

INNOVATIVE FOOD HOLDINGS INC  
Form 10-Q  
May 13, 2010

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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 and Exchange Act of 1934.  
For the quarterly period ended March 31, 2010

Transition report pursuant to Section 13 or 15(d) of the Exchange  
Act for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 0-9376

INNOVATIVE FOOD HOLDINGS, INC.  
(Exact Name of Registrant as Specified in its Charter)

Florida  
(State of or Other Jurisdiction of  
Incorporation or Organization)

20-1167761  
(IRS Employer I.D. No.)

3845 Beck Blvd., Suite 805  
Naples, Florida 34114  
(Address of Principal Executive Offices)

(239) 596-0204  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant : (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller 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)

State the number of shares outstanding of each of the issuer's classes of Common equity, as of the latest practicable date: 196,985,103 Common Shares outstanding at May 11, 2010.

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## ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

## Innovative Food Holdings, Inc. and Subsidiaries

## Consolidated Balance Sheets

	March 31, 2010 (Unaudited)	December 31, 2009
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$210,810	\$144,765
Accounts receivable, net	492,629	339,206
Loan receivable, net	142,050	143,050
Inventory	34,850	19,075
Other current assets	5,520	6,120
<b>Total current assets</b>	<b>885,859</b>	<b>652,216</b>
Property and equipment, net	34,017	33,698
	<b>\$919,876</b>	<b>\$685,914</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$830,663	\$695,361
Accrued liabilities - related parties	145,085	160,845
Accrued interest, net	572,070	576,933
Accrued interest - related parties, net	175,480	170,144
Notes payable, net of discount	889,481	918,907
Notes payable - related parties	345,500	345,500
Warrant liability	780,569	631,853
Options liability	257,888	144,627
Conversion option liability	2,170,984	1,384,992
<b>Total current liabilities</b>	<b>6,167,720</b>	<b>5,029,162</b>
Note payable - long term portion	40,771	27,718
<b>Total liabilities</b>	<b>6,208,491</b>	<b>5,056,880</b>
Stockholder's deficiency		
Common stock, \$0.0001 par value; 500,000,000 shares authorized; 210,985,103 shares issued and 196,985,103 shares outstanding at March 31, 2010; 194,638,638 shares issued and 184,638,638 shares outstanding at December 31, 2009	21,099	19,464
Additional paid-in capital	2,328,572	2,197,413
Accumulated deficit	(7,638,286)	(6,587,843)

Total stockholder's deficiency	(5,288,615)	(4,370,966)
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	\$919,876	\$685,914
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See notes to consolidated financial statements.

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Innovative Food Holdings, Inc. and Subsidiaries  
Consolidated Statements of Operations  
(UNAUDITED)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009
Revenue	\$2,307,961	\$1,600,675
Cost of goods sold	1,769,726	1,187,694
	538,235	412,981
Selling, general and administrative expenses	541,365	299,136
Total operating expenses	541,365	299,136
Operating profit (loss)	(3,130 )	113,845
Other (income) expense:		
Interest expense	77,410	111,169
(Gain) loss on extinguishment of debt	-	(222,656 )
Fair value of warrants issued in excess of discount on notes	134,216	-