

# DOCASA INC.

## FORM 10-Q (Quarterly Report)

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Address 1901 NORTH ROSELLE ROAD  
SUITE 800  
SCHAUMBURG, IL, 60195  
Telephone 630-250-2709  
CIK 0001619055  
Symbol DCSA  
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Industry Restaurants & Bars  
Sector Consumer Cyclicals  
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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 November 30, 2016

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: 333-190067



**DOCASA, INC.**

(f/k/a FWF Holdings, Inc.)

(Exact name of Registrant as specified in its charter)

Nevada

(State of incorporation)

47-1405387

(IRS Employer ID Number)

**1901 North Roselle Road, Suite 800  
Schaumburg, Illinois 60195  
(630) 250-2709**

(Registrant's telephone number)

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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller 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 Rule 12b-2 of the Exchange Act). Yes  No

As of January 20, 2017, there were 147,100,000 shares of common stock, par value \$0.001 per share issued, issuable, and outstanding.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**FORM 10-Q**  
**NOVEMBER 30, 2016**  
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**Item 1. Financial Statements .**

**DOCASA, INC.  
and Subsidiaries  
Consolidated Condensed Balance Sheets**

|   | <b>November 30,<br/>2016<br/>(unaudited)</b> | <b>August 31,<br/>2016</b> |
|---|--|----------------------------|
| <b>ASSETS</b>   |  |                            |
| <b>Current assets:</b>  |  |                            |
| Cash  | \$ 86,366                                    | \$ 91,137                  |
| Accounts receivable, net (includes \$130,936 and \$288,389 to related parties for November 30, 2016 and August 31, 2016, respectively)                                      | 699,014                                      | 368,807                    |
| Other receivables   | -  | 113,994                    |
| Prepaid expenses  | 149,634                                      | 190,249                    |
| Inventory   | 37,665                                       | 40,323                     |
| Total current assets  | 972,679                                      | 804,510                    |
| Fixed assets, net   | 791,249                                      | 674,627                    |
| Intangible assets, net  | 6,921  | 9,065                      |
| Other receivables   | 37,456                                       | 39,540                     |
| Investments   | 1,249  | 1,318                      |
| Deposits  | 84,473                                       | 57,311                     |
| Total assets  | <u>\$ 1,894,027</u>                          | <u>\$ 1,586,371</u>        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |  |                            |
| <b>Current liabilities:</b>   |  |                            |
| Notes payable   | \$ 32,548                                    | \$ 18,368                  |
| Accounts payable  | 835,884                                      | 610,101                    |
| Accrued expenses  | 101,017                                      | 95,226                     |
| Accounts payable to related parties   | 26,151                                       | -                          |
| Taxes payable   | 63,822                                       | 73,091                     |
| Deferred revenue  | 15,956                                       | 6,557                      |
| Total current liabilities   | 1,075,378                                    | 803,343                    |
| <b>Non-current liabilities:</b>   |  |                            |
| Notes payable (includes \$1,040 and \$39,540 to related parties for November 30, 2016 and August 31, 2016, respectively)  | 291,949                                      | 209,797                    |
| Other long-term liabilities   | 16,833                                       | 23,168                     |
| Total long-term liabilities   | 308,782                                      | 232,965                    |
| Total liabilities   | 1,384,160                                    | 1,036,308                  |
| <b>Shareholders' equity:</b>  |  |                            |
| Common stock, \$0.001 par value, 250,000,000 shares authorized, 147,100,000 shares issued, issuable, and outstanding at November 30, 2016 and August 31, 2016, respectively | 147,100                                      | -                          |
| Additional paid-in capital  | 462,377                                      | -                          |
| Class A ordinary shares (25,000,000 shares authorized, £1 par value, 0 and 243,800 shares issued and outstanding as of November 30, 2016 and August 31, 2016, respectively) | -  | 389,730                    |
| Class B ordinary shares (10,000,000 shares authorized, £1 par value, 0 and 0 shares issued and outstanding as of November 30, 2016 and August 31, 2016, respectively)       | -  | -                          |
| Preference shares (25,000,000 shares authorized, £1 par value, 870,826 and 870,826 shares issued and outstanding as of November 30, 2016 and August 31, 2016, respectively) | 1,154,127                                    | 1,154,127                  |
| Share premium   | -  | 193,540                    |
| Accumulated other comprehensive income  | 145,630                                      | 153,187                    |
| Minority interest   | 55   | 81                         |
| Accumulated deficit   | (1,399,422)                                  | (1,340,602)                |
| Total shareholders' equity  | 509,867                                      | 550,063                    |
| Total liabilities and shareholders' equity  | <u>\$ 1,894,027</u>                          | <u>\$ 1,586,371</u>        |

See accompanying notes to unaudited consolidated condensed financial statements.

**DOCASA, INC.  
and Subsidiaries**  
**Consolidated Condensed Statements of Operations**  
**For the Three Months Ended November 30,**  
**(unaudited)**

|   | <u>2016</u>        | <u>2015</u>        |
|---|--------------------|--------------------|
| Revenue, net  | \$ 916,625         | \$ 1,051,577       |
| Operating expenses  |                    |                    |
| Direct costs of revenue   | 573,242            | 652,209            |
| Professional fees   | 43,620             | 25,674             |
| Rent  | 94,243             | 110,969            |
| Depreciation and amortization                                     | 32,503             | 36,554             |
| Property taxes  | 47,005             | 52,735             |
| Other general and administrative expenses                         | <u>135,844</u>     | <u>131,681</u>     |
| Operating income (loss)   | (9,832)            | 41,755             |
| Other income (expense)  |                    |                    |
| Interest expense  | (2,448)            | (1,426)            |
| Impairment expense  | <u>(46,566)</u>    | <u>-</u>           |
| Income (loss) before tax and minority interest                    | (58,846)           | 40,329             |
| Minority interest income (loss)                                   | <u>26</u>          | <u>(81)</u>        |
| Net income (loss)   | \$ (58,820)        | \$ 40,248          |
| Foreign currency translation loss                                 | <u>(7,557)</u>     | <u>(32,789)</u>    |
| Total comprehensive income (loss)                                 | <u>\$ (66,377)</u> | <u>\$ 7,459</u>    |
| Net income (loss) per share - basic and diluted                   | <u>\$ (0.00)</u>   | <u>\$ 0.00</u>     |
| Weighted average number of shares outstanding - basic and diluted | <u>146,800,000</u> | <u>151,800,000</u> |

See accompanying notes to unaudited consolidated condensed financial statements.

**DOCASA, INC.  
and Subsidiaries**  
**Consolidated Condensed Statements of Cash Flows**  
**For the Three Months Ended November 30,**  
**(unaudited)**

|  | <u>2016</u>      | <u>2015</u>      |
|--|------------------|------------------|
| <b>Cash flows from operating activities:</b>                               |                  |                  |
| Net income (loss)  | \$ (58,820)      | \$ 40,248        |
| Adjustments to reconcile net income (loss) to net cash used in operations: |                  |                  |
| Depreciation and amortization expense                                      | 32,503           | 36,554           |
| Other comprehensive income   | (7,557)          | (32,789)         |
| Impairment expense   | 46,566           | -                |
| Minority interest gain (loss)  | 26               | (81)             |
| Changes in operating assets and liabilities:                               |                  |                  |
| Accounts receivable  | (349,647)        | (24,632)         |
| Other receivables  | 107,986          | (18,239)         |
| Prepaid expenses   | 63,051           | (14,641)         |
| Inventory  | 1,264            | 9,924            |
| Other non-current receivables  | -                | (1,505)          |
| Deposits   | (30,183)         | -                |
| Accounts payable   | 244,065          | (21,150)         |
| Accounts payable to related parties  | 26,151           | 81,583           |
| Accrued expenses   | 12,090           | 65,711           |
| Taxes payable  | (5,416)          | (46,258)         |
| Deferred revenue   | 9,745            | (2,334)          |
| Other non-current liabilities  | (5,114)          | (69,556)         |
| <b>Net cash provided by operating activities</b>                           | <u>86,710</u>    | <u>2,835</u>     |
| <b>Cash flows used in investing activities</b>                             |                  |                  |
| Fixed assets and intangible assets acquired                                | (167,292)        | (21,561)         |
| <b>Net cash used in investing activities</b>                               | <u>(167,292)</u> | <u>(21,561)</u>  |
| <b>Cash flows from (used in) financing activities:</b>                     |                  |                  |
| Proceeds from notes payable, net of payments                               | 290,908          | -                |
| Payments on notes payable  | (177,641)        | -                |
| Payments on notes payable to related parties                               | (37,456)         | (21,331)         |
| <b>Net cash provided by (used in) financing activities</b>                 | <u>75,811</u>    | <u>(21,331)</u>  |
| Net decrease in cash   | (4,771)          | (40,057)         |
| Cash at beginning of period  | 91,137           | 81,255           |
| Cash at end of period  | <u>\$ 86,366</u> | <u>\$ 41,198</u> |
| <b>Supplemental disclosure of cash flow information:</b>                   |                  |                  |
| Cash paid for interest   | \$ 2,448         | \$ 5,710         |
| Cash paid for taxes  | <u>\$ 606</u>    | <u>\$ -</u>      |

**DOCASA, INC.**  
**and Subsidiaries**  
**Consolidated Condensed Statements of Cash Flows**  
**For the Three Months Ended November 30,**  
**(unaudited)**

|   | <u>2016</u>  | <u>2015</u> |
|---|--------------|-------------|
| <b>Non-cash investing and financing activities:</b> |              |             |
| Issuance of note payable for treasury stock         | \$ 320,000   | \$ -        |
| Assets and liabilities assumed, net                 | \$ 46,359    | \$ -        |
| Treasury stock acquired                             | \$ (115,000) | \$ -        |
| Issuance of common stock for acquisition            | \$ 110,000   | \$ -        |
| Issuable common stock for contribution              | \$ 300       | \$ -        |
| Issuance of preference shares for debt and services | \$ 13,422    | \$ 793,301  |
| Payment of debt by third party                      | \$ (320,000) | \$ -        |

See accompanying notes to unaudited consolidated condensed financial statements.



