LAMPERD LESS LETHAL INC
Form 10KSB
June 01, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-KSB

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2005**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from [ ] to [ ]

Commission file number **000-50011**

LAMPERD LESS LETHAL INC.
(Name of small business issuer in its charter)

Nevada	**98-0358040**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1200 Michener Road,
Sarnia, Ontario Canada **N7T 7H8**
(Address of principal executive offices) (Zip Code)

Issuer's telephone number **519-344-4445**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Nil	**Nil**

Securities registered pursuant to Section 12(g) of the Act:

Common Shares, par value $0.001
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 x No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

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

Yes [ ] No x

Issuer's revenues for its most recent fiscal year ended December 31, 2005 is $282,385.

Issuer s aggregate market value of the voting common equity held by non-affiliates at April 28, 2006 was:

27,080,000 common shares @ $0.31[1] = USD$8,394,800

[1] Average of bid and ask closing prices on April 28, 2006.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the issuer's classes of equity stock, as of the latest practicable date.

51,000,000 common shares issued and outstanding as of April 28, 2006.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

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

PART I

Item 1. Description of Business.

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may , will , should , expects , plans , anticipates , believes estimates , predicts , potential or continue or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled Risk Factors , that may cause our or our industry s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in Canadian Dollars (CND$) unless other wise stated and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all references to "common shares" refer to the common shares in our capital stock.

As used in this annual report, the terms "we", "us", "our", and "Lamperd" mean Lamperd Less Lethal Inc., unless otherwise indicated.

Corporate History

We were incorporated in the State of Nevada on October 4, 2001. On March 21, 2005, we changed our name from "Sinewire Networks Inc." to "Lamperd Less Lethal Inc". The name change was recorded by the Secretary of State of Nevada on March 21, 2005, and took effect with the NASD Inc. s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol "LLLI". Other than as set out herein, we have not been involved in any bankruptcy, receivership or similar proceedings, nor have we been a party to any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of our business.

On April 21, 2005, we acquired all of the 100,000,000 issued and outstanding common stock of 1476246 Ontario Limited, an Ontario corporation, having effect from April 14, 2004, pursuant to the terms of a share exchange agreement dated March 24, 2005 between us, the Ontario company, Patrick Ward, Hani Zabaneh and the shareholders of the Ontario company.

As consideration for the shares of the Ontario company, we issued 26,000,000 shares of our common stock to the shareholders of the Ontario company on the basis of one share of our company for every 3.8461538 common shares of the Ontario company. As a result of this transaction, the Ontario company became a wholly-owned subsidiary of our company. For financial statement purposes, the Ontario company (the acquired entity) is regarded as the predecessor entity as of April 14, 2005.

Our original business plan was to become actively engaged as a start-up wireless communications service provider. We planned to implement our business strategy by supplying wireless high-speed Internet services, and other complementary Internet and telecommunications services. We intended to provide a telecommunications delivery service to businesses, Internet Service Providers and telecommunication companies in underserved markets in North America. Management investigated opportunities and challenges in the business of becoming a wireless communications service provider and concluded that this business was not in our best interest.

Our Current Business

Our company is now a developer and manufacturer of civil defence products that are designed as a less lethal alternative to conventional weapons. The products include weapon systems and munitions that are designed to incapacitate as opposed to kill opponents, and at the same time, ensure the safety of the personnel using the products. In addition, our company also manufactures shields, service equipment, training gear and accessories. The products are primarily designed for the use by military and law enforcement organizations. Our company also offers less lethal training to police, military and private sector security personnel. Training can be provided by experienced military and police contractors in addition to trained civilian contractors which are retained as required by our company with permission from their respective agencies. The training programs offered by our company incorporate the most current less lethal techniques and equipment, including our own products.

The launchers consist of a hand held model called the Defender I, a longer version called the Defender II, a revolving shotgun launcher called the RSG-20 and the Military Peace Keeper, or MPK version, that combines lethal and less lethal technologies in one launcher. The launchers fire 5 rounds. The five types of munitions developed for use by the launchers, as well as certain conventional weapons, consist of sock rounds, WASP synthetic rounds, distractionary rounds, liquid incapacitant rounds, and training rounds.

Our market is primarily comprised of military forces and law enforcement organizations in Canada and the United States. In Canada, our products are primarily sold to distributors who distribute its products to end users on an exclusive basis. We have been granted a Canadian Business Firearms License, which allows the company to manufacture, repair, store, import, export and sell its proprietary products.

Our products are sold in the United States through a network of distributors. Our munitions have been approved by the Joint Less-lethal Weapons program in the United States. The program was established in order to provide certain personnel with a variety of non-lethal weapons products. In furtherance of the marketing and sales of our products, we have been assigned a NATO Commercial and Government Entity Code which enables us to sell military supplies to NATO member countries.

Our Products

Launchers

We have developed four proprietary projectile launchers. Each of the launchers is compatible with our line of proprietary less lethal munitions including the WASP composite rounds, sock rounds, training rounds, distractionary rounds and liquid incapacitant rounds. The four launchers fire 5 rounds. The ability of an operator to fire more than a single round provides greater security in hostile situations.

1. Defender I: The Defender I is our standard launcher product. The launcher fires munitions from a cylinder that holds five rounds. The launcher is a compact and lightweight product that fires 20 gauge rounds.
2. Defender II: The Defender II is a longer version than the Defender I and also fires munitions from a cylinder that holds 5 rounds. The launcher fires 20 gauge rounds and has a longer barrel which provides for improved accuracy and greater effectiveness at longer ranges.
3. RSG-20: The RSG-20 is a revolving shotgun version developed for the United States market and designed to fire five 20 gauge cartridges.
4. Military Peace Keeper: The MPK version combines lethal and less lethal technologies in one launcher and fires five rounds. The launcher is lightweight and contains a laser system for increased accuracy.

Munitions

We manufacture six types of proprietary munitions used by the launchers. Each of the munitions is made in 20 gauge, 12 gauge, 37mm and 40mm and 50 calibre sizes. In addition, our munitions are compatible with other 20

gauge, 12 gauge, 37mm, 40mm and 50 calibre conventional weapons delivery systems. The munitions are designed to ensure the safety of the operator and incapacitate rather than kill an opponent.

WASP Composite Rounds

The WASP round is our most technologically advanced product. The round consists of a projectile made from a rubber composite material that does not harden in colder climates and possesses energy dissipation attributes, resulting in a safer and more accurate projectile. The composite material allows it to be used in temperatures ranging from minus 50 degrees Celsius to 100 degrees Celsius. The chemical composition of the projectile dissipates energy upon impact, thus inflicting a level of force that is sufficient to temporarily incapacitate but not kill the intended opponent. The projectile is patent pending in Canada and the United States. The projectile was developed in partnership with the University of Western Ontario. The University of Western Ontario granted us an exclusive world-wide license to the technology pursuant to a license agreement dated January 30, 2005. The license agreement is effective for the term the patent rights are protected, subject to certain conditions. In consideration for the grant of license, we ve agreed to pay all out-of-pocket expenses incurred by the University of Western Ontario, assume responsibility for future patent prosecution and rights and pay the University a royalty commencing on April 1, 2006 of three percent of revenue directly attributable to the projectile. The royalty is subject to minimum royalty obligations of $5,000 per year for each of the second and third years following the entry into the license agreement, $10,000 per year for the fourth to sixth years, and $20,000 thereafter.

Sock Rounds

The sock round fires a pouch or beanbag projectile filled with lead pellets. Each sock round contains a proprietary tail attached to the end of the round which stabilizes the round for increased accuracy. The composition of the projectile allows for the dissipation of energy upon impact which reduces the chances of injury of the intended target. The projectile is intended to be aimed at the abdomen and hits the intended target with sufficient force to knock the opponent down, but generally not enough to cause permanent injury.

Distractionary Rounds

The distractionary round is an alternative to conventional stun grenades and provides a bright flash combined with a 135 decibel noise, used to disorient and temporarily blind opponents without causing permanent damage.

Liquid Incapacitant Rounds

Incapacitant rounds fire either a liquid or powder form of pepper spray designed to temporarily blind and incapacitate opponents without the need for officer contact. Firing the incapacitant rounds from a launcher provides greater safety to the operator and provides more range than traditional spray delivery methods.

Training Rounds

Training rounds are non-lethal munitions used by military and law enforcement organizations to carry out training exercises amongst themselves in preparation for hostile or combat situations.

Additional Products

We manufacture and distribute products in addition to launchers and munitions, including the Specialized Mobil Armed Robot Technology System or SMART System which combines the Defender launcher technology with an integrated human-robot interface control platform. The SMART System is designed to deliver less lethal, lethal and chemical weapon systems. Communication is facilitated by a 360 degree camera and a proprietary sighting system mounted to the robotic platform. The product can also be customized in accordance with the requirements of the end-user.

Employees

As at April 28, 2006, we have 4 full-time employees and 2 part-time employees.

Research and Development

For the fiscal year ended December 31, 2005 we expended approximately $50,703.00 on research and development activities.

Competition

The primary competitive factors in the demand for less lethal products by military forces and law enforcement organizations include a weapon s cost, effectiveness and ease of use. There are several established competitors offering less lethal products that directly complete with our company s products, some of which are substantially more established than our company. In addition, there are several small companies that are expected to launch similar products into the marketplace in the near future.

Taser International, Inc. and Armor Holdings, Inc. are two established companies offering similar products to our company. Armor Holdings offers impact weapons and pepper spray based products. The company also sells less lethal munitions for weapons such as the 12 gauge and 40mm as well as a full line of distraction devices and chemical weapons. Such products are sold throughout the world. Taser International offers a line of devices that use compressed nitrogen to shoot small electrified probes up to a maximum distance of 25 feet. Our management, however, is not aware of any competitor doing business in our target market that offers an entire product line comparable to our products.

In addition to several large publicly traded companies, there are also several smaller privately held companies that our company competes with for market share, including ALS Technologies and MK Ballistic Systems.

ALS Technologies manufactures less lethal munitions that fit weapons from 12 gauge shotguns to 40mm grenade launchers. ALS Technologies produces a line of munitions for use in their own proprietary air launchers. The company sells through a network of seven distributors and have approximately 25 sales representatives in North America. MK Ballistic Systems sells less lethal munitions that are used in certain weapons, such as the 12 gauge and 37mm weapons and offers a line of distraction devices.

Regulation

In Canada, our launcher products are considered a firearm and are regulated under federal law. The federal government has granted 1476246 Ontario a Canadian Business Firearm License which permits our company to manufacture, repair, store, import, export and sell our proprietary products. In addition, in Canada we must also be registered under, and be in compliance with, the Controlled Goods Program which sets requirement for possession/storage and transport of our products. Our operating subsidiary is registered with the Controlled Goods Program in accordance with the Defence Production Act.

