

Design Source, Inc.
Form 10QSB
February 14, 2008

DESIGN SOURCE, INC.
(A Development Stage Enterprise)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-QSB

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2007**

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 registrant as specified in its charter)

NEVADA
(State of 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)

Check whether the registrant (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 (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

As of February 14, 2008, the Company had 10,718,457 shares of common stock outstanding.

DESIGN SOURCE, INC.

(A Development Stage Enterprise)

PART I – FINANCIAL INFORMATION

ITEM 1. INTERIM FINANCIAL STATEMENTS

Design Source, Inc.
(A Development Stage Company)

December 31, 2007

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

	December 31, 2007 (unaudited)	March 31, 2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 236	\$ 5,259
TOTAL ASSETS	\$ 236	\$ 5,259
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 6,450	\$ 2,248
TOTAL CURRENT LIABILITIES	6,450	2,248
TOTAL LIABILITIES	6,450	2,248
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$0.00001 par value, 100,000,000 shares authorized, 10,718,457 and 10,718,457 shares issued and outstanding, respectively	108	108
Additional paid-in capital	535,815	535,815
Accumulated deficit during development stage	(542,137)	(532,912)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(6,214)	3,011
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 236	\$ 5,259

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

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

	Three Months Ended		Nine Months Ended		From Inception
	December 31,	December 31,	December 31,	December 31,	(April 2, 2003)
	2007	2006	2007	2006	through
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	December 31,
					2007
					(unaudited)
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES					
General and administrative	99	3,725	168	16,360	44,694
Meals and entertainment	-	245	-	765	1,050
Advertising and marketing	-	1,000	-	6,000	6,000
Automobile expense	-	544	-	1,713	1,713
Professional fees	6,450	16,499	8,851	51,951	108,277
Rent and utilities	-	10,371	-	21,018	26,814
Stock compensation	-	-	-	-	327,500
Telephone	-	-	-	-	5,049
Travel	54	827	147	4,112	4,288
Taxes, licenses, and permits	-	504	-	1,036	3,476
Consulting	-	-	65	1,670	13,751
Total Expenses	6,603	33,715			