**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

**NOTE 1 – NATURE OF BUSINESS AND PRESENTATION**

***Organization***

DOCASA, Inc. (the “Company,” “we,” “us,” “our,” or “DOCASA”) was incorporated in the State of Nevada on July 22, 2014, under the name of FWF Holdings, Inc. The Company changed its name on August 4, 2016. The Company was originally engaged in the business of commercial production and distribution of hot sauce. On August 4, 2016, the Company changed its year end from July 31 to August 31.

On July 8, 2016, the Company experienced a change in control. Atlantik LP (“Atlantik”), a related party, acquired a majority of the issued and outstanding common stock of the Company in accordance with stock purchase agreements by and between Atlantik and Nami Shams (“Seller”). On the closing date, July 8, 2016, pursuant to the terms of the Stock Purchase Agreement, Atlantik purchased from the Seller 115,000,000 shares of the Company’s outstanding restricted common stock for \$200,000, representing 75.8% of the total issued and outstanding at that time. See Notes 2, 5, 6 and 9.

The Company determined that it would expand its products in the food industry. On September 1, 2016, the Company acquired 99.8% of the voting stock of Department of Coffee and Social Affairs Limited (“DEPT-UK”), a United Kingdom corporation. DEPT-UK was incorporated on August 12, 2009. The acquisition of 99.8% of the voting stock of DEPT-UK from Stefan Allesch-Taylor (“Allesch-Taylor”) was pursuant to a stock exchange (the “Share Exchange”), which obligated the Company to issue Allesch-Taylor 170,000,000 shares of restricted common stock—110,000,000 shares initially and 60,000,000 additional shares at a date to be determined by the Company’s Board of Directors, but no later than August 31, 2017. See Notes 3 and 13.

Also on September 1, 2016, the Company acquired 115,000,000 shares of the Company’s common stock from Atlantik in exchange for issuing Atlantik a promissory note for \$320,000, which shares were cancelled (the “Stock Cancellation”). As a result of the Stock Cancellation and the initial 110,000,000 share issuance to Allesch-Taylor, Allesch-Taylor, the Chairman of the Company, became the holder of the majority of the issued and outstanding stock of the Company, holding 74.9% of the outstanding common stock of the Company. See Note 9.

DEPT-UK formed a wholly-owned subsidiary, Department of Coffee and Internal Affairs Limited (“DCIA”), on September 11, 2014, as filed with the Registrar of Companies for England and Wales. As of November 30, 2016, DCIA has had no operations or activity.

DEPT-UK formed a wholly-owned subsidiary, The Department of Coffee and Social Affairs Limited, on November 9, 2014, as filed with the Registrar of Companies for England and Wales. On February 28, 2014, the name was changed to DOCASA Limited. On May 1, 2015, the name was changed to Eat Sleep Juice Repeat Limited. As of November 30, 2016, this subsidiary has had no operations or activity.

For financial reporting purposes, the Share Exchange transaction represents a “reverse merger” rather than a business combination and DEPT-UK is deemed to be the accounting acquirer in the transaction. The Share Exchange transaction is being accounted for as a reverse-merger and recapitalization. DEPT-UK is the acquirer for financial reporting purposes, and the Company (DOCASA, Inc., f/k/a FWF Holdings, Inc., the public company) is being treated as the acquired company. Consequently, the assets and liabilities and the operations that will be reflected in the historical financial statements prior to the Share Exchange will be those of the Private Company and will be recorded at the historical cost basis of the Private Company, and the financial statements after completion of the Share Exchange will include the assets and liabilities of the Public Company and the Private Company, and the historical operations of Private Company and operations of both companies from the closing date of the Share Exchange.

***Nature of Operations***

We are currently devoting our efforts to migrating to the specialty coffee industry, specifically with company-operated stores. The Company will generate revenue through sales at eleven existing company-operated coffee shop locations in the UK, with five more locations under construction. Our objective is to continue to be recognized as one of the upper tier specialty coffee retail operations. Similar to leading operators, we sell our proprietary coffee and related products, and complementary food and snacks. The Company will continue to market its hot sauce products.

***Basis of Presentation***

The accompanying unaudited condensed financial statements of DOCASA, Inc. have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and done under §240.13(a) of the Securities Act. The results of operations for the interim period ended November 30, 2016 shown in this report are not necessarily indicative of results to be expected for the full fiscal year ending August 31, 2017. In the opinion of the Company’s management, the information contained herein reflects all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the Company’s results of operations, financial position and cash flows. The unaudited interim financial statements should be read in conjunction with the audited financial statements in the Company’s Form 10-K for the year ended July 31, 2016, filed on October 4, 2016 and Management’s Discussion and Analysis of Financial Condition and Results of Operations, and the Form 8-K/A filed on December 5, 2016 which includes the audited financial statements of the subsidiary, Department of Coffee and Social Affairs Limited and its audited financial statements for the year ended August 31, 2016 and 2015 and Management’s Discussion and Analysis of Financial Condition and Results of Operations.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the amortization period for intangible assets, valuation and impairment valuation of intangible assets, allowance for accounts receivable, depreciable lives of the web site and fixed assets, and valuation of share-based payments.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

***Accounts Receivable***

Accounts receivable consisted of amounts due from customers primarily for management fees. The Company considered accounts more than 30 days old to be past due. The Company used the allowance method for recognizing bad debts. When an account was deemed uncollectible, it was written off against the allowance. The Company generally does not require collateral for its accounts receivable. Management deems all accounts receivable to be collectible at November 30, 2016. Management has recorded an allowance for doubtful accounts.

***Inventory***

Inventory is recorded at the lower of cost or market and the cost of sales are recorded utilizing the first in first out (“FIFO”) method.

***Property, Equipment and Depreciation***

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets of three years for computer equipment, five years for office furniture and fixtures, and the lesser of the lease term or the useful life of the leased equipment. Leasehold improvements, if any, would be amortized over the lesser of the lease term or the useful life of the improvements. Expenditures for maintenance and repairs along with fixed assets below our capitalization threshold are expensed as incurred.

***Accounting for Derivatives***

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for. The result of this accounting treatment is that under certain circumstances the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under this accounting standard are reclassified to liability at the fair value of the instrument on the reclassification date.

***Impairment of Long-Lived Assets***

The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards ASC 360-10, “Accounting for the Impairment or Disposal of Long-Lived Assets”. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

***Fair Value of Financial Instruments***

The Company measures its financial assets and liabilities in accordance with generally accepted accounting principles. For certain of our financial instruments, including cash, accounts payable, accrued expenses, and short term loans the carrying amounts approximate fair value due to their short maturities.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

We follow accounting guidance for financial and non-financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

### ***Revenue Recognition***

The Company recognizes revenue for our services in accordance with ASC 605-10, "Revenue Recognition in Financial Statements." Under these guidelines, revenue is recognized on transactions when all of the following exist: persuasive evidence of an arrangement did exist, delivery of service has occurred, the sales price to the buyer is fixed or determinable and collectability is reasonably assured. The Company has four primary revenue streams as follows:

- Sales of specialty coffee and complementary food products.
- Coffee school.
- Coffee services.
- Sale of hot sauce products.

### ***Stock-Based Compensation***

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees. The value of the portion of an award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method. The Company accounts for non-employee share-based awards in accordance with the measurement and recognition provisions ASC Topic 505-50. The Company estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model.

### ***Advertising***

Advertising is expensed as incurred and is included in selling, general and administrative expenses on the accompanying statement of operations. For the three months ended November 30, 2016 and 2015 advertising expense was \$6,038 and \$1,214, respectively.

### ***Income Taxes***

The Company adopted the provisions of ASC 740-10, "Accounting for Uncertain Income Tax Positions." When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for unrecognized tax benefits. As of November 30, 2016, tax years 2014 - 2016 remain open for IRS audit and tax years 2015 - 2016 remain open for HM Revenue & Customs ("HMRC") audit. The Company has received no notice of audit from the IRS and HMRC for any of the open tax years.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

Company adopted ASC 740-10, "Definition of Settlement in FASB Interpretation No. 48," ("ASC 740-10"), which was issued on May 2, 2007. ASC 740-10 amends FIN 48 to provide guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. The term "effectively settled" replaces the term "ultimately settled" when used to describe recognition, and the terms "settlement" or "settled" replace the terms "ultimate settlement" or "ultimately settled" when used to describe measurement of a tax position under ASC 740-10. ASC 740-10 clarifies that a tax position can be effectively settled upon the completion of an examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The adoption of ASC 740-10 did not have an impact on the accompanying financial statements.

***Net Earnings (Loss) Per Share***

In accordance with ASC 260-10, "Earnings Per Share," basic net earnings (loss) per common share is computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common stock shares outstanding during the period.

***Foreign Currency Translation and Transactions***

The British Pound ("£") is the functional currency of DEPT-UK whereas the financial statements are reported in United States Dollar ("USD," "\$"). Assets and liabilities are translated based on the exchange rates at the 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 stockholders' equity and other comprehensive income.

