

INNOVATIVE FOOD HOLDINGS INC

Form 10-Q

November 19, 2014

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 and Exchange Act of 1934
For the quarterly period ended September 30, 2014

Transition report pursuant to Section 13 or 15(d) of the Exchange Act
For the transition period from _____ to _____.

Commission File Number: 0-9376

INNOVATIVE FOOD HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Florida

(State or Other Jurisdiction of Incorporation or
Organization)

20-1167761

(IRS Employer I.D. No.)

28411 Race Track Rd.

Bonita Springs, Florida 34135

(Address of Principal Executive Offices)

(239) 596-0204

(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since 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 during the preceding 12 months (or for such shorter 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

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reporting company" in Rule 12b-2 of the Exchange Act.

(Check One):

Large Accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Regulation 12b-2 of the Exchange Act): YES NO

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date
20,673,326 shares of common stock outstanding and 21,373,989 shares issued as of November 16, 2014.

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PART I. FINANCIAL INFORMATION

ITEM 1 - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Innovative Food Holdings, Inc.
Condensed Consolidated Balance Sheet

| | September 30, 2014 (unaudited) | December 31, 2013 |
|---|--------------------------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 4,079,213 | \$ 2,073,605 |
| Accounts receivable net | 1,165,410 | 771,205 |
| Inventory | 1,231,299 | 839,979 |
| Other current assets | 351,024 | 11,316 |
| Due from related parties | 462,626 | - |
| Total current assets | 7,289,572 | 3,696,105 |
| Property and equipment, net | 1,933,251 | 954,068 |
| Investments | 104,000 | - |
| Intangible assets, net | 23,688,611 | 887,442 |
| Total assets | \$ 33,015,434 | \$ 5,537,615 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 4,496,724 | \$ 1,285,149 |
| Deferred revenue | 3,961,634 | - |
| Accrued liabilities - related parties | 178,150 | 523,110 |
| Accrued interest | 617,038 | 671,481 |
| Accrued interest - related parties | 53,621 | 48,708 |
| Revolving credit facilities | 897,222 | - |
| Notes payable, current portion, net of discount | 209,339 | 1,150,253 |
| Notes payable - related parties, current portion | 110,500 | 110,500 |
| Contingent liabilities | 448,750 | 80,881 |
| Total current liabilities | 10,972,978 | 3,870,082 |
| Note payable - long term portion, net of discount | 1,883,324 | 727,328 |
| Notes payable - related parties, long term portion | 2,199,970 | - |
| Total liabilities | 15,056,272 | 4,597,410 |
| Equity | | |
| Common stock, \$0.0001 par value; 500,000,000 shares authorized; 21,023,989 and 7,732,456 shares issued and 20,323,326 and 7,117,743 shares outstanding at September 30, 2014 and December 31, 2013, respectively | 2,102 | 774 |
| Additional paid-in capital | 24,528,736 | 7,702,893 |
| Common stock subscribed | 250,000 | - |
| Treasury stock, 486,254 and 400,304 shares outstanding at September 30, 2014 and December 31, 2013, respectively | (160,099) | (100,099) |

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| | | |
|---|---------------|--------------|
| Accumulated deficit | (6,701,140) | (6,663,363) |
| Total Innovative Food Holdings, Inc.'s stockholders' equity | 17,919,599 | 940,205 |
| Noncontrolling interest in variable interest entity | 39,563 | - |
| Total equity | 17,959,162 | 940,205 |
| Total liabilities and equity | \$ 33,015,434 | \$ 5,537,615 |

See notes to these unaudited condensed consolidated financial statements.

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Innovative Food Holdings, Inc. and Subsidiaries
 Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
 (UNAUDITED)

| | For the Three Months Ended Sept 30, 2014 | For the Three Months Ended Sept 30, 2013 | For the Nine Months Ended Sept 30, 2014 | For the Nine Months Ended Sept 30, 2013 |
|---------|---|---|--|--|
| Revenue | \$ 8,757,934 | \$ 5,840,283 | \$ 20,760,427 | |