw, Term Loan B-1 (5)	2.844%	3/05/14	BBB-	129,879
1,749	Seminole Gaming, Delayed Draw, Term Loan B-2	6.875%	3/05/14	BBB-	1,750,081
1,733	Seminole Gaming, Delayed Draw, Term Loan B-3	6.875%	3/05/14	BBB-	1,733,877
9,968	Travelport, Term Loan	7.850%	8/23/13	Ba3	10,067,019
981	Travelport, Letter of Credit	7.850%	8/23/13	Ba3	991,145
1,965	Trump International, Term Loan B-2, (5)	2.790%	5/20/12	BB-	283,550
1,965	Trump International, Term Loan B	7.870%	5/20/12	BB-	1,981,862
9,255	Universal City Development Partners, Ltd., Term Loan	7.360%	6/09/11	Ba1	9,312,386
1,709	Venetian Casino Resort, LLC, Delayed Draw, Term Loan	7.090%	6/15/11	BB-	1,718,114
8,291	Venetian Casino Resort, LLC, Term Loan	7.090%	6/15/11	BB-	8,332,851
1,995	Worldspan LP, Term Loan	8.600%	12/07/13	Ba3	2,005,224
79,185	Total Hotels, Restaurants & Leisure				77,471,794
	Household Durables 0.3% (0.2% of Total Investments)				
1,949	Rent-A-Center Inc., Term Loan B	7.116%	6/30/12	BB	1,954,888
	Household Products 1.7% (1.1% of Total Investments)				

8,536	Prestige Brands, Inc., Term Loan B	7.634%	4/06/11	Ba3	8,589,213
2,813	Solo Cup Company, Term Loan	8.847%	2/27/11	B1	2,860,793
11,349	Total Household Products				11,450,006
	Independent Power Producers & Energy Traders 0.4% (0.2% of Total Investments)				
1,678	Covanta Energy Corporation, Term Loan B	6.875%	2/09/14	Ba2	1,680,908
822	Covanta Energy Corporation, Letter of Credit	6.775%	2/09/14	Ba2	823,793
2,500	Total Independent Power Producers & Energy Traders				2,504,701
	Insurance 2.5% (1.6% of Total Investments)				
16,732	Conseco, Inc., Term Loan	7.320%	10/10/13	BB-	16,831,264
	IT Services 3.4% (2.2% of Total Investments)				
1,365	Infor Global Solutions, Delayed Draw, Term Loan	9.100%	7/28/12	B1	1,373,100
2,615	Infor Global Solutions, Term Loan	9.100%	4/18/11	B1	2,637,660
18,567	SunGard Data Systems Inc., Term Loan B	7.360%	2/28/14	Ba3	18,748,553
22,547	Total IT Services				22,759,313
	Leisure Equipment & Products 1.5% (1.0% of Total Investments)				
10,025	Bombardier Recreational Products, Term Loan	7.860%	6/28/13	BB	10,103,644
	Machinery 1.1% (0.7% of Total Investments)				
2,567	Navistar International, Term Loan	8.610%	1/31/12	BB-	2,605,701
933	Navistar International, Synthetic Letter of Credit	8.208%	1/19/12	BB-	947,527
3,990	Oshkosh Truck Corporation, Term Loan	7.100%	12/06/13	BB	4,006,834
7,490	Total Machinery				7,560,062
	Marine 0.6% (0.4% of Total Investments)				
3,865	Horizon Lines, LLC, Term Loan B	7.600%	7/11/11	Ba2	3,888,006
	Media 25.3% (16.4% of Total Investments)				

2,000	American Media Operations, Inc., Term Loan C	8.450%	1/30/13	B1	2,014,584
4,377	Blockbuster, Inc., Term Loan B	8.631%	8/20/11	B1	4,430,218
2,935	Cablevision Systems Corporation, Incremental Term Loan	7.084%	3/29/13	BB	2,948,873
3,000	Charter Communications Operating, LLC, Term Loan	7.850%	9/06/14	B1	3,006,251
4,928	Clear Channel Entertainment, Term Loan B	8.089%	6/20/13	B+	4,952,213
3,562	Dex Media West, LLC, Term Loan B	6.852%	3/09/10	Ba1	3,567,754
7,980	Idearc Inc., Term Loan	7.350%	11/17/14	BB+	8,042,132
13,818	Metro-Goldwyn-Mayer Studios, Inc., Term Loan B	8.600%	4/08/12	B+	13,849,056
15,920	Neilsen Finance LLC, Term Loan B	7.610%	8/09/13	Ba3	16,077,544
1,184	Nextmedia Operating Group, Delayed Draw, Term Loan	7.320%	11/15/12	B1	1,186,224
2,670	Nextmedia Operating Inc., First Lien Term Loan	7.320%	11/15/12	B1	2,673,829
16,915	Panamsat Corporation, Term Loan	7.349%	7/03/13	BB	17,066,711
4,781	Philadelphia Newspapers, Term Loan	8.100%	6/29/13	N/R	4,809,603
6,403	Primedia Inc., Term Loan	7.570%	9/30/13	B	6,406,834
5,000	ProQuest Company, Term Loan B	8.332%	2/09/14	N/R	5,009,375
2,282	R. H. Donnelley Inc., Term Loan D-2	6.851%	6/30/11	Ba1	2,286,164
1,000	Readers Digest Association, Term Loan	7.339%	3/02/14	B1	1,002,500
10,304	Regal Cinemas Corporation, Term Loan	7.100%	10/27/13	Ba2	10,349,471
980	Spanish Broadcasting System Inc., Term Loan B	7.100%	6/10/12	B1	982,450
1,510	Univision Communications, Delayed Draw, Term Loan, (5) (7)	1.000%	9/29/14	Ba3	(1,158)
5,000	Univision Communications, Second Lien Term Loan	7.820%	3/29/09	B3	5,005,208
23,490	Univision Communications, Term Loan	7.605%	9/15/14	Ba3	23,471,916
3,500	UPC Broadband Holding BV, Term Loan J2	7.370%	3/29/13	Ba3	3,507,499
3,500	UPC Broadband Holding BV, Term Loan K2	7.370%	12/31/13	Ba3	3,507,499
15,337	WMG Acquisition Corp., Term Loan	7.359%	2/28/11	Ba2	15,415,209
6,025	Yell Group, Term Loan	7.320%	10/27/12	Ba3	6,079,089
168,401	Total Media				167,647,048

Metals & Mining 1.6% (1.0% of Total Investments)

2,775	Amsted Industries Inc., Delayed Draw, Term Loan	7.350%	4/05/11	BB-	2,781,764
3,818	Amsted Industries Incorporated, Term Loan B	7.350%	4/05/13	BB-	3,832,655
2,070	Freeport McMoran Copper and Gold, Term Loan	7.070%	3/19/14	Baa3	2,078,904
1,979	John Maneely Company, Term Loan	8.611%	12/08/11	B+	1,985,622
10,642	Total Metals & Mining				10,678,945

Multiline Retail 1.3% (0.8% of Total Investments)

8,608	Neiman Marcus Group Inc., Term Loan	7.346%	4/06/13	Ba3	8,693,671
	Multi-Utilities 2.0% (1.3% of Total Investments)				
9,296	NRG Energy Inc., Term Loan	7.350%	2/01/13	Ba1	9,377,785
3,814	NRG Energy Inc., Credit-Linked Deposit	7.350%	2/01/13	Ba1	3,846,194
13,110	Total Multi-Utilities				13,223,979
	Oil, Gas & Consumable Fuels 1.1% (0.7% of Total Investments)				
2,000	Brand Services Inc., Term Loan B	7.625%	2/07/14	B1	2,011,876
301	Coffeyville Resources LLC, Letter of Credit	8.249%	5/10/10	B+	304,981
1,549	Coffeyville Resources LLC., Term Loan	8.350%	12/28/13	B+	1,570,507
1,165	El Paso Corporation, Letter of Credit	7.320%	7/31/11	Ba1	1,172,339
484	Targa Resources Inc., Synthetic Letter of Credit	7.475%	10/31/12	B+	487,765
1,986	Targa Resources Inc., Term Loan B	7.356%	10/31/12	B+	2,001,868
7,485	Total Oil, Gas & Consumable Fuels				7,549,336
	Paper & Forest Products 4.0% (2.6% of Total Investments)				
3,997	Boise Cascade Corporation, Term Loan D	7.070%	3/29/11	BB	4,015,560
11,850	Georgia-Pacific Corporation, Term Loan B	7.091%	12/20/10	Ba2	11,921,882
4,664	Georgia-Pacific Corporation, Term Loan B-2	7.090%	12/20/12	Ba2	4,693,345
2,086	NewPage Corporation, Term Loan B	7.625%	5/02/11	Ba2	2,106,726
2,892	Ply Gem Industries Inc., Term Loan B3	8.100%	8/15/11	BB-	2,893,739
108	Ply Gem Industries Inc., Canadian Term Loan	8.100%	8/15/11	BB-	108,136
1,000	White Birch Paper Company, Second Lien Term Loan	12.820%	4/08/13	CCC+	1,017,813
26,597	Total Paper & Forest Products				26,757,201

	Pharmaceuticals 1.0% (0.7% of Total Investments)				
1,729	Stiefel Laboratories Inc, Delayed Draw, Term Loan	7.605%	12/28/13	Ba3	1,746,506
2,261	Stiefel Laboratories Inc, Term Loan	7.605%	12/28/13	Ba3	2,283,394
277	Warner Chilcott Corporation, Dovonex Delayed Draw Term Commitment	7.350%	1/18/12	B+	277,883
1,879	Warner Chilcott Corporation, Tranche B	7.355%	1/18/12	B+	1,890,450
516	Warner Chilcott Corporation, Tranche C	7.350%	1/18/12	B+	519,023
6,662	Total Pharmaceuticals				6,717,256
	Real Estate Management & Development 3.5% (2.3% of Total Investments)				
7,303	Capital Automotive LP., Term Loan	7.070%	12/16/10	BB+	7,374,410
16,000	LNR Property Corporation, Term Loan B	8.110%	7/12/11	B+	16,111,424
23,303	Total Real Estate Management & Development				23,485,834
	Road & Rail 0.7% (0.4% of Total Investments)				
667	Hertz Corporation, Synthetic Term Loan	5.365%	12/21/12	BB+	672,057
3,724	Hertz Corporation, Term Loan B	7.082%	12/21/12	Ba1	3,754,112
4,391	Total Road & Rail				4,426,169
	Semiconductors & Equipment 1.9% (1.3% of Total Investments)				
8,829	Advanced Micro Devices, Term Loan B	7.340%	12/31/13	BB-	8,852,748
2,993	Freescale Semiconductor, Term Loan	7.110%	3/30/14	Baa3	3,000,994
1,000	Spansion Inc., Term Loan	8.360%	11/03/12	Ba3	1,006,563
12,822	Total Semiconductors & Equipment				12,860,305
	Software 2.3% (1.5% of Total Investments)				
6,000	Dealer Computer Service, Second Lien Term Loan	10.850%	10/26/13	BB-	6,155,625
8,948	Dealer Computer Service, Term Loan	7.350%	10/26/12	Ba2	8,997,849
14,948	Total Software				15,153,474
	Specialty Retail 6.2% (4.0% of Total Investments)				