***Comprehensive Income (Loss)***

The Company reports comprehensive income (loss) and its components in its consolidated financial statements. Comprehensive income (loss) consists of net loss and foreign currency translation adjustments affecting stockholders' equity that, under U.S. GAAP, are excluded from net loss. As of November 30, 2016, the exchange rate between U.S. Dollars and British Pounds was U.S. \$1.2485323065 = £1.00, and the weighted average exchange rate for the three months ended November 30, 2016 was U.S. \$1.28787153 = £1.00. As of August 31, 2016, the exchange rate between U.S. Dollars and British Pounds was U.S. \$1.43531 = £1.00, and the weighted average exchange rate for the three months ended November 30, 2015 was U.S. \$1.488 = £1.00.

***Effect of Recent Accounting Pronouncements***

The Company reviews new accounting standards and updates as issued. No new standards or updates had any material effect on these unaudited financial statements. The accounting pronouncements and updates issued subsequent to the date of these audited financial statements that were considered significant by management were evaluated for the potential effect on these audited financial statements. Management does not believe any of the subsequent pronouncements will have a material effect on these audited financial statements as presented and does not anticipate the need for any future restatement of these audited financial statements because of the retro-active application of any accounting pronouncements issued subsequent to November 30, 2016 through the date these audited financial statements were issued.

In February 2016, the Financial Accounting Standards Board ("FASB") issued an ASU on lease accounting. The ASU requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. The ASU is effective for reporting periods beginning after December 15, 2018 with early adoption permitted. While the Company is still evaluating the ASU, the Company expects the adoption of the ASU to have a material effect on the Company's financial condition due to the recognition of the lease rights and obligations as assets and liabilities. The Company does not expect the ASU to have a material effect on the Company's results of operations, and the ASU will have no effect on cash flows.

**NOTE 2 – ENTRY INTO A DEFINITIVE AGREEMENT**

***Acquisition of Department of Coffee and Social Affairs Limited***

DOCASA, Inc. (f/k/a FWF Holdings, Inc.), the "Public Company," "we," "us," "our") entered into an acquisition agreement (the "Acquisition Agreement") with Department of Coffee and Social Affairs Limited (the "Private Company"), a United Kingdom corporation. Prior to the acquisition, Pankaj Rajani, an officer and director of the Public Company, through Atlantik, acquired 115,000,000, or 75.8% of the outstanding shares of DOCASA, Inc. (f/k/a FWF Holdings, Inc.), the public company. Stefan Allesch-Taylor, an individual, and the Private Company's chairman ("Allesch-Taylor," or "Shareholder"), was the owner of record of 99.8% of the voting shares of the Private Company (the "Private Company Stock"). Pursuant to the Acquisition Agreement, the Private Company Stock was transferred to the Public Company in consideration of the Public Company issuing Shareholder 170,000,000 shares (the "New Shares") of the Public Company's common stock to the Shareholder (or his designees) in an initial tranche of 110,000,000 shares and a subsequent tranche of 60,000,000 shares. The Public Company issued Shareholder 110,000,000 fully paid and nonassessable shares of the Public Company's restricted common stock at the time of the execution of the Agreement. The Public Company shall issue a second tranche of 60,000,000 fully paid and nonassessable shares of the Company's restricted common stock (the "Deferred Shares") at a time to be determined by the Public Company's Board of Directors, but no later than August 31, 2017. The Deferred Shares are not conditional or contingent on any event or action by any party of the Agreement. As a result of the Acquisition Agreement, the Private Company became a subsidiary of the Public Company. See Notes 1, 5, 6 and 9.



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Also, in connection with the Acquisition Agreement: (i) Allesch-Taylor and Gill were appointed to serve on DOCASA's Board of Directors, serving as Chairman and Vice-Chairman, respectively; and (ii) Ashley Lopez ("Lopez") was appointed Chief Executive Officer and President and Kazi Shahid ("Shahid") was appointed Chief Financial Officer. Allesch-Taylor, Gill, Lopez and Shahid will maintain the same positions of DEPT-UK.

The transaction was accounted for as a reverse acquisition. As such, the future period equity amounts will be retro-actively restated to reflect the equity instruments of the accounting acquirer.

The following table summarizes the consideration given for DEPT-UK and the fair values of the assets and liabilities assumed at the acquisition date.

**Consideration given:**

|                           |               |
|---------------------------|---------------|
| Common stock given        | \$ 207        |
| Total consideration given | <u>\$ 207</u> |

**Fair value of identifiable assets acquired and liabilities assumed:**

|                                    |                 |
|------------------------------------|-----------------|
| Inventory                          | \$ 731          |
| Notes payable                      | (32,547)        |
| Accounts payable                   | (6,043)         |
| Accrued expenses                   | (8,500)         |
| Total identifiable net liabilities | <u>(46,359)</u> |
| Goodwill                           | 46,566          |
| Total consideration                | <u>\$ 207</u>   |

The Company has determined that the goodwill of \$46,566 is impaired and has been expensed accordingly in the period ended November 30, 2016.

*Accounting Treatment of the Merger*

For financial reporting purposes, the Share Exchange represents a "reverse merger" rather than a business combination and Private Company is deemed to be the accounting acquirer in the transaction. The Share Exchange is being accounted for as a reverse-merger and recapitalization. Private Company is the acquirer for financial reporting purposes and the Public Company (DOCASA, Inc., f/k/a FWF Holdings, Inc.) is the acquired company. Consequently, the assets and liabilities and the operations that will be reflected in the historical financial statements prior to the Share Exchange will be those of the Private Company and will be recorded at the historical cost basis of the Private Company, and the financial statements after completion of the Share Exchange will include the assets and liabilities of the Public Company and the Private Company, and the historical operations of Private Company and operations of both companies from the closing date of the Share Exchange.

*Commercial Agreement*

On April 29, 2015, the Board of Directors of DOCASA authorized the execution of that certain commercial agreement (the "Agreement") with Alimentos Kamuk Internacional (Costa Rica) S.A. ("AKI"). In accordance with the terms and provisions of the Agreement, the Company has agreed to purchase the hot sauce manufactured by AKI (the "Hot Sauce") with a purchase price (the "Purchase Price") that is subject to a 5%-7% annual price increase based on increased in production costs and raw materials and a potential volume discount starting from 10 pallets of a single product. For the first order, the Purchase Price shall be payable in full in advance and for subsequent orders, the Purchase Price shall be payable 50% in advance and the remaining balance net 30 days. In the event the relationship continues between the Company and AKI and exceeds \$100,000 annually, revisions in the payment terms can be negotiated.

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In further accordance with the terms and provisions of the Agreement: (i) all packaging material design will be the Company's property and will be used by AKI for such products; (ii) AKI shall guarantee a one year shelf life and in the event the shelf life is extended by the Company, the Company will indemnify AKI and be responsible for any damages, claims or returns; (iii) the Company shall supply the artwork for the labels; and (iv) the Company shall cover all expenses associated with customs clearance, taxes or charges incurred during importing of the Hot Sauce.

**NOTE 3 – GOING CONCERN**

The accompanying financial statements and the factors within it, have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and the ability of the Company to continue as a going concern for a reasonable period of time. The Company sustained net losses of \$58,820 and cash provided by operating activities of \$86,710 for the three months ended November 30, 2016. The Company had a working capital deficit, stockholders' equity and accumulated deficit of \$102,699, \$509,867 and \$1,399,422, respectively, at November 30, 2016. The Company's continuation as a going concern is dependent upon its ability to generate revenues and its ability to continue receiving investment capital and loans from third parties to sustain its current level of operations. The Company is in the process of securing working capital from investors for common stock, convertible notes payable, and/or strategic partnerships. No assurance can be given that the Company will be successful in these efforts. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**NOTE 4 – RECEIVABLES**

As of November 30, 2016 and August 31, 2016, the Company has trade receivables of \$568,078 and \$368,807, respectively. The receivables are as follows:

|                                 | <b>November 30,<br/>2016</b> | <b>August 31,<br/>2016</b> |
|---------------------------------|------------------------------|----------------------------|
| Trade receivables               | \$ 579,056                   | \$ 380,396                 |
| Allowance for doubtful accounts | (10,978)                     | (11,589)                   |
| Receivables, net                | <u>\$ 568,078</u>            | <u>\$ 368,807</u>          |

**NOTE 5 – INVENTORY**

The Company has inventory of various items used for the sale of coffee and complementary products. As of November 30, 2016 and August 31, 2016, the Company had inventory for the coffee segment of \$36,934 and \$40,323, respectively. The Company accounts for its inventory using the lower of cost or market and the cost of sales are recorded utilizing the first in first out ("FIFO") method.

As of November 30, 2016, the Company had 49 cases containing 12 bottles per case (588 bottles). As of November 30, 2016 and August 31, 2016, the Company had inventory for the hot sauce segment of \$731 and \$0 (actual amount was \$731 but due to the reverse merger, is not reflected on the August 31, 2016 balance sheet), respectively. Inventory is recorded at the lower of cost or market and the cost of sales are recorded utilizing the FIFO method.

The inventory is as follows:

|                        | <b>November 30,<br/>2016</b> | <b>August 31,<br/>2016</b> |
|------------------------|------------------------------|----------------------------|
| Consumable products    | \$ 6,405                     | \$ 8,500                   |
| Food and drinks        | 19,282                       | 22,858                     |
| Retail products        | 11,247                       | 8,965                      |
| Hot sauce products (1) | 731                          | -                          |
| Total inventory        | <u>\$ 37,665</u>             | <u>\$ 40,323</u>           |

(1) The hot sauce products were the books of DOCASA and due to the reverse merger with DEPT-UK, is not reflected in August 31, 2016.

