

COFFEE HOLDING CO INC
Form 10-Q
March 11, 2016

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: January 31, 2016

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

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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.

6,162,207 shares of common stock, par value \$0.001 per share, are outstanding at March 4, 2016.

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COFFEE HOLDING CO., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
JANUARY 31, 2016 AND OCTOBER 31, 2015

	January 31, 2016 (Unaudited)	October 31, 2015
- ASSETS -		
CURRENT ASSETS:		
Cash	\$ 5,927,324	\$ 3,853,816
Accounts receivable, net of allowances of \$144,000 for 2016 and 2015	11,271,047	10,968,237
Inventories	11,880,135	13,862,818
Prepaid green coffee	573,580	620,452
Prepaid expenses and other current assets	245,262	256,202
Prepaid income taxes	1,176,727	1,434,577
Refund receivable	613,438	-
Deferred income tax asset	376,973	997,720
TOTAL CURRENT ASSETS	32,064,486	31,993,822
Machinery and equipment, at cost, net of accumulated depreciation of \$4,374,784 and \$4,241,256 for 2016 and 2015, respectively	1,926,403	1,845,000
Customer list and relationships, net of accumulated amortization of \$43,125 and \$41,250 for the periods ended January 31, 2016 and 2015, respectively	106,875	108,750
Trademarks	180,000	180,000
Goodwill	440,000	440,000
Equity method investments	96,114	96,571
Deposits and other assets	580,248	610,499
TOTAL ASSETS	\$ 35,394,126	\$ 35,274,642
- LIABILITIES AND STOCKHOLDERS' EQUITY -		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 5,178,604	\$ 4,021,389
Line of credit	4,154,121	5,554,121
Due to broker	482,284	483,835
Income taxes payable	250	-
TOTAL CURRENT LIABILITIES	9,815,259	10,059,345
Deferred income tax liabilities	106,473	92,370
Deferred rent payable	224,345	222,055
Deferred compensation payable	452,248	482,499
TOTAL LIABILITIES	10,598,325	10,856,269
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; 6,162,207 shares outstanding for the periods ended January 31 2016 and 2015, respectively	6,456	6,456
Additional paid-in capital	15,904,109	15,904,109

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Retained earnings	10,105,509	9,665,940
Less: Treasury stock, 294,109 common shares, at cost for 2016 and 2015	(1,494,712)	(1,494,712)
Total Coffee Holding Co., Inc. Stockholders' Equity	24,521,362	24,081,793
Noncontrolling interest	274,439	336,580
TOTAL EQUITY	24,795,801	24,418,373
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 35,394,126	\$ 35,274,642

See notes to Condensed Consolidated Financial Statements

COFFEE HOLDING CO., INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 THREE MONTHS ENDED JANUARY 31, 2016 AND 2015
 (Unaudited)

	January 31, 2016	January 31, 2015
NET SALES	\$ 22,805,397	\$ 38,405,979
COST OF SALES (which include purchases of approximately \$3.5 million and \$9.8 million for the three months ended January 31, 2016 and 2015, respectively, from a related party)	20,154,348	36,484,535
GROSS PROFIT	2,651,049	1,921,444
OPERATING EXPENSES:		
Selling and administrative	1,676,960	1,666,357
Officers' salaries	163,850	152,735
TOTAL	1,840,810	1,819,092
INCOME FROM OPERATIONS	810,239	102,352