

2014

AUDITED

First Quarter Report

**Including Financial Statements and disclosures
prescribed by OTC Pink Market for Alternative
Reporting Standards.**

**For the three months ended
March 31st**

BARISTAS COFFEE COMPANY INC.

A Nevada Corporation Listed on the OTC Pink Market

1) Name of the issuer and its predecessors (if any)

Name of issuer: Baristas Coffee Company, Inc.

Formerly: Innovative Communications Technologies, Inc.

Date of Name Change: MAY 2010

2) Address of the issuer's principal executive offices

Company Headquarters: Baristas Coffee Company, Inc.

Address 1: 411 Washington Ave. N.

Address 2: Kent, WA 98032

Phone: (800)764-8711

Fax: (206) 653-7202

Email: Barry@Baristas.tv

Website(s): www.baristas.tv

IR Contact: Barry Henthorn

Address 1: 411 Washington Ave. N.

Address 2: Kent, WA 98032

Phone: (800)764-8711

Fax: (206) 653-7202

Email: Barry@Baristas.tv

Website(s): www.baristas.tv

3) Security Information

Trading Symbol: BCCI

Exact title and class of securities outstanding: BCCI- Common Stock

CUSIP: 22766J 10 6

Par or Stated Value: \$0.001

Total shares authorized: 300,000,000 as of: 31 March 2014

Total shares outstanding: 296,233,305 as of: 31 March 2014

Additional class of securities (if necessary):

Trading Symbol: BCCI

Exact title and class of securities outstanding: BCCI- Preferred

CUSIP: 067594 10 1

Par or Stated Value: \$0.001

Total shares authorized: 30,000,000 as of: 31 March 2014

Total shares outstanding: 7,373,358 as of: 31 March 2014

Transfer Agent

Name: Continental Stock Transfer & Trust Company

Address 1: 17 Battery Place

Address 2: New York, NY 10004

Phone: (212) 509-4000

The Transfer Agent is registered under the Exchange Act.

There are no restrictions on the transfer of security and no trading suspension orders issued by the SEC in the past 12 months. Nor has there been any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months.

4) Issuance History

Baristas Coffee Company, Inc.
(A Nevada Corporation)
AUDITED STATEMENT OF SHAREHOLDERS/STOCKHOLDERS EQUITY
Weighted Average Shares