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**NOTE 6 – FIXED ASSETS**

The Company has fixed assets including computer equipment, office equipment, site equipment and machinery, site fit out costs, site furniture, fixtures and fittings. As of November 30, 2016 and August 31, 2016, the Company had fixed assets of \$1,244,202 and \$1,126,093, respectively, with accumulated depreciation of \$452,953 and \$451,466, respectively, for net fixed assets of \$791,249 and \$674,627, respectively. Variances between the two reporting periods may be due to the currency translation calculation. The fixed assets are as follows:

|                                       | <b>November 30,<br/>2016</b> | <b>August 31,<br/>2016</b> |
|---------------------------------------|------------------------------|----------------------------|
| Computer equipment                    | \$ 43,450                    | \$ 36,839                  |
| Office equipment                      | 21,761                       | 22,972                     |
| Site equipment and machinery          | 208,318                      | 198,532                    |
| Site fit out costs                    | 807,880                      | 707,678                    |
| Site furniture, fixtures and fittings | 162,794                      | 160,072                    |
| Total fixed assets                    | <u>1,244,202</u>             | <u>1,126,093</u>           |
| Less: Accumulated depreciation        | <u>452,953</u>               | <u>451,466</u>             |
| Fixed assets, net                     | <u>\$ 791,249</u>            | <u>\$ 674,627</u>          |

The depreciation expense for the three months ended November 30, 2016 and 2015 was \$30,784 and \$36,554, respectively. The variance between the expense and the increase in accumulated depreciation is due to timing of the currency translation calculation.

**NOTE 7 – INTANGIBLE ASSETS**

The Company has intangible assets related to website development. The amortization of the intangible assets is over a three-year period. As of November 30, 2016 and August 31, 2016, net of accumulated amortization, of \$6,921 and \$9,065, respectively. Variances between the two reporting periods may be due to the currency translation calculation. The intangible assets are as follows:

|                                | <b>November 30,<br/>2016</b> | <b>August 31,<br/>2016</b> |
|--------------------------------|------------------------------|----------------------------|
| Website development            | \$ 19,977                    | \$ 21,088                  |
| Total intangible assets        | 19,977                       | 21,088                     |
| Less: Accumulated amortization | 13,056                       | 12,023                     |
| Intangible assets, net         | <u>\$ 6,921</u>              | <u>\$ 9,065</u>            |

The amortization expense for the three months ended November 30, 2016 was \$1,719 (£1,335). The variance between the expense and the increase in accumulated amortization is due to timing of the currency translation calculation.

**NOTE 8 – INVESTMENTS**

On January 12, 2017, Allesch-Taylor purchased the Company's original investment of £5,000 for a 5% ownership of Radio Station (f/k/a Soho Radio Ltd.) for £5,000 of his issued preference shares in DEPT-UK. The relationship with Radio Station will continue to provide the Company with intangible benefits. As the Company has previously impaired £4,000 of the investment as of August 31, 2015, the exchange will result in a gain on the transaction and will be recorded accordingly. The Company had previously impaired the investment as the investment would only provide intangible benefits, which, after this transaction, will still be applicable. As of November 30, 2016 and August 31, 2016, the balance was \$1,249 and \$1,318, respectively, with the variance due to currency translations. See Notes 10, 11 and 15.

**NOTE 9 – NOTES PAYABLE**

The Company has notes payable as of November 30, 2016 and August 31, 2016 are as follows:



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**Notes payable - current**

|                      | November 30, 2016 |                  |                  | August 31, 2016  |                  |                  |
|----------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                      | Principal         | Accrued Interest | Total            | Principal        | Accrued Interest | Total            |
| Nami Shams (1)       | \$ 2,194          | \$ -             | \$ 2,194         | \$ -             | \$ -             | \$ -             |
| Arch Investments (1) | 5,067             | -                | 5,067            | -                | -                | -                |
| Nami Shams (1)       | 5,065             | -                | 5,065            | -                | -                | -                |
| Nami Shams (1)       | 15,873            | -                | 15,873           | -                | -                | -                |
| Nami Shams (1)       | 4,349             | -                | 4,349            | -                | -                | -                |
| HSBC                 | -                 | -                | -                | 18,368           | -                | 18,368           |
| <b>Total</b>         | <b>\$ 32,548</b>  | <b>\$ -</b>      | <b>\$ 32,548</b> | <b>\$ 18,368</b> | <b>\$ -</b>      | <b>\$ 18,368</b> |

(1) The balance for August 31, 2016 of \$32,548 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger.

**Notes payable - non-current**

|                      | November 30, 2016 |                  |                   | August 31, 2016   |                  |                   |
|----------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                      | Principal         | Accrued Interest | Total             | Principal         | Accrued Interest | Total             |
| Deij Capital Limited | \$ 1,040          | \$ -             | \$ 1,040          | \$ 39,540         | \$ -             | \$ 39,540         |
| HSBC                 | 290,909           | -                | 290,909           | 170,257           | -                | 170,257           |
| <b>Total</b>         | <b>\$ 291,949</b> | <b>\$ -</b>      | <b>\$ 291,949</b> | <b>\$ 209,797</b> | <b>\$ -</b>      | <b>\$ 209,797</b> |

On February 1, 2010, DEPT-UK entered into a business loan with International Capital Corporation (“ICC”), which is controlled by George Raphael (“Raphael”). The loan is for 7 years, with no interest. The imputed interest is deemed immaterial as of November 30, 2016. The loan was for \$1,353,645 (£850,000) to be drawn down as and when required. On June 30, 2016, ICC converted the balance due of \$255,450 (£192,745) into 192,745 shares of Preference Shares (see Note 11). The outstanding principal as of November 30, 2016 and August 31, 2016 was \$0 (£0) and \$0 (£0), respectively. See Note 10.

On July 1, 2014, DEPT-UK entered into a business loan with Deij Capital Limited (“Deij Capital”), a company in which Gill is the director and owner. The loan is for 3 years, with an interest rate of 0%. The imputed interest is deemed immaterial as of November 30, 2016. The facility loan was for \$171,437 (£100,000) to be drawn down as and when required. On June 30, 2016, Deij Capital converted the balance due of \$719,143 (£542,617) into 542,617 shares of Preference Shares (see Note 11). The outstanding principal as of November 30, 2016 and August 31, 2016 was \$1,040 (£833) and \$39,540 (£30,000), respectively. The accrued interest as of November 30, 2016 and August 31, 2016 was \$0 (£0) and \$0 (£0), respectively. See Note 10.

On July 31, 2014, DOCASA executed a promissory note for \$2,194 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. As of November 30, 2016 and August 31, 2016, the principal was \$2,194, respectively. The balance for August 31, 2016 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger. See Note 5.

On April 30, 2015, DOCASA executed a promissory note for \$5,067 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. On July 20, 2016, Arch Investments, LLC acquired this promissory note due to Nami Shams. The imputed interest is deemed immaterial as of November 30, 2016. As of November 30, 2016 and August 31, 2016, the principal was \$5,067, respectively. The balance for August 31, 2016 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger. See Note 5.

On July 31, 2015, DOCASA executed a promissory note for \$5,065 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. As of November 30, 2016 and August 31, 2016, the principal was \$5,065, respectively. The balance for August 31, 2016 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger. See Note 5.

On October 31, 2015, DOCASA executed a promissory note for \$15,873 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. As of November 30, 2016 and August 31, 2016, the principal was \$15,873, respectively. The balance for August 31, 2016 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger. See Note 5.

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On January 31, 2016, DOCASA executed a promissory note for \$4,349 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. As of November 30, 2016 and August 31, 2016, the principal was \$4,349, respectively. The balance for August 31, 2016 is not reflected on the balance sheet due to the reverse merger. The Company assumed this liability as a condition of the reverse merger. See Note 5.

On July 28, 2016, DEPT-UK entered into a business loan with HSBC. The loan is a development loan drawn down against development invoices. The loan is for 4 years, with an interest rate of 4.5% over the Bank of England base rate. The loan repayment is monthly, interest only payments for the first six months followed by monthly repayments of principal and interest over the remaining forty-two months. The loan was for \$463,557 (£352,500) with an initial \$122,534 (£93,178) drawn. The outstanding principal and accrued interest as of November 30, 2016 and August 31, 2016 was \$290,909 (£233,001) and \$170,257 (£129,178), respectively.

As of August 31, 2016, the Company had a temporary loan from HSBC in the amount of \$18,368. As of November 30, 2016, the liability was paid off.

On September 1, 2016, DOCASA acquired the 115,000,000 shares of common stock from Atlantik in exchange for a promissory note for \$320,000, which is non-interest bearing and terminates in one year. The imputed interest is deemed immaterial as of November 30, 2016. The principal is payable in two tranches; \$20,000 due September 30, 2016 and the remaining \$300,000 due August 31, 2017. The \$20,000 payment was made by a third party and recorded as contributed capital in September 2016. The remaining \$300,000 balance was paid on November 30, 2016 to Atlantik by Allesch-Taylor (see Notes 10 and 11). The imputed interest is deemed immaterial as of November 30, 2016. See Notes 1, 2, 5, 6 and 10.

**NOTE 10 – RELATED PARTIES TRANSACTIONS**

On July 1, 2014, DEPT-UK entered into a business loan with Deij Capital Limited (“Deij Capital”), a company in which Matthew Gill is the director and owner. The loan is for 3 years, with an interest rate of 0%. The facility loan was for \$171,437 (£100,000) to be drawn down as and when required. On June 30, 2016, Deij Capital converted the balance due of \$719,143 (£542,617) into 542,617 shares of Preference Shares (see Note 11). The outstanding principal as of November 30, 2016 and August 31, 2016 and 2015 was \$1,040 (£833) and \$39,540 (£30,000), respectively. The accrued interest as of November 30, 2016 and August 31, 2016 was \$0 (£0) and \$0 (£0), respectively. See Note 10.