983	Burlington Coat Factory Warehouse Corporation, Term Loan	7.610%	5/28/11	B	978,386
5,970	CSK Automotive Corporation, Term Loan	8.353%	6/30/12	Ba3	6,063,319
1,228	J Crew Operating Corporation, Term Loan	7.123%	5/15/13	Ba3	1,233,187
12,666	Michaels Stores Inc., Term Loan	8.125%	10/31/13	B2	12,780,967
5,970	Sally Beauty, Term Loan	7.860%	11/16/13	BB-	6,024,300
11,000	TRU 2005 RE Holding Co. 1, Term Loan	8.320%	12/09/08	B3	11,101,409
3,000	Toys R Us, Inc., Term Loan B	9.610%	7/19/12	Ba3	3,075,563
40,817	Total Specialty Retail				41,257,131
	Textiles, Apparel & Luxury Goods 1.5% (1.0% of Total Investments)				
3,704	HanesBrands Inc., Term Loan	7.105%	9/05/13	Ba2	3,729,962
2,000	HanesBrands Inc., Second Lien Term Loan	9.105%	3/05/14	B1	2,051,563
4,118	Visant Holding Corporation, Term Loan C	7.330%	7/29/10	B+	4,143,552
9,822	Total Textiles, Apparel & Luxury Goods				9,925,077
	Trading Companies & Distributors 1.3% (0.8% of Total Investments)				
2,000	Ashtead Group Public Limited Company, Term Loan B	7.125%	8/31/11	BB	2,000,000
393	Brenntag Holdings, Acquisition Facility	7.887%	1/20/14	B1	395,182
1,607	Brenntag Holdings, Term Loan B2	7.887%	1/20/14	B1	1,626,108
1,219	United Rentals Inc., Credit Linked Deposit	5.320%	2/13/11	Ba1	1,225,757
3,130	United Rentals Inc., Delayed Draw, Term Loan B	7.320%	2/14/11	Ba1	3,147,811
8,349	Total Trading Companies & Distributors				8,394,858
$ 958,129	**Total Variable Rate Senior Loan Interests (cost $949,210,311)**				**956,709,392**

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (4)	Value
	Corporate Bonds 10.5% (6.8% of Total Investments)				
	Diversified Telecommunication Services 0.8% (0.6% of Total Investments)				
$ 5,000	Quest Corporation, Floating Rate Note, 3.250% plus three-month LIBOR	8.605%	6/15/13	N/R	$ 5,493,750
	Electronic Equipment & Instruments 2.5% (1.6% of Total Investments)				
16,000		8.105%	10/15/13	BB+	16,600,000

	NXP BV, Floating Rate Note, 2.750% plus three-month LIBOR, 144A				
	Energy Equipment & Services 0.8% (0.5% of Total Investments)				
5,000	Williams Companies Inc., Floating Rate Note, 2.000% plus three-month LIBOR, 144A	7.355%	10/01/10	BB+	5,175,000
	Food Products 0.5% (0.3% of Total Investments)				
1,528	Dole Foods Company	8.625%	5/01/09	B-	1,558,560
1,780	Dole Foods Company	8.875%	3/15/11	B-	1,811,150
3,308	Total Food Products				3,369,710
	Hotels Restaurants & Leisure 1.2% (0.8% of Total Investments)				
7,900	Mohegan Tribal Gaming Authority	8.000%	4/01/12	Ba2	8,216,000
	Household Durables 0.3% (0.2% of Total Investments)				
2,000	K. Hovnanian Enterprises Inc.	10.500%	10/01/07	BB	2,035,000
	Media 1.6% (1.0% of Total Investments)				
10,000	Cablevision Systems Corporation, Floating Rate Note, 4.500% plus six-month LIBOR, Series B, 144A	9.860%	4/01/09	B+	10,650,000
	Paper & Forest Products 0.7% (0.5% of Total Investments)				
500	Verso Paper Holdings LLC., 144A	9.125%	8/01/14	B	528,750
4,000	Verso Paper Holdings LLC., Floating Rate Note, 3.750% plus three-month LIBOR, 144A	9.105%	8/01/14	B	4,140,000
4,500	Total Paper & Forest Products				4,668,750
	Real Estate Investment Trust 0.6% (0.4% of Total Investments)				
4,000	Felcor Lodging Trust Inc., Floating Rate Note, 1.875% plus six-month LIBOR, 144A	7.235%	12/01/11	Ba3	4,060,000
	Semiconductors & Equipment 1.1% (0.7% of Total Investments)				

	7,000	Avago Technologies Finance Pte Ltd., Floating Rate Note, 5.500% plus three-month LIBOR, 144A	10.855%	6/01/13		B	7,350,000
		Textiles Apparel & Luxury Goods 0.2% (0.1% of Total Investments)					
	1,000	HanesBrands Inc., Floating Rate Note, 3.375% plus six-month LIBOR, 144A	8.735%	12/15/14		B2	1,032,500
		Wireless Telecommunication Services 0.2% (0.1% of Total Investments)					
	1,000	Dobson Communications Corporation, Floating Rate Note, 4.250% plus three-month LIBOR	9.605%	10/15/12		Caa1	1,035,000
$	**66,708**	**Total Corporate Bonds (cost $68,229,962)**					**69,685,710**

	Shares	**Description (1)**		**Value**
		Warrants 0.1% (0.1% of Total Investments)		
$	36,521	Reliant Energy Inc.		591,640
		Total Warrants (cost $257,912)		**591,640**
		Total Investments (cost $1,017,698,185) 154.4%		**1,026,986,742**
		Other Assets Less Liabilities 5.7%		**38,102,067**
		Preferred Shares, at Liquidation Value (60.1)%		**(400,000,000)**
		Net Assets Applicable to Common Shares 100%	$	**665,088,809**

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.

(2) Senior Loans in which the Fund invests generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate (LIBOR), or (ii) the prime rate offered by one or more major United States banks.

Senior Loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the Agent Bank and/or Borrower prior to the disposition of a Senior Loan.

(3)

Senior Loans generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a Borrower to prepay, prepayments of Senior Loans may occur. As a result, the actual remaining maturity of Senior Loans held may be substantially less than the stated maturities shown.

(4) Ratings: Using the higher of Standard & Poor s or Moody s rating. Ratings below BBB by Standard & Poor s Group or Baa by Moody s Investor Service, Inc. are considered to be below investment grade.

(5) Position or portion of position represents an unfunded Senior Loan commitment outstanding at April 30, 2007. At April 30, 2007, the Fund had unfunded Senior Loan commitments of $6,752,734.

(6) At or subsequent to April 30, 2007, this issue was under the protection of the Federal Bankruptcy Court.

(7) Negative value represents unrealized depreciation on Senior Loan commitment at April 30, 2007.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

TBD Senior Loan purchased on a when-issued or delayed-delivery basis. Certain details associated with this purchase are not known prior to the settlement date of the transaction. In addition, Senior Loans typically trade without accrued interest and therefore a weighted average coupon rate is not available prior to settlement. At settlement, if still unknown, the Borrower or counterparty will provide the Fund with the final weighted average coupon rate and maturity date.

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, recognition of premium amortization and timing differences in recognizing certain gains and losses on investment transactions.

At April 30, 2007, the cost of investments was $1,018,929,654.

Gross unrealized appreciation and gross unrealized depreciation of investments at April 30, 2007, were as follows:

Gross unrealized:	
Appreciation	$ 9,608,856
Depreciation	(1,551,768)

Net unrealized appreciation (depreciation) of investments	$ 8,057,088

a. The registrant s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).

b. There were no changes in the registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant s internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
(Registrant) Nuveen Floating Rate Income Fund

By (Signature and Title)* /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date June 29, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date June 29, 2007

By (Signature and Title)* /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date June 29, 2007

* Print the name and title of each signing officer under his or her signature.

development of our brand name and reputation. As further described in the notes to the financial statements, we were successful in obtaining financing from several sources including individuals, financial institutions and government agencies. Although this has relieved some of the burden of funding our operations, we continue to seek additional financing. In the event that we do not receive additional financing or our financing is inadequate, we may have to liquidate our business and undertake any or all of the following actions:

- Sell or dispose of our assets, if any;

- Pay our liabilities in order of priority, if we have available cash to pay such liabilities;

- If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;

- File a Certificate of Dissolution with the State of Delaware to dissolve our corporation and close our business;

- Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and

- Make the appropriate filings with the National Association of Security Dealers to affect a delisting of our stock.

Based upon our current assets, however, we will not have the ability to distribute any cash to our shareholders.

If we have any liabilities that we, or our President and/or Chief Executive Officer on our behalf, are unable to satisfy and we qualify for protection under the U.S. Bankruptcy Code, we may voluntarily file for reorganization under Chapter 11 or liquidation under Chapter 7. Our creditors may also file a Chapter 7 or Chapter 11 bankruptcy action against us. If our creditors or we file for Chapter 7 or Chapter 11 bankruptcy, our creditors will take priority over our shareholders. If we fail to file for bankruptcy under Chapter 7 or Chapter 11 and we have creditors; such creditors may institute proceedings against us seeking forfeiture of our assets, if any.

We do not know and cannot determine which, if any, of these actions we will be forced to take. If any of these foregoing events occur, you could lose your entire investment in our shares.

Our Plan of Operations to Date

We have accomplished the following in our Plan of Operations from our inception of June 2002 to date:

Reviewing Professional Marketing Organizations

From June 2002 to December 2002, our Chief Executive Officer, Joseph Riccelli, interviewed and considered approximately 10 professional marketing organizations for marketing, sales distribution, product endorsements and promotion of our products. In October 2002, MCM Communications, Inc., a marketing and advertising firm located in Pittsburgh, Pennsylvania, informed us that it would provide us with marketing and advertising services. This firm has developed and designed our initial web site, product literature, and the graphic design of "Point of Sale" displays.

During 2004, the Company entered into a formalized agreement for the manufacture representation services of Evernham & Anderson Associates, Inc. Evernham & Anderson Associates, Inc. is an Indianapolis, Indiana based company which maintains a reputable presence in the hunting industry through client/buyer contacts. They sell primarily to a customer base consisting of dealers, distributors, mass merchants, and buying groups consisting of but not limited to law enforcement distributors, Cabelas, Bass Pro Shops, Gander Mountains, Galyans, Jay s and Dunham s. They cover the following states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, South Dakota, Wisconsin, and California.

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Completion of Design, Prototype and Testing Phase of New Products

In November 2002, we completed the design, prototype, and testing phase of our windshirts and our jackets. We are in the process of developing a fishing apparel line. We assumed no direct material costs associated with the design, prototype, and testing of these products because: (a) we did not utilize the services of any outside consultant or company for these purposes; (b) although we used the services of our Vice President of Sales and Marketing and Chief Executive Officer for these purposes, their efforts were part of their normal responsibilities; (c) prior to the time we had undertaken the design and prototype of these products, we had purchased the materials to accomplish these tasks, and such materials were purchased for less than $1000; and (d) the testing of these products was performed in-house and were conducted by our Vice President of Sales and Marketing and Chief Executive Officer as part of their normal responsibilities. The design, prototype, and testing of the Swimeez, sleeping bags and stadium pack products, which we obtained an exclusive license to produce and sell from our affiliated entity, RMF Global, was completed by RMF Global.

