

GLOBAL LINES INC
Form 10-Q
January 22, 2013

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

Mark One

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended November 30, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission File No. 333-170091

GLOBAL LINES INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of
Incorporation or Organization)

4700

(Primary Standard Industrial
Classification Number)

EIN 99-0367049

(IRS Employer
Identification Number)

Edgar Filing: GLOBAL LINES INC - Form 10-Q

16400 Collins Avenue unit 2142

Sunny Isles Beach FL 33160

954-889-7573

(Address and telephone number of principal executive offices)

Indicate by checkmark whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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

1 | Page

Edgar Filing: GLOBAL LINES INC - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Applicable Only to Issuer Involved in Bankruptcy Proceedings During the Preceding Five Years.

N/A

Indicate by checkmark whether the issuer has filed all documents and reports required to be filed by Section 12, 13 and 15(d) of the Securities Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes No

Applicable Only to Corporate Registrants

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the most practicable date:

Class	Outstanding as of November 30, 2012
Common Stock, \$0.001	7,300,000

<i>PART I</i>	<i>FINANCIAL INFORMATION</i>	
<i>Item 1</i>	<i>Condensed Financial Statements (Unaudited)</i>	<i>4</i>
	<i>Condensed Balance Sheets</i>	<i>4</i>
	<i>Condensed Statements of Operations</i>	<i>5</i>
	<i>Condensed Statements of Cash Flows</i>	<i>6</i>
	<i>Notes to Condensed Financial Statements</i>	<i>7</i>
<i>Item 2.</i>	<i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i>	<i>11</i>
<i>Item 3.</i>	<i>Quantitative and Qualitative Disclosures About Market Risk</i>	<i>13</i>
<i>Item 4.</i>	<i>Controls and Procedures</i>	<i>13</i>
<i>PART II.</i>	<i>OTHER INFORMATION</i>	
<i>Item 1</i>	<i>Legal Proceedings</i>	<i>15</i>
<i>Item 2.</i>	<i>Unregistered Sales of Equity Securities and Use of Proceeds</i>	<i>15</i>
<i>Item 3</i>	<i>Defaults Upon Senior Securities</i>	<i>15</i>
<i>Item 4</i>	<i>Submission of Matters to a Vote of Security Holders</i>	<i>15</i>
<i>Item 5</i>	<i>Other Information</i>	<i>15</i>
<i>Item 6</i>	<i>Exhibits</i>	<i>16</i>
	<i>Signatures</i>	<i>16</i>

GLOBAL LINES INC.**(A DEVELOPMENT STAGE COMPANY)****CONDENSED BALANCE SHEETS****ASSETS**

	November 30, 2012 (Unaudited)	August 31, 2012
CURRENT ASSETS		
	\$	\$
Cash and cash equivalents	180	1,462
Deposits	4,000	4,000
Total current assets	4,180	5,462
	\$	\$
TOTAL ASSETS	4,180	5,462

LIABILITIES AND STOCKHOLDERS DEFICIT**CURRENT LIABILITIES**

	\$	\$
Notes payable-related parties	22,304	20,604
Total Current Liabilities	22,304	20,604

STOCKHOLDERS EQUITY

Common stock, par value \$0.001; 75,000,000 shares authorized, 7,300,000 and 7,300,000 shares issued and outstanding, respectively	7,300	7,300
Additional paid in capital	20,700	20,700
Deficit accumulated during the development stage	(46,124)	(43,142)
Total Stockholders Deficit	(18,124)	(15,142)
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	4,180	5,462

See accompanying notes to condensed financial statements.

GLOBAL LINES INC.**(A DEVELOPMENT STAGE COMPANY)****CONDENSED STATEMENTS OF OPERATIONS (unaudited)**

	For the three months ended November 30, 2012	For the three months ended November 30, 2011	For the period from June 6, 2011 (Inception) to November 30, 2012
	\$	\$	\$
REVENUES	-	-	-
OPERATING EXPENSES			
Professional fees	2,900	5,000	44,828
General & administrative	82	396	1,296
Depreciation	-	-	-
TOTAL OPERATING EXPENSES	2,982	5,396	46,124
NET LOSS FROM OPERATIONS	(2,982)	(5,396)	(46,124)
PROVISION FOR INCOME TAXES	-		-
	\$	(5,396)	\$
NET LOSS	(2,982)		(46,124)
	\$		

NET LOSS PER SHARE: BASIC AND DILUTED	(0.00)\$	
		(0.00)

WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	7,300,000	7,300,000
---	-----------	-----------

See accompanying notes to condensed financial statements.

