

2013

Annual Report

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

**For the year ended
December 31st**

BARISTAS COFFEE COMPANY INC.

A Nevada Corporation Listed on the OTC Pink Market

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

Name of issuer: Baristas Coffee Company, Inc.

Formerly: Innovative Communications Technologies, Inc.

Date of Name Change: MAY 2010

2) Address of the issuer's principal executive offices

Company Headquarters: Baristas Coffee Company, Inc.

Address 1: 411 Washington Ave. N.

Address 2: Kent, WA 98032

Phone: (800)764-8711

Fax: (206) 653-7202

Email: Barry@Baristas.tv

Website(s): www.baristas.tv

IR Contact: Barry Henthorn

Address 1: 411 Washington Ave. N.

Address 2: Kent, WA 98032

Phone: (800)764-8711

Fax: (206) 653-7202

Email: Barry@Baristas.tv

Website(s): www.baristas.tv

3) Security Information

Trading Symbol: BCCI

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

CUSIP: 22766J 10 6

Par or Stated Value: \$0.001

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

Total shares outstanding: 295,233,305 as of: 31 December 2014

Additional class of securities (if necessary):

Trading Symbol: BCCI

Exact title and class of securities outstanding: BCCI- Preferred

CUSIP: 22766J 10 6

Par or Stated Value: \$0.001

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

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

Transfer Agent

Name: Continental Stock Transfer & Trust Company

Address 1: 17 Battery Place

Address 2: New York, NY 10004

Phone: (212) 509-4000

The Transfer Agent is registered under the Exchange Act.

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

4) Issuance History

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

	Common Stock	Per Share	Amount	Deficit Accumulated During the Development Stage	Paid in Capital	Total Stockholders Equity
Beginning Balance March 31, 2010						
Stock issued for cash and cash equivalents	4,998,641	0.0135	67,407	-\$1,011,022		
Issuance of stock for greater than 60% interest in Pangea Networks, Inc.	144,880,000	0.0220	3,187,360			
Conversion of debt to common stock	15,000,000	0.0110	165,000			
Conversion of debt to common stock	5,000,000	0.0050	25,000			
Stock issuance for asset purchase	600,000	0.0220	13,200			
Conversion of debt to common stock	20,000,000	0.0100	200,000			
Stock issuance for asset purchase	2,000,000	0.0157	31,373			
Stock issued for professional fees and/or services	2,550,000	0.0352	89,767			
Stock issuance cancelled for asset purchase recinded	(350,000)	0.0010	(350)			
Net loss for the quarter ending June 30, 2010				\$56,166		
Balance - June 30, 2011	194,678,641		3,778,757	-\$737,454	3,834,923	3,097,469
Conversion of debt to common stock	2,000,000	0.0300	60,000			
Conversion of debt to common stock	2,200,000	0.0250	55,000			
Conversion of debt to common stock	100,000	0.2500	25,000			
Stock issuance for asset purchase	1,000,000	0.1100	110,000			
Conversion of debt to common stock	50,000	0.1000	5,000			
Stock issued for professional fees and/or services	240,000	0.1000	24,000			
Stock issuance for asset purchase	100,000	0.0700	7,000			
Net profit for Quarter ending September 30, 2011				\$62,483		
Balance - September 30, 2011	200,368,641		4,064,757	-\$674,971	4,127,240	3,452,269
Stock issued for professional fees and/or services	750,000	0.0750	56,250			
Stock issued for professional fees and/or services	200,000	0.0500	10,000			
Net profit for Quarter ending December 31, 2011				\$79,865		
Adjustment for Non recorded debt				-\$1,216,124		
Balance - December 31, 2011	201,318,641		4,131,007	-\$1,811,230	2,994,748	1,183,618
Stock issuance for asset purchase	500,000	0.0800	40,000			
Net profit for Quarter ending March 31, 2012				\$84,003		
Balance - March 31, 2012	201,818,641		4,171,007	-\$1,727,227	4,266,010	2,627,783
Stock issuance for asset purchase	1,250,000	0.0800	100,000			
Stock issued for professional fees and/or services	300,000	0.0800	24,000			
Stock issued for professional fees and/or services	250,000	0.0800	20,000			
Stock issued for professional fees and/or services	2,500,000	0.2500	625,000			
Conversion of debt to common stock	2,500,000	0.2500	625,000			
Stock issued for professional fees and/or services	250,000	0.0800	20,000			
Conversion of debt to common stock	12,000,000	0.0710	852,000			
Stock issuance for asset purchase	9,000,000	0.0500	450,000			
Stock issuance for asset purchase	2,125,000	0.0220	46,750			
Stock issuance for asset purchase	5,000,000	0.1000	500,000			
Stock issued for professional fees and/or services	500,000	0.0570	28,500			
Conversion of debt to common stock	4,000,000	0.0250	100,000			
Stock issued for professional fees and/or services	725,000	0.0500	36,250			
Net profit for Quarter ending June 30, 2012				\$110,895		
Balance - June 30, 2012	242,218,641		7,598,507	-\$1,616,332	7,709,402	\$6,093,070
Stock issued for professional fees and/or services	1,000,000	0.0500	50,000			
Stock issued for professional fees and/or services	250,000	0.0500	12,500			
Stock issued for professional fees and/or services	1,000,000	0.0430	43,000			
Net profit for Quarter ending September 30, 2012				\$116,839		
Balance - September 30, 2012	244,468,641		7,704,007	-\$1,499,493	7,820,846	\$6,321,353
Net profit for Quarter ending December 31, 2012				\$117,839		
Balance - December 31, 2012	244,468,641		7,704,007	-\$1,381,654	7,821,846	\$6,440,192
Conversion of debt to common stock	1,400,000	0.0250	35,000			
Conversion of debt to common stock	1,500,000	0.0183	27,500			
Stock issued for cash	15,000,000	0.0100	150,000			
Conversion of debt to common stock	1,283,596	0.0195	25,000			
Stock issued for professional fees and/or services	250,000	0.0200	5,000			
Stock issued for professional fees and/or services	4,000,000	0.0110	44,000			
Net profit for Quarter ending March 31, 2013				\$38,440		
Balance - March 31, 2013	267,902,237		7,990,507	-\$1,343,214	8,028,947	\$6,685,733
Stock issued for cash	4,500,000	0.0010	45,000			
Net profit for Quarter ending June 30, 2013				\$45,322		
Balance - June 30, 2013 - Common	272,402,237		8,035,507	-\$1,297,892	8,080,829	\$6,782,937
Preferred Stock Balance as of - June 30, 2013	1460000	0.0250	36,500			
Balance - June 30, 2013 - Common and Preferred	273,862,237		8,072,007	-\$1,261,392	8,072,007	\$6,810,615
Stock issued for professional fees and/or services	1,000,000					
Stock issued for cash	650,000	0.0010	45,000			
Net profit for Quarter ending September 30, 2013				\$45,322		
Balance - September 30, 2013 - Common	274,052,237		8,117,007	-\$1,216,070	8,162,329	\$6,946,259
Balance - September 30, 2013 - Preferred	1460000	0.0250	36,500			
Balance - September 30, 2013 - Common and Preferred	275,512,237		-	-\$1,140,843	8,162,329	\$6,946,259
Stock issued for cash	0	-	-			
Balance - December 31, 2013 - Common	275,512,237		-			
Stock issued for professional fees and/or services	(19,721,068)					
Balance - December 31, 2013 - Preferred	7373358	0.0250	184,334			
Balance - December 31, 2013 - Common and Preferred	295,233,305		8,117,007	-\$1,140,843	8,162,329	\$7,443,470