On July 31, 2014, DOCASA executed a promissory note for \$2,194 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. See Note 4.

On April 30, 2015, DOCASA executed a promissory note for \$5,067 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. On July 20, 2016, Arch Investments, LLC acquired this promissory note due to Nami Shams. See Note 4.

On July 31, 2015, DOCASA executed a promissory note for \$5,065 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. See Note 4.

On October 31, 2015, DOCASA executed a promissory note for \$15,873 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. See Note 4.

On January 31, 2016, DOCASA executed a promissory note for \$4,348 with Nami Shams, a former officer and director of the Company. The note has no set term of repayment and non-interest bearing. The imputed interest is deemed immaterial as of November 30, 2016. See Note 4.

On June 30, 2016, Nami Shams, a former officer and director of DOCASA, provided DOCASA with a Forgiveness of Debt for \$6,302 for advances made by Nami Shams to the Company.

On June 30, 2016, 192,745 Preference Shares were issued to Allesch-Taylor in exchange for a payable of \$255,450 (£192,745). See Note 11.

On June 30, 2016, 135,464 Preference Shares were issued to DEIJ Capital, a company controlled by Gill, the deputy chairman of the Company, in exchange for a debt of \$179,534 (£135,464). See Note 11.

On July 8, 2016, the majority shareholder of DOCASA, Nami Shams, sold 115,000,000 shares of common stock representing 75.8% of the outstanding shares of the Company to Atlantik for a total purchase price of \$200,000. See Notes 2 and 6.

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On September 1, 2016, the Company acquired the 115,000,000 shares of common stock from Atlantik in exchange for a promissory note for \$320,000. The principal is payable in two tranches; \$20,000, which was paid on September 30, 2016, and the remaining \$300,000 due August 29, 2017. See Notes 1, 2, 4, 6 and 10.

On September 1, 2016, the Company acquired DEPT-UK (see Notes 2, 6 and 9) and initially issued 110,000,000 shares of common stock as part of the acquisition to Stefan Allesch-Taylor, the Chairman of the Company.

For the three months ended November 30, 2016 and 2015, the Company purchased \$36,363 (£28,235) and \$26,841 (£20,841), respectively, of cakes from Dee Light, a company which Gill, the deputy chairman of the Company, was a 50% shareholder (until November 2016). As of November 30, 2016 and August 31, 2016, the Company owed Dee Light \$0 (£0) and \$56,102 (£42,566), respectively. See Note 9.

For the three months ended November 30, 2016 and 2015, the Company made sales of \$0 (£0) and \$0 (£0), respectively, to The Roastery Department Ltd. (“The Roastery Department”), and purchased £40,451 and £14,478 for the three months ended November 30, 2016 and 2015, respectively. As of November 30, 2016 and August 31, 2016, the Company has receivables and payables from The Roastery Department, which netted as payables of \$351,203 (£272,700) and \$66,667 (£50,582), respectively. Gill, the Company’s vice chairman, and Ashley Lopez (“Lopez”), the Company’s chief executive officer, were both unpaid directors of The Roastery Department until they resigned on December 1, 2016. The Company, when purchasing products from The Roastery Department, was provided a discount due to the strategic relationship between the two parties which provided the Company its purchases at cost.

As of November 30, 2016 and August 31, 2016, the Company owed Lopez, the Company’s chief executive officer, payables of \$831 (£665) and \$2,985 (£2,265), respectively.

As of November 30, 2016 and August 31, 2016, the Company owed Kazi Shadid, the Company’s chief financial officer, payables of \$7,965 (£6,380) and \$0 (£0), respectively.

As of November 30, 2016 and August 31, 2016, the Company owed Allesch-Taylor, the Company’s chairman, payables of \$17,355 (£13,901) and \$0 (£0), respectively.

As of November 30, 2016 and August 31, 2016, the Company owed Deij Capital, a company in which Gill, the deputy chairman of the Company, is the director and owner, notes payable of \$1,040 (£833) and \$39,540 (£30,000), respectively.

On November 30, 2016, Allesch-Taylor individually paid the Company’s remaining balance of \$300,000 in regards to the promissory note to Atlantik (see Notes 9 and 11). In exchange for the payment on behalf of the Company, the Company will issue Allesch-Taylor 300,000 shares of common stock at a value of \$1.00 per share. The last transaction with stock was September 1, 2016, which valued the common stock at \$0.0027 per share. The Company’s common stock did not trade during this period therefore the value for the November 30, 2016 transaction was determined to be multiples higher than the last recorded transaction. The Company believes that the value is not beneficial to Allesch-Taylor but does not state that this was an arm’s length transaction. As of November 30, 2016, the stock has not been issued and is recorded as issuable.

On January 12, 2017, Allesch-Taylor purchased the Company’s original investment of £5,000 for a 5% ownership of Radio Station (f/k/a Soho Radio Ltd.) for £5,000 of his issued preference shares in DEPT-UK. The relationship with Radio Station will continue to provide the Company with intangible benefits. As the Company has previously impaired £4,000 of the investment as of August 31, 2015, the exchange will result in a gain on the transaction and will be recorded accordingly. The Company had previously impaired the investment as the investment would only provide intangible benefits, which, after this transaction, will still be applicable. As of November 30, 2016 and August 31, 2016, the balance was \$1,249 and \$1,318, respectively, with the variance due to currency translations. See Notes 10, 11 and 15.

The Company has an employment agreement with Lopez, our CEO, and a consulting agreement with Clearbrook Capital Partners LLP, an entity where Kazi Shahid, our CFO, is a partner and also serves as CFO.

The above related party transactions are not necessarily considered as arm’s length transactions for all circumstances.

## **NOTE 11 – STOCKHOLDERS’ EQUITY**

### ***Common Stock***

The Company was authorized to issue up to 75,000,000 shares of common stock, par value \$0.001 per share. On March 26, 2015, the Company increased its authorized to 250,000,000 shares of common stock. Each outstanding share of common stock entitles the holder to one vote per share on all matters submitted to a stockholder vote. All shares of common stock are non-assessable and non-cumulative, with no pre-emptive rights.

On March 26, 2015, the directors of the Company approved a special resolution to undertake a forward split of the common stock of the Company on a basis of 115 new common shares for 1 old common share. The issued and outstanding common stock increased from 1,320,000 to 151,800,000 as of July 31, 2015.



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**(unaudited)**

On July 22, 2014, the Company issued 1,150,000,000 (10,000,000 pre-split) common shares at \$0.000008695 (\$0.001 pre-split) per share to the sole director and President of the Company for cash proceeds of \$10,000.

On March 24, 2015, the Company closed of its financing and the Company issued 36,800,000 (320,000 pre-split) common shares to 32 shareholders at \$0.000261 (\$0.03 pre-split) per share for net cash proceeds of \$9,600.

On March 26, 2015, the founding shareholder of the Company returned 1,035,000,000 (9,000,000 pre-split) restricted shares of common stock to treasury and the shares were subsequently cancelled by the Company. The shares were returned to treasury for \$0.000000009 per share for a total consideration of \$10 to the shareholder.

On July 8, 2016, the majority shareholder of the Company, Nami Shams, sold 115,000,000 shares of common stock representing 75.8% of the outstanding shares of the Company for a total purchase price of \$200,000. See Note 5.

As of November 30, 2016, the Company has not granted any stock options and has not recorded any stock-based compensation.

On September 1, 2016, the Company acquired DEPT-UK (see Notes 2, 5 and 10). As a condition of the acquisition, 110,000,000 shares of common stock were issued on September 1, 2016. Additionally, 60,000,000 shares of common stock are issuable at the discretion of the board of directors but no later than August 31, 2017.

On September 1, 2016, the Company acquired the 115,000,000 shares of common stock from Atlantik in exchange for a promissory note for \$320,000. The acquired shares were cancelled on September 1, 2016. See Notes 1, 2, 5 and 10.

On November 30, 2016, Allesch-Taylor individually paid the Company's remaining balance of \$300,000 in regards to the promissory note to Atlantik (see Notes 9 and 11). In exchange for the payment on behalf of the Company, the Company issued Allesch-Taylor 300,000 shares of common stock at a value of \$1.00 per share. The last transaction with stock was September 1, 2016, which valued the common stock at \$0.0027 per share. The Company's common stock did not trade during this period therefore the value for the November 30, 2016 transaction was determined to be multiples higher than the last recorded transaction. The Company believes that the value is not beneficial to Allesch-Taylor but does not state that this was an arm's length transaction. As of November 30, 2016, the stock has not been issued and is recorded as issuable.

All references in these financial statements to number of common shares, price per share and weighted average number of shares outstanding prior to the 115:1 forward split have been adjusted to reflect the stock split on a retroactive basis unless otherwise noted.

### ***Preference Shares***

The Articles of Association of the DEPT-UK, pursuant to the Companies Act 2006, was authorized to issue up to 25,000,000 Preference Shares, par value £1.00 per share. Preference Shares have no votes and no dividends. Subject to the provisions of the Companies Act 2006, DEPT-UK shall have the right pursuant to Section 687-688 of the Companies Act 2006 to redeem at par the whole or any part of the Preference Shares at any time or times after the date of issue of the said Preference Shares upon giving to DEPT-UK not less than three months' previous notice in writing. The Preference Shares can be purchased by DEPT-UK, at the discretion of the board of directors of the Company.

On June 30, 2016, 192,745 Preference Shares were issued to Allesch-Taylor in exchange for payables of \$255,450 (£192,745).

On June 30, 2016, 542,617 Preference Shares were issued ICC in exchange for a debt of \$719,143 (£542,617).