5 | Page

GLOBAL LINES INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENTS OF CASH FLOWS (unaudited)

**For the period
from June 6,
2011
(Inception) to
November 30,
2012**

	For the three months ended November 30, 2012	For the three months ended November 30, 2011	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period	\$	\$	\$
	(2,982)	(5,396)	(46,124)
Changes in assets and liabilities:			
Expenses paid on behalf of the company by a related party	-	-	7,000
Increase in deposits	-	-	(4,000)
CASH FLOWS USED IN OPERATING ACTIVITIES	(2,982)	(5,396)	(43,124)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	-	(11,690)	-
CASH FLOWS USED IN INVESTING ACTIVITIES	-	(11,690)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of common stock	-	5,000	28,000
Director loans	1,700	500	15,304
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,700	5,500	43,304
NET INCREASE (DECREASE) IN CASH	(1,282)	(3,586)	180
Cash, beginning of period	1,462	4,588	-
Cash, end of period	\$	1,002 \$	
	180		180
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$	\$	\$
Income taxes paid	\$	\$	\$
	-	-	-
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Note payable issued for purchase of fixed assets	\$	\$	\$
	8,000	8,000	8,000

See accompanying notes to condensed financial statements

GLOBAL LINES INC.

(A Development Stage Company)

Notes to the Condensed Financial Statements

November 30, 2012 (Unaudited)

NOTE 1 ORGANIZATION AND NATURE OF BUSINESS

Global Lines Inc. (the "Company" or Global) was incorporated under the laws of the State of Nevada on June 6, 2011. We are a development stage company that is involved in a limousine service. Global Lines Inc. will be actively engaged in providing chauffeuring and transportation services to residents within its local Florida market.

NOTE 2 CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at November 30, 2012, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's August 31, 2012 audited financial statements. The results of operations for the period ended November 30, 2012 are not necessarily indicative of the operating results for the full year.

NOTE 3 GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principle, which contemplate continuation of the Company as a going concern. However, the Company had no revenues as of November 30, 2012. The Company currently has limited working capital, and has not completed its efforts to establish a stabilized source of revenues sufficient to cover operating costs over an extended period of time.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development Stage Company

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles related to development stage companies. A development-stage company is one in which planned principal operations have not commenced or if its operations have commenced, there has been no significant revenues therefrom.

Basis of Presentation

GLOBAL LINES INC.

(A Development Stage Company)

Notes to the Condensed Financial Statements

November 30, 2012 (Unaudited)

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars.

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America (GAAP accounting). The Company has adopted August 31 as a fiscal year end.

Cash and Cash Equivalents

The Company considers all highly liquid investments with the original maturities of three months or less to be cash equivalents. The Company had \$180 and \$1,462 of cash as of November 30, 2012 and August 31, 2012.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents and amounts due to shareholder. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of November 30, 2012.

GLOBAL LINES INC.

(A Development Stage Company)

Notes to the Condensed Financial Statements

November 30, 2012 (Unaudited)

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comprehensive Income

The Company has which established standards for reporting and display of comprehensive income, its components and accumulated balances. When applicable, the Company would disclose this information on its Statement of Stockholders' Equity. Comprehensive income comprises equity except those resulting from investments by owners and distributions to owners. The Company has not had any significant transactions that are required to be reported in other comprehensive income.

Recent Accounting Pronouncements

Global Lines Inc. does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

NOTE 5 RELATED PARTY TRANSACTIONS

During the period from inception on June 6, 2011 through November 30, 2012, the company Director loaned \$22,304 to the Company for business operations.

The loan is unsecured, non-interest bearing and due on demand.

