

U.S. 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 quarter ended: **September 30, 2014**

or

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: **333-193347**

**NightFood Holdings, Inc.**

(Exact name of registrant as specified in its charter)

|   |  |
|---|--|
| <u>Nevada</u><br>(State or Other Jurisdiction of<br>Incorporation or Organization)                    | <u>46-3885019</u><br>(I.R.S. Employer<br>Identification No.) |
| <u>520 White Plains Road</u><br><u>Elmsford, New York</u><br>(Address of Principal Executive Offices) | <u>10591</u><br>(Zip Code)                                   |
| <u>212-828-8275</u><br>(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 requirement 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 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. At October 31, 2014, the registrant had outstanding 25,486,560 shares of common stock.

## Table of Contents

### PART I – FINANCIAL INFORMATION

|         |  |     |
|---------|--|-----|
| Item 1. | Financial Statements.  | F-1 |
| Item 2. | Management’s Discussion and Analysis of Financial Condition and Results of Operations. | 3   |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk.                            | 5   |
| Item 4. | Controls and Procedures.   | 5   |

### PART II – OTHER INFORMATION

|          |  |   |
|----------|--|---|
| Item 1.  | Legal Proceedings.   | 7 |
| Item 1A. | Risk Factors.  | 7 |
| Item 2   | Unregistered Sales of Equity Securities and Use of Proceeds. | 7 |
| Item 3   | Defaults Upon Senior Securities.                             | 7 |
| Item 4.  | Mine Safety Disclosures.                                     | 7 |
| Item 5.  | Other Information.   | 7 |
| Item 6.  | Exhibits.  | 7 |

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

**NightFood Holdings, Inc.**  
**CONSOLIDATED BALANCE SHEET**

|   | September 30,<br>2014<br>(Unaudited) | June 30,<br>2014 |
|---|--------------------------------------|------------------|
| <b>ASSETS</b>   |                                      |                  |
| Current assets:   |                                      |                  |
| Cash  | \$ 25,517                            | \$ 49,028        |
| Accounts receivable ( net of allowance of \$0 and \$0, respectively)  | 28,277                               | 30               |
| Inventory   | 81,546                               | 72,415           |
| Other current assets  | 3,688                                | 1,500            |
| Total current assets  | 139,027                              | 122,973          |
| Total assets  | \$ 139,027                           | \$ 122,973       |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                                      |                  |
| Current liabilities:  |                                      |                  |
| Accounts payable  | \$ 40,062                            | \$ 26,555        |
| Accrued interest expense -related party   | 39,822                               | 37,072           |
| Deferred revenue  | -                                    | 457              |
| Short-term borrowings   | 3,722                                | 3,649            |
| Advance- related party  | 15,000                               | -                |
| Short-term borrowings-related party   | 134,517                              | 134,517          |
| Total current liabilities   | 233,123                              | 202,250          |
| Long term borrowings  | 9,893                                | 10,850           |
| Commitments and contingencies   | -                                    | -                |
| <b>Stockholders' deficit:</b>   |                                      |                  |
| Common stock, without par value, 100,000,000 shares authorized, and 25,312,560 issued and outstanding as of September 30, 2014 and 25,130,560 outstanding as of June 30, 2014, respectively | 25,313                               | 25,131           |
| Additional paid in capital  | 1,302,134                            | 1,256,816        |
| Accumulated deficit   | (1,431,436)                          | (1,372,074)      |
| Total stockholders' deficit   | (103,989)                            | (90,127)         |
| Total Liabilities and Stockholders' Deficit   | \$ 139,027                           | \$ 122,973       |

The accompanying notes are an integral part of these unaudited financial statements.