In the US, the manufacture, sale and purchase of firearms are subject to extensive federal governmental regulation. The basic federal laws are the National Firearms Act and the Federal Firearms Act, which were originally enacted in the 1930s and which have been amended from time to time, and the Gun Control Act of 1968. Federal laws generally place certain restrictions on the interstate sale of firearms unless certain licenses are obtained. The Defender Series of products are considered to be a firearm by the United States Bureau of Alcohol, Tobacco, Firearms and Explosives. Therefore, all firearms-related regulations apply to the sale and distribution of our devices within the United States.

In addition, we are subject to ITAR, the International Trade and Arms Regulations.

We believe that existing federal regulations regarding firearms and ammunition will not have a material adverse effect on sales of our products. However, there can be no assurance that federal, state, local or foreign regulation of

firearms and/or ammunition will not become more restrictive in the future and that any such development would not have a material adverse effect on our business whether directly or by placing additional burdens on those who distribute and sell our products.

Foreign Regulation

Foreign regulations which may affect the sale of our products are numerous and unclear. We prefer to work with foreign distributors who are familiar with the applicable import regulations of their jurisdiction and who are in a position to acquire the necessary approvals to sell our company s products in the specified jurisdictions.

Raw Materials And Principal Suppliers

The principal components of our products are readily available from a variety of sources. The prices for these components are subject to market forces largely beyond our control. The prices for these components have varied in the past and may vary significantly in the future. The WASP synthetic round is made from a proprietary rubber compound. The aluminium for our launchers is readily available from a number of local sources.

Compliance With Environmental Laws

To our knowledge, neither the production nor the sale of our products constitute activities or generate materials, in a material manner, that require compliance with federal, state or local environmental laws in any jurisdiction of our operation.

Intellectual Property

We currently protect our intellectual property with a variety of trademarks and trade secrets. In Canada and the United States, Lamperd has applied for a patent of the underlying technology used in its WASP composite round, which patent is currently pending. The patent application was filed by the University of Western Ontario under United States Provisional Patent Application No. 60/507,491.

The following names are trademarks of 1476246 Ontario: Lamperd Less Lethal, Defender I, Defender II, Enforcer Suit I, Enforcer Suit II and Pinetree Law Enforcement.

Our company owns and operates the duly registered internet domain name: www.lamperdlesslethal.com. The information contained in our company s website is not part of this annual report.

RISK FACTORS

Much of the information included in this current report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other "forward looking statements" involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward looking statements".

Risks Related To Our Business

We operate in a highly-competitive industry and our failure to compete effectively may adversely affect our ability to generate revenue.

Management is aware of similar products which compete directly with our products and some of the companies developing these products have significantly greater financial, technical and marketing resources, larger distribution networks, and generate greater revenue and have greater name recognition than us. These companies may develop products superior to those of our company. Such competition will potentially affect our chances of achieving profitability, and ultimately adversely affect our ability to continue as a going concern. Some of our competitors conduct more extensive promotional activities and offer lower prices to customers than we do, which could allow them to gain greater market share or prevent us from increasing our market share. In the future, we may need to decrease our prices if our competitors continue to lower their prices. Our competitors may be able to respond more quickly to new or changing opportunities, technologies and customer requirements. To be successful, we must carry out our business plan, establish and strengthen our brand awareness through marketing, effectively differentiate our product line from those of our competitors and build our distribution network. To achieve this we may have to substantially increase marketing and research and development in order to compete effectively. Such competition will potentially affect our chances of achieving profitability, and ultimately adversely affect our ability to continue as a going concern.

Rapid technological changes in our industry could render our products non-competitive or obsolete and consequently affect our ability to generate revenues.

Currently, we derive substantially all of our revenues from the sale of civil defence products and related products using less lethal alternatives to conventional weapons, including launchers and munitions. Such products are characterised and affected by rapid technological change, evolving industry standards and regulations and changing client preferences. Our success will depend, in significant part, upon our ability to make timely and cost-effective enhancements and additions to our technology and to introduce new products and services that meet customer demands. We expect new products and services to be developed and introduced by other companies that compete with our products and services. The proliferation of new and established companies offering less lethal alternative products may reduce demand for our particular products. There can be no assurance that we will be successful in responding to these or other technological changes, to evolving industry standards or regulations or to new products and services offered by our current and future competitors. In addition, we may not have access to sufficient capital for our research and development needs in order to develop new products and services.

We could lose our competitive advantages if we are not able to protect our proprietary technology and intellectual property rights against infringement, and any related litigation could be time-consuming and costly.

Our success and ability to compete depends in part on our proprietary technology incorporated in our products. If any of our competitors copy or otherwise gain access to our proprietary technology or develop similar technologies independently, we would not be able to compete as effectively. We consider our technologies invaluable to our ability to continue to develop and maintain the goodwill and recognition associated with our brand. The measures we take to protect our technologies, and other intellectual property rights, which presently are based upon registered trade marks in addition to trade secrets, may not be adequate to prevent their unauthorized use. Although we rely, in part, on contractual provisions to protect our trade secrets and proprietary know-how, there is no assurance that these agreements will not be breached, that we would have adequate remedies for any breach or that our trade secrets will not otherwise become known or be independently developed by competitors. Further, the laws of foreign countries may provide inadequate protection of intellectual property rights. We may need to bring legal claims to enforce or protect our intellectual property rights. Any litigation, whether successful or unsuccessful, could result in substantial costs and a diversion of corporate resources. In addition, notwithstanding any rights we have secured to our intellectual property, other persons may bring claims against us claiming that we have infringed on their intellectual property rights, including claims that our intellectual property rights are not valid. Adverse determinations in litigation in which we may become involved could subject us to significant liabilities to third parties, require us to grant licenses to or seek licenses from third parties and prevent us from manufacturing and selling our products. Any claims against us, with or without merit, could be time-consuming and costly to defend or litigate, divert our attention and resources, result in the loss of goodwill associated with our trademarks or require us

to make changes to our technologies. Furthermore, we cannot assure you that any pending patent application made by us will result in an issued patent, or that, if a patent is issued, it will provide meaningful protection against competitors or competitor technologies.

We may not be able to hire and retain qualified personnel to support our growth and if we are unable to retain or hire such personnel in the future, our ability to improve our products and implement our business objectives could be adversely effected.

To continue our growth, we will need to recruit additional senior management personnel, including persons with financial and sales experience. In addition, we must hire, train and retain a significant number of other skilled personnel, including persons with experience in less lethal munitions engineering and manufacturing. We have encountered competition for these personnel. We may not be able to find or retain qualified personnel, which will have a material adverse impact on our business.

Our growth could be impaired if we are not able to develop and maintain the relationships we need to implement our international strategy.

Our growth will depend, in large part, on the success of our international distribution strategy. We have limited experience in marketing and selling our products outside of Canada and the United States. We will depend on partnerships and/or joint ventures in international markets to help us build our international operations and distribution networks. We will depend upon international partners to provide marketing and relationship building expertise, and a base of existing customers. If we are unable to develop and maintain these relationships, or to develop additional relationships in other countries, our ability to penetrate, and successfully compete in foreign markets will be adversely affected.

We intend to expand our business internationally, and therefore, we are subject to additional financial and regulatory risks.

Our current and future international operations are and will be subject to various risks, including: foreign import controls (which may be arbitrarily imposed and enforced and which could interrupt our supplies or prohibit customers from purchasing our products); exchange rate fluctuations; the necessity of obtaining government approvals for both new and continuing operations; and legal systems of decrees, laws, taxes, regulations, interpretations and court decisions that we are not familiar with. One component of our strategy is to expand our operations into selected international markets. Foreign countries in which we are actively marketing include the United States and we intend to commence marketing efforts in the United Kingdom in the near future. We, however, may be unable to execute our business model in this market or new markets. Further, foreign providers of competing products and services may have a substantial advantage over us in attracting consumers and businesses in their country due to earlier established businesses in that country, greater knowledge with respect to the cultural differences of consumers and businesses residing in that country and/or their focus on a single market. As a result, we expect to experience higher costs as a percentage of any revenues that we may generate in the future in connection with the development and maintenance of international sales. In pursuing our international expansion strategy, we face several additional risks, including:

- foreign laws and regulations, which may vary country by country, that may impact how we conduct our business;
- higher costs of doing business in foreign countries;
- potential adverse tax consequences if taxing authorities in different jurisdictions worldwide disagree with our interpretation of various tax laws or our determinations as to the income and expenses attributable to specific jurisdictions, which could result in our paying additional taxes, interest and penalties;

- technological differences that vary by marketplace, which we may not be able to support;
- longer payment cycles and foreign currency fluctuations; and

- economic downturns.

We propose to operate in areas where local government policies regarding foreign entities and the regulation of less lethal products are often uncertain. We cannot, therefore, be certain that we are in compliance with, or will be protected by, all relevant local laws and taxes at any given point in time. A subsequent determination that we failed to comply with relevant local laws and taxes could have a material adverse effect on our business, financial condition, results of operations and liquidity. One or more of these factors could adversely affect our future international operations and, consequently, could have a material adverse effect on our business, financial condition, results of operation and liquidity.

Many of our customers have fluctuating budgets, which may cause substantial fluctuations in our results of operations.

The potential customers for our products may include federal, state, municipal, foreign and military, law enforcement and other governmental agencies. Government tax revenues and budgetary constraints, which fluctuate from time to time, can affect budgetary allocations from these customers. Many domestic and foreign government agencies have in the past experienced budget deficits that have led to decreased spending in defence, law enforcement and other military and security areas. Any future revenues that our company may generate may be subject to substantial periodic fluctuations because of these and other factors affecting military, law enforcement and other governmental spending. A reduction of funding for federal, state, municipal, foreign and other governmental agencies could have a material adverse effect on any future revenues that we may generate.

Our WASP synthetic round is costly to compound, and our company may not be able to find other subcontractors who are willing to supply our company with this service.

The WASP synthetic round is made from a proprietary rubber compound and is costly to compound. It may be difficult to find other contractors willing to compound our material. If we are unable to find contractors willing to compound and deliver our material, our revenues will be reduced.

Risks Related To Our Industry

The products we sell are inherently risky and could give rise to product liability and other claims.

The products that we manufacture are typically used in applications and situations that involve a high level of risk of personal injury. Failure to use our products for their intended purposes, failure to use or care for them properly, or their malfunction, or, in some limited circumstances, even correct use of our products, could result in serious bodily injury or death. Given this potential risk of injury, proper maintenance of our products is critical. Our products consist of less lethal products such as launchers, munitions, pepper sprays and distraction devices. The manufacture and sale of less-lethal products may be the subject of product liability claims arising from the design, manufacture or sale of such goods. If these claims are decided against our company and we are founds liable, we may be required to pay substantial damages and our insurance costs, if any, may increase significantly as a result. Also, a significant or extended lawsuit could also divert significant amounts of management s time and energy. We cannot assure you that our insurance coverage, if any, would be sufficient to cover the payment of any potential claim. In addition, we cannot assure you that this or any other insurance coverage will continue to be available or, if available, that we will be able to obtain it at a reasonable cost. Any material uninsured loss could have a material adverse effect on our business, financial condition and results of operations.

We are subject to extensive government regulation, and our failure or inability to comply with these regulations could materially restrict our operations and subject us to substantial penalties.

