

The Coffeesmiths Collective, Inc.

State of Incorporation: Nevada
Company Address: 1901 North Roselle Road, Suite 800
Schaumburg, IL 60195

Telephone: (630) 250-2709

Corporate Website: <http://www.coffeesmithscollective.com>

SIC Codes:
5810 – Retail – Eating & Drink Places
5812 – Eating Places

QUARTERLY Report

For the period ending June 30,2019

(the “Reporting Period”)

The number of shares outstanding of our Common Stock is 189,827,928 as of June 30,2019

The number of shares outstanding of our Common Stock was 160,012,875 as of June 30, 2018

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No: X

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No: X

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes: No: X

Disclosure Regarding Forward-Looking Statements

Any reference to “The Coffeesmiths Collective” (which also may be referred to as the “Company,” “we,” “us” or “our”) means The Coffeesmiths Collective, Inc. and its consolidated subsidiaries. You should read the following discussion of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this annual report.

This quarterly report and certain other communications made by us contain “forward-looking statements.” Forward-looking statements include, but are not limited to, statements about our financial position, business strategy, competitive position, potential growth opportunities, future operating performance, effects of competition, the effects of future legislation or regulations and plans and objectives of our management for future operations. Any statement made herein that is not a statement of historical fact should be considered a forward-looking statement. We have based our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. Use of the words “may,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “could,” “project” or variations of such words and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements.

These forward-looking statements rely on assumptions, estimates and predictions that could be inaccurate and that are subject to risks and uncertainties that could cause actual results to differ materially from expected results. Forward-looking statements speak only as of the date of this annual report. Except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Available Information

On April 29, 2019, the Company filed a Form 15-15D with the U.S. Securities and Exchange Commission (“SEC”). With this filing, the Company is no longer required to file annual, quarterly and current reports with the SEC. In 2015, the Company was approved for quotation on the Pink Market by the NASD.

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Part A General Company Information

Item 1 Exact name of the issuer and the address of its principal executive offices.

Exact name of the issuer: The Coffeesmiths Collective, Inc.

Exact names of predecessor entities in the past five years and dates of name changes:

DOCASA, Inc. - October 29, 2018

FWF Holdings, Inc. – August 4, 2016

Principal Executive Offices: 1901 North Roselle Road, Suite 800
Schaumburg, IL 60195
Telephone: (630) 250-2709
Facsimile: N/A
Corporate Website: <http://www.coffeesmithscollective.com>

Investor Relations Officer: Ashley Lopez, Chief Executive Officer
1901 North Roselle Road, Suite 800
Schaumburg, IL 60195
Telephone: (630) 250-2709
Email Address: info@coffeesmithscollective.com

Item 2 Shares outstanding.

As of June 30, 2019

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradeable Shares (Public Float) (1)	Total Number of Beneficial Stock-holders (2)	Total Number of Stock-holders of Record
Common Stock	250,000,000	189,827,928	36,800,000	1	78

As of December 31, 2018

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradeable Shares (Public Float) (1)	Total Number of Beneficial Stock-holders (2)	Total Number of Stock-holders of Record
Common Stock	250,000,000	162,004,875	36,800,000	1	63

As of December 31, 2017

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradeable Shares (Public Float) (2)	Total Number of Beneficial Stock-holders (1)	Total Number of Stock-holders of Record
Common Stock	250,000,000	160,012,875	36,800,000	1	61

1. For purposes of this calculation only, shares of common stock held by each of The Coffeesmiths Collective's directors and officers on the given date and by each person who The Coffeesmiths Collective knows beneficially owned outstanding common stock on that date have been excluded in that such persons may be deemed to be affiliates.

2. Estimate based on reports from Action Stock Transfer, Inc.

Item 3 Interim financial statements.

The unaudited financial statements for the period ended June 30, 2019 are incorporated by reference and available at <https://backend.otcmarkets.com/otcapi/company/financial-report/230284/content>.

- 1) Condensed Consolidated Balance Sheets (unaudited)
- 2) Condensed Consolidated Statements of Operations (unaudited)
- 3) Condensed Consolidated Statement of Shareholders' Deficit (unaudited)
- 4) Condensed Consolidated Statements of Cash Flows (unaudited); and

Notes to Condensed Consolidated Financial Statements (unaudited).

Item 4 Management's discussion and analysis or plan of operation.

Business Overview

Our company was organized as FWF Holdings, Inc. under the laws of the State of Nevada on July 22, 2014 and underwent name changes to DOCASA, Inc. on August 4, 2016 and to The Coffeesmiths Collective, Inc. on October 29, 2018. On August 4, 2016, the Company changed its year end from July 31 to August 31. On February 23, 2018, the Company changed its year end from August 31 to December 31.

We are in the specialty coffee industry, specifically with company-operated stores. The Company predominately generates revenue through sales at company-operated stores in the UK and the US, for the period ending June 30, 2019 the business had 86 Company operated stores in the UK and the US. Similar to other leading operators, we sell our proprietary coffee and related products, and complementary food and snacks.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited consolidated condensed financial statements and notes thereto appearing elsewhere in this prospectus.