**NightFood Holdings, Inc.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

|   | <b>For the<br/>three months ended<br/>September 30, 2014</b> | <b>For the<br/>three months ended<br/>September 30, 2013</b> |
|---|--|--|
|   | <u>(Unaudited)</u>   | <u>(Unaudited)</u>   |
| <b>Revenues</b>   | \$ 31,903  | \$ 795   |
| <b>Operating expenses</b>                                     |  |  |
| Cost of product sold  | 22,851   | -  |
| Advertising & promotional                                     | 5,752  | -  |
| Selling, general and administrative                           | 11,924   | 7,132  |
| Professional fees   | <u>47,702</u>  | <u>-</u>   |
| Total operating expenses                                      | 88,229   | 7,132  |
| Loss from operations  | (56,327)   | (6,337)  |
| Interest expense - bank debt                                  | 285  | 403  |
| Interest expense - related party                              | <u>2,750</u>   | <u>2,750</u>   |
| Total interest expense  | 3,035  | 3,153  |
| Provision for income tax                                      | <u>-</u>   | <u>-</u>   |
| <b>Net loss</b>   | <b>\$ <u>(59,362)</u></b>                                    | <b>\$ <u>(9,490)</u></b>                                     |
| <b>Basic and diluted net loss per common share</b>            |  |  |
|   | <b>\$ <u>(0.00)</u></b>                                      | <b>\$ <u>(0.00)</u></b>                                      |
| <b>Weighted average shares of capital outstanding - basic</b> |  |  |
|   | <b><u>25,195,843</u></b>                                     | <b><u>20,000,000</u></b>                                     |

The accompanying notes are an integral part of these unaudited financial statements.

**NightFood Holdings, Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three months    For the three months  
ended September 30,    ended September 30,  
**2014 (Unaudited)    2013 (Unaudited)**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|   |             |            |
|---|-------------|------------|
| Net loss  | \$ (59,362) | \$ (9,490) |
| <b>Adjustments to reconcile net loss to net cash used for operations:</b> |             |            |
| Stock issued for services   | 12,500      | -          |
| Increase in accounts receivable   | (28,247)    | -          |
| Increase in inventory   | (9,131)     | -          |
| Increase in other current assets  | (2,188)     | -          |
| Increase in accounts payable  | 13,507      | 1,841      |
| Increase in accrued expenses  | 2,750       | 6,750      |
| Decrease in deferred revenue  | (457)       | -          |
| Net cash used by operating activities                                     | (70,628)    | (899)      |

**CASH FLOWS FROM FINANCING ACTIVITIES:**

|   |        |       |
|---|--------|-------|
| Proceeds from the sale of stock           | 33,000 | -     |
| Short-term borrowings-related party       | 15,000 | 5,100 |
| Repayment of Short-term debt              | (884)  | (766) |
| Net cash provided by financing activities | 47,116 | 4,334 |

|   |          |       |
|---|----------|-------|
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | (23,512) | 3,435 |
|---|----------|-------|

|  |           |          |
|--|-----------|----------|
| Cash and cash equivalents, beginning of period | 49,028    | 913      |
| Cash and cash equivalents, end of period       | \$ 25,517 | \$ 4,348 |
| Interest paid                                  | \$ 285    | \$ 403   |
| Taxes paid                                     | \$ -      | \$ -     |

The accompanying notes are an integral part of these unaudited financial statements.

**NightFood Holdings, Inc.**  
**NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS**

**1. Description of Business**

NightFood Holdings, Inc. (the "Company") is a New York corporation incorporated on January 14, 2010 and commenced operations during the first quarter 2010. The Company has acquired the web site nightfood.com. The Company's business model is to manufacture and distribute nutritional products to provide consumers better and healthier nighttime snack options to support better health and better sleep.

The Company's fiscal year end is June 30.

The Company currently maintains its corporate office in Tarrytown, New York.

**2. Summary of Significant Accounting Policies**

Management is responsible for the fair presentation of the Company's financial statements, prepared in accordance with U.S. generally accepted accounting principles (GAAP).

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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. Estimates are used in the determination of depreciation and amortization, the valuation for non-cash issuances of common stock, and the website, income taxes and contingencies, among others.

**Cash and Cash Equivalents**

The Company classifies as cash and cash equivalents amounts on deposit in the banks and cash temporarily in various instruments with original maturities of three months or less at the time of purchase.

**Fair Value of Financial Instruments**

Statement of financial accounting standard FASB Topic 820, Disclosures about Fair Value of Financial Instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for assets and liabilities qualifying as financial instruments are a reasonable estimate of fair value.

**Inventory**

Inventories consisting of packaged food items and supplies are stated at the lower of cost (FIFO) or market, including provisions for spoilage commensurate with known or estimated exposures which are recorded as a charge to cost of sales during the period spoilage is incurred. The Company has no minimum purchase commitments with its vendors.