We are subject to many requirements with respect to the sale in foreign and/or domestic countries of certain of our products. In addition, we are obligated to comply with a variety of federal, state and local regulations, both domestically and abroad, governing certain aspects of our operations and workplace. The inability of our company to comply with such regulations may limit our operations and subject us to substantial penalties and fines.

Risks Related To Our Common Stock

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because our operations have been financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products and continue our current operations. If the stock price declines, there can be no assurance that we can raise additional capital or generate funds from operations sufficient to meet our obligations. We believe the following factors could cause the market price of our common stock to continue to fluctuate widely and could cause our common stock to trade at a price below the price at which you purchase your shares:

- actual or anticipated variations in our quarterly operating results;
- announcements of new services, products, acquisitions or strategic relationships by us or our competitors;
- trends or conditions in the less lethal products industry;
- changes in accounting treatments or principles;
- changes in earnings estimates by securities analysts and in analyst recommendations;
- changes in market valuations of other less lethal product companies; and
- general political, economic, regulatory and market conditions.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, could materially adversely affect the market price of our common stock.

If we issue additional shares in the future, it will result in the dilution of our existing shareholders.

Our certificate of incorporation authorizes the issuance of 1,000,000,000 shares of common stock. Our board of directors has the authority to issue additional shares up to the authorized capital stated in the certificate of incorporation. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to provide additional financing in the future. The issuance of any such shares will result in a reduction of the book value or market price of the outstanding shares of our common stock. If we do issue any such additional shares, such issuance also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change of control of our corporation.

If a market for our common stock does not develop, shareholders may be unable to sell their shares.

There is currently a limited market for our common stock, which trades through the Over-the-Counter Bulletin Board quotation system. Trading of stock through the Over-the-Counter Bulletin Board is frequently thin and highly volatile. There is no assurance that a sufficient market will develop in the stock, in which case it could be difficult for shareholders to sell their stock.

Trading of our stock may be restricted by the Securities and Exchange Commission s penny stock regulations which may limit a stockholder s ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define penny stock to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors . The term accredited investor refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of, our common stock.

The National Association of Securities Dealers Inc., or NASD, has adopted sales practice requirements, which may limit a stockholder s ability to buy and sell our shares.

In addition to the penny stock rules described above, the NASD has adopted rules requiring that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer s financial status, tax status, investment objectives and other information. Under interpretations of these rules, the NASD believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The NASD requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit our shareholders ability to buy and sell our stock and which may have an adverse effect on the market for our shares.

Most of our assets and a majority of our directors and officers are outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.

Although we are organized under the laws of the State of Nevada, our principal executive office is located in Sarnia, Ontario, Canada. Outside the United States, it may be difficult for investors to enforce judgments against us obtained in the United States in any such actions, including actions predicated upon civil liability provisions of federal securities laws. In addition, some of our officers and directors reside outside the United States, and a majority of the assets of these persons and our assets are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against us or such persons judgments predicated upon the liability provisions of the United States securities laws. There is substantial doubt as to the enforceability against us or any of our directors and officers located outside the United States in original actions or in actions of enforcement of judgments of United States courts or liabilities predicated on the civil liability provisions of United States federal securities laws.

Item 2. Description of Property.

Our principal executive offices are located at 1200 Michener Road, Sarnia, Ontario, Canada. The 10,000 square foot space is leased for $6,400 per month for a three year term that commenced on January 1, 2005. We believe that our principal office will be adequate for our needs for the next 2-3 years. In addition to our principal office, we periodically lease a 15 acre property which our company utilizes as a training facility to hold our diverse training programs. The property is leased as required for a fluctuating daily fee.

Item 3. Legal Proceedings.

We know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

Item 4. Submissions of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of our security holders either through solicitation of proxies or otherwise in the fourth quarter of the fiscal year ended December 31, 2005.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

On June 5, 2003, our common stock received approval for quotation on the National Association of Securities Dealers Inc.'s Over-the-Counter Bulletin Board under the name "Sinewire Networks Inc." and under the symbol "SNTW". On March 21, 2005, we changed our name from "Sinewire Networks Inc." to "Lamperd Less Lethal Inc". The name change took effect with the NASD Inc. s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol "LLLI".The following table reflects the high and low bid information for our common stock for each fiscal quarter during the fiscal years ended December 31, 2004 and 2005. The bid information was obtained from Stockwatch and reflects inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

Quarter Ended[(1)]	**High**	**Low**
March 31, 2004	0.01	0.01
June 30, 2004	0.01	0.01
September 30, 2004	0.01	0.01
December 31, 2004	0.01	0.01
March 31, 2005	1.30	0.985
June 30, 2005	4.56	1.25
September 30, 2005	1.99	0.47
December 31, 2005	1.07	0.36

[(1)] Our common stock received approval for quotation on June 5, 2003. The first trade occurred March 31, 2005.

On April 28, 2006, the closing price for the common stock as reported by the quotation service operated by the OTC Bulletin Board was $0.30.

As of April 28, 2006, there were 31 holders of record of our common stock. As of such date, 50,500,000 common shares were issued and outstanding.

Our common shares are issued in registered form. The Nevada Agency and Trust Company, 50 Liberty Street, Suite 880, Reno, Nevada 89501 (Telephone: 775.322.0626; Facsimile 775.322.5623) is the registrar and transfer agent for our common shares. We have no other classes of securities.

Dividend Policy

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

Recent Sales of Unregistered Securities

On March 18, 2005, the Company (formerly known as Sinewire Networks Inc.) entered into a reverse acquisition transaction (transaction) with privately held 1476246 Ontario Limited (1476246), an Ontario corporation. The transaction was effected pursuant to a Share Exchange Agreement dated March 18, 2005 (the Agreement). Prior to the reverse takeover transaction 1476246 issued 99,996,000 common shares for nominal consideration. In accordance with the Agreement the Company acquired all 100,000,000 issued and outstanding common stock of 1476246 in exchange for the issuance by the Company of 26,000,000 shares of common stock to the shareholders of 1476246. Under the agreement, one share of the Company was issued for every 3.8461538 common stock of 1476246. As a result, 1476246 legally became a wholly owned subsidiary of the Company and the former shareholders of 1476246 hold greater than 50% of the Company s outstanding shares. Under the Agreement and as a result of the forward stock split, 44,516,000 outstanding common shares of the Company were exchanged for 222,580,000 common shares, 199,580,000 common shares of the Company were surrendered immediately for cancellation without consideration.

On April 13, 2005, we sold 1,500,000 units at a price of US $1.00 per unit for an aggregate purchase price of US$1,500,000 to one non-U.S. investor relying on the exemption from the registration requirements of the Securities Act of 1933 provided by Regulation S promulgated there under. Each unit was exercisable into one common share and two common share purchase warrants. Each common share purchase warrant was immediately exercisable and entitles the holder to purchase one common share for a period of 24 months commencing from April 14, 2005. The warrants are exercisable at a price per share of US $1.25 for twelve months following April 14, 2005, and at US$1.40 thereafter.

On March 2, 2006, we issued an aggregate of 500,000 shares to two individuals in an offshore transaction for which we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Regulation S promulgated there under.

Equity Compensation Plan Information

We currently do not have any stock option or equity plans.

Item 6. Management s Discussion and Analysis or Plan of Operation.

Overview

You should read the following discussion of our financial condition and results of operations together with the consolidated audited financial statements and the notes to consolidated audited financial statements included elsewhere in this filing prepared in accordance with accounting principles generally accepted in the United States.

Our financial statements are stated in Canadian Dollars unless other wise stated and are prepared in accordance with United States Generally Accepted Accounting Principles. All financial information contained herein is in Canadian Dollars unless otherwise stated.

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements.

General Explanation of Comparative Periods

The acquisition of 1476246 Ontario Limited was accounted for using the purchase method of accounting as applicable to reverse acquisitions because the former stockholders of 1476246 Ontario Limited controlled a majority of our shares of common stock immediately upon conclusion of the transaction and the continuing business is that of 1476246 Ontario Limited. Under reverse acquisition accounting, the post-acquisition entity is accounted for as a recapitalization of 1476246 Ontario Limited. After completion of the acquisition we changed our name to Lamperd Less Lethal Inc. to effect our newly acquired business.

The previous audited financial statements of Sinewire Networks Inc. for the fiscal periods ended December 31, 2004 and 2003 were included in our annual report on Form 10-KSB, filed with the Securities and Exchange Commission on April 7, 2005. Prior to the share exchange with 1476246 Ontario Limited, Sinewire Networks Inc. (the inactive public company) was not operating, had minimal assets and liabilities and had minimal revenue from its inception through the date of its reorganization on April 14, 2005.

Plan of Operation

Results of Operations

Year Ended December 31, 2005 compared with year ended December 31, 2004

We posted losses of $1,099,668 for the year ended December 31, 2005 compared to losses of $1,004 for the year ended December 31, 2004, and losses of $1,100,672 since inception to December 31, 2005. The principal component of the loss was for general and administrative expenses.

Operating expenses for the year ended December 31, 2005 were $1,118,838 compared to $1,004 for the year ended December 31, 2004.

Financial Condition, Liquidity and Capital Resources

Cash used in operating activities was $1,125,601. Cash of $269,025 was also used in the purchase of property ,plant and equipment. There was a net cash flow of $1,767,908 from financing activities which was mostly derived from proceeds from a private placement.

From inception on October 4, 2001 to April 13, 2005, the Company was engaged as a start-up wireless internet service provider. Since April 14, 2005, the Company has been engaged in the business of developing and manufacturing of civil defence products that are designed as a less lethal alternative to conventional weapons. Our principal capital resources have been acquired through the issuance of common stock.

Year Ended December 31, 2005 compared with year ended December 31, 2004

At December 31, 2005, we had a working capital surplus of $140,349 compared to working capital deficit of $964 at December 31, 2004.

At December 31, 2005, we had assets of $926,765 compared to our assets at December 31, 2004 of $nil.

At December 31, 2005, our total liabilities were $481,101 compared to our liabilities of $964 as at December 31, 2004.

At December 31, 2005 we have cash and cash equivalents on hand of $310,610 compared to cash on hand of $nil as at December 31, 2004.

While we expect to meet our financial obligations as they come due, the continuation of our business is dependent upon obtaining further financing, a successful program of acquisition and development, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations.

We have no long-term debt as at December 31, 2005.

Product Research and Development

We anticipate that we will expend $72,000 on research and development over the twelve months ending December 31, 2006.

Purchase of Significant Equipment

Over the twelve months ending December 31, 2006, we intend to purchase one investment casting machine with an installed cost of approximately $500,000, two filling machines for ammunition production at a cost of approximately $80,000 each and one die cutting machine at a cost of approximately $20,000.

Employees

As at March 31, 2006, we have 5 full-time employees and 2 part-time employees. Of those employees, none are covered by collective bargaining agreements.

Going Concern

Due to our being a development stage company and not having generated significant revenues, in the consolidated financial statements for the year ended December 31, 2005, our independent auditor included in their Report to Shareholders dated May 31, 2006 an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our consolidated financial statements contain additional note disclosures describing the circumstances that lead to this disclosure.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Related Party Transaction

During 2005 the Company entered into various transactions with related parties. For a complete description see the financial statements.