Leased Warehousing Space

In October, 2002, we arranged for the lease of warehouse space for our inventory, eliotex, and other raw materials storage at 124 Cherry Street, Etna, Pennsylvania from Frank Riccelli, our President/Director. The warehouse space is being utilized for the following: (a) inventory/raw material storage, (b) sales offices, (c) conference/ presentation room, (d) sample/ source area, and (e) distribution center.

Website Development, Point of Sale Display, Website Design and Advertising/Product Literature Layout

In October 2002, we obtained the services on a per project basis of a website marketing consultant, BA Web Productions, located in Pittsburgh, Pennsylvania, to assist with marketing and developing our website, which has included adding new product selections, a product page, and links. Our website became operational on November 10, 2002.

In October 2002, we retained the services on a per project basis of MCM Communications, Inc. located in Pittsburgh, Pennsylvania, to provide us with marketing and advertising services including creating our point of sale display, text for website, product information, and marketing literature, all of which have been completed.

Retailers

In November 2002, the website retailer, Woodlandsoutdoorworld.com, began ordering our sleeping bag and wind shirt products on a wholesale basis for their retail sale. In addition, Woodlands Outdoor World, a retail store, located in Farmington, Pennsylvania, began carrying our sleeping bag product and our wind shirt products and Nemacolin Woodlands Resort and Spa's retail store located in Farmington, Pennsylvania began carrying our wind shirt product in its retail store. As of December 2003, Nemacolin Woodlands Resort and Spa began featuring our i.d.i.gear products on their "online" catalogue at www.nemacolin.com.

In June 2003, the following retail stores began carrying our "Swimeez" products:

- Pool Nation located in Pittsburgh, Pennsylvania;
- B and R Pools located in Pittsburgh, Pennsylvania;
- Knabes Swim Shop located in Monroeville, Pennsylvania; and
- Ross and Sons Pools located in Punxsutawney, Pennsylvania.

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In June 2003, the Pittsburgh Shop located in Pittsburgh, Pennsylvania, began carrying our windshirts.

During 2005, the following retail stores have been and continue carrying our products:

- Woodlands Outdoor World, a retail store, located in Farmington, Pennsylvania, sells our sleeping bag and our windshirt products;
- Nemacolin Woodlands Resort and Spa's retail store located in Farmington, Pennsylvania, sells our windshirt product; their online catalogue at www.nemacolin.com offers our i.d.i.gear products;
- Dick Sporting Goods, a Pittsburgh-based retail chain, carries the Bill Maas Hunting Line;
- Dunham s Sports, headquartered in Waterford, Michigan, carries the Bill Maas Hunting Line in the states of Pennsylvania, Ohio, Delaware, Michigan, and Wisconsin;
- Sportsman s Warehouse, headquartered in Midvale, Utah, carries the Bill Maas Hunting Line in stores across the contiguous United States as well as Alaska;
- Kittery Trading Post, located in Kittery, Maine, has submitted a purchase order to carry the Bill Maas Hunting Line in 2006;
- Vern s Archery, located in Silverton, Oregon, carries the Bill Maas Hunting Line;
- Andrew s Archery, located in Frackville, Pennsylvania, carries the Bill Maas Hunting Line;
- M & M Sportshop, located in New Lisbon, Wisconsin, carries the Bill Maas Hunting Line;
-

H-B Sportsman s Club, located in Elmira, New York, carries the Bill Maas Hunting Line;

•

Gibson s Discount Store, located in Kerrville, Texas, carries the Bill Maas Hunting Line;

•

Gassman s Archery, located in San Antonio, Texas, carries the Bill Maas Hunting Line;

•

Sierra Trading Post, located in Cheyenne, Wyoming, carries our sleeping bags and stadium packs;

•

Pennington Seed, located in Greenfield, Missouri, carries the stadium packs;

•

Bob's Army and Navy Store located in Clearfield, Pennsylvania carries our sleeping bags and stadium packs; and

•

the following retailers carry our sleeping bags: (a) Hunters Headquarters located in Sunbury, Ohio; (b) Sportmens Den located in Shelby, Ohio; (c) Fin, Feather, Fur Outfitters located in Ashland, Ohio; (d) Buckeye Outdoors, Inc. located in Hebron, Ohio; and (e) Southern Ohio Trading located in Nelsonville, Ohio.

Contract with Manufacturer Representative Group

We entered into a formalized agreement for the manufacture representation services of Evernham & Anderson Associates, Inc. Evernham & Anderson Associates, Inc. is an Indianapolis, Indiana based company which maintains a reputable presence in the hunting industry through client/buyer contacts. They sell primarily to a customer base consisting of dealers, distributors, mass merchants, and buying groups consisting of but not limited to law enforcement distributors, Cabela s, Bass Pro Shops, Gander Mountains, Galyans, Jay s and Dunham s.

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Additional Hiring

From March 2003 to May 2003, we hired our Vice Presidents, Joseph A. Riccelli, Jr. and Michelle Griffith, on a full time, salaried position basis. Michelle Griffith resigned from the Company during the fourth quarter of 2004. From March 2003 to present, we hired two part time employees for clerical and warehouse duties at the rate of $7.00 per hour.

During May 2005, we hired our Vice President of Sales and Marketing, Gregory Domian on a full time basis.

Manufacturers Agreement

On June 16, 2003, we completed an agreement with Haas Outdoors, Inc. located in West Point, Mississippi, which grants a non-exclusive license in North America to manufacture or sell camouflage fabric or to have manufactured, and to sell Haas Outdoors licensed Mossy Oak camouflage fabric. In conjunction with the rights conferred to us in this agreement, we plan to use Haas Outdoors Mossy Oak fabric on the outside portion of our Stadium Pillow products using the trademarked and registered "Mossy Oak" pattern and "Mossy Oak" hang tags. On December 16, 2003 we received from Haas Outdoors, Inc. an addendum to this agreement which extended the existing license to us to manufacture hunting apparel with the Mossy Oak camouflage patterns under our i.d.i.gear label, all of which contain eliotex.

Packaging Design and Manufacture

During September 2003, we arranged with Packaging Specialists, Inc., a box manufacturing firm located in Pittsburgh, Pennsylvania, to design and manufacture the boxes for all of our products. On October 1, 2003, Packaging Specialists provided us with 2400 boxes for our various products.

Hired Marketing Employee on an Hourly Basis

On October 13, 2003, we hired Gina Leone to draft brand and advertising related marketing materials. Until the end of November 2003, Ms. Leone was compensated on an hourly basis for approximately 20 hours per week. On December 1, 2003, Ms. Leone began working for us on a full-time basis for 40 hours a week and continues to be compensated on an hourly basis. As of January 20, 2004, Ms. Leone has completed the following:

- advertising billboard layout and design;
- Stadium Pack hang tag design;
- design and layout for our new eliotex hang tag design that is hung on all of our "idi" gear products;
- Shot Show directory listing layout;
- booth signage;
- letter of invitation to the press to visit booth;
- drafting a mailer for retailers to visit the Shot Show;
- press kit for Shot Show;
- updating salesman's kits; and
- revising our web site.

As of December 31, 2005, Miss Leone is no longer employed by the Company.

Summary of Costs Affiliated with our Plan of Operations

Based on the above Plan of Operations, we will have total estimated costs of $376,200, composed of the following:

PLAN OF OPERATIONS TASK	ESTIMATED COST
	$
Utilize Consultants for Management and Operations	50,000
Increase the Utility of our Web Site	20,000
Travel expenses affiliated with contracting with manufacturing representatives	500
Design and development of literature and media materials	60,000
Develop and maintain public relations campaigns	3,000
Develop trade booth for trade shows	5,000
Attending trade shows	6,500
Hiring of professionals for our online marketing campaign	19,500
Establishing sales campaigns, relationships, and agreements with retailers and affiliate marketers which will include travel expenses, lodging, business lunches, dinners and telephone charges.	18,000
Print advertising	30,000
Product design and development	12,500
Warehouse lease	31,200
Salaries	120,000
Total Costs	$ 376,200

*

Estimated salaries consist of: (a) $40,000 annual salary to Joseph A. Riccelli, our Vice President; (b) $55,000 annual salary to our Vice President of Sales and Marketing; and (c) $25,000 annual salary to our Director of Finance. This estimate does not include commission costs paid to manufacturer representatives based on total purchase order amount which cannot be determined at this time. This estimate does not include hourly wages, the specific amount of which can not be determined at this time.

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Alternative Plan of Operations With Funding of less than $376,200 Should we receive funding of less than $376,200, our alternative Plan of Operations, based on funding of $250,700, will consist of the following costs and tasks that have been described above:

PLAN OF OPERATIONS TASK	ESTIMATED COST
	$
Salaries	120,000
Warehouse lease	31,200
Establish sales campaign to be conducted by our Chief Executive Officer and VP of Sales	18,000
Attending trade shows	6,500
Develop trade show booth	5,000
Travel expenses affiliated with contracting with manufacturers representatives to our product line and thus eliminate the need to hire additional in-house full-time salaried personnel	500
Increase the utility of our website	20,000
Print advertising	30,000
Hiring of website and advertising consultants for online marketing campaign	19,500
Total Costs	$ 250,700

Should we receive funding of less than $250,700, we will require funding of at least $181,200 to continue our operations under an alternative Plan of Operations, as follows:

PLAN OF OPERATIONS TASK	ESTIMATED COST
Salaries	$

	120,000
Warehouse lease	31,200
Establish sales campaign to be conducted by our Chief Executive Officer and VP of Sales	18,000
Attending trade shows	6,500
Develop trade show booth	5,000
Travel expenses affiliated with contracting with manufacturers representatives to our product line and thus eliminate the need to hire additional in-house full-time salaried personnel	500
Total Costs	$ 181,200

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Source of Funds to Fund our Plan of Operations

We plan to fund our total costs of $376,200, or if necessary $250,700 or $181,200 under Alternative Plans of Operations through the following:

- Our existing cash of $21,826 as of January 13, 2006;
- Possible revenue generated from our sale of products; and
- If necessary, loans from our Chief Executive Officer and/or our President.

Our Plan of Operations is dependent upon our ability to generate revenues to fund our operations; however, our revenues may be insufficient to provide adequate funding. If our revenues are insufficient, Joseph Riccelli and Frank Riccelli have verbally agreed to loan us sufficient funds to meet our Plan of Operations or Alternative Plans of Operation. Messrs. Joseph and Frank Riccelli have further verbally agreed to loan us these funds at no interest, with no specified term for the repayment of the loan. We may seek financing through traditional bank financing. However, because we are a development stage company with a poor financial condition, financial institutions may not provide us with financing, in which case we may have to curtail or cease our operations and you may lose your entire investment.