**Advertising Costs**

Advertising costs are expensed when incurred and are included in advertising and promotional expense in the accompanying statements of operations. The Company incurred advertising costs of \$5,752 and \$0 for the three months ended September 30, 2014 and 2013, respectively.

**Income Taxes**

The Company has not generated any taxable income, and, therefore, no provision for income taxes has been provided.

Deferred income taxes are reported for timing differences between items of income or expense reported in the

financial statements and those reported for income tax purposes in accordance with FASB Topic 740, "Accounting for Income Taxes", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

A valuation allowance has been recorded to fully offset the deferred tax asset even though the Company believes it is more likely than not that the assets will be utilized.

The Company's effective tax rate differs from the statutory rates associated with taxing jurisdictions because of permanent and temporary timing differences as well as a valuation allowance.

### **Revenue Recognition**

The Company generates its revenue from products sold from traditional retail outlets along with items distributed from the Company's website.

All sources of revenue is recorded pursuant to FASB Topic 605 Revenue Recognition, when persuasive evidence of arrangement exists, delivery of services has occurred, the fee is fixed or determinable and collectability is reasonably assured.

### **Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits at financial institutions. At various times during the year, the Company may exceed the federally insured limits. To mitigate this risk, the Company places its cash deposits only with high credit quality institutions. Management believes the risk of loss is minimal. At September 30, 2014 and 2013 the Company did not have any uninsured cash deposits.

### **Impairment of Long-lived Assets**

The Company accounts for long-lived assets in accordance with the provisions of FASB Topic 360, Accounting for the Impairment 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 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 values are determined based on quoted market value, discounted cash flows or internal and external appraisals, as applicable.

### **Recent Accounting Pronouncements**

The Company has assessed all newly issued accounting pronouncements released during the quarters ended September 30, 2014 and 2013, and have found none of them to have a material impact on the Company's financial statements.

### **3. Going Concern**

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has limited operating history and relatively few sales, no certainty of continuation can be stated.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern

is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations.

#### 4. Accounts receivable

The Company's accounts receivable arise primarily from the sale of the Company's nutritional snack bar. On a periodic basis, the Company evaluates each customer account and based on the days outstanding of the receivable, history of past write-offs, collections, and current credit conditions, writes off accounts it considers uncollectible. Invoices are typically due in 60 - 90 days. The Company does not accrue interest on past due accounts and the Company does not require collateral. Accounts become past due on an account-by-account basis.

Determination that an account is uncollectible is made after all reasonable collection efforts have been exhausted.

#### 5. Inventory

Inventory consists of the following at September 30 2014 and June 30, 2014,

|                     | September 30,<br>2014 | June 30,<br>2014 |
|---------------------|-----------------------|------------------|
| Finished Goods      | \$ 75,790             | \$ 47,424        |
| Deposits on Product | -                     | 23,000           |
| Packaging           | 5,756                 | 1,991            |
| TOTAL               | \$ 81,546             | \$ 72,415        |

Inventories are stated at the lower of cost or market. The company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions and the products relative shelf life. Write-downs and write-offs are charged to loss on inventory write down.

#### 6. Other Current Liabilities

Other current liabilities consist of the following at September 30, 2014 and June 30, 2014

|   | September 30<br>2014 | June 30,<br>2014 |
|---|----------------------|------------------|
| Imputed interest on related party note-Sean Folkson | \$ 39,822            | \$ 37,072        |
| TOTAL   | \$ 39,822            | \$ 37,072        |

#### 7. Short Term Borrowings

On November 24, 2010, the Company entered into a Small Business Working Capital Loan with a well-established Bank. The loan is personally Guaranteed by the Company's Chief Executive Officer, which is further Guaranteed for 90% by the United States Small Business Administration (SBA).

The term of the loan is seven years until full amortization and currently carries an 8% interest rate, which is based upon Wall Street Journal ("WSJ") Prime 3.75% Plus 4.75% and is adjusted quarterly. Monthly principal payments are required during this 84 month period.

Interest expense for the three month period ended September 30, 2014 and 2013, totaled \$285 and \$403, respectively.

#### 8. Capital Stock Activity

On October 16, 2013, NightFood, Inc. became a wholly-owned subsidiary of NightFood Holdings, Inc. accordingly, the stockholders' equity has been revised to reflect the share exchange on a retroactive basis.