The Company entered into an asset purchase agreement with Pinetree Law Enforcement Products of Canada Limited (Pinetree) on January 1, 2005 to acquire certain assets of Pinetree in exchange for assumption of liabilities and note payable. At the time of the agreement, a Director and Vice President of the Company was owed $102,400 by Pinetree which was paid in full on April 22, 2005 when the Company retired the note payable. No amounts are owed to the related party at December 31, 2005.

A company controlled by a Director and Vice President of the Company is the primary subcontractor of parts for the Company s weapon launcher systems. The Company paid this corporation $149,413 in 2005 for the manufacturing of various components, and purchases for the Company.

The company rents premises from a corporation controlled by a Director and Vice President of the Company.

Recently Issued Accounting Standards
In September 2005, the Financial Accounting Standards Board (FASB) ratified the following consensus reached in EITF Issue 05-8 (Income Tax Consequences of Issuing Convertible Debt with a Beneficial Conversion Feature):

a. The issuance of convertible debt with a beneficial conversion feature results in a basis difference in applying FASB Statement of Financial Accounting Standards SFAS No. 109, Accounting for Income Taxes. Recognition of such a feature effectively creates a debt instrument and a separate equity instrument for book purposes; where as the convertible debt is treated entirely as a debt instrument for income tax purposes.
b. The resulting basis difference should be deemed a temporary difference because it will result in a taxable amount when the recorded amount of the liability is recovered or settled.
c. Recognition of deferred taxes for the temporary difference should be reported as an adjustment to additional paid-in capital.

The foregoing consensus is effective in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted. The effect of applying the consensus should be accounted for retroactively to all debt instruments containing a beneficial conversion feature that are subject to EITF Issue 00-27, *Application of Issue No. 98-5 to Certain Convertible Debt Instruments* (and thus applicable to debt instruments converted or extinguished in prior periods but which are still presented in the financial statements). The Company has not completed an evaluation of the impact of the pronouncement.

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections (SFAS No. 154) which supersedes ALB Opinion No. 20, Accounting Changes and SFAS No. 3 Reporting Accounting Changes in Interim Financial Statements . The statement requires the retroactive application to prior periods financial statements of changes in accounting principles, unless it is impractical to determine either the period of specific effects or the cumulative effect of the change.

SFAS 154 does not change the guidance for reporting the correction of an error in previously issued financial statements or the change in accounting estimate. SAFS No 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not believe SFAS No. 154 will have a significant impact on its consolidated financial position or results of operations.

In December 2004, the FASB issued Statement No. 123®, *Share-Based Payments,* which will require compensation costs related to share-based payment transactions to be recognized in the financial statements. As permitted by the predecessor Statement No. 123, the Company does not recognize compensation expense with respect to stock options issued because the option price was no greater than the market price at the time the option was issued. Statement 123 ® will be effective in the fiscal quarter beginning January 1, 2006. The Company has not completed an evaluation of the impact of adopting Statements 123 ®.

In December 2004, the FASB issued SFAS No. 153 *Exchanges of Non-monetary Assets-amendment Of APB Opinion No 29* . Statement 153 eliminates the exception to fair value for exchange of similar productive assets and replaces it with a general exception for exchange transactions that do not have commercial substance, defined as transactions that are not expected to result in significant changes in the cash flows of the reporting entity. This statement is effective for exchanges of non-monetary assets occurring after June 15, 2005. The Company has adopted this Statement in fiscal 2005.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our consolidated financial statements is critical to an understanding of our financials.

We incurred losses in our first year of business in 2005 of $1,099,668. Because of this loss we will require additional working capital to develop our business operations.

We intend to raise additional working capital through private placements, public offerings and/or bank financing. As at our year end, we were in discussions with several investors, however no definitive agreements have been reached.

There are no assurances that we will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. If adequate working capital is not available we may not increase our operations.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Item 7. Financial Statements.

Our financial statements are stated in Canadian dollars unless otherwise stated and are prepared in accordance with United States Generally Accepted Accounting Principles.

The following consolidated financial statements are filed as part of this annual report:

Independent Auditor's Report, dated May 31, 2006

Consolidated Balance Sheets as at December 31, 2005 and December 2004

Consolidated Statements of Operations for the years ended December 31, 2005 and December 31, 2004

Consolidated Statements of Changes in Stockholders' Equity (Deficiency) for the years ended December 31, 2005, December 31, 2004

Consolidated Statements of Cash Flows for the years ended December 31, 2005 and December 31, 2004

Notes to the Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED AUDITORS

To the Stockholders of

Lamperd Less Lethal Inc.

We have audited the accompanying consolidated balance sheets of Lamperd Less Lethal Inc. as of December 31, 2005 and December 31, 2004, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years ended December 31, 2005 and December 31, 2004. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Pubic Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lamperd Less Lethal Inc. at December 31, 2005 and December 31, 2004, and the results of its operations and its cash flows for the years ended December 31, 2005 and December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company sustained an operating loss of $1,099,668 for the year ended December 31, 2005, and had an accumulated deficit of $1,224,101 at December 31, 2005. As described in note 1, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Toronto, Ontario /s/ Mintz & Partners LLP

May 31, 2006 Chartered Accountants

LAMPERD LESS LETHAL INC.

(Formerly Sinewire Networks Inc.)

CONSOLIDATED BALANCE SHEETS

(Canadian Funds)

As at December 31

		2005		2004
ASSETS				
CURRENT				
Cash and cash equivalents (Note 3)	$	310,610	$	-
Accounts receivable		17,928		-
Inventories (Note 4)		181,613		-
Sundry		111,299		-
		621,450		-
PROPERTY, PLANT AND EQUIPMENT (Note 5)		271,381		-
INTANGIBLES (Note 6)		33,934		-
	$	926,765	$	-
LIABILITIES				
CURRENT				
Bank indebtedness	$	-	$	964
Accounts payable		76,602		-
Accrued liabilities (Note 9)		404,499		-
		481,101		964
CONTINGENCIES AND COMMITMENTS (Note 8)				
STOCKHOLDERS EQUITY (DEFICIENCY)				
CAPITAL STOCK (Note 18)				
AUTHORIZED				
1,000,000,000 Common shares, $0.001 (USD) per share par value				
ISSUED				
50,500,000 Common shares (4,000 2004)		62,416		40
Additional paid-in capital		1,607,349		-
Deficit		(1,224,101)		(1,004)
		445,664		(964)
	$	926,765	$	-

See accompanying notes to the consolidated financial statements

LAMPERD LESS LETHAL INC.

(Formerly Sinewire Networks Inc.)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

(Canadian Funds)

For the years ended December 31, 2005 and 2004

	Number of Common Shares	Common Shares	Additional Paid-in Capital	Deficit	Total Stockholders Equity
Balance January 1, 2004	4,000	$ 40	$ -	$ -	$ 40
Net loss for the year				(1,004)	(1,004)
Balance December 31, 2004	4,000	$ 40	$ -	(1,004)	$ (964)
Shares issued for a nominal value	99,996,000	100	-	-	100
Balance immediately before the reverse acquisition transaction	100,000,000	140	-	(1,004)	(864)
Effect of share exchange	(100,000,000)	(140)	-	140	-
Shares issued pursuant to the share exchange agreement	26,000,000	32,099		(32,099)	
Effect of share exchange and forward stock split	222,580,000	28,465	-	(28,465)	-
Return to treasury April 15, 2005	(199,580,000)	-	-	-	-
Proceeds of Private Placement (Note 18 (b))	1,500,000	1,852	1,869,420	-	1,871,272
Share issue costs (Note 9)	-	-	(262,071)	-	(262,071)
Excess of acquisition costs over carrying value of net assets acquired (Note 14)	-	-	-	(63,005)	(63,005)
Loss for the year	-	-	-	(1,099,668)	(1,099,668)
	50,500,000	$ 62,416	$ 1,607,349	$ (1,224,101)	$ 445,664

Balance December 31, 2005

See accompanying notes to consolidated financial statements

LAMPERD LESS LETHAL INC.

(Formerly Sinewire Networks Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS

(Canadian Funds)

For the years ended December 31

		2005		**2004**
REVENUE	$	282,385	$	-
COST OF GOODS SOLD		276,310		-
GROSS MARGIN		6,075		-
EXPENSES				
Selling, general and administrative		1,039,902		1,004
Research and development		50,703		-
Amortization		28,233		-
		1,118,838		1,004
LOSS FROM OPERATIONS		(1,112,763)		(1,004)
Interest Income		13,095		-
LOSS FOR THE YEAR	$	(1,099,668)	$	(1,004)
LOSS PER SHARE (Note 2(n))	$	(0.02)	$	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON				
SHARES OUTSTANDING (Note 2(n))		50,204,110		49,000,000

See accompanying notes to consolidated financial statements

LAMPERD LESS LETHAL INC.

(Formerly Sinewire Networks Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian Funds)

For the years ended December 31

		2005		2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(1,099,668)	$	(1,004)
Items not affecting cash:				
Amortization		28,233		-
Foreign exchange loss		33,247		-
		(1,038,188)		(1,004)
Changes in non-cash operating assets and liabilities:				-
Increase in accounts receivable		(17,928)		-
Increase in inventories		(181,613)		-
Increase in sundry assets		(111,299)		-
Increase in accounts payable and accrued liabilities		160,755		-
		(150,085)		-
		(1,188,273)		(1,004)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(269,025)		-
		(269,025)		-
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of bank indebtedness		(964)		964
Repayment of acquisition note payable (Note 14)		(102,400)		-
Proceeds of private placement (Note 18)		1,871,272		-
		1,767,908		964
CHANGE IN CASH AND CASH EQUIVALENTS		310,610		(40)
CASH AND CASH EQUIVALENTS, beginning of year		-		40
CASH AND CASH EQUIVALENTS, end of year	$	310,610	$	-

Supplemental information see Note 17
See accompanying notes to consolidated financial statements

LAMPERD LESS LETHAL INC.

(Formerly Sinewire Networks Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Canadian Funds)

December 31, 2005 and 2004

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Lamperd Less Lethal Inc. (Lamperd or Company) was incorporated under the laws of the State of Nevada under the name "Sinewire Networks Inc." on October 4, 2001. On March 21, 2005, the Company changed its name to "Lamperd Less Lethal Inc." The name change was recorded by the Secretary of State of the State of Nevada on March 21, 2005, and took effect with the National Association of Securities Dealers Inc. (NASD) Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under the new stock symbol "LLLI".

As described in Note 15, on April 14, 2005, the Company entered into a reverse acquisition with 1476246 Ontario Limited (1476246), a company incorporated pursuant to the laws of Ontario, Canada on November 22, 2001. These consolidated financial statements are a continuation of the operations of 1476246 and the comparative balance sheet and statement of operations presented in these financial statements are of 1476246.