NOTE 6 STOCKHOLDERS' EQUITY

The Company has 75,000,000, \$0.001 par value shares of common stock authorized. There were 7,300,000 shares of common stock issued and outstanding as of November 30, 2012 and August 31, 2012.

For the year ended August 31, 2011, the Company issued 4,500,000 shares of common stock for cash proceeds of \$ 4,500 at \$0.001 per share.

For the year ended August 31, 2012, the Company issued 500,000 shares of common stock for cash proceeds of \$500 at \$0.001 per share.

On February 14, 2012, the company issued 2,300,000 shares of common stock for cash proceeds of \$23,000 at \$0.01 per share.

NOTE 7 SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) the Company has analyzed its operations subsequent to November 30, 2012 through the date of this report, and has determined that it does not have any material subsequent events to disclose in these financial statements.

FORWARD LOOKING STATEMENTS

Statements made in this Form 10-Q that are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 (the "Act") and Section 21E of the Securities Exchange Act of 1934. These statements often can be identified by the use of terms such as "may," "will," "expect," "believe," "anticipate," "estimate," "approximate" or "continue," or the negative thereof. We intend that such forward-looking statements be subject to the safe harbors for such statements. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond our control that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

GENERAL

We were incorporated in the State of Nevada on June 6, 2011. We are involved the chauffeured transportation business. Global lines Inc. will be providing chauffeuring and transportation services to residents within its local market. We will primarily provide transportation services such as private school student transport, sightseeing trips, and elderly transportation. We will also offer transportation to the airport and special event such as proms and weddings. We plan to serve a repeat clientele who demand--and can afford--reliable, secure service from drivers with detailed knowledge of the area. We have not generated

any revenues to date. We have executed an agreement with "Super Limousines", developed our business plan and paid deposit of \$4,000 on one car to be used for Limosine Service. Since inception through November 30, 2012, the Company has not generated any revenue and has accumulated losses of \$46,124.

LIMOUSINE SERVICE

The customer needs in the limousine transportation market are quite diverse. Corporate and airport transfer clients are mostly interested in reliable and fast service. For these clients, limousine services save time and add convenience compared to using public transportation or personal vehicles. Prom and bachelor party clients are more interested in the social status associated with the limousine service; however, this segment is less loyal and shops around for the

best value. At the same time, wedding and funeral transportation clients, who also seek the emotional benefits of using a limousine service, may be less price sensitive than other segments. Further, the sightseeing segment, which is currently underserved, does not only need spacious and comfortable accommodation during the trip, but also benefits from a driver who is very familiar with the area and who can serve as a guide as well. Global Lines Inc. will concentrate in the areas of private school student

transport, sightseeing trips, and elderly transportation. We believe that these markets have higher margins and are less price sensitive. According to www.localschooldirectory.com, Ft Lauderdale has 33 private schools with 32000 students. According to www.broward.org, Ft Lauderdale airport traffic (December-June 2010) is 10,367,009 passengers--potential clients for the sightseeing service. There are 150 assisted living facilities in the area--potential clients for elderly transportation service.

INDUSTRY STATISTICS:

Edgar Filing: GLOBAL LINES INC - Form 10-Q

The latest LCT (limousine, charter and tours) Fact Book (<http://www.lctmag.com>) statistics:

PROFITS: The average overall percentage profit margin for chauffeured transportation companies in 2010: 17%, up from 15% in 2009. Small chauffeured transportation companies recorded an average profit margin of: 21% in 2010, compared to 18% for 2009.

FLEET VEHICLES: Median number of vehicles in fleet as of 1Q 2011: 8

WAGES: Average hourly wages for Chauffeurs: \$13.92

TOP 5 BEST BUSINESS CLIMATES:

1. South Dakota
2. Alaska
3. Wyoming
4. Nevada
5. Florida

AGREEMENT

We have executed an agreement with "Super Limousines" under which, Super Limousines agrees to provide work to Global Lines Inc., collect payment from customers and provide payment to Global Lines Inc. for performed services. The consideration fee shall be calculated as ten per cent (10%) of the net value of transportation services sold by the "Super limousines" to customer and performed by Global Lines Inc. Either party may terminate this agreement at any time by giving the other party ten (10) days prior written notice.