	Preferred Stock	Common Stock	Per Share	Amount	Preferred Stock	Common Stock	Paid in Capital	Deficit Accumulated During the Development Stage	Total Stockholders Equity
Beginning Balance March 31, 2010									
Stock issued for cash and cash equivalents		4,998,841	0.0135	87,407				-\$1,011,022	
Issuance of stock for greater than 60% interest in Pangea Networks, Inc.		144,880,000	0.0220	3,187,380					
Stock issuance cancelled for asset purchase recinded		(350,000)	0.0010	(350)					
Net loss for the quarter ending June 30, 2010								\$56,186	
Balance - June 30, 2011		194,678,641		3,778,757	-	194,679	3,584,078	-\$737,454	3,041,303
Conversion of debt to common stock		2,000,000	0.0300	60,000					
Conversion of debt to common stock		2,200,000	0.0250	55,000					
Conversion of debt to common stock		100,000	0.2500	25,000					
Stock issuance for asset purchase		1,000,000	0.1100	110,000					
Conversion of debt to common stock		50,000	0.1000	5,000					
Stock issued for professional fees and/or services		240,000	0.1000	24,000					
Net profit for Quarter ending September 30, 2011								\$62,483	
Balance - September 30, 2011		209,268,641		4,964,757	-	209,269	4,755,488	-\$674,971	4,289,786
Stock issued for professional fees and/or services		750,000	0.0750	56,250					
Stock issued for professional fees and/or services		200,000	0.0500	10,000					
Preferred Stock issued for professional fees and/or services	5,400,000			135,000					
Net profit for Year ending December 31, 2011								-\$31,729	
Adjustment for Non recorded debt								-\$2,889,224	
Preferred Balance - December 31, 2011									
Common Balance - December 31, 2011	5,400,000	210,218,641		5,166,007	5,400	210,219	4,950,388	-\$3,575,924	1,590,083
Stock issuance for asset purchase		500,000	0.0800	40,000					
Stock issuance for asset purchase		100,000	0.0100	1,000					
Net profit for Quarter ending March 31, 2012								-\$162,008	
Balance - March 31, 2012	5,400,000	210,818,641		5,207,007	5,400	210,819	4,990,788	-\$3,737,932	1,469,075
Conversion of debt to common stock		1,250,000	0.0750	93,750					
Stock issued for professional fees and/or services		2,500,000	0.0240	60,000					
Stock issued for professional fees and/or services		2,500,000	0.0750	187,500					
Stock issued for professional fees and/or services		250,000	0.0750	18,750					
Stock issued for professional fees and/or services		250,000	0.0500	12,500					
Conversion of debt to common stock		12,000,000	0.0710	852,000					
Stock issued for professional fees and/or services		300,000	0.0500	15,000					
Stock issued for professional fees and/or services		2,125,000	0.0100	21,250					
Stock issuance for asset purchase		5,000,000	0.0250	125,000					
Stock issued for professional fees and/or services		500,000	0.0100	5,000					
Net profit for Quarter ending June 30, 2012								-\$162,008	
Balance - June 30, 2012	5,400,000	237,493,641		6,597,757	5,400	237,494	6,354,863	-\$3,899,940	2,697,817
Conversion of Preferred Stock to Common Stock	(4,000,000)	4,000,000		-					
Stock issued for cash		725,000	0.0500	36,250					
Stock issued for professional fees and/or services		1,250,000	0.0250	31,250					
Net profit for Quarter ending September 30, 2012								-\$162,008	
Preferred Balance - September 30, 2012									
Balance - September 30, 2012	1,400,000	243,468,641		6,665,257	1,400	243,469	6,420,388	-\$4,061,948	2,603,309
Stock issued for professional fees and/or services		1,000,000	0.0250	25,000					
Net profit for Quarter ending December 31, 2012								-\$162,008	
Balance - December 31, 2012	1,400,000	244,468,641		6,690,257	1,400	244,469	6,444,388	-\$4,223,956	2,466,301
Conversion of debt to common stock		1,400,000.00	0.01	14,000					
Stock issued for cash		15,000,000.00	0.01	150,000					
Stock issued for professional fees and/or services		1,263,596.00	0.01	12,636					
Conversion of debt to common stock		1,500,000.00	0.098	147,000					
Stock issued for professional fees and/or services		250,000.00	0.01	2,500					
Stock issued for professional fees and/or services		4,000,000.00	0.025	100,000					
Net profit for Quarter ending March 31, 2013								-\$277,730	
Balance - March 31, 2013	1,400,000	267,882,237		7,116,393	1,400	267,882	6,847,111	-\$4,501,686	2,614,707
Stock issued for professional fees and/or services		1,500,000.00	0.0250	37,500					
Stock issued for professional fees and/or services		425,000.00	0.0800	34,000					
Stock issued for professional fees and/or services		3,000,000.00	0.0500	150,000					
Stock issued for professional fees and/or services		8,375,000.00	0.0200	167,500					
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Stock issued for cash		4,500,000	0.0100	45,000					
Net profit for Quarter ending June 30, 2013								-\$437,506	
Balance - June 30, 2013	1,400,000	286,182,237		7,555,393	1,400	286,182	7,267,811	-\$4,939,192	2,616,201
Stock issued for professional fees and/or services		542,775.00	0.0100	5,428					
Stock issued for professional fees and/or services		788,254.00	0.0100	7,883					
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Stock issued for professional fees and/or services		1,000,000.00	0.0750	75,000					
Stock issued for professional fees and/or services		100,000.00	0.0100	1,000					
Stock issuance for asset purchase		850,000.00	0.0100	6,500					
Stock issued for professional fees and/or services		126,372.00	0.0100	1,264					
Net profit for Quarter ending September 30, 2013								-\$333,781	
Balance - September 30, 2013	1,400,000	289,889,638		7,657,467	1,400	289,890	7,366,177	-\$5,272,973	2,384,494
Stock issued for professional fees and/or services		1,000,000.00	0.0100	10,000					
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Stock issuance for asset purchase		2,446,000.00	0.0100	24,460					
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Stock issued for professional fees and/or services		845,187.00	0.0100	6,452					
Stock issued for professional fees and/or services		252,500.00	0.0100	2,525					
Net profit for Quarter ending December 31, 2013								-\$51,319	
Preferred issued	5,913,358.00			88,700					
Preferred Balance - December 31, 2013								-\$326,458	
Balance - December 31, 2013	7,313,358	295,233,305		7,799,604	7,313	295,233	7,487,057	-\$5,599,431	2,200,173
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Stock issued for professional fees and/or services		500,000.00	0.0100	5,000					
Net profit for Quarter ending March 31, 2014								-\$51,319	
Balance - March 31, 2014	7,313,358	296,233,305		7,809,604	7,313	296,233	7,506,057	-\$5,650,750	2,158,854