Lamperd is a developer and manufacturer of civil defense products that are designed as a less lethal alternative to conventional weapons. In addition, Lamperd also manufactures shields, service equipment, training gear and accessories primarily designed for use by military and law enforcement organizations. Lamperd also provides less lethal training to police, military and private sector security personnel.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The accompanying consolidated financial statements of the Company include the financial position, results of operations and cash flows of the Company and its wholly owned subsidiary 1476246. These financial statements have been prepared in accordance with the significant accounting policies set out below and in accordance with United States general accepted accounting principles. All inter-company transactions have been eliminated.

GOING CONCERN

These consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles that are applicable to a going concern, meaning that the company will be able to realize it assets and discharge it liabilities in the normal course of operations. Given the operating loss sustained in 2005 and the fact that the Company has not to the date of these consolidated financial statements raised additional financing, the Company s ability to realize its assets and discharge its liabilities depends on continued support from the shareholders raising additional debt or equity. The use of United States generally accepted accounting principles that are applicable to a going concern therefore, may not be appropriate because there is doubt that the Company can operate as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and all highly liquid investments purchased with an original or remaining maturity of three months or less at the date of purchase or are otherwise highly liquid.

(c) REVENUE RECOGNITION

Revenue is recognized and earned when all of the following criteria are met:

- Persuasive evidence of an arrangement exists,
- Delivery has occurred or services have been rendered,
- The price to the buyer is fixed or determinable, and
- Collectibility is reasonably assured.

(d) INVENTORIES

Raw materials are valued at the lower of cost and net realizable value with cost being determined using the first-in, first-out method.

Work in process and finished goods inventories are valued at lower of cost and net realizable value. Work in process include raw materials, labour and factory overhead. The cost of finished goods is determined using the first in, first out method.

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated amortization. The Company amortizes the costs of the property, plant and equipment over their estimated useful lives beginning from the period the property, plant and equipment are put into commercial use. Rates and basis of amortization applied by the Company to write off the cost of the property, plant and equipment over their estimated useful lives using the straight line method are as follows:

Computer, office, and protective and demonstration equipment	4 years
Manufacturing equipment	10 years
Leasehold improvements	over the term of the lease

(f) INTANGIBLES

The intangible assets are comprised of a license, trademarks and patents which is accounted for at cost and amortized based over the life of the agreement to which it pertains, which is 17 years. If the Company determines that there is permanent impairment in the value of the unamortized portion of the intangible assets, as future earnings will not be realized as projected, an appropriate amount of unamortized balance of the intangible assets will be charged to income as an impairment charge at that time.

(g) USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from

these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(h) INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes. Under SFAS No. 109, deferred tax assets and liabilities are determined based on temporary differences between the financial statement and tax bases of assets and liabilities and net operating loss and credit carry forwards, using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. A provision for income tax expense is recognized for income taxes payable for the current period, plus the net changes in deferred tax amounts.

(i) TRANSLATION OF FOREIGN CURRENCIES

In accordance with SFAS No.52, Foreign Currency Translation , these consolidated financial statements are measured using local currency (Canadian dollar) as the functional currency. Assets and liabilities have been translated at current exchange rates and related revenue and expenses have been translated at average monthly exchange rates.

(j) RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred in accordance with SFAS No.2. However, materials and equipment are capitalized and amortized over their useful lives if they have alternative future uses.

Approved Canadian government tax credits are recorded as a reduction of the related expense or cost of the asset acquired. The benefits are recognized when the Company has complied with the terms and conditions of the approved grant program or applicable tax legislation.

(k) SHARE ISSUE COSTS

Incremental costs incurred in respect of raising capital are charged against equity proceeds raised.

(l) COMPREHENSIVE INCOME

Statement of Financial Accounting Standards No. 130 (SFAS 130), Reporting Comprehensive Income, establishes standards for the reporting and display of comprehensive income and its components. For the periods ended December 31, 2005 and 2004, comprehensive income was the same as net earnings.

(m) FINANCIAL INSTRUMENTS

The Company s financial instruments consist of cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted it is management s opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value. See Note 11.

(n) LOSS PER SHARE

Loss per share is calculated on the basis of the weighted average number of common shares outstanding for the year calculated to be 50,204,110 (49,000,000 - 2004).

Dilutive earnings per share considers the dilutive impact of the exercise of outstanding stock options and warrants as if the events had occurred at the beginning of the year, or at the time of issuance, if later. When the effect of computing diluted loss per share is anti-dilutive this information is not provided.

(o) NON MONETARY TRANSACTIONS

In accordance with SFAS 153, transactions that result in the exchange of similar productive assets are valued at fair value with a general exception for exchange transactions that do not have commercial substance, defined as transactions that are not expected to result in significant changes in the cash flows of the reporting entity.

(p) RECENT ACCOUNTING PRONOUNCEMENTS

In September 2005, the Financial Accounting Standards Board (FASB) ratified the following consensus reached in EITF Issue 05-8 (Income Tax Consequences of Issuing Convertible Debt with a Beneficial Conversion Feature):

d. The issuance of convertible debt with a beneficial conversion feature results in a basis difference in applying FASB Statement of Financial Accounting Standards SFAS No. 109, Accounting for Income Taxes. Recognition of such a feature effectively creates a debt instrument and a separate equity instrument for book purposes; where as the convertible debt is treated entirely as a debt instrument for income tax purposes.
e. The resulting basis difference should be deemed a temporary difference because it will result in a taxable amount when the recorded amount of the liability is recovered or settled.
f. Recognition of deferred taxes for the temporary difference should be reported as an adjustment to additional paid-in capital.

The foregoing consensus is effective in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted. The effect of applying the consensus should be accounted for retroactively to all debt instruments containing a beneficial conversion feature that are subject to EITF Issue 00-27, *Application of Issue No. 98-5 to Certain Convertible Debt Instruments* (and thus applicable to debt instruments converted or extinguished in prior periods but which are still presented in the financial statements). The Company has not completed an evaluation of the impact of the pronouncement.

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections (SFAS No. 154) which supersedes ALB Opinion No. 20, Accounting Changes and SFAS No. 3 Reporting Accounting Changes in Interim Financial Statements . The statement requires the retroactive application to prior periods financial statements of changes in accounting principles, unless it is impractical to determine either the period of specific effects or the cumulative effect of the change.

SFAS 154 does not change the guidance for reporting the correction of an error in previously issued financial statements or the change in accounting estimate. SAFS No 154 is effective for

accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not believe SFAS No. 154 will have a significant impact on its consolidated financial position or results of operations.

In December 2004, the FASB issued Statement No. 123®, *Share-Based Payments,* which will require compensation costs related to share-based payment transactions to be recognized in the financial statements. As permitted by the predecessor Statement No. 123, the Company does not recognize compensation expense with respect to stock options issued because the option price was no greater than the market price at the time the option was issued. Statement 123 ® will be effective in the fiscal quarter beginning January 1, 2006. The Company has not completed an evaluation of the impact of adopting Statements 123 ®.

In December 2004, the FASB issued SFAS No. 153 *Exchanges of Non-monetary Assets-amendment Of APB Opinion No 29* . Statement 153 eliminates the exception to fair value for exchange of similar productive assets and replaces it with a general exception for exchange transactions that do not have commercial substance, defined as transactions that are not expected to result in significant changes in the cash flows of the reporting entity. This statement is effective for exchanges of non-monetary assets occurring after June 15, 2005. The Company has adopted this Statement in fiscal 2005.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a cashable guaranteed investment certificate of $110,076 maturing on February 27, 2006 bearing an annual interest rate of 2.45%.

4. INVENTORIES

Consists of:

	2005
Raw materials	$ 72,431
Work in process	50,647
Finished goods	58,535
TOTAL	$ 181,613

5. PROPERTY, PLANT AND EQUIPMENT

Consists of:

	2 0 0 5		
	Cost	Accumulated Amortization	Net Carrying Value
Office Equipment	$ 22,576	$ 5,020	$ 17,556
Manufacturing Equipment (i)	212,258	7,359	204,899
Protective & Demonstration Equipment	31,210	7,414	23,796
Computer Equipment	7,404	1,310	6,094
Leasehold Improvements	24,864	5,828	19,036
TOTAL	$ 298,312	$ 26,931	$ 271,381

(i) Included in manufacturing equipment is $98,223 related to equipment which was not put into commercial use as at December 31, 2005. Accordingly, no amortization has been recorded on this equipment in accordance with the Company s accounting policy in Note 2(e).

6. INTANGIBLES

Consist of:

	2 0 0 5		
	Cost	Accumulated Amortization	Net Carrying Value
License agreement	$ 22,122	$ 1,408	$ 20,714
Trademarks	822	-	822
Patents	12,398	-	12,398
TOTAL	$ 35,342	$ 1,408	$ 33,934

7. SEGMENTED INFORMATION

The Company operates in one segment for North America.

8. CONTINGENCIES AND COMMITMENTS

(a) License Agreement

The company entered into a license agreement with the University of Western Ontario (UWO) which grants the company the exclusive rights to make, have made, use, lease, sell, offer to sell and import UWO invention No. 02-029 known as Less Lethal Ammunitions Projectile (projectile), as well as any trade secrets associated with the projectile. The licence is effective for the period that expires when the last of the terms for which claims under the Licensed Patent Rights expire, unless the agreement is terminated sooner. The agreement is effective as of April 1, 2005. The company has paid an initial licence fee of $5,000. Lamperd has agreed to pay all approved out-of-pocket expenses incurred by UWO, assume responsibility for future patent prosecution and rights and pay UWO a quarterly royalty commencing April 1, 2006 of three percent of revenue directly attributable to the projectile. The royalty is subject to minimum royalty obligations.

The company must pay the difference between the four quarterly royalty payments and the minimum annual royalty within 60 days of any year ending December 31. The required minimum royalty obligations that equal the annual licence fees are as follows:

Year	Minimum Annual Licence Fee
2006	$ 5,000
2007	$ 5,000
2008	$ 10,000
2009	$ 10,000

(b) Operating Leases

The Company is committed to minimum payments under a net operating lease for land and building to 1109630 Ontario Ltd., a company owned by a Director and Vice-President of the Company. The lease expires December 31, 2007. The company has the option to continue the lease on a month-to-month basis thereafter. Future annual minimum lease payments are as follows:

Year	Annual Rent
2006	$ 76,800
2007	$ 76,800

The Company is committed to minimum payments for a vehicle lease ending February 2009. Future annual minimum lease payments are as follows:

Year	Annual Payments
2006	$ 6,696
2007	$ 6,696
2008	$ 6,696
2009	$ 558

(c) Industry Risk

Products manufactured by Lamperd are typically used in applications and situations that involve a high level of risk of personal injury. Failure to use the company s products for their intended purposes could result in serious bodily harm or death. As a result, the manufacture and sale of less-lethal products may be subject to product liability claims arising from the design, manufacture, or sale of such goods. If any such claims are decided against the company, and the company is found liable, substantial payments for damages and increases in the cost insurance coverage may result. Any substantial uninsured loss could have a materially adverse effect on the company s business, financial condition, and results of operations. Management is not aware of any lawsuits ongoing or threatened at this time in regards to products manufactured and sold by the company other than those disclosed in these financial statements.

