GLOBAL CLUB, INC.
Form 10-Q
June 22, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

þ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **April 30, 2010**

o TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _________ to _________

Commission File Number: **333-153385**

GLOBAL CLUB, INC.

(Name of Small Business Issuer in its charter)

Nevada

26-2940624

(state or other jurisdiction of incorporation or organization)

(I.R.S. Employer I.D. No.)

112 North Curry Street, Carson City, Nevada 89703

(Address of principal executive offices)

(775) 333-1198

Issuer s telephone number

Indicate by check mark whether the registrant (1) 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 require to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes þ** No o

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 definition of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer o Non-accelerated filer o **Smaller reporting company þ**

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of **June 18, 2010** the registrant had **50,150,000** shares of common stock outstanding.

GLOBAL CLUB, INC.

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PART I - FINANCIAL INFORMATION

Safe Harbor Statement

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are forward-looking statements for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs, and risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our financial statements which have been prepared in conformity with accounting principles generally accepted in the United States. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

Item 1. Financial Statements

The unaudited financial statements of Global Club, Inc. (the Company , Global Club , we , our , us) follow. All cu references in this report are in U.S. dollars unless otherwise noted.

The accompanying Financial Statements of Global Club, Inc. should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended July 31, 2009. Significant accounting policies disclosed therein have not changed except as noted below.

Global Club, Inc.

(A Development Stage Enterprise)

Unaudited

(Express in U.S. Dollars)

April 30, 2010

GLOBAL CLUB, INC.

(A Development Stage Enterprise)

BALANCE SHEETS

	As of April 30, 2010 (Unaudited)	As of July 31, 2009 (Audited)
ASSETS		
CURRENT ASSETS		
Cash	$ 21,179	$ 3,200
Total current assets	21,179	

3,200

OTHER ASSET

Web design, net of amortization of $331	2,850	-
Total other asset	2,850	-
Total assets	$ 24,029	$ 3,200

LIABILITIES AND STOCKHOLDERS DEFICIT

CURRENT LIABILITIES

Accounts payable and accrued liabilities

Due to related party

Notes payable

$ 7,177

10,100

30,000

$ 5,120

-

2,854

Total current liabilities

17,172

7,974

Total liabilities

47,277

7,974

STOCKHOLDERS DEFICIT

Common stock, $0.001 par value,

Authorized 75,000,000 shares of common stock,

Issued and outstanding 50,150,000 shares of common stock

(735,000,000 at July 31, 2009)

50,150

735,000

Additional paid-in capital

694,638

-

Deficit accumulated during the development stage

(768,036)

(739,774)

Total stockholders deficit

	(23,248)	(4,774)
Total liabilities and stockholders deficit	$ 24,029	$ 3,200

The accompanying notes are an integral part of these financial statements

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GLOBAL CLUB, INC.

(A Development Stage Enterprise)

STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended April 30, 2010	Three months ended April 30, 2009	Nine months ended April 30, 2010	Nine months ended April 30, 2009	From inception (June 27, 2008) through April 30, 2010
REVENUE	$ -				

$ -

$ -

$ -

$ -

EXPENSES

General and administrative

(8,049)

-

(10,454)

(736)

(12,228)

Professional fees

(8,403)

(3,000)

(22,702)

(9,550)

(36,452)

Total expenses

(16,452)

(3,000)

(33,156)

(10,286)

(48,680)

Other income (expense)

(106)

(106)

(106)

Gain on debt forgiveness

-

-

5,000

-

5,000

Total other income (expense)

-

-

5,000

-

5,000

NET LOSS

$ (16,558)

$ (3,000)

$ (28,262)

$ (10,286)

$ (43,786)

BASIC LOSS PER COMMON SHARE

$ (0.00)

$ (0.00)

$ (0.00)

$ (0.00)

WEIGHTED AVERAGE NUMBER OF COMMON

SHARES OUTSTANDING-BASIC

273,850,568

714,289,800

585,804,596

713,079,000

The accompanying notes are an integral part of these financial statements

GLOBAL CLUB, INC.