The following tables set forth information concerning the securities of the Baristas Coffee Company, Inc.:

Class	Date	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (Public Float)	Total Number of Shareholders of Record
Preferred	March 31, 2014	30,000,000	7,373,358	0	0
	December 31, 2013	30,000,000	7,373,358	0	0
	September 30, 2013	30,000,000	1,460,000	0	0
	June 30, 2013	30,000,000	1,460,000	0	0
	March 31, 2013	30,000,000	1,460,000	0	0
	December 31, 2012	30,000,000	1,460,000	0	0
	September 30, 2012	30,000,000	1,460,000	0	0
	June 30, 2012	30,000,000	1,460,000	0	5
	March 31, 2012	30,000,000	1,460,000	0	5
	December 31, 2011	30,000,000	1,460,000	0	5
	December 31, 2011	30,000,000	1,460,000	0	5

Class	Date	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (Public Float)	Total Number of Shareholders of Record (to the ability to ascertain)
Common	March 31, 2014	300,000,000	296,233,305	72,416,311	5,978
	December 31, 2013	300,000,000	295,233,305	72,416,311	5,978
	September 30, 2013	300,000,000	275,512,237	64,487,763	5,732
	June 30, 2013	300,000,000	273,862,237	57,137,763	5,416
	March 31, 2013	300,000,000	267,902,237	51,097,763	5,154
	December 31, 2012	300,000,000	244,468,641	45,891,359	4,891
	September 30, 2012	300,000,000	243,468,641	30,991,827	4,351
	June 30, 2012	300,000,000	237,493,641	23,843,827	4,167
	March 31, 2012	300,000,000	210,818,641	21,843,827	3,123
	December 31, 2011	300,000,000	210,218,641	17,365,641	2,958
	December 31, 2010	300,000,000	164,878,641	17,365,641	132

5) **Financial Statements:****A. Balance sheet;****Baristas Coffee Company, Inc.**

(A Nevada Corporation)

COMPARATIVE BALANCE SHEET

March 31, 2013 and March 31, 2014

AUDITED

	<u>3/31/2014</u>	<u>6/30/2013</u>
ASSETS		
Current Assets		
Cash	5,799	-
Notes Receivable	-	-
Prepaid Expenses and Other Current Assets	-	-
Total current assets	<u>5,799</u>	<u>-</u>
Fixed Assets - Net	128,625	212,834
Security Deposit Assets	7,660	5,560
Inventories	30,737	29,200
Intangible assets	<u>2,913,401</u>	<u>2,928,026</u>
TOTAL ASSETS	<u><u>3,086,222</u></u>	<u><u>3,175,620</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Other Current Liabilities	9,112	31,607
Accrued Expenses	399,711	318,935
Due to Related Parties	500,172	130,991
Pre-Paid/ Gift Card	18,374	13,586
Total current liabilities	<u>927,369</u>	<u>495,118</u>
Long Term Liabilities		64,301
TOTAL LIABILITIES	<u><u>927,369</u></u>	<u><u>559,419</u></u>
Stockholders' Equity		
Preferred stock	7,313	1,400
Common Stock	296,233	286,182
Additional Paid In Capital	7,506,057	7,267,811
Paid In Capital prior to Audit Adjustments		
Retained deficit	(5,650,750)	(4,939,192)
TOTAL STOCKHOLDERS' EQUITY	<u><u>2,158,853</u></u>	<u><u>2,616,201</u></u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>3,086,222</u></u>	<u><u>3,175,620</u></u>

