

Design Source, Inc.  
Form 10-Q  
October 28, 2008

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2008

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-52089

**Design Source, Inc.**

(Exact name of small business issuer as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**36-4528166**

(IRS Employer Identification  
Number)

**100 Europa Drive, Suite 455, Chapel Hill, North Carolina 27517**

(Address of principal executive offices)

**(919) 933-2720**

(Registrant's telephone number, including area code)

Indicate whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2). Yes  No

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As of October 28, 2008 there were 11,218,457 shares of the issuer's common stock, par value \$0.00001, issued and outstanding.

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**Design Source, Inc.**

**Index to Quarterly Report on Form 10-Q for Quarter Ended September 30, 2008**

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Exhibit 31.1

Exhibit 32.1

**DESIGN SOURCE, INC.**  
**(A Development Stage Company)**  
**BALANCE SHEETS**

	September 30, 2008 (Unaudited)	March 31, 2008 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 305	\$ 22,372
<b>TOTAL ASSETS</b>	<b>\$ 305</b>	<b>\$ 22,372</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,291	\$ 5,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,291</b>	<b>5,000</b>
<b>TOTAL LIABILITIES</b>	<b>6,291</b>	<b>5,000</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>-</b>	<b>-</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common stock, \$0.00001 par value, 100,000,000 shares authorized, 11,218,457 shares issued and outstanding	113	113
Additional paid-in capital	585,810	585,810
Accumulated deficit during development stage	(591,909)	(568,551)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>(5,986)</b>	<b>17,372</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 305</b>	<b>\$ 22,372</b>

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

**DESIGN SOURCE, INC.**  
**(A Development Stage Company)**  
**STATEMENTS OF OPERATIONS**

	Three Months Ended		Six Months Ended		From Inception
	September 30,	September 30,	September 30,	September 30,	(April 2, 2003)
	2008	2007	2008	2007	through
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	September 30,
					2008
					(Unaudited)
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>					
General and administrative	(181)	(7)	1,172	161	64,300
Professional fees	3,291	-	21,950	2,467	170,393
Taxes	-	-	-	-	1,036
Management fees	-	-	236	-	29,155
Stock compensation	-	-	-	-	327,500
Total Expenses	3,110	(7)	23,358	2,628	592,384
<b>INCOME (LOSS) FROM OPERATIONS</b>	(3,110)	7	(23,358)	(2,628)	(592,384)
<b>OTHER INCOME (EXPENSE)</b>					
Interest income	-	-	-	6	