Liquidity and Capital Resources (October 31, 2005 and 2004)

Cash at October 31, 2005 and 2004 amounted to $42,434 and $27,384, respectively. We have experienced significant losses from our operations. For the years ended October 31, 2005 and 2004, we incurred a net loss of $122,844 and $1,933,630, respectively. In addition, we had an accumulated deficit of $5,032,704 and $4,909,860 and a working capital (deficit) of $50,144 and ($678,664) at October 31, 2005 and 2004, respectively. Our ability to continue as a going concern is contingent upon our ability to expand our operations and secure additional financing. During 2005, we were successful in obtaining a purchase order from a major retail sporting good chain in the amount of approximately $226,030 of which approximately $200,000 was shipped and recorded as revenue as of October 31, 2005. Although we are pursuing financing to expand our operations, there are no assurances that we will be successful in obtaining such financing. Our failure to secure additional financing or expand our operations may result in our not being able to continue as a going concern.

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CERTIFICATIONS

I, Joseph Riccelli, certify that:

1.

I have reviewed this annual report on Form 10-KSB of Innovative Designs, Inc.;

2.

Based on my knowledge, this annual 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 annual report;

3.

Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and have:

a)

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b)

evaluated the effectiveness of the registrant s disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and

c)

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

1.

The registrant s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of registrant s board of directors (or persons performing the equivalent functions):

a)

all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant s ability to record, process, summarize and report financial data and have identified for the registrant s auditors any material weaknesses in internal controls; and

b)

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal controls; and

1.

The registrant s other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date:

January 13, 2006

By:

/s/ Joseph Riccelli

Chief Executive Officer

- # -

CERTIFICATIONS

I, Anthony Fonzi, certify that:

1.

I have reviewed this annual report on Form 10-KSB of Innovative Designs, Inc.;

2.

Based on my knowledge, this annual 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 annual report;

3.

Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and have:

a)

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b)

evaluated the effectiveness of the registrant s disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and

c)

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.

The registrant s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of registrant s board of directors (or persons performing the equivalent functions):

a)

all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant s ability to record, process, summarize and report financial data and have identified for the registrant s auditors any material weaknesses in internal controls; and

b)

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal controls; and

6.

The registrant s other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date:

January 13, 2006

By:

/s/ Anthony Fonzi

Chief Financial Officer

- # -

PART F/S

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS REPORT

October 31, 2005 and 2004

- # -

INDEPENDENT AUDITORS   REPORT

To the Shareholders and Board of Directors

Innovative Designs, Inc.

(A Development Stage Company)

Sharpsburg, Pennsylvania

We have audited the accompanying balance sheets of Innovative Design, Inc. (a development stage company) as of October 31, 2005 and 2004 and the related statements of operations, stockholders' (deficit), and cash flows for the years 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 audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Innovative Design, Inc. (a development stage company) as of October 31, 2005 and 2004, and the results of its operations, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred significant losses from operations and has working capital and stockholder deficiencies. These factors raise substantial doubt about the

Company's ability to continue as a going concern. Management's plans in regard to this matter are also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Louis Plung & Company, LLP

LOUIS PLUNG & COMPANY, LLP

Pittsburgh, Pennsylvania

January 13, 2006 (January 24, 2006 as to Note 14)

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

BALANCE SHEETS

October 31, 2005 and 2004

ASSETS

2005

2004

CURRENT ASSETS:

Cash

$

42,434

$

27,384

Accounts receivable

270,739

30,355

Other receivables

-

5,000

Inventory

316,706

286,310

Other assets

48,875

-

Total current assets

678,754

349,049

PROPERTY AND EQUIPMENT, NET

27,489

26,118

TOTAL ASSETS

$

706,243

$

375,167

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:

Accounts payable

$

55,712

$

138,842

Accounts payable - related party

28,220

-

Current portion of notes payable

119,941

102,000

Current portion of related party debt

374,000

727,275

Due to shareholders

40,500

46,000

Accrued expenses

1,916

13,596

Accrued interest expense

8,321

-

Total current liabilities

628,610

1,027,713

LONG TERM LIABILITIES:

Long-term portion of note payable - related party

-

236,364

Long-term portion of notes payable

294,738

71,000

Total long term liabilities

294,738

307,364

TOTAL LIABILITIES

923,348

1,335,077

STOCKHOLDERS' DEFICIT:

Preferred stock, $.0001 par value, 100,000,000 shares authorized

Common stock, $.0001 par value, 500,000,000 shares

authorized, 17,315,193 and 16,903,625 shares

issued and outstanding, respectively

1,732

1,691

Additional paid in capital

4,813,867

3,948,259

(Deficit) accumulated during the development stage

(5,032,704)

(4,909,860)

Total stockholders' (deficit)

(217,105)

(959,910)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT

$

706,243

$

375,167

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

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS

For the Years Ended October 31, 2005 and 2004, and

Period from Inception (June 25, 2002) to October 31, 2005

Inception to

October 31,

2005

2004

2005

REVENUE

$

312,486

$

71,999

$

439,901

OPERATING EXPENSES:

Cost of sales

29,226

102,779

155,206

Non-cash stock

compensation

82,550

1,146,000

3,657,580

Selling, general and

administrative expenses

298,033

417,291

1,116,812

409,809

1,666,070

4,929,598

Loss from operations

(97,323)

(1,594,071)

(4,489,697)

OTHER INCOME AND (EXPENSE):

Grant revenue

11,138

-

11,138

Interest expense

(31,659)

(222,611)

(432,197)

Other expense

(5,000)

-

(5,000)

(25,521)

(222,611)

(426,059)

Loss before extraordinary items

(122,844)

(1,816,682)

(4,915,756)

Extraordinary item - casualty loss from flooding,

net of insurance proceeds

-

116,948

116,948

NET LOSS

$

(122,844)

$

(1,933,630)

$

(5,032,704)

Per share information -

basic and fully diluted

Weighted Average

Shares Outstanding

17,178,135

15,882,296

15,564,142

Net loss per share

(0.01)

(0.12)

(0.32)

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

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

STATEMENTS OF STOCKHOLDERS (DEFICIT)

For the Years Ended October 31, 2005 and 2004

(Deficit)

Accumulated

Common Stock

Additional

During the

Shares

Amount

Paid in Capital

Development Stage

Total

Balance at October 31, 2003

16,067,175

$

1,607

$ 2,604,003

$ (2,976,230)

$

(370,620)

Shares issued for cash

during October 2003

at $2.00 per share

10,000

1

19,999

-

20,000

Shares issued for cash

during November 2003

at $2.00 per share

12,950

1

25,899

-

25,900

Shares issued for services

during November 2003

at $2.00 per share

140,000

14

279,986

-

280,000

Shares issued for services

during November 2003

at $2.00 per share

380,000

38

759,962

-

760,000

Shares issued for cash

during December 2003

at $2.00 per share

5,500

1

10,999

-

11,000

Shares issued for services

during December 2003

at $2.00 per share

805,000

81

1,609,919

-

1,610,000

Shares issued for cash

during April 2004

at $1.00 per share

50,000

5

49,995

-

50,000

Shares issued for services

during April 2004

at $1.20 per share

80,000

8

95,992

-

96,000

Shares issued for cash

during May 2004

at .61 per share

132,000

13

80,507

-

80,520

Shares issued for services

during July 2004

at $2.00 per share

100,000

10

199,990

-

200,000

Shares returned for

nonperformance of

services during July 2004

At $2.00 per share

(1,050,000)

(105)

(2,099,895)

-

(2,100,000)

Shares issued for services

during July 2004

at $2.00 per share

150,000

15

299,985

-

300,000

Shares issued for services

during October 2004

at $.52 per share

21,000

2

10,918

-

10,920

Net loss for the year

-

-

-

(1,933,630)

(1,933,630)

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

	Common Stock Shares	Amount	Additional Paid in Capital	(Deficit) Accumulated During the Development Stage	Total
Balance at October 31, 2004	16,903,625	$ 1,691	$ 3,948,259	$ (4,909,860)	$ (959,910)
Shares issued for services during December 2004 at $.52 per share	116,000	12	82,988	-	83,000
Shares returned for nonperformance of services during December 2004 at $1.20 per share	(3,000)	(0)	(3,600)	-	(3,600)
Shares issued for services during January 2005 at $.30 per share	50,000	5	14,995	-	15,000
Shares issued for settlement of portion of note payable-related party	-	0	763,639	-	763,639
Shares issued for services during April 2005 at .15 per share	145,000	15	21,736	-	21,750
Shares issued for loan fee during April 2005 at .15 per share	50,000	5	7,495	-	7,500
Shares returned for Nonperformance of services during April 2005 at .1.20 per share	(30,000)	(3)	(35,997)	-	(36,000)
Shares issued for cash during April 2005 at .15 per share	73,068	7	10,953	-	10,960
Shares issued for services					

during June 2005					
at $.40 per share	6,000	0	2,399	-	2,400
Shares issued for cash					
during July 2005 at					
$.25 per share	2,000	0	500	-	500
Shares issued for cash					
during July 2005 at					
$.20 per share	2,500	0	500	-	500
Net loss for the year	-	-	-	(122,844)	(122,844)
Balance at October 31, 2005	17,315,193	$ 1,732	$ 4,813,867	$ (5,032,704)	$ (217,105)

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

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

STATEMENTS OF CASHFLOW

For the Years Ended October 31, 2005 and 2004 and

Period from Inception (June 25, 2002) to October 31, 2005

Inception to

October 31,

2005

2004

2005

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss

$

(122,844)

$

(1,933,630)

$ (5,032,704)

Adjustments to reconcile net loss to cash

(used in) operating activities:

Common stock issued to founders

-

-

1,405

Common stock returned for noncompliance services

(39,600)

(1,600,000)

(1,639,600)

Common stock issued for services

122,150

2,756,920

5,306,695

Depreciation and amortization

15,548

8,325

31,962

Interest added to related party note

-

218,184

395,494

Interest added to note payable

22,000

-

22,000

Loss from extraordinary item

-

173,830

173,830

Other receivables

5,000

-

5,000

Changes in operating assets and liabilities:

Accounts receivable

(240,383

(25,535)

(270,738)

Inventory

(30,396)

(124,128)

(439,778)

Deposits

(47,000)

-

(47,000)

Other receivables

-

3,500

(5,000)

Accounts payable

(83,130)

134,556

55,712

Accounts payable - related party

28,219

-

28,219

Accrued expenses

(11,680)

15,596

3,916

Accrued interest on notes payable

8,321

-

8,321

Net cash (used in) operating activities

(373,795)

(372,382)

(1,402,266)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment

(11,294)

(6,014)

(59,584)

Insurance proceeds from casualty loss

-

38,202

38,202

Insurance proceeds used to pay off vehicle loans

-

(38,202)

(38,202)

Net cash (used in) investing activities

(11,294)

(6,014)

(59,584)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on note payable

(10,344)

-

(14,228)

Payment on related party note

(15,000)

-

(65,000)

Shareholder advances

(5,500)

15,000

358,375

Common stock issued for cash

11,960

187,420

676,230

Proceeds from short term debt

-

58,884

58,884

Proceeds from loan payable to related party

58,000

71,000

129,000

Proceeds from notes payable

361,023

-

361,023

Net cash provided by financing activities

400,139

332,304

1,504,284

Net increase (decrease) in cash

15,050

(46,092)

42,434

Cash - beginning

27,384

73,476

-

Cash - ending

$

42,434

$

27,384

$ 42,434

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

	2005	2004	Inception to October 31, 2005
Supplemental cash flow information:			
Cash paid for interest	$ -	$ 2,427	$ 616
Non-cash investing and financing activities:			
License agreement	$ -	$ -	$ 618,145
Interest expense converted to principal	$ 22,000	$ -	$ -
Property and equipment acquired with note payable	$ 10,294	$ -	$ 55,294
Settlement of related party debt for equity	$ 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Innovative Designs, Inc., (the Company) was incorporated in Delaware on June 25, 2002 to provide unique recreational products that are made of eliotex, a material with buoyancy, scent block and thermal resistant properties, such as sleeping bags, floating swimwear products, hunting apparel, and stadium packs.