B. Statement of income;
Baristas Coffee Company, Inc.
(A Nevada Corporation)
COMPARATIVE STATEMENT OF OPERATIONS
AUDITED

	For the Quarter Ending March 31, 2014	For the Quarter Ending March 31, 2013	
Sales	\$ 318,246	\$ 366,673	
Other Income		\$ -	
Rental Income	\$ 525	\$ -	
Cost of Sales	\$ 99,617	\$ 51,788	
 Gross Profit	 \$ 219,154	 \$ 314,885	
 Expenses			
Personnel	\$ 129,259	\$ 152,254	
General and Administration	\$ 58,739	\$ 200,078	
Operations	\$ 82,474	\$ 240,283	
	<u>\$ 270,472</u>	<u>\$ 592,616</u>	
 Net Operating Loss/Profit	 \$ (51,319)	 \$ (277,730)	
 Extraordinary Loss	 \$ -	 \$ -	
 Net Profit (Loss)	 <u>\$ (51,319)</u>	 <u>\$ (277,730)</u>	
 Earnings per share	 \$ (0.00)	 \$ (0.00)	
 Weighted average shares	 295,859,679	 259,517,566	

C. Statement of cash flows

Baristas Coffee Company Inc.
Audited Comparative Cash Flow Statement

Period Ended	3/31/2014	3/31/2013
Operating activities		
Net income (loss)	(51,319)	(277,730)
Income (loss) from discontinued operations	-	-
	(51,319)	(277,730)
Adjustments to reconcile loss from continuing operations to net cash		
Goodwill impairment	-	-
Stock based compensation	10,000	394,500
Minority interest in net loss of consolidated entities	-	-
Derivative Loss	-	-
Amortization of deferred revenue	-	-
Depreciation and amortization	26,172	22,180
Gain on cancellation of debt	-	-
Loss on disposal of discontinued ops	-	-
Loss on disposal of fixed assets	-	-
Bad debt expense	-	-
Change in operating assets and liabilities:	-	-
Accounts receivable	-	-
Notes receivable	-	-
Inventory	-	4,106
Prepaid expenses and other assets	-	-
Related party receivable	-	-
A/P and Accrueds	40,939	59,006
Prepaid gifts cards	2,317	1,236
Other liabilities	-	-
Accrued interest on RP payables	-	-
Net cash flows from operating activities - continuing operations	28,109	203,298
Net cash flows from operating activities - discontinued operations	-	-
Net Cash Flows from operating activities	28,109	203,298
Investing activities		
Cash paid for property & Equipment	-	(1)
Cash paid for intangibles	-	-
Cash paid for investments	-	-
Proceeds from sale of assets	-	-
Net cash flows from investing activities - continuing operations	-	(1)
Net cash flows from investing activities - discontinued operations	-	-
Net Cash Flows from investing activities	-	(1)
Financing activities		
Proceeds from LTD	-	-
Repayments of LTD	(22,310)	(14,607)
Shareholder Advances	-	-
Repayments Shareholder Advances	-	(183,354)
Sales of stock	-	45,000
Net cash flows from financing activities - continuing operations	(22,310)	(152,961)
Net cash flows from financing activities - discontinued operations	-	-
Net Cash Flows from financing	(22,310)	(152,961)
<u>Non-cash Investing and Financing Transactions</u>		
<u>Debt converted to stock</u>		
Debt converted to PF stock		
<u>Stock given for assets</u>		
<u>Reclassify accrued interest converted</u>		
Net change in cash	5,799	50,336
Cash at beginning of year	-	(50,336)
Cash at end of year	5,799	-

D. Financial Notes

1. Uses of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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 amount of revenue and expenses during the reported period. Actual results could differ materially from the estimates.

2. Fixed Assets

Fixed assets state a cost of the espresso stands purchased by the Company. The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of the fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment.

3. Revenue Recognition

Revenue is generated through the sale of custom-blended espresso drinks, freshly brewed coffee, or other beverages, fresh-bakes pastries and other confections, and Baristas merchandise,

4. Income Taxes

The Company Accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and operating loss and tax credit carry forwards using enacted tax rates in effect for the year in which the differences and carry forwards are expected to reverse.