The Company is authorized to issue One Hundred Million (100,000,000) shares of \$0.001 par value per share Common Stock. Holders of Common Stock are each entitled to cast one vote for each Share held of record on all matters presented to shareholders. Cumulative voting is not allowed; hence, the holders of a majority of the outstanding Common Stock can elect all directors. Holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefore and, in the event of liquidation, to share pro-rata in any distribution of the Company's assets after payment of liabilities. The Board of Directors is not obligated to declare a dividend and it is not anticipated that dividends will be paid unless and until the Company is profitable. Holders of Common Stock do not have pre-emptive rights to subscribe to additional shares if issued by the Company. There are no conversion, redemption, sinking fund or similar provisions regarding the Common Stock. All of the outstanding Shares of Common Stock are fully paid and non-assessable and all of the Shares of Common Stock offered thereby will be, upon issuance, fully paid and non-assessable. Holders of Shares of Common Stock will have full rights to vote on all matters brought before shareholders for their approval, subject to preferential rights of holders of any series of Preferred Stock. Holders of the Common Stock will be entitled to receive dividends, if and as declared by the Board of Directors, out of funds legally available, and share pro-rata in any distributions to holders of Common Stock upon liquidation. The holders of Common Stock will have no conversion, pre-emptive or other subscription rights. Upon any liquidation, dissolution or winding-up of the Company, assets, after the payment of debts and liabilities and any liquidation preferences of, and unpaid dividends on, any class of preferred stock then outstanding, will be distributed pro-rata to the holders of the common stock. The holders of the common stock have no right to require the Company to redeem or purchase their shares.

The Company has 25,312,560 and 25,130,560 shares of its \$0.001 par value common stock issued and outstanding as of September 30, 2014 and June 30, 2014 respectively.

During the three months ended September 30, 2014:

- the Company issued 132,000 shares of common stock for cash proceeds of \$33,000,
- and issued 50,000 shares of common stock for services with a fair value of \$12,500.

### **Dividends**

The Company has never issued dividends.

### **Warrants**

The Company has never issued any warrants.

### **Options**

The Company has never issued options.

## **9. Advances by Affiliates**

The Company received cash from Mr. Folkson, the Company's Chief Executive Officer and a related party, in the amount of \$15,000 during the three months ended September 30, 2014, to supplement the Company's working capital. These advances are recorded in the line item: Advance- related party. The amounts included in short term borrowings – related party balances of \$134,517 and 134,517 at September 30, 2014 and June 30, 2014, respectively, is a note and is repayable to Mr. Folkson upon Mr. Folkson providing the Borrower with written notice of demand, according to certain terms. However Mr. Folkson may not demand repayment of the Note until the Company is profitable, and in a positive cash flow position. At that time, Mr. Folkson may demand repayment. Company agrees to make payments equal to 10% of the monthly positive cash flow of the Company until balance is paid in full.

Included in advance- related party is \$15,000 which is a short term advance to the company which is expected to be repaid during the second Quarter 2014.

Imputed interest expense accrued on the note payable to Mr. Folkson totaled \$2,750 and \$2,750 for the three months ended September 30, 2014 and 2013, respectively.

## **10. Subsequent Events**

Management of the Company has assessed all significant subsequent events through the date upon which the financial statements first became available for public release.

The Company during the month of October 2014 issued 174,000 shares of its common stock to three individual investors generating proceeds of \$43,500.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Forward Looking Statement Information**

Certain statements made in this Quarterly Report on Form 10-Q involve known and unknown 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 such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. Our plans and objectives are based, in part, on assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, technological developments related to business support services and outsourced business processes, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control.

Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this prospectus will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein particularly in view of the current state of our operations, the inclusion of such information should not be regarded as a statement by us or any other person that our objectives and plans will be achieved. Factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, the factors set forth under the headings "Business," "Risk Factors" and within our annual report on Form 10-K for the fiscal year ended June 30, 2014, as well as the other information set forth herein.

### **Overview**

We are a nutritional food development, marketing and distribution company relying on our unique product, unique product positioning, and our marketing expertise to develop and market nutritional/snack foods that are appropriate for evening consumption. Over the past nine months, we have raised approximately \$300,000 through sales of our common stock under Regulation D. Approximately \$100,000 has been invested in inventory, as we developed and manufactured a complete run of NightFood Cookies n' Dreams bars in June 2014, and a complete run of NightFood Midnight Chocolate Crunch bars in August, 2014.

