

COFFEE HOLDING CO INC
Form 10-Q
September 11, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: July 31, 2013

OR

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

For the transition period from _____ to _____

Commission file number: 001-32491

Coffee Holding Co., Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation
or organization)

11-2238111
(I.R.S. Employer Identification No.)

3475 Victory Boulevard, Staten Island, New
York
(Address of principal executive offices)

10314
(Zip Code)

(718) 832-0800
(Registrant's telephone number including area code)

N/A

(Former name, former address and former fiscal year, if changed from last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to

submit and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date.

6,372,309 shares of common stock, par value \$0.001 per share, are outstanding at September 10, 2013.

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ITEM 1. FINANCIAL STATEMENTS

COFFEE HOLDING CO., INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

JULY 31, 2013 AND OCTOBER 31, 2012

(Unaudited)

	July 31, 2013	October 31, 2012
- ASSETS -		
CURRENT ASSETS:		
Cash	\$3,483,229	\$7,568,583
Accounts receivable, net of allowances of \$213,674 for 2013 and 2012	12,255,619	12,633,128
Inventories	9,659,829	11,303,581
Prepaid green coffee	428,231	150,000
Prepaid expenses and other current assets	404,495	704,013
Prepaid and refundable income taxes	1,923,560	62,763
Deferred income tax asset	513,875	702,655
TOTAL CURRENT ASSETS	28,668,838	33,124,723
Machinery and equipment, at cost, net of accumulated depreciation of \$2,981,415 and \$2,631,468 for 2013 and 2012, respectively	2,030,688	1,791,754
Customer list and relationships, net of accumulated amortization of \$24,375 and \$18,750 for 2013 and 2012, respectively	125,625	131,250
Trademarks	180,000	180,000
Goodwill	440,000	440,000
Equity method investments	98,755	1,931,931
Deposits and other assets	623,271	648,094
TOTAL ASSETS	\$32,167,177	\$38,247,752
- LIABILITIES AND STOCKHOLDERS' EQUITY -		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$5,055,539	\$11,769,107
Line of credit	3,300,000	562,500
Due to broker	1,050,197	1,367,389
Income taxes payable	-	21,122
TOTAL CURRENT LIABILITIES	9,405,736	13,720,118
Deferred income tax liabilities	72,875	32,655
Deferred rent payable	178,703	166,668
Deferred compensation payable	515,485	528,687
TOTAL LIABILITIES	10,172,799	14,448,128
STOCKHOLDERS' EQUITY:		
Coffee Holding Co., Inc. stockholders' equity:		
Preferred stock, par value \$.001 per share; 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value \$.001 per share; 30,000,000 shares authorized, 6,456,316 shares issued; 6,372,309 shares outstanding for 2013 and 2012	6,456	6,456
Additional paid-in capital	15,904,109	15,904,109

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Retained earnings	6,024,982	7,979,247
Less: Treasury stock, 84,007 common shares, at cost for 2013 and 2012	(272,133)	(272,133)
Total Coffee Holding Co., Inc. Stockholders' Equity	21,663,414	23,617,679
Non-controlling interest	330,964	181,945
TOTAL EQUITY	21,994,378	23,799,624
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$32,167,177	\$38,247,752

See Notes to Condensed Consolidated Financial Statements.

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COFFEE HOLDING CO., INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2013	2012	2013	2012
NET SALES	\$ 100,375,542	\$ 138,171,695	\$ 32,370,692	\$ 44,484,453
COST OF SALES (including \$24.7 and \$23.4 million of related party costs for the nine months ended July 31, 2013 and 2012, respectively. Including \$6.3 and \$5.9 million for the three months ended July 31, 2013 and 2012, respectively.)	96,463,019	128,472,249	33,526,657	40,606,840
GROSS PROFIT (LOSS)	3,912,523	9,699,446	(1,155,965)	3,877,613
OPERATING EXPENSES:				
Selling and administrative	5,233,157	5,149,653	1,713,051	1,717,472
Officers' salaries	440,992	429,458	169,954	141,200
TOTALS	5,674,149			