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when incurred.

Fiscal Year End - The Company s fiscal year ends on October 31.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates and assumptions.

Cash and Cash Equivalents - The Company defines cash and cash equivalents as those highly liquid investments purchased with a maturity of three months or less.

Revenue Recognition - The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility is probable. Revenue is derived from sales of the Company s recreational products such as sleeping bags, stadium packs, floating swimwear and hunting apparel. Sales of these items are recognized when the items are shipped. The Company offers a 5 day return policy and no warranty on all of its products.

Financial Instruments - Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of October 31, 2005 and 2004. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, accounts payable and notes payable. Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature and their carrying amounts approximate fair values. The carrying value of the Company s long-term debt approximated its fair value based on the current market conditions for similar debt instruments.

Allowance for Bad Debts - The Company considers all accounts receivable balances to be fully collectable at October 31, 2005 and 2004, accordingly, no allowance for doubtful accounts is provided. If amounts become uncollectible, they will be charged to operations when the determination is made.

Inventory - Inventory consists principally of purchased finished goods. Inventory is stated at the lower of cost or market on a first-in, first-out basis.

Property and equipment - Property and equipment are recorded at cost. Depreciation is computed using the straight line method over the estimated useful lives of the related assets.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

Property and equipment are summarized by major classification as follows:

Equipment

7 years

Furniture and fixtures

7 years

Leasehold improvements

5 years

Automobiles

5 years

Maintenance and repairs are charged to operating expenses as incurred, significant improvements are capitalized. When property is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of Long-Lived Assets - The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. There was no impairment of long-lived assets during 2005 or 2004.

Income taxes - The Company follows SFAS 109 "Accounting for Income Taxes" for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Net Income (Loss) Per Common Share - The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standards (SFAS) 128, "Earnings per Share." Basic earnings (loss) per share is calculated by dividing net 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 periods in which the Company incurs losses common stock equivalents, if any, are not considered, as their effect would be anti dilutive.

Stock-Based Compensation - The Company accounts for equity instruments issued to employees for services based on the fair value of the equity instruments issued and accounts for equity instruments issued to other than employees based on the fair value of the consideration received or the fair value of the equity instruments, whichever is more reliably measurable.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

The Company accounts for stock based compensation in accordance with SFAS 123, "Accounting for Stock-Based Compensation." The provisions of SFAS 123 allow companies to either expense the estimated fair value of stock options or to continue to follow the intrinsic value method set forth in APB Opinion 25, "Accounting for Stock Issued to Employees" (APB 25) but disclose the pro forma effects on net income (loss) had the fair value of the options been expensed. The Company has elected to continue to apply APB 25 in accounting for its stock option incentive plans.

Recent Pronouncements

In November 2004, the FASB issued SFAS 151, "Inventory Costs - an amendment of ARB 43, Chapter 4 . SFAS 151 amends guidance within ARB No. 43, Chapter 4 Inventory Pricing . The Statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, wasted material (spoilage). The adoption of SFAS 151 by the Company is not expected to have a material impact on the Company s financial position, results of operations, or cash flows.

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS 153, "Exchange of Nonmonetary Assets - an Amendment of APB Opinion No. 29 . SFAS 153 addresses the measurement of exchange of nonmonetary assets. The Statement eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets and replaces it with an exception for exchange that does not have commercial substance. As specified in the Statement, nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The adoption of SFAS 153 by the Company is not expected to have a material impact on the Company s financial position, results of operations, or cash flows.

In December 2004, FASB issued SFAS No. 123 (Revised 2004) Share-Base Payment. This Statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity s equity instruments or that may be settled by the issuance of those equity instruments. This Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. This Statement does not change the accounting guidance for share-based payment transactions with parties other than employees provided in Statement 123 as originally issued and EITF Issue No. 96-18, Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. This Statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, *Employers Accounting for Employee Stock Ownership Plans.* The adoption of SFAS 123 (Revised 2004) by the Company is not expected to have a material impact on the Company s financial position, results of operations or cash flows.

In May 2005, FASB issued SFAS 154, Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3. This Statement replaces APB Opinion No. 20, *Accounting Changes,* and FASB Statement No. 3, *Reporting Accounting Changes in Interim Financial Statements,* and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed.

Opinion 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This Statement 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. When it is impracticable to determine the period-specific effects of an accounting change on one or more individual prior periods presented, this Statement requires that the new accounting principle be applied to the balances of assets and liabilities as of the beginning of the earliest period for which retrospective application is practicable and that a corresponding adjustment be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period rather than being reported in an income statement. When it is impracticable to determine the cumulative effect of applying a change in accounting principle to all prior periods, this Statement requires that the new accounting principle be applied as if it were adopted prospectively from the earliest date practicable.

This Statement defines *retrospective application* as the application of a different accounting principle to prior accounting periods as if that principle had always been used or as the adjustment of previously issued financial statements to reflect a change in the reporting entity. This Statement also redefines *restatement* as the revising of previously issued financial statements to reflect the correction of an error.

This Statement requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Indirect effects of a change in accounting principle, such as a change in nondiscretionary profit-sharing payments resulting from an accounting change, should be recognized in the period of the accounting change.

This Statement also requires that a change in depreciation, amortization, or depletion method for long-lived, nonfinancial assets be accounted for as a change in accounting estimate effected by a change in accounting principle.

This Statement carries forward without change the guidance contained in Opinion 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. This Statement also carries forward the guidance in Opinion 20 requiring justification of a change in accounting principle on the basis of preferability.

The adoption of SFAS 154 by the Company will be evaluated when the Company encounters accounting changes or when it is required to implement new authorative accounting pronouncements. Currently the Company does not expect the adoption of SFAS 154 to have a material impact on the Company s financial position, results of operations or cash flows.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

2.

BASIS OF REPORTING

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 significant losses from operations. For years ended October 31, 2005 and 2004, the Company incurred a net loss of $122,844 and $1,933,630, respectively. In addition, the Company has an accumulated deficit of $5,032,704 at October 31, 2005.

The Company's ability to continue as a going concern is contingent upon its ability to expand its operations and secure additional financing. The Company is currently pursuing financing for its operations and seeking to expand its operations. Failure to secure such financing or expand its operations may result in the Company not being able to continue as a going concern.

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.

3.

INVENTORIES

Inventories consist of the following at October 31:

2005

2004

Work-in-process

$

23,000

$

-

Finished goods

<u>293,706</u>

<u>286,310</u>

$

<u>316,706</u>

$

<u>286,310</u>

4.

<u>PROPERTY AND EQUIPMENT</u>

Property and equipment are summarized by major classifications as follows:

<u>2005</u>

<u>2004</u>

Equipment

7 yr.

$

14,827

$

5,558

Furniture and fixtures

7 yr.

11,092

7,104

Leasehold improvements

5 yr.

4,806

18,331

Automobile

5 yr

10,294

-

41,019

30,993

Less accumulated depreciation

(13,530)

(4,875)

$

27,489

$

26,118

Depreciation expense for the years ended October 31, 2005 and 2004 was $9,923 and $8,325.

1.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

2.

BORROWINGS

Borrowings at October 31, 2005 and 2004 consisted of the following:

	2005	2004
Related Party Borrowings		
Note Payable - Related party; RMF Global, Inc.; Note Payable is non-interest bearing with no payment terms.		
	$	$
Loan Payable - Related party; RMF Global Riccelli Properties. Loan Payable is non-interest bearing with no payment terms.	200,000	963,639
Note Payable - Related party - David W. Lampl, Esq.; due March 31, 2006; interest is 12% per annum.		
	114,000	71,000
Note Payable - Related party; Bonnie Dake; there are no terms and is due upon demand.		
Note Payable - Related party; Gregory P. Domian; there are no terms and is due upon demand.	50,000	-
Total Related Party Borrowings		

	5,000	-
	5,000	-
	$	$
	374,000	1,034,639
Other Borrowings		
Note Payable - James Kearney; interest is flat rate of $9,120; principal and interest due and payable in full at any time after December 10, 2005.		
Loan payable - Citizens National Bank - due March 26, 2009; interest is 8% per annum; payable in monthly installments of $193.27	$ 114,000	$ 102,000
Note Payable - Redevelopment Authority of Allegheny County; due June 2010; payable in monthly installments of $290. This is a non-interest bearing note.		
	6,656	-
Subtotal		
Subtotal from page 61		

Note Payable - U.S. Small Business Administration; due December 2035; payable in monthly installments of $1,186 including interest at 2.9% per annum.	13,923	-
	$	$
Total Other Borrowings	134,579	102,000
	2005	2004
Total Borrowings	$	$
	134,579	102,000
Less current portion of Related Party Borrowings		
Less current portion of Other Borrowings		
Total Long-Term Borrowings	280,100	-
	$	$
	414,679	102,000
	$	$
	788,679	1,136,639
	(374,000)	(727,275)
	(119,941)	(102,000)

$	$
294,738	307,364

Maturities of debt for the next five years after October 2005 are as follows:

Related Party

Other

Year Ending October 31,

Borrowings

Borrowings

Total

2006

$

374,000

$

119,941

$

493,941

2007

-

11,743

11,743

2008

-

12,103

12,103

2009

-

10,821

10,821

2010 and thereafter

-

260,071

260,071

$

374,000

$

414,679

$

788,679

The Company was indebted to a financial institution pursuant to a note payable secured by automotive equipment in the amount of $41,166 at October 31, 2003. This amount was paid in full as part of the insurance proceeds for the casualty loss caused by the flood as further explained in Note 11, CASUALTY LOSS OF PROPERTY DUE TO FLOOD.

In April 2005, the Company entered into discussions with David W. Lampl, Esq. (Lampl), a related party shareholder, 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. Ricelli 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

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

of fifty thousand and 00/100 dollars ($50,000.00) plus interest at a rate of twelve percent (12%) per annum on or before December 31, 2005. On December 21, 2005, the note was amended to extend the maturity date to March 31, 2006. In connection with extending the maturity date of the note, the Company was required to pay Lampl $4,000 representing accrued interest through December 31, 2005. The Company paid Lampl on December 23, 2005. Lampl is a member of the law firm of Leech Tishman Fuscaldo & 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 Receivable, 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 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 $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.

In July 2005, the Company entered into a 90 day note with a related party shareholder, Stephen H. Dake, for $10,000. The note bears interest of ten percent (10%) and was payable on or before the 90 day due date of October 15, 2005. This was paid in full as of October 31, 2005.

In July 2005, the Company entered into a loan with a related party shareholder, Bonnie Dake, for $5,000. The loan has no terms, bears no interest and is due upon demand. Accordingly, no interest has been reflected within the financial statements.

In July 2005, the Company entered into a loan with a related party shareholder and employee Gregory P. Domian, for $5,000. The loan has no terms, bears no interest and is due upon demand. Accordingly, no interest has been reflected within the financial statements.