In late August, 2014, we secured a purchase order from GNC for approximately \$26,000 worth of product. This was our first purchase order from a national retail chain.

The Company has engaged in discussions with other major retail chains in the specialty nutrition space, as well as mass drug and national supermarket chains, to establish national distribution for its products. Vendor paperwork has already been started with one of these retailers, and we anticipate our first purchase order from this retailer in the spring of 2015.

### **Development Plans**

The Company plans to continue to expand distribution channels through major national retail chains in specialty nutrition, mass drug, and supermarkets. Continued implementation of our business plan is dependent on our ability to raise additional capital to invest in marketing and inventory to support the expanded distribution and new sales outlets.

### **Inflation**

Inflation can be expected to have an impact on our operating costs. A prolonged period of inflation could cause a general economic downturn and negatively impact our results. However, the effect of inflation has been minimal over the past three years.

### **Seasonality**

We do not believe that our business will be seasonal to any material degree.

## **RESULTS OF OPERATIONS FOR THE QUARTERLY PERIODS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013.**

During the three months ended September 30, 2014, we had revenues of \$31,903 and incurred a net loss of \$59,362.

During the three months ended September 30, 2013 (Q1 FY 2014), we had revenues of \$795 and incurred a net loss of \$9,490. We had limited operations during that quarter as we had minimal inventory available and were focused on restructuring our operations, and raising the capital needed to go forward.

### **Revenue**

Our revenue for the three month period ended September 30, 2014 was \$31,903 compared to \$795 for the three month period ended September 30, 2013. The majority of our revenue was derived from wholesale sales of NightFood bars to GNC for their initial rollout. The balance of the revenue was derived from retail sales of NightFood bars direct to consumers via our website, and via Amazon.com through their "Fulfilled by Amazon" program. We anticipate quarterly revenue growth going forward as we continue to expand distribution and gain consumer traction.

### **Inventory**

As of September 30, 2014, we had approximately \$81,000 worth of product in inventory.

### **Operating Expenses**

Our operating expenses increased by \$81,097 for the three month period ended September 30, 2014, from \$7,132 for the three month period ended September 30, 2013. The increase was primarily due to professional fees, and costs relating to sales during the reporting period. The Company issued 50,000 shares of common stock for services with a fair market value of \$12,500 or \$0.25 per share in accordance with a consulting agreement entered into on July 1, 2014. These services were non-cash expenses for consulting services related to product development.

### **Customers**

In Q1 FY 2015, sales to GNC represented a majority of our revenues. The balance of revenues was comprised of sales direct to consumer, and through sales via Amazon.com through the Fulfilled By Amazon program. The Company is in discussions with other major retail chains in the specialty nutrition vertical, as well as mass drug, and supermarket chains.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of Sept 30, 2014, we had cash on hand of \$25,517, and inventory value of \$81,546. During the quarter ended September 30, 2014, we successfully raised \$33,500 through the private sale of our common stock. These proceeds were used to increase both cash and inventory on our balance sheet. Much of these funds went towards manufacturing inventory required to initiate retail roll-out, and towards other expenses related to retail rollout, such as broker fees, consulting fees, advertising, and website development, as well as graphic design and other one-time expenses related to the development of updated product and packaging.

Subsequent to September 30, 2014, we raised an additional \$43,500 through sales of our common stock. We do not believe our cash on hand will be adequate to satisfy our ongoing working capital needs. We believe that current capitalization structure, combined with achievement of milestones such as purchase orders from national retailers, could enable us to continue achieve successful financings to continue our growth.

Because the business is new and has limited operating history and relatively few sales, no certainty of continuation can be stated. Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations.

## OFF BALANCE SHEET ARRANGEMENTS

None

## OTHER EVENTS

We have secured preferred terms with the contract manufacturer of our nutrition bars, allowing us to pay for product with certain payment terms. The previous arrangement had us depositing 50% approximately 6-8 weeks prior to production, and paying the balance prior to receipt of product in our warehouse. The new payment terms we've established will be in effect provided order sizes increase at a rate acceptable to our manufacturer. These terms are expected to make it easier for us to scale in a less cash-intensive fashion as, and if, we land new accounts and broaden distribution. Should the size of our orders increase too quickly, our manufacturer may not continue with these new terms, and we once again may need to pay for a portion of our orders in advance.