On June 30, 2016, 135,464 Preference Shares were issued to Deij Capital Limited, a company which is owned and controlled by Gill, a director of the Company, in exchange for a debt of \$179,534 (£135,464).

On January 12, 2017, Allesch-Taylor purchased the Company's original investment of £5,000 for Radio Station for £5,000 of his issued preference shares in DEPT-UK. As the Company had impaired £4,000 of the investment as of August 31, 2015, the exchange will result in a gain on the transaction and will be recorded accordingly. The Company had previously impaired the investment as the investment would only provide intangible benefits, which, after this transaction, will still be applicable. See Notes 8 and 15.

## **NOTE 12 – COMMITMENTS AND CONTINGENCIES**

### **Legal Matters**

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 January 20, 2017, there were no pending or threatened lawsuits.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

**Lease Commitment**

We lease office space in Schaumburg, Illinois, pursuant to a lease that will expire on January 10, 2017. This facility serves as our corporate office.

Future minimum lease payments under leases due to the acquisition of DEPT-UK (see Note 2) and subsequent new leases, including the lease entered into after November 30, 2016 (see Note 15) are as follows:

|        |                     |
|--------|---------------------|
| 2017   | \$ 422,600          |
| 2018   | 536,517             |
| 2019   | 537,321             |
| 2020   | 540,541             |
| 2021   | 507,741             |
| Future | 1,198,941           |
| Total  | <u>\$ 3,743,661</u> |

Note: The above table will change in each future filing due to currency translation as applicable.

As a result of the acquisition on September 1, 2016 (see Note 10), for DEPT-UK, 12 leases, of which one is for the U.S. corporate office, one for the UK administrative office, and ten operational leases. Various leases have break out dates prior to expiration. See Notes 2 and 10.

The Company entered into two leases during this period and one lease subsequent to November 30, 2016 (see Note 15).

Rent expense for the three months ended November 30, 2016 and 2015 was \$94,243 (£73,177) and \$110,969 (£73,006), respectively.

**NOTE 13 – CONCENTRATIONS**

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Company to a concentration of credit risk, consist principally of temporary cash investments.

The Company places its temporary cash investments with financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) for the United States and the Financial Services Compensation Scheme (“FSCS”) for the United Kingdom. No amounts exceeded federally insured limits as of November 30, 2016. There have been no losses in these accounts through November 30, 2016.

**Concentration of Customer**

The Company has one customer, which, for the three months ended November 30, 2016 and 2015, had sales of \$101,227 (£78,600, 11.0% of total revenue) and \$119,472 (£78,600, 11.4% of total revenue), respectively. The Company has a three-year contract with this customer to provide an internal coffee shop, catering, etc. The Company fully operates the site. The contract expires in July 2017. Currently, the Company and the customer are negotiating the renewal and three-year extension of the contract. While the Company does expect the contract to be extended, it may not be, and if it were not, the Company would have a loss of revenue.

**Concentration of Supplier**

The Company does not rely on any particular suppliers for its services.

**Concentration of Lender**

The Company has one lender, a related party, that makes up its notes payable.

**Concentration of Intellectual Property**

The Company, after the acquisition of DEPT-UK, owns or has filed for the trademarks “Department of Coffee and Social Affairs,” “Coffeesmiths,” and “Elixir Espresso” as filed with in Great Britain and Northern Ireland with the Trade Marks Registry. See Notes 2 and 9.

**DOCASA, INC.**  
**(f/k/a FWF Holdings, Inc.)**  
**Notes to Condensed Financial Statements**  
**November 30, 2016**  
**(unaudited)**

**NOTE 14 – REVENUE CLASSES**

Selected financial information for the Company's operating revenue classes are as follows:

| <b>Revenues:</b>                       | <b>For the three months ended</b> |                     |
|--|-----------------------------------|---------------------|
|  | <b>2016</b>                       | <b>2015</b>         |
| Coffee and complementary food products | \$ 810,214                        | \$ 926,303          |
| Coffee school                          | 5,184                             | 5,802               |
| Management fees                        | 101,227                           | 119,472             |
| Hot sauce (a)                          | -                                 | -                   |
| <b>Total</b>                           | <b>\$ 916,625</b>                 | <b>\$ 1,051,577</b> |

(a) For the three months ended November 30, 2015, due to the reverse merger on September 1, 2016, are not reflective on this table.

| <b>Direct costs of revenue:</b>        | <b>For the three months ended</b> |                   |
|--|-----------------------------------|-------------------|
|  | <b>2016</b>                       | <b>2015</b>       |
| Coffee and complementary food products | \$ 539,611                        | \$ 612,652        |
| Coffee school                          | 543                               | 609               |
| Management fees                        | 33,088                            | 38,948            |
| Hot sauce (a)                          | -                                 | -                 |
| <b>Total</b>                           | <b>\$ 573,242</b>                 | <b>\$ 652,209</b> |

(a) For the three months ended November 30, 2015, due to the reverse merger on September 1, 2016, are not reflective on this table.

**NOTE 15 – SUBSEQUENT EVENTS**

On December 12, 2016, DEPT-UK entered into a lease related to retail expansion (see Note 12).

On January 12, 2017, Allesch-Taylor purchased the Company's original investment of £5,000 for a 5% ownership of Radio Station (f/k/a Soho Radio Ltd.) for £5,000 of his issued preference shares in DEPT-UK. The relationship with Radio Station will continue to provide the Company with intangible benefits. As the Company has previously impaired £4,000 of the investment as of August 31, 2015, the exchange will result in a gain on the transaction and will be recorded accordingly. The Company had previously impaired the investment as the investment would only provide intangible benefits, which, after this transaction, will still be applicable. As of November 30, 2016 and August 31, 2016, the balance was \$1,249 and \$1,318, respectively, with the variance due to currency translations. See Notes 8, 10 and 11.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

**SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS**

We believe that it is important to communicate our future expectations to our security holders and to the public. This report, therefore, contains statements about future events and expectations which are “forward-looking statements” within the meaning of Sections 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including the statements about our plans, objectives, expectations and prospects under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” You can expect to identify these statements by forward-looking words such as “may,” “might,” “could,” “would,” “will,” “anticipate,” “believe,” “plan,” “estimate,” “project,” “expect,” “intend,” “seek” and other similar expressions. Any statement contained in this report that is not a statement of historical fact may be deemed to be a forward-looking statement. Although we believe that the plans, objectives, expectations and prospects reflected in or suggested by our forward-looking statements are reasonable, those statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements, and we can give no assurance that our plans, objectives, expectations and prospects will be achieved.

Important factors that might cause our actual results to differ materially from the results contemplated by the forward-looking statements are contained in the “Risk Factors” section of and elsewhere in our Annual Report on Form 8-K for the fiscal year ended August 31, 2016 and in our subsequent filings with the Securities and Exchange Commission. The following discussion of our results of operations should be read together with our financial statements and related notes included elsewhere in this report.

**Company Overview**

The Company was a startup company that was incorporated in Nevada on July 22, 2014, and previously had a fiscal year end of July 31. On August 4, 2016, the Company filed with the State of Nevada to change its fiscal year to August 31.

The Company has historically been in the hot sauce product business focused on selling its hot sauce products with a blend of peppers, fruits, herbs and spices under the brand name “Fruit With Fire.”

On July 8, 2016, the Company experienced a change in control. Atlantik LP (“Atlantik”), controlled by a related party, acquired a majority of the issued and outstanding common stock of the Company in accordance with stock purchase agreements by and between Atlantik and Nami Shams (“Seller”). On the closing date, July 8, 2016, pursuant to the terms of the stock purchase agreement, Atlantik purchased from the Seller 115,000,000 shares of the Company’s outstanding restricted common stock for \$200,000, representing 75.8% of the Company’s outstanding common stock at that time.

On September 1, 2016, the Company entered into an acquisition agreement (the “Acquisition Agreement”) with Department of Coffee and Social Affairs Limited, a United Kingdom corporation (“Private Company”). Pursuant to the Acquisition Agreement, the Company acquired 99.8% of the Private Company’s voting stock, and the Private Company’s majority shareholder was to receive an aggregate of 170,000,000 shares of the Company’s common stock—110,000,000 shares initially and 60,000,000 shares at a time determined by the Company’s Board of Directors but no later than August 31, 2017. Also on September 1, 2016, the Company acquired 115,000,000 shares of the Company’s common stock (and then cancelled those shares) from Atlantik LP (“Atlantik”) in exchange for issuing Atlantik a promissory note for \$320,000, which has since been paid in full. As a result of the acquisition of 99.8% of the voting stock of the Private Company and the cancellation of the 115,000,000 Atlantik shares, the Private Company is now the majority owned subsidiary of the Company, and the Company experienced a change of control.

Prior to the Private Company acquisition, we were engaged in the business of commercial production and distribution of hot sauce. After the acquisition, we are now engaged in both the hot sauce business, as well as the artisan coffee business of the Private Company.

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be able to continue in operation. We expect we will require additional capital to meet our long-term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

We are currently devoting the majority of our efforts toward our specialty coffee business, focused primarily on serving premium single origin coffee to the United Kingdom’s coffee drinkers as well as a selection of quality foods, in addition to our legacy hot sauce business operations.

The following Management Discussion and Analysis should be read in conjunction with the financial statements and accompanying notes included in this Form 10-Q.