In July 2005, the Company received a no interest loan with Redevelopment Authority of Allegheny County in the amount of $13,923. The Company qualified for a loan due to the significant loss of inventory, raw materials, and equipment when its leased warehouse, in which it maintained these items, was flooded by the remnants of Hurricane Ivan in September 2004. The loan is to be repaid over a forty-seven month period in equal payments of $290.06, commencing July 1, 2006.

In July 2005, the Company was approved for a low interest promissory note from the U.S. Business Administration in the amount of $280,100. The Company qualified for the loan due to the significant loss of inventory, raw materials, and equipment when its leased warehouse, in which it maintained these items, was flooded by the remnants of Hurricane

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

Ivan in September 2004. The note bears interest at an annual rate of 2.9%. Monthly installment payments, including principal and interest, will be $1,186 beginning five months from the date of the promissory note. The note will be payable over 30 years. Certain guarantees of collateral were made by the Company s Chief Executive Officer and shareholder, Joseph Riccelli to service the note. The Company is to use the loan proceeds to repair or replace the following: approximately $6,200 for machinery and equipment; approximately $80,100 for furniture and fixtures; approximately $148,700 for inventory; and approximately $45,100 for working capital. The Company has received the full amount of this loan at October 31, 2005.

In September 2005, the Company entered into a 42 month loan payable with Citizens National Bank for $7,000 due March 2009. This loan was used to finance a pick-up truck purchased by the Company. The loan is payable in monthly installments of $193.27 including interest at 8.5% per annum.

In September 2005, the Company signed a new loan agreement with James Kearney for a note payable. This new agreement is for a prior note payable of $100,000, dated July 2004, in addition to accrued interest of $14,000. This note bears interest at a flat rate of $9,120. The principal of $114,000 and interest are payable in full at any time after December 10, 2005. The note reflected in the financial statements reflects $3,289 of accrued interest.

6.

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 Executive 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 October 31, 2005.

7.

CONCENTRATIONS

Earned revenues for the fiscal year ending October 31, 2005 include earned revenue to one major customer. The major customer accounted for approximately 72% of total Company earned revenue for the fiscal year. Accounts receivable from this customer totaled 83% as of October 31, 2005. There were no major concentrations during 2004.

The Company only has one supplier of eliotex, the special material which is manufactured within the apparel of the Company. Additionally, the Company only has one manufacturer that produces the apparel on behalf of the

Company, located in Indonesia.

8.

GRANT INCOME

In July 2005, the Company received a grant from the Redevelopment Authority of Allegheny County in the amount of $13,923. The Company qualified for the grant due to the significant loss of inventory, raw materials, and equipment when its leased warehouse, in which it maintained these items, was flooded by the remnants of Hurricane Ivan in September 2004. The grant is not a loan and will not be paid back to Allegheny County. The proceeds of the grant were used to purchase replacement equipment and/or inventory damaged in the flooding.

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

9.

COMMON STOCK

In June 2002, four founders were issued a total of 14,050,000 shares of Innovative Designs common stock valued at par or $1,405.

In June 2002, the Company sold 20,500 shares of common stock for $.75 per share or $15,375.

In June 2002, the Company issued 623,500 shares of common stock for services valued at $.75 per share or $467,625.

In July 2002, the Company sold 31,000 shares of common stock for $1 per share or $31,000.

In August 2002, the Company sold 26,000 shares of common stock for $1 per share or $26,000.

In August 2002, the Company sold 49,000 shares of common stock for $2 per share or $98,000.

In August 2002, the Company issued 5,000 shares of common stock for services valued at $2 per share or $10,000.

In September 2002, the Company sold 48,500 shares of common stock for $2 per share or $97,000.

In October 2002, the Company sold 25,250 shares of common stock for cash at $2 per share or $50,500.

During February 2003 the Company issued 525,000 shares of common stock for services valued at $2 per share or $1,050,000 and 175,125 shares of common stock for cash at $2 per share or $350,250. In addition, 25,000 shares previously issued were cancelled.

During September 2003 the Company issued 450,000 shares of common stock for services valued at $2 per share or $900,000.

During October 2003 the Company sold 63,300 shares of common stock for cash at $2 per share or $126,000.

During October 2003 the Company issued 10,000 shares of common stock for cash at $2 per share or $20,000.

During November 2003 the Company sold 12,950 shares of common stock for cash at $2 per share or $25,900.

During November 2003 the Company issued 380,000 shares of common stock for services valued at $2.00 per share or $760,000.

During November 2003 the Company issued 140,000 shares of common stock for services valued at $2.00 per share or $280,000.

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

During December 2003 the Company sold 5,500 shares of common stock for cash at $2 per share or $11,000.

During December 31, 2003 the Company issued 805,000 shares of common stock for services valued at $2 per share or $1,610,000.

During February 2004, the Company issued 30,000 shares of common stock for services valued at $2.00 per share or $60,000.

During March 2004 the Company issued 80,000 shares of common stock for services valued at $1.20 per share or $96,000.

During April 2004 the Company sold 50,000 shares of common stock for cash at $1 per share or $50,000.

During June 2004 the Company sold 132,000 shares of common stock for cash at $0.61 per share or $80,520.

During July 2004 the Company issued 100,000 shares of common stock for services valued at $2 per share or $200,000.

During July 2004 the Company reacquired for non-performance 1,050,000 shares valued at $2 per share or $(2,100,000).

During July 2004 the Company issued 150,000 shares of common stock for services valued at $2 per share or $300,000.

During October 2004 the Company issued 21,000 shares of common stock for services valued at $0.52 per share or $10,920.

During December 2004 the Company issued 100,000 shares of common stock for services valued at $0.75 per share or $75,000.

During December 2004 the Company issued 16,000 shares of common stock for services valued at $0.50 per share or $8,000.

During December 2004 the Company cancelled for non-performance 3,000 shares valued at $1.20 per share or $(3,600).

During January 2005 the Company issued 50,000 shares of common stock for services valued at $0.30 per share or $15,000.

During April 2005 the Company issued 145,000 shares of common stock for services valued at $0.15 per share or $21,750.

During April 2005 the Company issued 50,000 shares of common stock for additional consideration for a loan at $0.15 per share or $7,500.

During April 2005 the Company cancelled for non-performance 30,000 shares valued at $1.20 per share or $(36,000).

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

During April 2005 the Company sold 33,334 shares of common stock for cash at $0.15 per share or $5,000.

During April 2005 the Company sold 33,334 shares of common stock for cash at $0.15 per share or $5,000.

During April 2005 the Company sold 6,400 shares of common stock for cash at $0.15 per share or $960.

During June 2005 the Company issued 6,000 shares of common stock for services valued at $0.40 per share or $2,400.

During July 2005 the Company sold 2,000 shares of common stock for cash at $0.25 per share or $500.

During July 2005 the Company sold 2,500 shares of common stock for cash at $0.20 per share or $500.

10.

INCOME TAXES

The Company accounts for income taxes under SFAS 109, which requires use of the liability method. SFAS 109 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences are as follows:

2005

2004

Income tax provision at

the federal statutory rate

34 %

34 %

Effect of operating losses

(34)%

(34)%

_ -

_ -

The Company's deferred tax asset is as follows:

2005

2004

Deferred tax assets

$

65,009

$

286,000

Less: valuation allowance

(65,009)

(286,000)

Net deferred taxes

$

-

$

-

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

The Company has a net operating loss of approximately $1,912,020 and $842,000 at October 31, 2005 and 2004, respectively, which can be carried forward through October 31, 2025. The principal difference between the net operating loss for book purposes and income tax purposes results from common shares issued for services aggregating of $3,657,580 and $3,575,030 at October 31, 2005 and 2004, respectively.

11.

COMMITMENTS

The Company currently maintains two offices which are leased pursuant to an oral agreement on a month-to-month basis for approximately $3,300 per month. For the years ended October 31, 2005 and 2004, rent expense totaled approximately $39,600 for each year.

12.

CASULATY LOSS OF PROPERTY DUE TO FLOOD

On September 18, 2004, the Company suffered a significant loss of its inventory, raw material, and automotive equipment when the leased warehouse in which it maintained these items was flooded by the remnants of Hurricane Ivan. The combined book value of the lost inventory, raw material, and automotive equipment is $173,830. Additionally, the Company issued 21,000 shares of its common stock to various individuals, in exchange for moving and cleaning services. The Company valued these shares at approximately $0.52 per share or an aggregate of $10,920. The Company received total proceeds from the insurance companies of $67,802, resulting in a net casualty loss of $116,948.

13.

CONTINGENCIES AND UNCERTAINITIES

The Company became aware, by virtue of communication from certain of its customers and/or prospective customers, of their receipt of a letter from attorneys purporting to represent Elio Cattan, informing said parties that the Company was infringing on a patent held by Mr. Cattan in its manufacture and use of products containing Eliotex. Said letter went on to threaten unspecified reprisals against any party that continued to so infringe, and further actively solicited the purchase of Eliotex from Mr. Cattan. No legal action was instituted by Mr. Cattan to support said allegations; the letters were mere recitations that the Company strongly believes are false, fraudulent and malicious.

In response, the Company caused to be filed a Declaratory Judgment Action in the United States District Court for the Western District of Pennsylvania at Case No. Cv04-0593 on April 20, 2004. In said Action, in which the Company was joined by RMF Global, Inc., the Company seeks:

(1)

a declaration that it did not infringe on U.S. Patent No. 6,083,999;

(2)

a declaration that said patent is invalid and unenforceable;

(3)

a declaration that the plaintiffs have not infringed on the Eliotex trademark;

(4)

an injunction prohibiting any further tortious interference with the Company's business and contractual relations; and

(5)

an injunction prohibiting any further engaging in unfair competition.

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

Without answering or denying any of the Company's allegations, Mr. Cattan sought to stay the District Court proceedings, pending an arbitration proceeding to determine the merits of the dispute among the parties. That Motion was granted by the Court. A subsequent Motion was filed by the Company, seeking to dismiss any claims the Court might find to be arbitrable, and lift the stay with respect to the remaining claims so that Mr. Cattan's allegations may be subject to the scrutiny of a court of law. That Motion was denied by the Court.

The Company is of the strong opinion and belief, as is its counsel, that the District Court has erred in its interpretation of both the facts and the law in this case, and is in the process of taking an appeal of Judge Schwab's Orders before the Third Circuit Court of Appeals of the United States District Court. The Company is confident of its position, and the likelihood of its success on the merits, and views the actions of Mr. Cattan as desperate delay tactics designed to enable him to attempt the perpetuation of a fraud upon both the Company and its customers and prospective customers.

Subsequent to October 31, 2005, the Company learned that *Elio Cattan and Eliotex s.r.l.* obtained an arbitration award against the Company in the amount of $4,176,000.00, on May 6, 2005 from an Italian Arbitration Tribunal. The Company was later informed that Defendant s counsel filed a subsequent motion in the District Court to confirm and enforce the Tribunal s award against the Company and to add Joseph Riccelli as a part to the litigation. As of the date of this filing, no ruling had been made on the above motion.

The Company has also instructed its counsel to take all actions necessary and proper to protect the interests of both the Company, its shareholders and all other entities and individuals with which it conducts business.