(A Development Stage Enterprise)

STATEMENT OF STOCKHOLDERS DEFICIT

FROM INCEPTION (JUNE 27, 2008) TO APRIL 30, 2010

(Unaudited)

Common Stock

Additional

paid in

Deficit accumulated

during the development

Total stockholders

Number of shares

Amount

capital

stage

deficit

Common stock issued for cash at $0.001

per share July 22, 2008

712,500,000

$ 712,500

$ -

$ (707,750)

$ 4,750

Net loss

-

-

-

(2,723)

(2,723)

Balance, July 31, 2008

712,500,000

712,500

-

(710,473)

2,027

Common stock issued for cash at $0.00

per share April 23, 2009

22,500,000

22,500

-

(16,500)

6,000

Net loss

-

-

-

(12,801)

(12,801)

Balance, July 31, 2009

735,000,000

735,000

-

(739,774)

(4,774)

Forgiveness of debt from former director (officer)

-

-

4,788

-

4,788

Common stock Cancelled March 23, 2010, at $0.000

(689,850,000)

(689,850)

689,850

-

Common stock issued for cash at $0.00 per share April 6, 2010

5,000,000

5,000

5,000

Net loss

-

-

-

(28,262)

(28,262)

Balance, April 30, 2010 (unaudited)

50,150,000

$ 50,150

$ 694,638

$ (768,036)

$ (23,248)

All share amounts have been restated to reflect the 150:1 forward split on March 23, 2010.

The accompanying notes are an integral part of these financial statements

GLOBAL CLUB, INC.

(A Development Stage Enterprise)

STATEMENTS OF CASH FLOWS

(Unaudited)

Nine months ended

April 30, 2010

Nine months ended

April 30,2009

From inception

(June 27, 2008) through

April 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss

$ (28,262)

$ (10,286)

$ (43,786)

Adjustments to reconcile net loss to net cash used in operating activities:

Non-cash net gain on settlement

(5,000)

	-	(5,000)	
Depreciation	331	-	331
Change in operating assets and liabilities:			
Increase in accounts payable and accrued liabilities	7,058	4,000	12,178
NET CASH USED IN OPERATING ACTIVITIES	(31,327)	(6,286)	(36,277)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of web design	(3,182)	-	(3,182)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(3,182)	-	(3,182)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from sale of common stock	5,000	6,000

15,750

Proceeds from notes payable

30,000

-

30,000

Due to related party

12,034

1,600

14,888

NET CASH PROVIDED BY FINANCING ACTIVITIES

47,034

7,600

60,638

NET INCREASE (DECREASE) IN CASH

17,979

1,314

21,179

CASH, BEGINNING OF PERIOD

3,200

4,750

-

CASH, END OF PERIOD

$ 21,179

$ 6,064

21,179

SUPPLEMENTAL CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES:

Forgiveness of debt from former director (officer)

$ 4,788

-

$ 4,788

Camcellation of shares	
	$ 689,850
	-
	$ 689,850

The accompanying notes are an integral part of these financial statements

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GLOBAL CLUB, INC.

(A Development Stage Enterprise)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Global Club, Inc. (the Company) was incorporated in the State of Nevada as a for-profit company on June 27, 2008 and established a fiscal year end of July 31. The Company is a development-stage company that intends to develop a wide range loyalty program based on Global Club points awarded for all purchases made in associated establishments. These points will be exchangeable for products, trips or discounts. The Company is currently in the development stage as defined under FASB ASC 915-10, Development Stage Entities. All activities of the Company to date relate to its organization, initial funding and share issuances.

The financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position as of April 30, 2010 and the results of operations, stockholders' deficit and cash flows presented herein have been included in the financial statements.

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three and nine month period ended April 30, 2010, are not necessarily indicative of the results that may be expected for the fiscal year ending July 31, 2010. For further information refer to the financial statements and footnotes thereto included in the Company s Form 10-K for the year ended July 31, 2009.

On November 10, 2009, a change in control occurred when the Company received a resignation notice from Orlando J. Narita from all of his positions with the Company, including President, CEO, Principal Executive Officer, Treasurer, CFO, Principal Accounting Officer, Secretary, and Director.

On November 30, 2009, the Company appointed Eden Clark as its new President, CEO, Principal Executive Officer, Treasurer, CFO, Principal Accounting Officer, Secretary, Treasurer and as Director

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited financial statements present the balance sheets, statements of operations, stockholders' deficit and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

GLOBAL CLUB, INC.

(A Development Stage Enterprise)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The Company s financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company does not have material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern. The Company has a deficit accumulated since inception (June 27, 2008) through April 30, 2010 of ($768,036). The Company will be dependent upon the raising of additional capital through placement of our common stock in order to implement its business plan, or merge with an operating company. There can be no assurance that the Company will be successful in either situation in order to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the company cannot continue in existence. Accordingly, these factors raise substantial doubt as to the Company s ability to continue as a going concern.