PRICING

Average hourly cost to hire Limousine in South Florida is \$60 (July 2011). We plan to price our service approximately at the same rate.

Results of Operation

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 unable 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.

Three Months Period Ended November 30, 2012

Our net loss for the three months period ended November 30, 2012 was \$2,982. During the three months periods ended November 30, 2012 we have not generated any revenue.

During the three months period ended November 30, 2012, our operating expenses were general and administrative expenses \$82, professional fees of \$2,900. The weighted average number of shares outstanding was 7,300,000 for the three months period ended November 30, 2012.

Liquidity and Capital Resources

Three Months Period Ended November 30, 2012

As at November 30, 2012, our total assets were \$4,180 compared to \$5,462 in total assets at August 31, 2012. Total assets were comprised of \$180 in cash and cash equivalents and \$4,000 in deposits. As at November 30, 2012, our current liabilities were \$22,304.

Stockholders' equity was (\$ 18,124) as of November 30, 2012 compare to stockholders' equity of (\$15,142) as of August 31, 2012.

Cash Flows from Operating Activities

We have not generated positive cash flows from operating activities. For the three months period ended November 30, 2012, net cash flows used in operating activities was \$(2,982). For the period from inception (June 6, 2011) to November 30, 2012, net cash used in operating activities was \$(31,124).

Cash Flows from Investing Activities

For the three months period ended November 30, 2012, the Company have not generated any cash flow.

Cash Flows from Financing Activities

We have financed our operations primarily from either advancements or the issuance of equity. For the three months period ended November 30, 2012, net cash provided by financing activities was \$1,700. For the period from inception (June 6, 2011) to November 30, 2012, net cash provided by financing activities was \$43,304 received from proceeds from issuance of common stock and director loans.

Plan of Operation and Funding

We expect that working capital requirements will continue to be funded through a combination of our existing funds and further issuances of securities. Our working capital requirements are expected to increase in line with the growth of our business.

Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund our operations over the next three months. We have no lines of credit or other bank financing arrangements. Generally, we have financed operations to date through the proceeds of the private placement of equity and debt

instruments. In connection with our business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) acquisition of inventory; (ii) developmental expenses associated with a start-up business; and (iii) marketing expenses. We intend to finance these expenses with further issuances of securities, and debt issuances. Thereafter, we expect we will need to raise additional capital and generate revenues to meet long-term operating requirements. Additional issuances of equity or convertible debt securities will result in dilution to our current shareholders. Further, such securities might have rights, preferences or privileges senior to our common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict our business operations. We will have to raise additional funds in the next twelve months in order to sustain and expand our operations. We currently do not have a specific plan of how we will obtain such funding; however, we anticipate that additional funding will be in the form of equity financing from the sale of our common stock. We have and will continue to seek to obtain short-term loans from our directors, although no future arrangement for additional loans has been made. We do not have any agreements with our directors concerning these loans. We do not have any arrangements in place for any future equity financing.

Off-Balance Sheet Arrangements

As of the date of this Quarterly Report, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Going Concern

The independent auditors' review report accompanying our November 30, 2012 financial statements contained an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The financial statements have been prepared "assuming that we will continue as a going concern," which contemplates that we will realize our assets and satisfy our liabilities and commitments in the ordinary course of business.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

No report required.

ITEM 4. CONTROLS AND PROCEDURES

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act 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 officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

An evaluation was conducted under the supervision and with the participation of our management of the effectiveness of the design and operation of our disclosure controls and procedures as of November 30, 2012. Based on that evaluation, our management concluded that our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Such officer also confirmed that there was no change in our internal control over financial reporting during the three-month period

ended November 30, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

13 | Page

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this Quarterly Report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

No report required.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No report required.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No report required.

ITEM 5. OTHER INFORMATION

No report required.

ITEM 6. EXHIBITS

Exhibits:

31.1 Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a).

31.2 Certification of Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a).

32.1 Certifications pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: January 22, 2013

Global Lines Inc.

By: /s/ Sergejs Belkovs

Sergejs Belkovs, President and Chief Executive Officer
and Chief Financial Officer