Our independent auditors have expressed a going concern modification to their report to our financial statements for the year ended December 31, 2018. To date we have incurred substantial losses and will require financing for working capital to meet future obligations. We anticipate needing additional financing on an ongoing basis for the foreseeable future unless our operations provide adequate funds, of which there can be no assurance. We most likely will satisfy future financial needs through the sale of equity securities, although we could possibly consider debt securities or promissory notes. We believe the most probable source of funds will be from existing stockholders and/or management, although there are no formal agreements to do so. If we are unable to sustain a public trading market for our shares, it will be more difficult to raise funds through the sale of common stock. We cannot assure you that we will be able to obtain adequate financing, achieve profitability, or to continue as a going concern in the future.

Results of Operations

For the three months ended June 30, 2019 compared to the three months ended June 30, 2018.

For the three months ended June 30, 2019, the Company had revenues of \$8,927,138 compared to \$2,091,034 for the three months ended June 30, 2018. The revenue increase was primarily due to acquisitions.

For the three months ended June 30, 2019, direct costs of revenue were \$6,052,479 compared to \$1,792,407 for the three months ended June 30, 2018. The increase in direct costs of revenue directly relates to the increase in revenues associated primarily with the acquisitions.

For the three months ended June 30, 2019, total operating expenses were \$4,450,173, compared to

\$1,242,076 for the comparable three months ended June 30, 2018. Rent for the 2019 period was \$1,282,254 compared to \$381,276 for the same period ended June 30, 2018, which directly relates to the increase in locations due to acquisitions. Professional fees, depreciation and amortization and other general and administrative expenses for the three months ended June 30, 2019 was \$96,944, \$291,881 and \$2,779,095, respectively, and \$161,216 \$91,861 and \$607,903, respectively, for the same period ended June 30, 2018. The increases correlate to the acquisitions.

For the six months ended June 30, 2019 compared to the six months ended June 30, 2018.

For the six months ended June 30, 2019, the Company had revenues of \$15,395,809 compared to \$3,914,743 for the six months ended June 30, 2018. The revenue increase was primarily due to acquisitions.

For the six months ended June 30, 2019, direct costs of revenue were \$10,276,121 compared to \$2,939,127 for the six months ended June 30, 2018. The increase in direct costs of revenue directly relates to the increase in revenues associated primarily with the acquisitions.

For the six months ended June 30, 2019, operating expenses were \$7,843,695, compared to \$1,903,249 for the comparable six months ended June 30, 2018. Rent for the 2019 period was \$2,341,878 compared to \$588,477 which directly relates to the increase in locations due to acquisitions. Professional fees, depreciation and amortization and other general and administrative expenses for the six months ended June 30, 2019 was \$231,546, \$549,610 and \$4,720,662, respectively, and \$184,254, \$173,366 and \$947,101, respectively, for the same period ended June 30, 2018. The increases correlate to the acquisitions.

Liquidity and Capital Resources

As of June 30, 2019, we had total current assets of \$4,767,941, which was an increase of \$689,165 from December 31, 2018. The increase was due to the impact of the acquisitions. Total current liabilities at June 30, 2019 were \$8,485,980, compared to \$4,822,942 at December 31, 2018. The increase was due to the impact of the acquisitions.

As of June 30, 2019, we had a working capital deficit of \$3,718,039. The Company has incurred recurring losses from operations and as at June 30, 2019 and December 31, 2018 had an accumulated deficit of \$8,463,732 and \$5,964,764, respectively. We continue to seek additional funding, most likely through the sale of securities or securing additional debt, although currently we have no definite agreement of arrangement for additional funding.

Foreign Currency Translation

The British Pound (“£”) is the functional currency of our United Kingdom (“UK”) operations whereas the financial statements are reported in United States Dollar (“USD,” “\$”). Assets and liabilities are translated based on the exchange rates at the condensed consolidated balance sheet date, while revenue and expense accounts are translated at the average exchange rates prevailing during the period. Equity accounts are translated at historical exchange rates. The resulting translation gain and loss adjustments are accumulated as a component of shareholders’ equity and other comprehensive loss.

Business Trends and Forecast

Management believes that the continuation of its business plan, including more acquisitions of coffee shops, will be met with consumer acceptance as has historically be present in the UK operations as well as the US operations.

Inflation

In the opinion of management, inflation has not and will not have a material effect on our operations in the immediate future. Management will continue to monitor inflation and evaluate the possible future effects of inflation on our business and operations.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had nor is not expected to have a material impact on the Company's financial position or statements.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 5 Legal proceedings.

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of September 13, 2019, there were no pending or threatened lawsuits.

Item 6 Defaults upon senior securities

None.

Item 7 Other information.

None.

Item 8 Exhibits.

None.

Item 9 Certifications.

I, Ashley Lopez, certify that:

1. I have reviewed this quarterly disclosure statement of The Coffeesmiths Collective, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a 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; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 13, 2019

/s/ Ashley Lopez
Ashley Lopez
CEO