(d) Business Risk

(i) Canadian Business Firearms License

The Company requires a valid Canadian Business Firearms Licence (CBFL) to possess, manufacture, repair, store, import, export and sell firearms and ammunition as governed by the Canadian Firearms Act. The CBFL for Lamperd is held in the name of the President of the Company. The Company s operations would be materially restricted if the President resigns.

(ii) Distribution Agreements

The Company has an agreement with a major distributor granting that company exclusive rights to distribute the full range of the Company s products throughout Canada. The agreement is

renewable on the first day of each year, by mutual agreement, and cancellable by either party with 120 days written notice. Any contingencies for either party, related to the agreement, are not determinable at this time.

The Company has an agreement with a major supplier as their exclusive manufacturer of OEM products and the development of new products. Any contingencies for either party, related to the agreement, are not determinable at this time.

The Company entered into an agreement, effective August 2, 2005 with a distributor granting the Company exclusive rights to distribute the full range of the Company s products throughout Puerto Rico and the Dominican Republic. The initial term of the agreement is for 90 days following the effective date of the agreement and can be extended by Lamperd after each 30 day period for an additional 30-day period. The agreement entitles the distributor to a 20% commission on baseline prices indicated in the quotations provided by the Company, and a 90% commission on all residual unit sales amounts above the Company s baseline prices. As of the December 31, 2005, no transactions with the distributor have yet taken place.

The company entered into an exclusive agreement effective September 30, 2005 with distributor, a Texas Corporation. The agreement is for distribution, within Canada, of the certain products which are utilized for police and military training. No transactions have yet taken place with Laser Shot Inc as at December 31, 2005.

The Company entered into a Geographic Exclusive Representative Agreement on May 1 2006, with Tactical Operational Support Services Colombia Ltda., (here in referred to as T.O.S.S.) located in Bogota, Columbia. T.O.S.S. minimum annual sales obligation is $200,000.00.

The Company entered into a Geographic Exclusive Distributorship Agreement with Al-Muntaser Trading & Contracting Co. W.L.L.(MTC) in April 2006, to become the distributor for the State of Kuwait for the Company.

In February 2006, the Company entered into a Geographic Exclusive Distributorship Agreement with Asetalo Oy to purchase and sell the Company s products in Finland.

In March 2006, the Company entered into a joint Manufacturing agreement with BWE Firearms in Florida to manufacture a 50 caliber Semi Auto Rifle which will fire the Company s WASP Less Lethal Rounds.

In February 2006, the Company entered into an agreement with CQB to distribute Less Lethal Munitions and products in the US.

9. SHARE ISSUE COSTS

In connection with a private placement as outlined in Note 18, the Company incurred consulting costs. These consulting costs were not finalized until March 2, 2006 and amounted to a cash payment of $58,275 as well as the issuance from treasury of 500,000 common shares of the Company. The common shares were valued at $203,796 representing the fair market value of the shares at date of issue in accordance with United States Generally Accepted Accounting Principles. The total share issue cost payable of $262,071 is included in accrued liabilities. Since the consulting services pertains to a transaction that was concluded in 2005 and was in existence at December 31, 2005, all these costs have been accrued at December 31, 2005 and deducted from proceeds of share issuance and charged against stockholders equity.

10. RELATED PARTY TRANSACTIONS

During 2005 the Company entered into various transactions with related parties as disclosed in note 8 (b), 14, and 16.

As explained in Note 14, the Company entered into an asset purchase agreement with Pinetree Law Enforcement Products of Canada Limited (Pinetree) on January 1, 2005 to acquire certain assets of Pinetree in exchange for assumption of liabilities and note payable. At the time of the agreement, a Director and Vice President of the Company was owed $102,400 by Pinetree which was paid in full on April 22, 2005 when the Company retired the note payable. No amounts are owed to the related party at December 31, 2005.

A company controlled by a Director and Vice President of the Company is the primary subcontractor of parts for the Company s weapon launcher systems. The Company paid this corporation $149,413 in 2005 for the manufacturing of various components, and purchases for the Company. There is no balance owing to this related party at December 31, 2005.

The company rents premises from a corporation controlled by a Director and Vice President of the Company as described in Note 8(b). There is no balance owing to this related party at December 31, 2005.

11. FINANCIAL INSTRUMENTS

(a) Credit Risk

The Company is engaged in the sale of less lethal products, other protective gear, and accessories typically to a small number of major customers, although the composition of this group of customers changes from year to year. The Company performs ongoing credit evaluation of its customers' financial condition and, generally, requires no collateral.

At December 31, 2005, 29% (NIL 2004) of total accounts receivable was due from one customer.

(b) Concentration Risk

A majority of the Company's cash and cash equivalents are with one major Canadian banking institution. Deposits held with this bank may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, bear minimum risk.

(c) Currency Risk

The Company is subject to currency risk through its activities in the United States. Unfavourable changes in the exchange rate may affect the operating results of the Company. At December 31 the Company had USD accounts receivable of $8,309. There were no other foreign currency amounts.

The Company does not actively use derivative instruments to reduce its exposure to foreign currency risk. However, dependant on the nature, amount and timing of foreign currency receipts and payments, the Company may enter into forward exchange contracts to mitigate the associated risks. There were no forward exchange contracts outstanding at December 31, 2005.

(d) Fair Value of Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and liabilities including cash and cash, equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these items.

12. ECONOMIC DEPENDENCE

During the year, two customers represented 92% of revenues.

13. SHARE VOTING AGREEMENT

On March 1, 2005, founding shareholders entered into a share voting agreement with two other shareholders. The voting agreement transfers voting rights of the two shareholders to three founding shareholders. The agreement is valid until the earlier of April 1, 2008, the agreement is terminated by written agreement, dissolution or bankruptcy of the Company, or if the new shareholders cease to hold or own beneficially or of record at least 5% of the voting securities in the capital of the Company.

14. PURCHASE OF ASSETS OF PINETREE LAW ENFORCEMENT PRODUCTS OF CANADA LIMITED

On January 1, 2005, the predecessor company prior to the reverse take over purchased the business assets of Pinetree Law Enforcement Products of Canada Limited (Pinetree), a company owned by the President and director of the Company. As a result this transaction is a related party transaction. The assets were transferred to the Company at their carrying value in Pinetree and the excess price paid has been charged to deficit in accordance with United States generally accepted accounting principles. The details of the transaction are as follows:

Cost of acquisition		
Assumption of accounts payable to the Receiver General of Canada	$	69,546
Debt in the form of note payable		102,400
Total cost of assets acquired		171,946
Carrying value of assets acquired		
Accounts receivable	$	9,112
Inventories		25,407
Manufacturing equipment		16,300
Office equipment		10,000
Computer equipment		1,000
Protective and demonstration equipment		25,000
Intangibles - licence agreement		22,122
Total allocations to Current, Property, plant and equipment and Other Intangible Assets		108,941
Excess of acquisition price over carrying value was charged to deficit	$	63,005

Subsequent to the above transaction, inventory worth $15,500 was written off during the year.

15. REVERSE ACQUISITION OF LAMPERD LESS LETHAL INC. (FORMERLY SINEWIRE NETWORKS INC.)

On March 18, 2005, the Company (formerly known as Sinewire Networks Inc.) entered into a reverse acquisition transaction (transaction) with privately held 1476246 Ontario Limited (1476246), an Ontario corporation. The transaction was effected pursuant to a Share Exchange Agreement dated March 18, 2005 (the Agreement). Prior to the reverse takeover transaction 1476246 issued 99,996,000 common shares for nominal consideration. In accordance with the Agreement the Company acquired all 100,000,000 issued and outstanding common stock of 1476246 in exchange for the issuance by the Company of 26,000,000 shares of common stock to the shareholders of 1476246. Under the agreement, one share of the Company was issued for every 3.8461538 common stock of 1476246. As a result, 1476246 legally became a wholly owned subsidiary of the Company and the former shareholders of 1476246 hold greater than 50% of the Company s outstanding shares. Under the Agreement and as a result of the forward stock split, 44,516,000 outstanding common shares of the Company were exchanged for 222,580,000 common shares, 199,580,000 common shares of the Company were surrendered immediately for cancellation without consideration.

The transaction is recorded as a reverse acquisition in accordance with FAS 141 using the purchase method since the 1476246 stockholders became the controlling stockholders of the Company. Accordingly, the transaction is accounted for as the issuance of stock by 1476246 for the net monetary assets of the Company accompanied by a recapitalization of 1476246 and no goodwill or any other intangible assets are recorded. Prior period results and comparative are those of 1476246.

16. CONSULTING AGREEMENTS

On April 23, 2005, the Company entered into separate consulting agreements with two Directors and Vice Presidents of the Company to provide services for a total of $3,000 each per month. Payments ceased in January 2006 and the reinstatement of the payments is subject to Board review.

17. STATEMENT OF CASH FLOWS

Supplemental information

(i) The company acquired 100,000,000 issued and outstanding common stock of 1476246 in exchange for 26,000,000 shares of the Company (see Note 15)

(ii) The Company acquired $111,959 of assets from Pinetree Law Enforcement Products of Canada Limited in exchange for $69,546 of liabilities it assumed as well as a note payable for $102,400 as explained in Note 14.

18. CAPITAL STOCK

(a) Authorized:

1,000,000,000 voting common shares, par value US $0.001

Issued and outstanding common shares at December 31, 2005 - 50,500,000 (2004 - 4,000)

(b) Private placement of shares and warrants:

The Company issued 1,500,000 units at US $1.00 per unit or $1,871,272 to an investor pursuant to a private placement under a Subscription Agreement dated April 14, 2005. Each unit consists of one common share and two common share purchase warrants of the Company.

The composition and exercise prices of the warrants outstanding at December 31, 2005 (NIL at December 31, 2004) are as follows:

	Number of warrants	Weighted average exercise price	Expiry date
April 14, 2005 Warrants granted	3,000,000	USD $1.25	April 14, 2007 (i)

(i) The warrants are exercisable at a price per share of US $1.25 for twelve months following April 14, 2005, and US$1.40 thereafter. The units issued to the investor were issued with reliance upon an exemption from registration in an offering of securities in an offshore transaction to persons who are not United States persons pursuant to Regulation S under the United States Securities Act of 1933, as amended. No warrants were exercised in 2005.

(c) As consideration for share issue services rendered in 2005, as further explained in Note 9, the Company issued 500,000 common shares on March 2, 2006.

19. Income Taxes

The company files US Federal income tax returns for its US operations. Separate income tax returns are filed for the Canadian subsidiary, 1476246 Ontario Limited. There was no provision for income taxes for the years ended December 31, 2005 and 2004.

