

Veracity Management Global, Inc.
Form 10-Q
November 01, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

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 0-52493

VERACITY MANAGEMENT GLOBAL, INC.
(Exact Name Of Registrant As Specified In Its Charter)

Delaware
(State of Incorporation)

43-1889792
(I.R.S. Employer Identification No.)

21819 Town Place Drive, Boca Raton, FL
(Address of Principal Executive Offices)

33433
(ZIP Code)

Registrant's Telephone Number, Including Area Code: : (561) 998-8425

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 x No "

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

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company
o (Do not check if a smaller reporting company)

On November 1, 2012, the Registrant had 16,643,057 shares of common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. (Unaudited) FINANCIAL STATEMENTS

VERACITY MANAGEMENT GLOBAL, INC.
BALANCE SHEETS
(UNAUDITED)
(A Development Stage Company)

ASSETS	September 30, 2012	June 30, 2012
Current Assets		
Cash	\$ 149	\$ 194
Total Current Assets	149	194
Total Assets	\$ 149	\$ 194
 LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable	\$-	\$ 1,193
Accounts Payable - Related party	92,902	88,124
Total Current Liabilities	92,902	89,317
Total Non - Current Liabilities	-	-
Total Liabilities	92,902	89,317
Stockholders' Deficit		
Preferred Stock, \$.001 par value, 5,000,000 shares authorized, 0 shares issued and outstanding	-	-
Common Stock, \$.001 par value, 3,500,000,000 shares authorized, 16,643,057 and 16,643,057 shares issued and outstanding at September 30, 2012 and June 30, 2012 respectively	16,635	16,635
Additional paid-in capital	4,052,836	4,052,836
Accumulated deficit prior to development stage	(4,040,470)	(4,040,470)
Accumulated deficit during the development stage	(121,754)	(118,124)
Total Stockholders' Deficit	(92,753)	(89,123)
Total Liabilities and Stockholders' Defecit	\$ 149	\$ 194

The accompanying notes to financial statements are integral part of these financial statements.

VERACITY MANAGEMENT GLOBAL, INC.

Statements of Operations

For the Three Months Ended September 30, 2012 and 2011 and the period from July 1, 2008 to September 30, 2012
(Unaudited)

(A Development Stage Company)

	2012	2011	Period re-entered development stage (July 1, 2008) to September 30, 2012
Revenues	\$-	\$-	\$ -
Cost of Sales	-	-	-
Gross Profit	-	-	-
Expenses			
Administrative Expenses	3,000	3,000	61,828
General Expenses	630	176	60,026
Total Expenses	3,630	3,176	121,854
Other Income			
Interest income	-	-	100
Net Income (Loss)	\$(3,630)	\$(3,176)	\$ (121,754)
Basic and Diluted Net Loss per Share	*	*	
Weighted Average Shares	16,643,057	16,643,057	

The accompanying notes to financial statements are integral part of these financial statements..

VERACITY MANAGEMENT GLOBAL, INC.
STATEMENT OF STOCKHOLDERS' DEFICIT
(Unaudited)
(A Development Stage Company)

	Common Stock Shares	Amount	Additional Paid-in Capital	Accumulated Deficit during developmnet stage	Accumulated Deficit	Total
Balance at June 30, 2012	16,643,057	\$ 16,635	\$ 4,052,836	\$ (118,124)	\$ (4,040,470)	\$ (89,123)
Net loss				(3,630)		(3,630)
Balance at September 30, 2012	16,643,057	\$ 16,635	\$ 4,052,836	\$ (121,754)	\$ (4,040,470)	\$ (92,753)

The accompanying notes to financial statements are integral part of these financial statements

VERACITY MANAGEMENT GLOBAL, INC.
STATEMENT OF CASH FLOWS
(Unaudited)
(A Development Stage Company)

	Three Months Ended, September 30, 2012	Three Months Ended, September 30, 2011	Period re-entered development stage (July 1, 2008) to September 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from continuing operations	\$(3,630)	\$(3,176)	\$ (121,754)
Adjustments to reconcile net loss to net cash used in operating activities:			
Shares issued for services:	-	-	50,000
Increase (decrease) in:			
Accounts Payable	(1,193)	2,820	3,524
Net cash used in operating activities	(4,823)	(356)	(68,230)
CASH FLOWS FROM FINANCING ACTIVITIES			
Related party - accounts payable	4,778	500	67,794
Net cash provided by financing activities	4,778	500	67,794
NET INCREASE (DECREASE) IN CASH	(45)	144	(436)
CASH - BEGINNING OF PERIOD	194	585	585
CASH - END OF PERIOD	\$ 149	\$ 729	\$ 149

The accompanying notes to financial statements are integral part of these financial statements.