**Results of Operations****For the Three Months Ended November 30, 2016 and 2015***Revenue*

For the three months ended November 30, 2016, we had \$916,625 (£711,736) of revenue, compared to \$1,051,577 (£691,827) for the same period in 2015. For presentation purposes, primarily due to currency translation, revenue in US dollars, as reported on the consolidated financial statements, decreased whereas, as reflected above, revenue in British Pounds increased £19,909, or 2.9%, as compared to the three months ended November 30, 2015. In the three months ended November 30, 2016, the Company added, or was in the process of adding, two additional locations to its nine locations as of August 31, 2016. These additional locations, which opened in mid-November 2016 and the end of November 2016, provided increased sales of \$21,423 (£16,635) which should increase accordingly over time to reflect a full quarterly period of operations as well as the impact of being fully established. At November 30, 2015, there were ten locations in full operation. One location was closed during the three months ended November 30, 2016 due to constraining issues related to construction in the area. The Company opened another location in December 2016. Company revenues, by revenue class, are as follows:

| <b>Revenues:</b>                       | <b>For the three months ended</b> |                     |
|--|-----------------------------------|---------------------|
|  | <b>2016</b>                       | <b>2015</b>         |
| Coffee and complementary food products | \$ 810,214                        | \$ 926,303          |
| Coffee school                          | 5,184                             | 5,802               |
| Management fees                        | 101,227                           | 119,472             |
| Hot sauce (a)                          | -                                 | -                   |
| <b>Total</b>                           | <b>\$ 916,625</b>                 | <b>\$ 1,051,577</b> |

(a) For the three months ended November 30, 2015, due to the reverse merger on September 1, 2016, are not reflective on this table.

*Operating Expenses**Direct costs of Revenue*

For the three months ended November 30, 2016, direct costs of revenue were \$573,242 (£445,108) compared to \$652,209 (£429,085) for the same period in 2015. For presentation purposes, primarily due to currency translation, direct costs of revenue, as reported in US Dollars on the consolidated financial statements, reflects a decrease in direct costs of revenue whereas, direct costs of revenue in British Pounds increased £16,023, or 3.7%, as compared to the three months ended November 30, 2015. The increase is primarily due to the increase in locations. The cost of revenues, by revenue class, are as follows:

| <b>Direct costs of revenue:</b>        | <b>For the three months ended</b> |                   |
|--|-----------------------------------|-------------------|
|  | <b>2016</b>                       | <b>2015</b>       |
| Coffee and complementary food products | \$ 539,611                        | \$ 612,652        |
| Coffee school                          | 543                               | 609               |
| Management fees                        | 33,088                            | 38,948            |
| Hot sauce (a)                          | -                                 | -                 |
| <b>Total</b>                           | <b>\$ 573,242</b>                 | <b>\$ 652,209</b> |

(a) For the three months ended November 30, 2015, due to the reverse merger on September 1, 2016, are not reflective on this table.

*General and Administrative Expenses*

For the three months ended November 30, 2016, general and administrative expenses were \$353,215 (£282,903) compared to \$357,613 (£235,272) for the same period in 2015. For presentation purposes, primarily due to currency translation, general and administrative expenses, as reported in US Dollars on the consolidated financial statements, reflects a decrease in general and administrative expenses whereas, general and administrative expenses in British Pounds increased £47,631, or 20.2%, as compared to the three months ended November 30, 2015. The expenses for the three months ended November 30, 2016 were as follows: professional fees, \$43,620 (£33,870); rent, \$94,243 (£73,177); depreciation, \$32,503 (£25,238); property taxes, \$47,005 (£36,498) and other, \$135,844 (£105,479). The expenses for the three months ended November 30, 2015 were as follows: professional fees, \$25,674 (£16,891); rent, \$110,969 (£73,006); depreciation, \$36,554 (£24,049); property taxes, \$52,735 (£34,694); and other, \$131,681 (£86,632). Additionally, for the three months ended November 30, 2016, the Company had expenses related to being a publicly registered entity of \$35,926 whereas the three months ended November 30, 2015, there were no comparable expenses. Comparisons between the years is not on an equal basis due to the currency valuation for each respective period, the impact of the costs of being a publicly registered entity, and the costs of expansion of two new locations. For the three months ended November 30, 2016, there were expenses related to the opening and/or preparing for the opening, of two locations in this period, which was \$33,715 (£26,179). For comparison purposes, the actual general and administrative expenses for the current operations, excluding the expansion costs and the costs related to being a publicly registered entity, was \$283,574, which is 80.3% of the reported amount.

## Net Loss

We generated net losses of \$58,820 for the three months ended November 30, 2016, compared to net income of \$40,248 for the same period in 2015. Both years the primary expenses were direct costs of revenue. As discussed in the General and Administrative Expenses section, for further comparison purposes, deducting the costs of setting up the new locations and the costs of being a publicly registered entity, the general and administrative expenses would have decreased by \$69,641, and an impairment expense of \$46,566 related to the impairment of goodwill recorded in regards to the acquisition of DEPT-UK, therefore, for comparison purposes only, the net loss would have become net income of \$57,387 (does not account for minority interest of 0.2% of DEPT-UK), or 6.3% of revenue for the three months ended November 30, 2016 compared to 3.8% for the three months ended November 30, 2015.

The Company has a single customer, which, for the three months ended November 30, 2016 and 2015, accounted for sales of \$101,227 (£78,600, 11.7% of total revenue) and \$119,472 (£78,600, 11.4% of total revenue), respectively. The Company's contract with the customer expires in July 2017. While the Company and the customer are negotiating a three-year extension of the contract, and the Company expects the contract to be extended, if it were not, the Company's operations would be adversely affected as it would lose the revenue from that customer.

## Liquidity and Capital Resources

### General

At November 30, 2016, we had cash and cash equivalents of \$86,366. We have historically met our cash needs through a combination of cash flows from operating activities and proceeds from private placements of our securities and loans. We plan to continue meeting our cash needs through the same methods used historically.

Our operating activities provided cash of \$86,710 for the three months ended November 30, 2016, and provided cash in operations of \$2,835 during the same period in 2015. The principal elements of cash flow from operations for the three months ended November 30, 2016, included a net loss of \$58,820, impairment expense of \$46,566, decrease in prepaid expense of \$63,051, increase in accounts payable of \$244,065 offset primarily by an increase in accounts receivable of \$349,647.

Cash used in investing activities during the three months ended November 30, 2016, was \$167,292 compared to \$21,561 during the same period in 2015, which was related in both periods to the acquisition of fixed assets.

Cash generated in our financing activities was \$75,811 for the three months ended November 30, 2016, compared to cash used of \$21,330 during the comparable period in 2015. The Company entered into a line of credit with HSBC which resulted in borrowings of \$233,000 for the three months ended November 30, 2016.

As of November 30, 2016, current liabilities exceeded current assets. Current assets were \$804,510 at August 31, 2016 and \$972,679 at November 30, 2016, whereas current liabilities increased from \$803,343 at August 31, 2016, to \$1,075,378 at November 30, 2016.

|   | <b>For the three months ended</b> |                    |
|---|-----------------------------------|--------------------|
|   | <b>November 30,</b>               |                    |
|   | <b>2016</b>                       | <b>2015</b>        |
| Cash provided by operating activities           | \$ 86,710                         | \$ 2,835           |
| Cash used in investing activities               | (167,292)                         | (21,561)           |
| Cash provided by (used in) financing activities | 75,811                            | (21,331)           |
| Net changes to cash                             | <u>\$ (4,771)</u>                 | <u>\$ (40,057)</u> |

## Going Concern

The accompanying financial statements and the factors within it, have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and the ability of the Company to continue as a going concern for a reasonable period of time. The Company sustained net losses of \$58,820 and cash provided by operating activities of \$86,710 for the three months ended November 30, 2016. The Company had a working capital deficit, stockholders' equity and accumulated deficit of \$102,699, \$509,867 and \$1,399,422, respectively, at November 30, 2016. The Company's continuation as a going concern is dependent upon its ability to generate revenues and its ability to continue receiving investment capital and loans from third parties to sustain its current level of operations. The Company is in the process of securing working capital from investors for common stock, convertible notes payable, and/or strategic partnerships. No assurance can be given that the Company will be successful in these efforts. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## Off Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## Critical Accounting Policies

*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the amortization period for intangible assets, valuation and impairment valuation of intangible assets, depreciable lives of the web site and property and equipment, valuation of warrant and beneficial conversion feature debt discounts, valuation of share-based payments and the valuation allowance on deferred tax assets.

*Changes in Accounting Principles.* No significant changes in accounting principles were adopted during the period ended November 30, 2016.

*Derivatives.* The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for. The result of this accounting treatment is that under certain circumstances the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under this accounting standard are reclassified to liability at the fair value of the instrument on the reclassification date.

*Impairment of Long-Lived Assets.* The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards ASC 360-10, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

*Fair Value of Financial Instruments and Fair Value Measurements.* The Company measures their financial assets and liabilities in accordance with generally accepted accounting principles. For certain of our financial instruments, including cash, accounts payable, accrued expenses escrow liability and short-term loans the carrying amounts approximate fair value due to their short maturities.

We have adopted accounting guidance for financial and non-financial assets and liabilities. The adoption did not have a material impact on our results of operations, financial position or liquidity. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

*Revenue Recognition.* The Company recognizes revenue for our services in accordance with ASC 605-10, "Revenue Recognition in Financial Statements." Under these guidelines, revenue is recognized on transactions when all of the following exist: persuasive evidence of an arrangement did exist, delivery of service has occurred, the sales price to the buyer is fixed or determinable and collectability is reasonably assured. The Company has four primary revenue streams as follows:

- Sale of coffee and complementary food products to consumer.
- Coffee school.
- Coffee services.
- Selling of hot sauce products.

*Stock-Based Compensation.* The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees. The Company accounts for non-employee share-based awards in accordance with ASC Topic 505-50. The value of the portion of an award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method. The Company estimates the fair value of each stock option at the grant date by using the Black-Scholes option-pricing model. The Company estimates the fair value of each stock option at the grant date by using the Black-Scholes option-pricing model.