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

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

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

Financial Statements:**A. Balance sheet;**

BARISTAS COFFEE COMPANY, INC.
(A Nevada Corporation)

Baristas Coffee Company, Inc.
(A Nevada Corporation)
COMPARATIVE BALANCE SHEET
December 31, 2012 and December 31, 2013
Unaudited

	December 31, 2013	December 31, 2012
ASSETS		
Current Assets		
Cash	\$ 43,654	\$ 40,114
Notes Receivable	11,036	15,912
Prepaid Expenses and Other Current Assets	50,723	90,539
Total current assets	<u>105,413</u>	<u>146,565</u>
Fixed Assets - Net	523,636	783,821
Security Deposit Assets	2,680	
Unidentified tangible and intangible assets	<u>7,659,452</u>	
TOTAL ASSETS	<u><u>\$ 8,291,181</u></u>	<u><u>\$ 930,385</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Accounts Payable and Other Current Liabilities		
Notes Payable	\$ 164,101	\$ 147,068
	401,168	131,996
Total current liabilities	<u>565,269</u>	<u>279,064</u>
TOTAL LIABILITIES	565,269	279,064
Stockholders' Equity		
Preferred stock, \$.001 par value, 30,000,000 shares authorized and 1,460,000 shares issued and outstanding at September 30, 2013 and December 31, 2012		1,460
Common Stock, \$.001 par value, 300,000,000 shares authorized, 274,052,237 shares issued and outstanding as of September 30, 2013 and 244,545,641 shares issued and outstanding at December 31, 2012		244,545
Capital Stock		
Additional Paid In Capital	9,563,086	
Paid In Capital prior to Audit Adjustments		1,983,667
Retained deficit	(787,099)	(1,578,350)
TOTAL STOCKHOLDERS' EQUITY	<u>7,443,470</u>	<u>651,322</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 8,008,739</u></u>	<u><u>\$ 930,386</u></u>