In July 2006, the FASB issued FIN No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109. The interpretation prescribes a recognition threshold and measurements attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN No. 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this interpretation did not have a material impact on the Company's results of operations of financial position. As such, the Company has not recorded any liabilities for uncertain tax positions or any related interest penalties. The acceptability of the tax positions of the Company by the taxing authorities for the tax years open to Internal Revenue Service audit, the fiscal years 2005 through 2010, has not been determined.

6) **Business, Products and Services**

- A. Baristas Coffee Company, Inc. (“Baristas” or the “Company”) is a Nevada corporation, doing business as Baristas. Formerly known as Innovative Communications, Inc. (ICTN:PK), Baristas is listed on OTC Pink (BCCI:PK). Baristas has recently made a formal application to the NASDAQ Capital Markets, under the reserve symbol “BAPI”. Baristas is a specialty drive through beverage retailer with attractive female models as servers. Baristas provides its customers the ability to drive up and order their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverages. Baristas is offering a high-quality option to the fast-food, gas station, or institutional coffee.
- B. Baristas Coffee Company, Inc is a Nevada C Corporation that was originally formed on October 18, 1996.
- C. the issuer’s primary and secondary SIC Codes: 581203 - Specialty Coffee Shop
- D. On December 29, 2009, the company announced that it had reached an agreement to acquire a controlling interest in Pangea Networks, Inc. (PGEA:PK) doing business as Baristas Coffee Company. The initial closing occurred on December 22, 2009, when an agreement was reached for Baristas to purchase in excess of 60% of the issued and outstanding share of Pangea. Under terms of the transaction, shareholders in Pangea would receive shares in Baristas. At that time, Subject to concurrence and approval of the Financial Industry Regulatory Authority (“FINRA”), Baristas began to focus its operating activities in Pangea, operating as Baristas Coffee Company. See Subsequent Events below.
- E. The year-end of the Company is December 31.
- F. Baristas offers its patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas, and other custom drinks. In addition, Baristas offers smoothies, fresh-baked pastries and other confections. Seasonally, Baristas adds beverages such as hot apple cider, hot chocolate, frozen coffees, and more. Another revenue stream is in the promoting and selling Baristas merchandise; promotional items, alluring calendars, mugs, t-shirts and hats that are sold. Historically, all stands have been company owned. However, the Company has begun franchising.

7) **Facilities**

Designed for efficiency, Baristas Coffee Company, Inc used a versatile 300 square foot pre-fabricated double-sided drive-thru system that is revolutionary to the beverage and food service industry. The flexibility afforded by the prefab building design, BCCI can open units on existing small pad sites that some landlords thought previously unusable.

8) **Officers, Directors, and Control Persons**

- A. Names of Officers, Directors, and Control Persons: Barry Henthorn and T. Scott Steciw
- B. Legal/Disciplinary History: The Company is not involved in any legal proceedings. The Company has paid in full its obligation related to the US Department of Labor Action.
- C. No Beneficial Shareholders

9) Third Party Providers

Legal Counsel

Firm: Bjornson Law Offices
Address 1: 2809 Great Northern Loop, Suite 100
Address 2: Missoula, MT, 59808-1749
Phone: (406) 721-8896

Legal Counsel

Name: Victor McCall
Firm: McCall Law Firm, PC
Address 1: 3102 Maple Ave
Address 2: Addison, TX 75001
Phone: (972)665-9600

Accountant or Auditor

Name: Charles U. Klein, CPA
Firm: DKM Certified Public Accountants
Address 1: 2451 N. McMullen Booth Rd., Suite 308
Address 2: Clearwater, FL 33759
Phone: (727) 512-2743
Email: charles@dkmcpas.com

Investor Relations Consultant

Name: Barry Henthorn
Address 1: 411 Washington Ave. N.
Address 2: Kent, WA 98032
Phone: (800)764-8711
Fax: (206) 653-7202
Email: Barry@Baristas.tv
Website(s): www.baristas.tv

10) Certification

I, Barry Henthorn, as Chief Executive Officer and Director of Baristas Coffee Company, Inc. (“the Company”) certify that:

1. I have reviewed these Financial Statements for the Company for the three month period ended March 31st, 2014.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.
3. Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in these disclosures statements, fairly present all material respects the financial condition. Results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure document.

Date: June 3, 2014

/s/ Barry Henthorn

Barry Henthorn

Chief Executive Officer/Director