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See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 1, “Summary of Significant Accounting Policies” in our audited financial statements for the year ended July 31, 2016, included in our Annual Report on Form 10-K, as filed on October 4, 2016 and amended as filed on November 18, 2016, and our Form 8-K for September 1, 2016, as filed on September 6, 2016 and amended on December 5, 2016 and January 20, 2017, for a discussion of our critical accounting policies and estimates.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

A smaller reporting company, as defined by Item 10 of Regulation S-K, is not required to provide the information required by this item.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

The Securities and Exchange Commission defines the term “disclosure controls and procedures” to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer’s management, including its chief executive and chief financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to the chief executive and interim chief financial officer to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures are not effective as of such date. The Chief Executive Officer and Chief Financial Officer have determined that the Company continues to have the following deficiencies which represent a material weakness:

1. The Company intends to appoint additional independent directors;
2. Lack of in-house personnel with the technical knowledge to identify and address some of the reporting issues surrounding certain complex or non-routine transactions. With material, complex and non-routine transactions, management has and will continue to seek guidance from third-party experts and/or consultants to gain a thorough understanding of these transactions;
3. Insufficient personnel resources within the accounting function to segregate the duties over financial transaction processing and reporting;
4. Insufficient written policies and procedures over accounting transaction processing and period end financial disclosure and reporting processes.

To remediate our internal control weaknesses, management intends to implement the following measures:

- The Company will add sufficient number of independent directors to the board and appoint additional member(s) to the Audit Committee.
- The Company will add sufficient accounting personnel to properly segregate duties and to effect a timely, accurate preparation of the financial statements.
- The Company will hire staff technically proficient at applying U.S. GAAP to financial transactions and reporting.
- Upon the hiring of additional accounting personnel, the Company will develop and maintain adequate written accounting policies and procedures.

The additional hiring and appointment of independent directors is contingent upon the Company's efforts to obtain additional funding through equity or debt and the results of its operations.

### **Changes in Internal Control Over Financial Reporting**

As described herein, we experienced a change of control as a result of the acquisition of DEPT-UK. In connection with the acquisition, (i) Stefan Allesch-Taylor and Matthew Gill were appointed to serve on our Board of Directors, serving as Chairman and Vice-Chairman, respectively, Ashley Lopez was appointed as our Chief Executive Officer and President, and Kazi Shahid was appointed Chief Financial Officer. Due to acquisition and our modified business plan, we are in the process of finalizing our controls over our new business operations and processes. There are no changes in our internal controls over financial reporting other than as described above.

### **Limitations on the Effectiveness of Controls**

The Company's management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of the control system must reflect that there are resource constraints and that the benefits must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

There are no pending legal proceedings in which we are a party or in which any of our directors, officers or affiliates, any owner of record or beneficiary of more than 5% of any class of our voting securities is a party adverse to us or has a material interest adverse to us. Our property is not the subject of any pending legal proceedings.

### Item 1A. Risk Factors

Not required.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On September 1, 2016, the Company acquired 99.8% of the voting stock of Department of Coffee and Social Affairs Limited (“DEPT-UK”), a United Kingdom corporation, from Stefan Allesch-Taylor (“Allesch-Taylor”), pursuant to an acquisition agreement requiring the Company to issue Allesch-Taylor 170,000,000 shares of restricted common stock, 110,000,000 shares initially and 60,000,000 subsequently at a date to be determined by the Board of Directors, but no later than August 31, 2017.

Also on September 1, 2016, the Company acquired 115,000,000 shares of the Company’s common stock (and then cancelled those shares) from Atlantik LP (“Atlantik”) in exchange for issuing Atlantik a promissory note for \$320,000.

On November 30, 2016, Allesch-Taylor, the Company’s Chairman, personally paid Atlantik the remaining balance of \$300,000 owed by the Company to Atlantik pursuant to its promissory note from the Company dated September 1, 2016. In consideration of Allesch-Taylor’s payment of the Company’s balance, the Company agreed to issue Allesch-Taylor 300,000 shares of the Company’s common stock, valued at \$1.00 per share. As of the date hereof, the stock has not been issued but has been recorded as issuable. After the issuance of the shares, Allesch-Taylor will beneficially own 110,300,000 shares of the Company’s common stock, or approximately 74.8% of the Company’s common stock.

The shares and promissory note described above were issued or will be issued based on exemptions from registration under Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder as there was no general solicitation, and the transactions did not involve a public offering.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

None.

**Item 6. Exhibits**

| <b>Number</b>            | <b>Description</b>   |
|--------------------------|--|
| 3.1                      | Articles of Incorporation (incorporated by reference to our Registration Statement on Form S-1, filed on July 22, 2013)  |
| 3.2                      | Bylaws (incorporated by reference to our Registration Statement on Form S-1, filed on July 22, 2013)   |
| 3.3                      | Certificate of Amendment, Change of Name (incorporated by reference to our Current Report on Form 8-K filed on August 16, 2016)  |
| 3.4                      | Certificate of Amendment, Change of Fiscal Year (incorporated by reference to our Current Report on Form 8-K filed on August 16, 2016)   |
| 10.1                     | Share Exchange Agreement dated November 6, 2014 (incorporated by reference to our Form 10-Q/A for the period ended December 31, 2014, filed on September 10, 2015)   |
| 10.2                     | Audit for the Period Ended November 6, 2014 of DOCASA, Inc. (f/k/a FWF Holdings, Inc.), the private company (incorporated by reference to our Form 10-Q/A for the period ended December 31, 2014, filed on September 10, 2015)                                     |
| 10.3                     | Acquisition Agreement between DOCASA, Inc. (f/k/a FWF Holdings, Inc.) and Department of Coffee and Social Affairs Limited (incorporated by reference to our Current Report on Form 8-K filed on September 6, 2016)   |
| 10.4                     | Employment agreement with Ashley Lopez (incorporated by reference to our Current Report on Form 8-K filed on January 20, 2017)   |
| 10.5                     | Consulting agreement with Clearbrook Capital Partners LLP (incorporated by reference to our Current Report on Form 8-K filed January 20, 2017)   |
| <a href="#">31.1 (1)</a> | <a href="#">Certification of Principal Executive Officer of DOCASA, Inc. (f/k/a FWF Holdings, Inc.) required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |
| <a href="#">31.2 (1)</a> | <a href="#">Certification of Principal Accounting Officer of DOCASA, Inc. (f/k/a FWF Holdings, Inc.) required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a> |
| <a href="#">32.1 (1)</a> | <a href="#">Certification of Principal Executive Officer of DOCASA, Inc. (f/k/a FWF Holdings, Inc.) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 Of 18 U.S.C. 63</a>   |
| <a href="#">32.2 (1)</a> | <a href="#">Certification of Principal Accounting Officer of DOCASA, Inc. (f/k/a FWF Holdings, Inc.) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 Of 18 U.S.C. 63</a>  |
| 99.1                     | Unaudited Pro-Forma Condensed Combined Financial Statements (incorporated by reference to our Current Report on Form 8-K filed on January 20, 2017)  |
| 101.INS (1)              | XBRL Taxonomy Extension Instance Document  |
| 101.SCH (1)              | XBRL Taxonomy Extension Schema Document  |
| 101.CAL (1)              | XBRL Taxonomy Extension Calculation Linkbase Document  |
| 101.DEF (1)              | XBRL Taxonomy Extension Definition Linkbase Document   |
| 101.LAB (1)              | XBRL Taxonomy Extension Label Linkbase Document  |
| 101.PRE (1)              | XBRL Taxonomy Extension Presentation Linkbase Document   |

(1) Filed herewith

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

*/s/ Ashley Lopez*

\_\_\_\_\_  
Ashley Lopez, Principal Executive Officer

January 23, 2017

\_\_\_\_\_  
Date

*/s/ Kazi Shahid*

\_\_\_\_\_  
Kazi Shahid, Principal Financial Officer

January 23, 2017

\_\_\_\_\_  
Date



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Ashley Lopez, certify that:

1. I have reviewed this report on Form 10-Q of DOCASA, Inc.;
2. Based on my knowledge, this report 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Small Business Issuer as of, and for, the periods presented in this quarterly report;
4. The Small Business Issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Small Business Issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Omitted pursuant to SEC Release No. 33-8238];
  - (c) Evaluated the effectiveness of the Small Business Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Small Business Issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The Small Business Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors of the small business issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: January 23, 2017

By: /s/ Ashley Lopez  
Ashley Lopez  
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Kazi Shahid, certify that:

1. I have reviewed this report on Form 10-Q of DOCASA, Inc.;
2. Based on my knowledge, this report 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Small Business Issuer as of, and for, the periods presented in this quarterly report;
4. The Small Business Issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Small Business Issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Omitted pursuant to SEC Release No. 33-8238];
  - (c) Evaluated the effectiveness of the Small Business Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Small Business Issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The Small Business Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors of the small business issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: January 23, 2017

By: /s/ Kazi Shahid  
Kazi Shahid  
Chief Financial Officer

**CERTIFICATION OF  
PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Report of DOCASA, Inc., (the "Company") on Form 10-Q for the period ended November 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ashley Lopez, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 23, 2017

By: /s/ Ashley Lopez  
Ashley Lopez  
Chief Executive Officer

**CERTIFICATION OF  
PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Report of DOCASA, Inc., (the "Company") on Form 10-Q for the period ended November 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kazi Shahid, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 23, 2017

By: /s/ Kazi Shahid  
Kazi Shahid  
Chief Financial Officer