14.

<u>SUBSEQUENT EVENTS</u>

Through January 9, 2006 the Company issued 461,000 shares of common stock. 400,000 shares were valued at $0.42 per share for services and 61,000 were valued at $0.42 for cash.

On January 24, 2006, Frank Riccelli, acting President of Innovative Designs, Inc. (the Company), delivered his letter of resignation to the Company s Chief Executive Officer resigning his position as President effective January 24, 2006.

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

ITEM 8.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE.

On June 29, 2004, we reported in a Form 8-K, that:

(a)

on June 1, 2004, Innovative Designs, Inc. (the Registrant) engaged Louis Plung & Company, LLP to act as the Registrant s independent certified public accountant. Louis Plung & Company, LLP replaces Stark Winter Schenkein & Co., LLP who resigned on May 6, 2004.

(a)

Stark Winter Schenkein & Co., LLP reports on the financial statements were not subject to an adverse or qualified opinion or a disclaimer of opinion and were not modified as to uncertainty, audit scope or accounting principles during the year ended October 31, 2003 and the interim period through May 6, 2004, except that the report on the financial statements for the year ended October 31, 2003 contained a going concern qualification.

(b)

The decision to change accountants was approved by the Registrant s Board of Directors; and

(c)

We did not consult with Louis Plung & Company, LLP, our new independent accountants, regarding any matter prior to its engagement.

(d)

During the year ended October 31, 2003 and the interim period through May 6, 2004 there were no disagreements with Stark Winter Schenkein & Co., LLP related to accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Stark Winter Schenkein & Co., LLP, would have caused Stark Winter Schenkein & Co., LLP, to make reference to the subject matter of the disagreement in connection with its report.

ITEM 8A.

CONTROLS AND PROCEDURES

As of October 31, 2005 and 2004, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including our Chief Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were effective as of October 31, 2005 and 2004.

There have been no significant changes in our internal control over financial reporting during the fiscal year ended October 31, 2005 and 2004, or subsequent to October 31, 2005, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

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INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

PART III

ITEM 9.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Directors and Executive Officers

Our executive officers are elected annually by our board of directors. A majority vote of the directors who are in office is required to fill vacancies on the board. Each director shall be elected for the term of one (1) year and until his successor is elected and qualified, or until his earlier resignation or removal. The directors named above will serve until the next annual meeting of our shareholders which is held within sixty (60) days of our fiscal year end, or until a successor is elected and has accepted the position.

None of our directors hold directorships in any Securities and Exchange Commission reporting companies. Our directors and executive officers are as follows:

Name	Age	Position	Term
Frank Riccelli	45	President/Director	1 year
Joseph Riccelli	55	Chief Executive Officer/Chairman	1 year
Dean P. Kolocouris	33	Director	1 year
Robert D. Monsour	51	Director	1 year
Anthony Fonzi	57	Chief Financial Officer/Director	1 year
Joseph A. Riccelli	24	Vice President	Not Applicable

Family Relationships

Frank Riccelli, our President and Director, and Joseph Riccelli, our Chief Executive Officer and Chairman of the Board, are brothers. Joseph A. Riccelli, our Vice President, is the son of our Chief Executive Officer, Joseph Riccelli, and the nephew of our President, Frank Riccelli.

Frank Riccelli has been our President and a Director since our inception in June 2002. Frank Riccelli dedicates only approximately 30 hours per week to our business and operations. From April 1989 to present, Frank Riccelli has been the owner and president of Exceptional Motor Cars, a car dealership located in Glenshaw, Pennsylvania. Additionally, since March 1981 to present, Frank Riccelli has been the owner of Pittsburgh Foreign Domestic, a car dealership located in Glenshaw, Pennsylvania. Frank Riccelli attended the Community College of Allegheny County from 1979 to 1981.

Joseph Riccelli has been our Chief Executive Officer and Chairman of the Board since our inception in June 2002. Joseph Riccelli now spends approximately 40 hours per week to implement our Plan of Operations; however, upon completion of our Plan of Operations, if ever, he plans to spend only half time to our operations and the other half of his time to our affiliated entity, RMF Global. From February 1999 to present, Joseph Riccelli has been the President, Owner and Chief Executive Officer of RMF Global, our licensor/eliotex distributor

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INNOVATIVE DESIGNS, INC.

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located in Pittsburgh, Pennsylvania. From February 1999 to our inception, Mr. Riccelli worked full time at RMF Global; however, since our inception, he has devoted only 10 hours per week to RMF Global's operations. From March 1984 to November 1998, Joseph Riccelli was the owner of Pittsburgh Foreign and Domestic, a sole proprietor car dealership located in Glenshaw, Pennsylvania. Joseph Riccelli attended Point Park College located in Pittsburgh, Pennsylvania from 1971 to 1972.

Dean P. Kolocouris has been one of our Directors since our inception in June 2002. From December 1996 to present, Mr. Kolocouris has been a Loan Officer and Assistant Vice President at Eastern Savings Bank located in Pittsburgh, Pennsylvania. In June 1993, Mr. Kolocouris received a Bachelors Degree in Finance from Duquesne University located in Pittsburgh, Pennsylvania.

Robert D. Monsour has been one of our Directors since our inception in June 2002. From July 1984 to November 1997, Mr. Monsour was the owner and founder of his own law firm, Robert D. Monsour, Esq., P.C., located in Pittsburgh, Pennsylvania. From November 1997 to present, Mr. Monsour has been the Administrator of RGM Medical Management, a medical management firm headquartered in Pittsburgh, Pennsylvania. Mr. Monsour received the following degrees from the University of Pittsburgh located in Pittsburgh, Pennsylvania: (a) Juris Doctor Degree in May 1983; (b) completed the course of study for a Masters Degree in International Affairs at the Graduate School of Public and International Affairs in May 1983, with the exception of a required Masters Thesis; and (c) Bachelor of Arts Degree in Political Science in May 1978.

Anthony Fonzi has been one of our Directors and our Chief Financial Officer and Chief Accounting Officer since our inception in June 2002. From our inception to April 14, 2003, Mr. Fonzi spent approximately 10 hours a week as our Chief Financial Officer and Chief Accounting Officer. Since April 15, 2003, Mr. Fonzi has spent approximately 20 hours a week as our Chief Financial Officer and Chief Accounting Officer. From June 1995 to present, Mr. Fonzi has been a Tax Director at D. Cerniglia and Associates, a Certified Public Accounting firm located in Monroeville, Pennsylvania. As Tax Director, Mr. Fonzi is responsible for all tax functions on behalf of D. Cerniglia and Associates. In May 1985, Mr. Fonzi received a Masters Degree in Taxation from Robert Morris College located in Pittsburgh, Pennsylvania. In May 1970, Mr. Fonzi received a Bachelors Degree in Accounting from Robert Morris College.

Joseph A. Riccelli, Jr., 23, has been our Vice President since May 15, 2003. From November of 2002 until May 14, 2003, Mr. Riccelli was our Vice President on a consultant basis. As Vice President, Mr. Joseph A. Riccelli assists our Chief Executive Officer on a full-time basis by overseeing our daily operations and our distribution center. From June 2002 to October 2002, Joseph A. Riccelli was our outside consultant to assist in overseeing our daily operations. From June 2001 to June 2002, Mr. Riccelli was the Vice President of RMF Global. Mr. Riccelli has no other employment experience. Joseph A. Riccelli has been attending the University of Pittsburgh since September 2001 and is majoring in Business Administration.

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INNOVATIVE DESIGNS, INC.

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Significant Employees

We have the following additional significant employees:

Dave Shondeck, 37, has been our Director of Finance since April 15, 2003, and spends approximately 30 hours per week regarding this position. From January 2003 until April 14, 2003, Mr. Shondeck was our Director of Product Development Research on a consultant basis. During only June 2002, Mr. Shondeck was our consultant to assist in formulating our business plan. From June 2000 to November 2002, Mr. Shondeck was employed as a Marketing and Financial Consultant by Fonzi and Associates, an accounting and financial services firm located in Pittsburgh, Pennsylvania. From May 1996 to February 2001, Mr. Shondeck was employed as a Sales and Marketing Product Manager with Dt Technologies, Inc., a manufacturing technology firm located in Pittsburgh, Pennsylvania. In May 1987, Mr. Shondeck obtained a BSBA Degree in accounting from Duquesne University located in Pittsburgh, Pennsylvania.

Gregory P. Domian, 50, has been our Vice President of Sales and Marketing since May 2005 and spends approximately 45 hours per week regarding this position. Gregory manages the sales force across the United States and Canada, attends all major trade shows for Innovative Designs, Inc. and performs inventory control. Prior to this, Mr. Domion was employed with 84 Lumber performing analysis of product sales. From April 2000 to September 2003, Mr. Domion also worked at Dicks Sporting Goods performing assortment planning, purchasing, and advertising from 1994 to 1996. Mr. Domion has an Associates Degree from Duquesne University located in Pittsburgh, Pennsylvania.

Committees of the Board Of Directors

We presently do not have an audit committee, compensation committee, nominating committee, an executive committee of our board of directors, stock plan committee or any other committees. However, our board of directors is considering establish various committees during the current fiscal year.

Audit Committee Financial Expert

We have no financial expert. We believe the cost related to retaining a financial expert at this time is prohibitive. Further, because of our start-up operations, we believe the services of a financial expert are not warranted.

Code of Ethics

We have not yet adopted a corporate code of ethics. Our board of directors is considering, over the next year, establishing a code of ethics to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

Legal Proceedings

None of our officers, directors, or persons nominated for such position, significant employees, or promoters have been involved in legal proceedings that would be material to an evaluation of their ability or integrity, including:

- involvement in any bankruptcy;
- conviction in a criminal proceeding;
- being the subject of a pending criminal proceeding;
- being the subject of any order or judgment, decree permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities or banking activities; and
- being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

ITEM 10.

EXECUTIVE COMPENSATION

The following Executive Compensation Chart highlights the terms of compensation for our Executives.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

Summary Compensation Chart

Annual Compensation

Long-Term Compensation

Name and Postion

Year

Sales ($)

Bonus ($)

Other ($)

Restricted ($)

Stock Options ($)

Awards ($)

Frank Riccelli

2002

-

-

-

2,050,000

-

-

President/Director

Frank Riccelli

2003

-

-

-

-

-

-

President/Director

Frank Riccelli

2004

-

-

-

-

-

-

President/Director

Frank Riccelli

2005

-

-

-

-

-

-

President/Director

Joseph Riccelli

2002

-

-

-

10,100,000

-

-

Chief Executive

Officer Chairman

Joseph Riccelli

2003

-

-

-

-

-

-

Chief Executive

Officer Chairman

Joseph Riccelli

2004

-

-

-

-

-

-

Chief Executive

Officer Chairman

Joseph Riccelli

2005

-

-

-

-

-

-

Chief Executive

Officer Chairman

Joseph A. Riccelli

2002

-

-

-

750,000

-

-

Vice President

Joseph A. Riccelli

2003

-

-

-

-

-

-

Vice President

Joseph A. Riccelli

2004

-

-

-

-

-

-

Vice President

Joseph A. Riccelli

2005

-

-

-

-

-

-

Vice President

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

There are no employment agreements between us and our executive officers, Frank Riccelli or Joseph Riccelli. We have a May 2003 verbal agreement with Michelle Griffith, our Vice President of Sales and Marketing, which provides that we pay Ms. Griffith a $55,000 annual salary for the period from May 2003 to May 2004. On October 30, 2004, resigned as an employee of the Company. We have a May 2003 verbal agreement with Joseph A. Riccelli, our Vice President, which provides that we pay Joseph A. Riccelli a $31,000 annual salary for the period from May 2003 to May 2004. This verbal agreement was renewed through May of 2007 to continue the same annual salary of $31,000. There are no change of control arrangements, either by means of a compensatory plan, agreement, or otherwise, involving our current or former executive officers. There are no automobile lease agreements or key man life insurance policies that are to the benefit of our executive officers, in which we would make such payments. There are no standard or other arrangements in which our directors are compensated for any services as a director, including any additional amounts payable for committee participation or special assignments. There are no other arrangements in which any of our directors were compensated during our last fiscal year for any service provided as a director.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

ITEM 11.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following tables set forth the ownership as of January 7, 2005 (a) by each person known by us to be the beneficial owner of more than five percent (5%) of our outstanding common stock, and/or (b) by each of our directors, by all executive officers, our directors as a group, or related party shareholders.