VERACITY MANAGEMENT GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2012
(A Development Stage Company)
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying financial statements of Veracity Management Global, Inc (the "Company", "VCMG") at September 30, 2012 have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been omitted or condensed pursuant to such rules and regulations. These statements should be read in conjunction with VCMG's audited financial statements and notes thereto included in VCMG's Form 10-K. In management's opinion, these unaudited interim financial statements reflect all adjustments (consisting of normal and recurring adjustments) necessary for a fair presentation of the financial position and results of operations for each of the periods presented. The accompanying unaudited interim financial statements for the three months ended September 30, 2012 are not necessarily indicative of the results which can be expected for the entire year.

Basis of Presentation

The Company follows accounting principles generally accepted in the United States of America. Certain prior period amounts have been reclassified to conform to the September 30, 2008 presentation. On August 2, 2007, the Company's Board of Directors approved a 1 for 73 reverse split of the Company's common stock by Action of the Board and a majority of shareholders. All information related to common stock, warrants to purchase common stock and earnings per share have been retroactively adjusted to give effect to the stock split.

The statements of operations show the effect of a reclassification of the distribution of the subsidiary companies until July 1, 2008. The reclassification included all parts of the prior operations for both subsidiary companies as loss from discontinued operations for the prior reported period.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The financial statements include the accounts of Veracity Management Global, Inc and the operations of Secured Financial Data, Inc and Veracity Management Group, Inc. are being reported as loss from discontinued operations. Any inter-company transactions have been eliminated as part of the transaction.

As a development stage company, the Company continues to rely on infusions of debt and equity capital to fund operations. The Company relies principally on cash infusions from its directors and affiliates, and paid a significant amount of personal services and salaries in the form of common stock.

Recently Issued Accounting Standards

In June 2011, the FASB issued new authoritative accounting guidance that states an entity that reports items of other comprehensive income has the option to present the components of net income and comprehensive income in either one continuous financial statement, or two consecutive financial statements, including reclassification adjustments.

In December 2011, the FASB issued new authoritative accounting guidance which effectively deferred the requirement to present the reclassification adjustments on the face of the financial statements. This authoritative

accounting guidance is effective for interim and annual periods beginning after December 15, 2011. Based on the Company's current operations and structure, the adoption of this standard is not expected to have an impact on the Company's 2012 financial statements.

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VERACITY MANAGEMENT GLOBAL, INC.
 NOTES TO FINANCIAL STATEMENTS
 THREE MONTHS ENDED SEPTEMBER 30, 2012
 (A Development Stage Company)
 (Unaudited)

In May 2011, the FASB issued Accounting Standards Update 2011-04, Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS, which amended FASB ASC Topic 820, Fair Value Measurement. The objective of this update is to create common fair value measurement and disclosure requirements between GAAP and International Financial Reporting Standards (“IFRS”). The amendments clarify existing fair value measurement and disclosure requirements and make changes to particular principles or requirements for measuring or disclosing information about fair value measurements. These amendments are not expected to have a significant impact on companies applying GAAP. This provision is effective for interim and annual periods beginning after December 15, 2011. Adoption of this update is not expected to have a material impact on the Company’s disclosures and financial statement.

Management does not anticipate that the adoption of these standards will have a material impact on the financial statements.

NOTE 2- GOING CONCERN

Veracity Management Global, Inc.’s financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business for the foreseeable future. Since inception, the Company has accumulated losses aggregating to \$4,162,224 and has insufficient working capital to meet operating needs for the next twelve months as of September 30, 2012, all of which raise substantial doubt about VCMG’s ability to continue as a going concern.

NOTE 3 – ACCOUNTS PAYABLE – RELATED PARTY

The officers and directors of the Company have advanced funds to pay for the filing and other necessary costs of the Company. The following are the advances from the officers and directors:

	September 30, 2012	June 30, 2012
Donald W Prosser (Director)	\$ 86,902	\$ 82,124
Gregory Paige (CEO & Director)	6,000	6,000
Total	\$ 92,902	\$ 88,124

NOTE 4 – SUBSEQUENT EVENTS

There were not any subsequent events through the date November 1, 2012.

Forward-Looking Statement

Some of the statements contained in this quarterly report of Veracity Management Global, Inc., a Delaware corporation (hereinafter referred to as "we", "us", "our", "Company" and the "Registrant") discuss future expectations, contain projections of our plan of operation or financial condition or state other forward-looking information. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use of words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. From time to time, we also may provide forward-looking statements in other materials we release to the public.