B. Statement of income;

Baristas Coffee Company, Inc.
(A Nevada Corporation)
COMPARATIVE STATEMENT OF OPERATIONS
Unaudited

	For the Quarter Ending December 31, 2013	For the Year To Date December 31, 2013	From Inception (December 23, 2004) To December 31, 2013
Sales	\$ 441,020	\$ 1,322,699	\$ 4,555,132
Cost of Sales	152,986	362,095	1,048,295
Gross Profit	288,034	960,604	3,506,837
Expenses			
Personnel	143,346	\$ 391,628	1,563,791
General and Administration	13,416	\$ 116,244	824,191
Operations	67,284	\$ 181,789	675,254
*Legal/Compliance	12,254	\$ 116,523	191,375
*Note Previously contained in G & A	236,300	806,184	3,254,611
Net Operating Loss/Profit	51,734	154,420	252,226
Extraordinary Loss	-	-	(59,839)
Net Profit (Loss)	\$ 51,734	\$ 154,420	\$ 192,387

C. Statement of cash flows

Baristas Coffee Company, Inc.
(A Nevada Corporation)
COMPARATIVE STATEMENT OF CASH FLOW
Unaudited

	For the Quarter Ending December 31, 2013	For the Year To Date December 31, 2013	From Inception (December 23, 2004) To December 31, 2013
Net Profit (Loss)	\$ 84,254	\$ 204,803	\$ 732,637
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	29,877
Common stock issued for conversion of debt	-	-	164,879
Changes in assets and liabilities:			
(Incr) Decr in Prepaid Expenses	2,016	(76,157)	(257,870)
(Incr) Decr in Other Assets	26,008	178,615	(2,587,825)
Incr (Decr) in Notes Payable	10,080	51,302	(1,401,890)
Incr (Decr) in Shareholder Loans	3,080	(7,256)	28,504
Total Adjustments	<u>41,184</u>	<u>146,504</u>	<u>(4,024,325)</u>
Net cash provided by (used in) operating activities	<u>125,438</u>	<u>351,307</u>	<u>(3,291,688)</u>
Cash flows from financing activities:			
Sales of common stock	<u>-</u>	<u>201,500</u>	<u>8,035,507</u>
Cash flows from investing activities:			
Purchases of equipment	-	(192,660)	(2,035,883)
Investments	-	-	-
Net cash provided by (used in) Financing activities	<u>-</u>	<u>(192,660)</u>	<u>(2,035,883)</u>
Net change in Cash	(36,438)	(36,438)	
Cash and cash equivalents beginning of period	80,092	80,092	80,092
Cash and cash equivalents end of period	<u>\$ 43,654</u>	<u>\$ 43,654</u>	<u>\$ 43,654</u>

D. Financial Notes

1. Uses of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ materially from the estimates.

2. Fixed Assets

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

3. Revenue Recognition

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

4. Income Taxes

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

In July 2006, the FASB issued FIN No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109. The interpretation prescribes a recognition threshold and measurements attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN No. 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this interpretation did not have a material impact on the Company's results of operations of financial position. As such, the Company has not recorded any liabilities for uncertain tax positions or any related interest penalties. The acceptability of the tax positions of the Company by the taxing authorities for the tax years open to Internal Revenue Service audit, the fiscal years 2005 through 2009, has not been determined.

6) Business, Products and Services

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

7) Facilities

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

8) Officers, Directors, and Control Persons

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

9) Third Party Providers

Legal Counsel

Firm: Bjornson Law Offices

Address 1: 2809 Great Northern Loop, Suite 100

Address 2: Missoula, MT, 59808-1749

Phone: (406) 721-8896

Legal Counsel

Name: Victor McCall

Firm: McCall Law Firm, PC

Address 1: 3102 Maple Ave

Address 2: Addison, TX 75001

Phone: (972)665-9600

Accountant or Auditor

Name: Charles U. Klein, CPA

Firm: DKM Certified Public Accountants

Address 1: 2451 N. McMullen Booth Rd., Suite 308

Address 2: Clearwater, FL 33759

Phone: (727) 512-2743

Email: charles@dkmcpas.com

Investor Relations Consultant

Name: Barry Henthorn

Address 1: 411 Washington Ave. N.

Address 2: Kent, WA 98032

Phone: (800)764-8711

Fax: (206) 653-7202

Email: Barry@Baristas.tv

Website(s): www.baristas.tv

10) Certification

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

1. I have reviewed these Financial Statements for the Company for the periods ended December 31st, 2013.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.
3. Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in these disclosures statements, fairly present all material respects the financial condition. Results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure document.

Date: April 3, 2014

/s/ Barry Henthorn

Barry Henthorn

Chief Executive Officer/Director