Subsequent to the end of the quarter, but prior to the time of this filing, The Company received a 2nd purchase order from GNC for just over \$30,000 worth of product.

On July 1st, 2014 we entered into a consulting agreement with Chef Chris Santos. Santos is a well-known celebrity chef and popular restaurateur. Santos also appears regularly as a judge on a popular cooking show on television: The Food Network's Chopped. Chef Santos has agreed to provide consulting services related to product development, specifically as it relates to product taste, and new flavor development. 50,000 shares of Company stock were issued in conjunction with this agreement as compensation for these services.

On October 17, 2014, we secured a \$1.8MM line of credit from Media Funding Group for media purchases to help support our national product rollout.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There has been no material change in our market risks since the end of the fiscal year 2013.

### Item 4. Controls and Procedures.

The term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a, *et seq.*) is recorded, processed, summarized and reported, within the time periods specified in the 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 Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, internal control over financial reporting may not prevent or detect misstatements, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the registrant have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Evaluation of Disclosure and Controls and Procedures. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. The evaluation was undertaken in consultation with our accounting personnel. Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective at September 30, 2014 due to the lack of accounting personnel. We intend to hire additional employees when we obtain sufficient capital.

Changes in Internal Controls over Financial Reporting. There were no changes in the internal controls over our financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

We are not engaged in any litigation at the present time, and management is unaware of any claims or complaints that could result in future litigation. Management will seek to minimize disputes with its customers but recognizes the inevitability of legal action in today's business environment as an unfortunate price of conducting business.

### Item 1A. Risk Factors.

Not applicable.

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

During the quarter ended September 30, 2014, we sold an aggregate of 134,000 shares of common stock at \$0.25 per share to three investors in a private offering under Regulation D. These investors indicated their investment intent and the certificates, when issued, will bear an appropriate legend reflecting their lack of registration under the Securities Act of 1933, as amended. The proceeds of these sales are being used as working capital to help fund product production and marketing.

### Item 3. Defaults Upon Senior Securities.

Not applicable.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

None.

### Item 6. Exhibits.

| <u>Exhibit</u> | <u>Exhibit Description</u>  |
|----------------|---|
| 31.1           | Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer |
| 32.1           | Section 1350 certification of Chief Executive Officer             |
| 101.INS*       | XBRL Instance Document  |
| 101.SCH*       | XBRL Taxonomy Extension Schema Document                           |
| 101.CAL*       | XBRL Taxonomy Extension Calculation Linkbase Document             |
| 101.LAB*       | XBRL Taxonomy Extension Labels Linkbase Document                  |
| 101.PRE*       | XBRL Taxonomy Extension Presentation Linkbase Document            |
| 101.DEF*       | XBRL Taxonomy Extension Definition Linkbase Document              |

NOTE In accordance with Regulation S-T, the XBRL-related information on Exhibit No. 101 to this Quarterly Report on Form 10-Q shall be deemed "furnished" herewith and not "filed."

## SIGNATURES

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

### **NightFood Holdings, Inc.**

November 4, 2014

By: /s/ Sean Folkson  
Sean Folkson, Chief Executive Officer (Principal Executive,  
Financial and Accounting Officer)



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sean Folkson, certify that:

1. I have reviewed this Form 10-Q of NightFood Holdings, 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 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 registrant as of, and for, the periods present in this report;
4. The registrant's other certifying officer(s) 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 13-a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;
  - (c) Evaluated the effectiveness of the registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 4, 2014

By: /s/ Sean Folkson,  
Chief Executive Officer  
(Principal Executive, Financial and Accounting Officer)

**CERTIFICATION OF CHIEF 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 accompanying Quarterly Report on Form 10-Q of NightFood Holdings, Inc. for the fiscal quarter ending September 30, 2014, I, Sean Folkson, Chief Executive Officer of NightFood Holdings, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Quarterly Report on Form 10-Q for the fiscal quarter ending September 30, 2014, 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 such Quarterly Report on Form 10-Q for the fiscal quarter ending September 30, 2014, fairly presents, in all material respects, the financial condition and results of operations of NightFood Holdings, Inc.

November 4, 2014

By: /s/ Sean Folkson,  
Chief Executive Officer  
(Principal Executive, Financial and Accounting Officer)