General

The Registrant acquired its operating subsidiaries Veracity Management Group, a Florida corporation ("VMG") and Secured Financial Data Inc., a Florida corporation ("SFD") effective on July 1, 2006. Prior to the acquisition of its operating subsidiaries, during the period from May 2002 until the acquisition of its operating subsidiaries on July 1, 2006, the Registrant had only limited business operations. The Registrant operated the above named subsidiaries until July 1, 2008 until the when the Registrant rescinded the merger and the Registrant has no business operations and is in the business of acquiring a target company or business seeking the perceived advantages of being a publicly held corporation. Our principal business objective for the next 12 months and beyond such time will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. The Registrant will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

The results of operations comparative information has no meaning as the operations were removed as part of the rescinding of the mergers of the operating businesses.

Results of Operations for the Three Months Ended September 30, 2012 Compared to Three Months Ended September 30, 2011

The results of the recession agreement made the Company a shell company as defined in Rule 12b-2 of the Exchange Act.

Revenues. The Company recorded revenue of \$0 and \$0 for the three months ended September 30, 2012 and 2011, respectively.

Cost of Services. The Company recorded cost of services of \$0 and \$0 for the three months ended September 30, 2012 and 2011, respectively.

Administrative Expenses: Our administrative expenses totaled \$3,000 for the three-months ended September 30, 2012 as compared to \$3,000 administrative expenses for the same period ended September 30, 2011.

General Expenses There was \$630 of general expenses that were expensed during the three-months ended September 30, 2012. There was \$176 in general expenses for the three months period ended September 30, 2011.

Net Loss. We incurred a net loss of \$3,630 during the three-month period ended September 30, 2012, compared to a net loss of \$3,176 during the three-month period ended September 30, 2011.

Liquidity and Capital Resources

At September 30, 2012 and June 30, 2012, we had total assets of \$149 and \$194, respectively. We had total current liabilities of \$92,902 at September 30, 2012 compared to \$89,317 at June 30, 2012. We had long-term liabilities of \$0 as of September 30, 2012 compared to \$0 at June 30, 2012.

We had a working capital deficit of \$(92,753) at September 30, 2012. Net cash used in operations during the three-month period ended September 30, 2012 was \$(4,823). For the three-month period ended September 30, 2011 the net cash used in operations was \$(356).

During the three-month period ended September 30, 2012, financing activities provided \$4,778 compared to \$500 during the same three-month period in the prior year.

There are no limitations in the Company's articles of incorporation on the Company's ability to borrow funds or raise funds through the issuance of restricted common stock.

Plan of Current and Future for the year 2013

The Company has no business operations and is in the business of acquiring a target company or business seeking the perceived advantages of being a publicly held corporation. Our principal business objective for the next 12 months and beyond such time will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. The Company will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

ITEM 3. QUANTITATIVE and QUALITATIVE DISCUSSION ABOUT MARKET RISK

The Company is defined by Rule 229.10 (f)(1) as a "Smaller Reporting Company" and is not required to provide or disclose the information required by this item.

ITEM 4. CONTROLS AND PROCEDURES

As of September 30, 2012, our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") conducted evaluations of our disclosure controls and procedures. As defined under Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 Act, as amended (the "Exchange Act") 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 is recorded, processed, summarized and reported, within the time periods specified in the SEC'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 the Certifying Officers, to allow timely decisions regarding required disclosure. Based on this evaluation, the Certifying Officers have concluded that our disclosure controls and procedures were not effective to ensure that material information is recorded, processed, summarized and reported by our management on a timely basis in order to comply with our disclosure obligations under the Exchange Act, and the rules and regulations promulgated there under.

As of September 30, 2012, there were no other changes in our internal control over financial reporting during the subject fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

Item 1A - RISK FACTORS

There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended June 30, 2012, as filed with the SEC on September 25, 2012 and amended on May 1, 2012. The risk factors in our Annual Report on Form 10-K for the year ended June 30, 2012, in addition to the other information set forth in this quarterly report, could materially affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we deem to be immaterial could also materially adversely affect our business, financial condition or results of operations.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) The following documents are filed as exhibits to this report on Form 10-Q or incorporated by reference herein.

Exhibit

No. Description

31.1 Certification of CEO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2

Certification of CFO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Veracity Management Global, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/Gregory L. Paige
Gregory L. Paige
CEO
Dated: November 1, 2012

/s/ Mark L. Baker
Mark L. Baker
CFO
Dated: November 1, 2012

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