To the best of our knowledge, all persons named have sole voting and investment power with respect to such shares, except as otherwise noted. There are not any pending or anticipated arrangements that may cause a change in our control.

Security Ownership of Beneficial Owners

Title of Class	Name and Address	Amount	Nature	Percent
Common Stock	Joseph Riccelli Chief Executive Officer Chairman of the Board of Directors 142 Loire Valley Drive Pittsburgh, PA 15209	10,500,000	Direct	60.62%
Common Stock	Frank Riccelli President and Director 152 Wedgewood Drive Gibsonia, PA 15044	2,050,000	Direct	11.84%
Common Stock	Joseph A. Riccelli Trust Vice President 223 N. Main Street Apartment 6 Pittsburgh, PA 15215	750,000	Direct	4.33%
Common Stock	Gino M. Riccelli	740,000	Direct	4.27%

221 N. Main Street
Apartment 1
Pittsburgh, PA 15215

Total	14,040,000.00	81.06%

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

Security Ownership of Management

Title of Class	Name and Address	Amount	Nature	Percent
Common Stock	Joseph Riccelli Chief Executive Officer Chairman of the Board of Directors 142 Loire Valley Drive Pittsburgh, PA 15209	10,500,000	Direct	60.62%
Common Stock	Frank Riccelli President and Director 152 Wedgewood Drive Gibsonia, PA 15044	2,050,000	Direct	11.84%
Common Stock	Robert D. Monsour Director 6131 Saltzburg Road Murrysville, PA 15668	40,500	Direct	0.23%
Common Stock	Dean P. Kolocouris Director 120 Timberglen Drive Imperial, PA 15126	27,000	Direct	0.16%
Common Stock	Anthony Fonzi Director/Chief Financial Officer 2912 Bryer-Ridge Ct. Export, PA 15632	20,000	Direct	0.12%
Common Stock	Gregory P. Domian Vice President of Sales 1929 Main Street			

	Pittsburgh, PA 15215	10,000	Direct	0.06%
Common Stock	Joseph A. Riccelli Trust	750,000	Direct	4.43%
	Vice President 223 N. Main Street Apartment 6 Pittsburgh, PA 15215			
Total		13,397,500		77.46%

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

ITEM 12.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our officers and directors may encounter conflicts of interests between our business objectives and their own interests. We have not formulated a policy for the resolution of such conflicts. Future transactions or arrangements between or among our officers, directors and shareholders, and businesses they control, may result in conflicts of interest, and the conflicts may be resolved in favor of businesses that our officers or directors are affiliated, which may have an adverse affect on our revenues.

Our officers and directors have the following conflicts of interests:

•

Our Chief Executive Officer and Chairman of the Board, Joseph Riccelli, is the owner of RMF Global, our sublicensor, upon which our entire business is wholly dependent;

•

Our sublicense agreement with RMF Global requires us to pay a total of $1,250,000 for the grant of a license to sell RMF Global's three products and other products we develop using eliotex, to be paid as follows: (i) 50,000 down payment which has been paid; (ii) 1,909,098 shares of the Company s $.0001 par value common stock in settlement of $763,639 of the obligation which has been paid; and (iii) $200,000 which is due on demand since Joseph Riccelli, our Chief Executive, is the owner of RMF Global, he will personally benefit from our payment of these license payments to RMF Global;

•

We lease warehouse space that is owned by our President, Frank Riccelli, at a rate of $2,600 per month;

•

We lease our executive offices from Riccelli Properties, which is solely owned by our Chief Executive Officer, Joseph Riccelli, for which we pay $700 per month. RMF Global shares our executive offices rent-free; and

•

Our officers, directors and key consultants have the following family relationships: (a) Joseph Riccelli, our Chief Executive Officer/Chairman of the Board, is the brother of Frank Riccelli, our President/Director; and (b) Joseph A. Riccelli, Vice President, is the son of our Chief Executive Officer, Joseph Riccelli, and the nephew of Frank Riccelli, our President/Director.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

Agreement Between us and RMF Global

On November 25, 2002, we entered into a written agreement with RMF Global. The agreement provides that:

- RMF Global grants an exclusive license to us to manufacture and market RMF's three products made from eliotex and grants us a license to develop our own products using eliotex;

- RMF Global assures us of an adequate and timely supply of eliotex to meet our product orders;

- RMF Global will offer eliotex to us at a price equal to the lowest price it charges any other RMF Global customer;

- RMF Global will transfer all of its rights, title and interest in all promotional materials, advertisements, marketing strategies, and the like for which it has contracted to us, and we will have the unfettered right to use the same in any manner we see fit; and

- We must pay to RMF Global, as follows: (i) $50,000 down payment which has been paid; (ii) 1,909,098 shares of the Company s $.0001 par value common stock valued at $763,639, which has been paid; and (iii) and owes $200,000 which is due on demand.

Other than the above transactions, we have not entered into any material transactions with any director, executive officer, and nominee for director, beneficial owner of five percent (5%) or more of our stock, or family members of such persons where the amount of the transaction or chain of transactions exceeds $60,000. We are not a subsidiary of any company.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

ITEM 13.

EXHIBITS AND REPORTS ON FORM 8-K

Exhibit

Number

Description

3.1

Certificate of Incorporation*

3.2

Bylaws*

4

Specimen Stock Certificate*

5

Opinion of Hamilton, Lehrer and Dargan, P.A.***

10.1

Agreement between us and RMF Global, Inc.*

10.2

Exclusive Agency, Distribution and Marketing Agreement between RMF Global and Mr. Ko-Myung Kim.*

31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1

Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002

99

Test Results from Vartest Lab*

100

Test Results from Texas Research Institute Austin, Inc.

*

Previously filed as exhibits to Registration Statement on Form SB-2 filed on March 11, 2003

**

Previously filed as exhibits to Registration Statement on Form SB-2 Amendment 2 filed on July 8, 2003

***

Previously filed as exhibit to Registration Statement on Form SB-2 Amendment 3 filed on August 7, 2003

****

Previously filed as exhibit to Registration Statement on Form SB-2 Amendment 4 filed on September 9, 2003

We hereby incorporate the following additional documents by reference: (a) our Registration Statement on Form SB-2 and all amendments thereto which was filed on March 11, 2003, and amended on May 22, 2003, July 8, 2003, August 7, 2003, and September 9, 2003; (b) our Form 8-K filed on September 29, 2003 and amended on October 27, 2003; (c) our Form 8-K filed on June 29, 2004; and (d) our Form 8-K filed on September 23, 2004.

Reports on Form 8-K

On June 29, 2004, the registrant filed a Form 8-K under item 4 Changes in Registrant s Certifying Account.

On September 23, 2004, the registrant filed a Form 8-K under item 8 Other Events. Other events consisted of the Company losing various inventory vehicles and other items from flooding caused by the remnants of Hurricane Ivan.

On May 3, 2005, the registrant filed a Form 8-K under item I Entry into a Material Definitive Agreement.

On September 16, 2005, the registrant filed a Form 8-K under item 5 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On October 19, 2005, the registrant filed a Form 8-K under item I Entry into a Material Definitive Agreement.

- # -

INNOVATIVE DESIGNS, INC.

(A Development Stage Company)

On January 27, 2005, the registrant filed a Form 8-K under item 5 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

ITEM 14.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed for the fiscal years ended October 31, 2005 and 2004 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our Form 10-KSB or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows: (a) during fiscal year ended October 31, 2005 and 2004, our current auditors, Louis Plung & Company billed the Company $5,500 and $5,000 for professional services, respectively. In addition, during the year ended October 31, 2004, we paid our principal accountants Stark Winter Schenkein & Co., LLP $7,500 for services related to the audit of the October 31, 2003 financial statements.

Audit Related Fees

None.

Tax Fees

None.

All Other Fees

None.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INNOVATIVE DESIGNS, INC.

(Registrant)

Date:

January 13, 2006

By:

/s/ Joseph Riccelli

Joseph Riccelli

Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date:

January 13, 2006

By:

/s/ Joseph Riccelli

Joseph Riccelli

Chief Executive Officer

Chairman of the Board of Directors

Date:

January 13, 2006

By:

/s/ Anthony Fonzi

Anthony Fonzi

Chief Financial Officer,

Principle Accounting Officer,

and Director

Date:

January 13, 2006

By:

s/s Frank Riccelli

Frank Riccelli

Director

Date:

January 13, 2006

By:

s/s Dean P. Kolocouris

Dean P. Kolocouris

Director

Date:

January 13, 2006

By:

s/s Robert D. Monsour

Robert D. Monsour

Director

- # -

EXHIBIT 31.1

INNOVATIVE DESIGNS, INC.

CERTIFICATIONS

I, Joseph Riccelli, certify that:

1.

I have reviewed this annual report on Form 10-KSB 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 auditors and the audit committee of 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.

Date:

January 13, 2006

By:

/s/ Joseph Riccelli

Joseph Riccelli

Chief Executive Officer

- # -

EXHIBIT 31.2

INNOVATIVE DESIGNS, INC.

CERTIFICATIONS

I, Anthony Fonzi, certify that:

1.

I have reviewed this annual report on Form 10-KSB 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 auditors and the audit committee of 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.

Date:

January 13, 2006

By:

/s/ Anthony Fonzi

Anthony Fonzi

Chief Financial Officer,

Principal Accounting Officer,

and Director

- # -

EXHIBIT 32.1

SECTION 906 CERTIFICATION

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-KSB Annual Report of Innovative Designs, Inc. (the "Company") for the period ended October 31, 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:

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

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

Date:

January 13, 2006

By:

/s/ Joseph Riccelli

Joseph Riccelli

Chief Executive Officer

- # -

EXHIBIT 32.2

SECTION 906 CERTIFICATION

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-KSB Annual Report of Innovative Designs, Inc. (the "Company") for the period ended October 31, 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:

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

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

Date:

January 13, 2006

By:

/s/ Anthony Fonzi

Anthony Fonzi

Chief Financial Officer,

Principal Accounting Officer,

and Director

- # -