The total provision for income taxes differs from that amount which would be computed by applying the income tax rate to income (loss) before provision for income taxes. The reasons for these differences are as follows:

	2005		2004	
	Amount	%	Amount	%
Statutory income tax rate (recovery)	$ (392,000)	(36)	$ -	-
Non- deductible differences and temporary differences	(20,000)	(2)	-	-
Other and valuation allowance adjustment	412,000	38	-	-
Net taxes (recovery) and effective rate	$ -	-	$ -	-

The Company recognizes deferred tax liabilities and assets for the expected future tax

consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities and net operating loss carry-forwards. Temporary differences and carry-forwards, which gives rise to deterred tax assets and liabilities are as follows:

	2005		2004	
	Amount	Tax Effect	Amount	Tax Effect
Net operating losses Canadian Subsidiary	$ 1,154,000	$ 415,000	$ -	$ -
Share issue costs	210,000	75,000	-	-
	1,364,000	490,000	-	-
Less valuation allowance	(1,364,000)	(490,000)	-	-
Net deferred tax asset	-	-	-	-
Net operating losses U.S. Legal Parent	$ 104,000	$ 37,000	$ 110,000	$ 40,000
Less valuation allowance	(104,000)	(37,000)	(110,000)	(40,000)
Net deferred tax asset	-	-	-	-

At December 31 2005, the Company had cumulative net operating loss carry-forward of approximately $1,154,000 for the Canadian subsidiary and $104,000 in the United States for the parent. The Canadian amount will expire in 2015 while the U.S. net operating loss expires in 2021 through 2024. As a result of the reverse acquisition transaction (Note 15), the provisions of Internal Revenue Code Section 382 will apply to the use of the U.S. net operating losses originated before 2005. The deferred tax assets have been completely offset by a valuation allowance. The company has no significant deferred tax liabilities.

Item 8. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.

On July 19, 2005, we engaged Mintz and Partners LLP as our independent accountants to audit our financial statements. Mintz and Partners LLP performed the 2004 audit. Mintz and Partners LLP was not consulted on any matter relating to accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements.

Item 8A. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by the annual report, being December 31, 2005, we have carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our company's management, including our company's president along with our company's secretary. Based upon that evaluation, our company's president along with our company's secretary concluded that our company's disclosure controls and procedures are effective as at the end of the period covered by this report. There have been no changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management including our president and secretary as appropriate, to allow timely decisions regarding required disclosure.

Item 8B. Other Information

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.
DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

As at April 28, 2006, our directors and executive officers, their ages, positions held, and duration of such, are as follows:

Name	Position Held with our Company	Age	Date First Elected or Appointed
Barry Lamperd	President, Chief Executive Officer and Director	58	April 14, 2005
D'arcy David William Bell	Director	52	April 14, 2005
Dominic Dicarlo	Director	57	April 14, 2005
Alexander Purvis Glenn	Director	59	April 14, 2005
Ed Ferguson	Director	58	April 14, 2005

Name	Position Held with our Company	Age	Date First Elected or Appointed
Terry Smith	Director	53	April 14, 2005
Sharon Scott	Chief Operation Officer	52	June 6, 2005
Jeff Kinsella	Chief Financial Officer	50	February 9 2006

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Barry Lamperd

Mr. Lamperd became our President, Chief Executive Officer and Director on April 14, 2005.

In 1989, Mr. Lamperd started Pine Tree Law Enforcement Products, a company focussed on the design, production and manufacture of products for a variety of uses by law enforcement, military and corrections personnel. In January of 2005, Pine Tree Law Enforcement Products was acquired by Lamperd. Upon the acquisition, Mr. Lamperd was appointed president of Lamperd and currently supervises product research and development of the company. Mr. Lamperd is a member of the Police and Military Advisory Board, an organization that sets the training standards for police and military personnel in Canada.

D'arcy David William Bell

Mr. Bell was appointed Vice President and Director on April 14, 2005.

Mr. Bell is a partner with the law firm George Murray Shipley Bell LLP where he has a diverse practice including corporate commercial law. Mr. Bell graduated with a Bachelor of Laws from the University of Windsor.

Dominic Dicarlo

Mr. Dicarlo was appointed Vice President and Director on April 14, 2005.

Mr. Dicarlo is the president of T.R.E.L. Of Sarnia Limited, a machine shop. Mr. Dicarlo graduated from Fanshaw College of London, Ontario in 1969.

Alexander Purvis Glenn

Mr. Glenn was appointed Director on April 14, 2005.

From 1966 to 1991, Mr. Glenn carried out a career with the Royal Canadian Mounted Police. In addition to his formal training obtained during his career with the Royal Canadian Mounted Police, Mr. Glenn was promoted to Non-Commissioned Officer in charge of tactical operations for the Royal Canadian Mounted Police Special Emergency Response Team where he was responsible for counter terrorist and hostage rescue operations for Canada until it was replaced by the Canadian military's Joint Task Force 2. As a Non-Commissioned Officer, Mr. Glenn developed and organized tactical operations programs for the Emergency Response Team, and developed less lethal equipment, firearms policy, firearms programs and body armor selection. During this period, Mr. Glenn received formal terrorist tactical training from: the British Special Air Services, Britain's counter terrorist force; the German Federal Border Group 9, Germany's counter terrorist group GSG9; and the Federal Bureau of Investigations Hostage Rescue Team. Following his career with the Royal Canadian Mounted Police, Mr. Glenn became employed by R. Nicholls Distributors Inc., a private Canadian corporation, where he markets tactical and less lethal products. Currently, Mr. Glenn is a director of R. Nicholls Distributors Inc.

Terry Smith

Mr. Smith was appointed a director on April 14, 2005.

Mr. Smith is the program manager for Monadnock Lifetime Products, Inc., a wholly-owned subsidiary of Armor Holdings, Inc. Armor Holdings, Inc. is a diversified manufacturer of branded products for the military, law enforcement organizations and personnel safety markets and is listed on the New York Stock Exchange. Mr. Smith's duties include the development of curriculum courseware for the Monadnock Defensive Tactics System, Monadnock Expandable Baton and the PR-24-inch side-handle control baton certification programs. Prior to becoming program manager of Monadnock Lifetime Products, Inc., Mr. Smith had a career with the Marion County Sheriff's Department in Indianapolis, Indiana where he was deputy sheriff and a senior training instructor. Mr. Smith holds a Bachelor of Science degree from Indiana University.

Ed Ferguson

Mr. Edward Ferguson was appointed a director on April 14, 2005

Mr. Edward Ferguson is a United States Navy Combat veteran. Between 1990 and 1993, Mr Ferguson independently owned and operated E.L.F., and advertising and marking company. Since 1993, Mr. Ferguson has been associated with Fox Labs International Inc., and in 1997m Mr. Ferguson became the president and 50% shareholder of Fox Labs International Inc.

Sharon Scott

Mrs. Scott Scott was appointed Chief Operation Officer on June 6, 2005.

Mrs. Scott has over 20 years experience in the injection moulding manufacturing industries. Sharon has extensive knowledge in Production Controls, Expanded Bill of Material Costing (BOM), Customer Relations, SPC, FMEA, Control Plans, QS/ISO 9000. Mrs. Scott was the Operation Manager for a Plastic injection Moulding Company in Michigan which supplied production and service parts for two major Automotive Companies. Previous to this position she was Production Manager / Customer Liaison for North American Plastics Inc. a Chrome Plating / Plastics Injection Moulding Corporation in Canada. Mrs. Scott attended Westervelt Business College and Fanshaw College in London, Ontario.

Jeff Kinsella

Mr. Kinsella was appointed Chief Financial Officer on February 9, 2006.

Mr. Kinsella, has an extensive background working with start-up and early stage companies. Most recently, as Manager of Business Growth Services for the Sarnia-Lambton Economic Partnership, he has focused on providing strategic planning and fundraising assistance to emerging companies in a wide range of industries. Prior to this, as founding Executive Director for the London Venture Group, he provided advisory assistance to several companies that successfully raised over $12 million in seed stage and angel investment over a two year period. Previous to this position he was the business counselor at the London Community Small Business Centre, Canada s longest running and most successful business incubator, and held the position of Director of International Marketing and Sales for LH Resource Management Inc, a manufacturer of large scale environmental and farm machinery. Prior to returning to the University of Western Ontario, where he received his MBA from the Ivey School of Business, Mr. Kinsella owned and operated several successful retail and service based enterprises

Committees of the Board

Currently our company has the following committees:

Audit Committee;

Nominating and Corporate Governance Committee; and

Compensation Committee.

The following people make up the Audit Committee: Barry Lamperd, Dominic Dicarlo, and Darcy Bell. The Audit Committee is governed by the Audit Committee Charter adopted by the board of directors on February 9, 2004.

Our Nominating and Corporate Governance Committee is currently made up of all of our directors. The Nominating and Corporate Governance Committee is governed by the Nominating and Corporate Governance Committee Charter adopted by the board of directors on February 9, 2004.

Our Compensation Committee is currently made up of all of our directors. The Compensation Committee is governed by the Compensation Committee Charter adopted by the board of directors on February 9, 2004.

Family Relationships

There are no family relationships between any of our directors or executive officers.

Involvement in Certain Legal Proceedings

Other than as discussed below, none of our directors, executive officers, promoters or control persons have been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);

3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or

4. being found by a court of competent jurisdiction (in a civil action), the 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.

Audit Committee Financial Expert

Our Board of Directors has determined that it does not have a member of its audit committee that qualifies as an audit committee financial expert as defined in Item 401(e) of Regulation S-B, and is independent as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

We believe that the members of our Board of Directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. In addition, we believe that retaining an independent director who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated adequate revenues to date.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended December 31, 2005, all filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with.

Code of Ethics

Effective February 9, 2004, our company's board of directors adopted a Code of Business Conduct and Ethics that applies to, among other persons, our company's president (being our principal executive officer) and our company's chief financial officer (being our principal financial and accounting officer and controller), as well as persons performing similar functions. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

(1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(2) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;

(3) compliance with applicable governmental laws, rules and regulations;

(4) the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and

(5) accountability for adherence to the Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics requires, among other things, that all of our company's personnel shall be accorded full access to our president and corporate secretary, as well as persons performing similar functions, with respect to any matter which may arise relating to the Code of Business Conduct and Ethics. Further, all of our company's personnel are to be accorded full access to our company's board of directors if any such matter involves an alleged breach of the Code of Business Conduct and Ethics by our president or chief financial officer.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal, provincial and state securities laws. Any employee who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to his or her immediate supervisor or to our company's audit committee. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Business Conduct and Ethics by another.

Our Code of Business Conduct and Ethics is incorporated by reference from our Annual Report on Form 10-KSB filed on April 7, 2005. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to: Lamperd Less Lethal, Inc., 1200 Michener Road, Sarnia, Ontario N7T 7H8.

Item 10. Executive Compensation.

The following table summarizes the compensation of our executive officers during the three years ended December 31, 2005, 2004 and 2003. No other officers or directors received annual compensation in excess of $100,000 during the last three fiscal years.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation (US$)	Securities Underlying Options/ SARs Granted	Restricted Shares or Restricted Share Units	LTIP Payouts (US$)	All Other Compen-sation
Barry Lamperd	2005	125,000	Nil	Nil	Nil	Nil	Nil	Nil
President and Chief	2004	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Executive Officer[1]	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hani Zabaneh	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Former President,	2004	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Secretary, Treasurer[2]	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Ward	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Former President and	2004	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Treasurer[3]	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Lamperd was appointed President and Chief Executive Officer on April 14, 2005.

(2) Mr. Zabaneh was appointed Secretary on October 22, 2001 and President and Treasurer on February 25, 2005. Mr. Zabaneh resigned as President, Secretary, Treasurer and Director on April 14, 2005.

(3) Mr. Ward was appointed President and Treasurer on October 22, 2001 and resigned on February 25, 2005

Employment/Consulting Agreements

There is one written employment/consulting agreement between the company and Barry Lamperd, Director and President/CEO.

Long-Term Incentive Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers, except that our directors and executive officers may receive stock options at the discretion of our board of directors. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors.

We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control, where the value of such compensation exceeds $60,000 per executive officer.

Stock Option Plan

Currently, there are no stock option plans in favour of any officers, directors, consultants or employees of our company.

Stock Options/SAR Grants

There were no grants of stock options or stock appreciation rights to any officers, directors, consultants or employees of our company during the fiscal year ended December 31, 2005.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Values

There were no stock options outstanding as at December 31, 2005.

Directors Compensation

We reimburse our directors for expenses incurred in connection with attending board meetings but did not pay director's fees or other cash compensation for services rendered as a director in the year ended December 31, 2005.

We have no present formal plan for compensating our directors for their service in their capacity as directors, although in the future, such directors are expected to receive compensation and options to purchase shares of common stock as awarded by our board of directors or (as to future options) a compensation committee which may be established in the future. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. The board of directors may award special remuneration to any director undertaking any special services on behalf of our company other than services ordinarily required of a director. Other than indicated in this annual report, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments.

Report on Executive Compensation

Our compensation program for our executive officers is administered and reviewed by our board of directors. Historically, executive compensation consists of a combination of base salary and bonuses. Individual compensation levels are designed to reflect individual responsibilities, performance and experience, as well as the performance of our company. The determination of discretionary bonuses is based on various factors, including implementation of our business plan, acquisition of assets, development of corporate opportunities and completion of financing.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth, as at April 28 31, 2006, certain information with respect to the beneficial ownership of our common stock by each shareholder known by us to be the beneficial owner of more than five percent (5%) of our common stock, and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percentage of Class[1]
Barry Lamperd 1041 Brimwood Crescent Sarnia, Ontario N7S 5E8	5,980,000	11.73%
Jeff Kinsella 80 Southwick St. St, Thomas ON N5R 3S7	Nil	Nil
Sharon Scott 2332 Kimball Rd. Courtright N0N 1H0	Nil	Nil
D Arcy David William Bell 1280 Marcin Road Sarnia, Ontario N7V 3J9	5,980,000	11.73%
Dominic Dicarlo 1981 Rainbow Trial Sarnia, Ontario N7T 7H6	2,990,000	5.86%
Alexander Purvis Glenn 7911 Kalview Drive Coldstream, British Columbia V1B 2S3	Nil	Nil
Terry Smith 58 Kennedy Drive Keene, New Hampshire 03431	Nil	Nil
Ed Ferguson 20752 Miles St. S. Clinton Township, Michigan 48036-1948	Nil	Nil
Mercer Investments Inc. [2] 1610 Wesbrook Crescent Vancouver, British Columbia V6T 1W1	2,990,000	5.86%
Bruce Strebinger 338 North Dollarton Highway North Vancouver, British Columbia V7G 1N1	2,990,000	5.86%
Ernie Taglione 2155 Huron Shores Drive Sarnia, Ontario N7V 7H6	2,990,000	5.86%
Directors and Executive Officers as a Group (8 individuals)	*14,950,000 common shares*	*29.32%*

(1) Based on 51,000,000 shares of common stock issued and outstanding as of April 28, 2006. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock subject to options or warrants currently exercisable, or exercisable within 60 days, are deemed outstanding

for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(2) The shares of common stock held by Bruce Strebinger and Mercer Investments Inc. are subject to a voting agreement dated March 18, 2005 (the "Voting Agreement"). Pursuant to the provisions of the Voting Agreement, Bruce Strebinger and Mercer Investments Inc. vested all voting power of all shares beneficially owned in the capital of the Company in favour of Barry Lamperd, D'Arcy David William Bell and Dominic DiCarlo until April 1, 2008.

Cancellation of Shares, Cancelled Debt

None.

Future Changes in Control

We are unaware of any contract or other arrangement, the operation of which may, at a subsequent date, result in a change in control of our company.

Item 12. Certain Relationships and Related Transactions.

Other than as described under the heading "Executive Compensation", or as set forth below, there are no material transactions with any of our directors, officers or control person that have occurred during the last fiscal year.

None of our directors, executive officers, future directors, 5% shareholders, or any members of the immediate families of the foregoing persons have been indebted to us during the last fiscal year or the current fiscal year in an amount exceeding $60,000.

Item 13. Exhibits.

Exhibit	**Description**
3.	***Articles of Incorporation and By-laws:***
3.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2, filed on March 27, 2002).
3.2	Restated Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2, filed on March 27, 2002).
3.3	Bylaws (incorporated by reference from our Registration Statement on Form SB-2, filed on March 27, 2002).
3.4	Certificate of Amendment filed with the Nevada Secretary of State on January 31, 2005. (incorporated by reference from our Current Report on Form 8-K, filed on February 1, 2005).
3.5	Certificate of Amendment filed with the Nevada Secretary of State on March 21, 2005 (incorporated by reference from our Current Report on Form 8-K, filed on March 31, 2005).
10.	**Material Contracts**
10.1	Share Exchange Agreement dated March 18, 2005, among our company under our former name Sinewire Networks Inc., 1476246 Ontario Limited doing business as Lamperd Less Lethal, Patrick Ward, Hani Zabaneh and the principal shareholders as set out in the share exchange agreement (incorporated by reference from our Current Report on Form 8-K, filed on March 31, 2005).
10.2	Employment Agreement dated January 1, 2005 between 1476246 Ontario Limited and Barry Lamperd (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).

10.3	Addendum to Employment Agreement made January 1, 2005 between 1476246 Ontario Limited and Barry Lamperd (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.4	Asset Transfer Agreement dated January 1, 2005 between 1476246 Ontario Limited and Pinetree Law Enforcement Products Ltd. (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.5	License Agreement dated January 20, 2005 between 1476246 Ontario Limited and The University of Western Ontario (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.6	Voting Agreement dated March 1, 2005 between Barry Lamperd, D Arcy Bell, Dominic DiCarlo, Bruce Strebinger, Mercer Investments Inc. and 1476246 Ontario Limited (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.7	Consulting Agreement dated April 23, 2005 between 1476246 Ontario Limited and Dominic DiCarlo (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.8	Consulting Agreement dated April 23, 2005 between 1476246 Ontario Limited and 1476232 Ontario Limited (incorporated by reference from our Current Report on Form 8-K, filed on May 13, 2005).
10.9	Letter of Intent dated Mary 18, 2005 between Lamperd Less Lethal Inc. and Taylor s & Co. Inc. (incorporated by reference from our Current Report on Form 8-K filed on May 27, 2005).
10.10	Geographic Exclusive Commissioned Sales Agent Agreement dated as of August 2, 2005 (incorporated by reference from our Current Report on Form 8-K filed on August 8, 2005).
10.11	Exclusive Distributor Agreement dated September 30, 2005 between Lamperd Less Lethal Inc. and Laser Shot, Inc. (incorporated by reference from our Current Report on Form 8-K field on October 5, 2005).
14.	**Code of Ethics**
14.1	Code of Business Conduct and Ethics (incorporated by reference from our Annual Report on Form 10-KSB, filed on March 30, 2004).
31.	**302 Certification**
31.1*	Section 302 Certification under Sarbanes-Oxley Act of 2002 of Barry Lamperd.
31.2*	Section 302 Certification under Sarbanes-Oxley Act of 2002 of Jeff Kinsella.
32.	**906 Certification**
32.1*	Section 906 Certification under Sarbanes-Oxley Act of 2002 of Barry Lamperd.
32.2*	Section 906 Certification under Sarbanes-Oxley Act of 2002 of Jeff Kinsella.

** Filed herewith*

Item 14. Principal Accountants Fees and Services

Audit Fees

The aggregate fees billed by Mintz & Partners LLP for professional services rendered for the audit of our annual financial statements included in our Annual Report on Form 10-KSB for the fiscal years ended December 31, 2005 and 2004 were $100,500 and $10,700 respectively.

Audit Related Fees

For the fiscal years ended December 31, 2005 and 2004, the aggregate fees billed for assurance and related services by Mintz & Partners LLP which are not reported under the caption Audit Fees above, was $40,125 and $Nil respectively.

Tax Fees

For the fiscal years ended December 31, 2005 and 2004, the aggregate fees billed by Mintz & Partners LLP for other non-audit professional services, other than those services listed above, totalled $Nil and $Nil respectively.

We do not use Mintz & Partners LLP for financial information system design and implementation. These services, which include designing or implementing a system that aggregates source data underlying the financial statements or generates information that is significant to our financial statements, are provided internally or by other service providers. We do not engage Mintz & Partners LLP to provide compliance outsourcing services.

Effective May 6, 2003, the Securities and Exchange Commission adopted rules that require that before Mintz & Partners LLP is engaged by us to render any auditing or permitted non-audit related service, the engagement be:

- approved by our audit committee (which consists of entire Board of Directors); or
- entered into pursuant to pre-approval policies and procedures established by the audit committee, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each service, and such policies and procedures do not include delegation of the audit committee's responsibilities to management.

The audit committee pre-approves all services provided by our independent auditors. The pre-approval process has just been implemented in response to the new rules, and therefore, the audit committee does not have records of what percentage of the above fees were pre-approved. However, all of the above services and fees were reviewed and approved by the audit committee either before or after the respective services were rendered.

The audit committee has considered the nature and amount of fees billed by Mintz & Partners LLP and believes that the provision of services for activities unrelated to the audit is compatible with maintaining Mintz & Partners LLP's independence.

SIGNATURES

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

LAMPERD LESS LETHAL INC.

By: /s/ Barry Lamperd

Barry Lamperd, President and Chief Executive Officer
(Principal Executive Officer)

Date: May 31, 2006

By: /s/ Jeff Kinsella

Jeff Kinsella, Chief Financial Officer

(Principal Financing Officer and

Principal Accounting Officer)

Date: May 31, 2006

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.

Signature	Title	Date
/s/ Barry Lamperd Barry Lamperd	President, Chief Executive Officer and Director	May 31, 2006
/s/ Jeff Kinsella Jeff Kinsella	Chief Financial Officer	May 31, 2006

/s/ D arcy David William Bell

D arcy David William Bell	Director	May 31, 2006
/s/ Dominic Dicarlo Dominic Dicarlo	Director	May 31, 2006
/s/ Alexander Purvis Glenn Alexander Purvis Glenn	Director	May 31, 2006

/s/ Ed Ferguson Ed Ferguson	Director	May 31, 2006
/s/ Terry Smith Terry Smith	Director	May 31, 2006