The Company is funding its initial operations by way of issuing Founder s shares. The officers and directors have committed to advancing certain operating costs of the Company.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates and Assumptions

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Company follows the liability method of accounting for income taxes in accordance with FASB ASC 740-10, Income Taxes . Under this method, deferred tax assets and liabilities 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 balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

GLOBAL CLUB, INC.

(A Development Stage Enterprise)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

Stock-based Compensation

The Company has not adopted a stock option plan and has not granted any stock options. Accordingly no stock-based compensation has been recorded to date.

Fair Value of Financial Instruments

In accordance with the requirements of FASB ASC 820-10, Fair Value Measurements and Disclosures , the Company has determined the estimated fair value of financial instruments using available market information and appropriate valuation methodologies. The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

NOTE 3 STOCKHOLDERS DEFICIT

All references in these financial statements to number of common shares, price per share and weighted average number of common shares outstanding prior to the 150:1 forward stock split on March 2, 2010, have been adjusted to reflect thisstock split on a retroactive basis, unless otherwise noted.

The Company is authorized to issue an aggregate of 75,000,000 common shares with a par value of $0.00 per share. No preferred shares have been authorized or issued.

On July 22, 2008, the sole Director purchased 712,500,000 shares of the common stock in the Company at $0.00 per share for $4,750.

On April 23, 2009, the Company issued 22,500,000 Common shares at $0.00 per share for $6,000.

On November 26, 2009, the former director forgave a loan in the amount of $4,788, which was owed to him from the Company.

On March 2, 2010, the President of the Company requested that the Company cancel 689,850,000 common shares that she owns in her own name. The President now owns 22,650,000 common shares.

On March 2, 2010, the Company effected a 150:1 forward split of the Company's stock through the issuance of a stock dividend for each share outstanding as of March 23, 2010.

On April 6, 2010, the Company issued an aggregate of 5,000,000 common shares to various stockholders at $0.001 per share for $5,000.

As of April 30, 2010, the Company has not granted any stock options and has not recorded any stock-based compensation.

As of April 30, 2010, there are a total of 50,150,000 shares of common stock outstanding.

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GLOBAL CLUB, INC.

(A Development Stage Enterprise)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 4 RELATED PARTY TRANSACTIONS

As of April 30, 2010 and July 31, 2009, the Company received advances from a Director in the amount of $10,100 and $2,854, respectively, to pay for general operating expenses. The amounts due to the related party are unsecured and non-interest bearing with no set terms of repayment.

On November 26, 2009, the former director forgave a loan in the amount of $4,788, which was owed to him from the Company.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

This section of this report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Overview

Global Club, Inc. ("Global Club", "the Company", our or "we") was incorporated in the State of Nevada as a for-profit company on June 27, 2008. Global Club is developing a loyalty program based on Global Club points awarded for all purchases made in associated establishments. The points will be exchangeable for products, trips or discounts. We intend to be partners with all kinds of retailers, so the cardholders will be able to collect points on their every day expenses, such as in grocery shops, gas stations, restaurants, electronic stores, travel agencies, etc.

Plan of Operation

The Company has not yet generated any revenue from its operations. As of April 30, 2010, we had $21,179 of cash on hand. We incurred operating expenses in the amount of $16,452 during the quarter ended April 30, 2010. These operating expenses were comprised of general and administrative expenses and professional fees.

Our current cash holdings will not satisfy our liquidity requirements and we will require additional financing to pursue our planned business activities. We are in the process of seeking equity financing to fund our operations over the next 12 months. During the quarter ended April 30, 2010, we raised $5,000 from the sales of our common stock.

Our plan of operation is based on the accomplishment of the following milestones over the 12 month period after we have raised enough funds:

1.

We plan to begin our activities by purchasing few samples of the RW Terminal from a Japanese company who specializes in the manufacture of this product and some PET cards in order to develop and test our system. We expect to complete this stage within 90 days after we raise enough funds to implement our plan of operations.

2.

After receiving the RW Terminals and PET cards we plan to hire hi-tech consultants to develop the software to run the systems. We intend to use the terminals and cards acquired prior to this stage to run the system and make the necessary arrangements on the software. We expect to finish this stage within 300 days after we raise enough funds to implement our plan of operations.

3.

Once our system is operational, we expect to start our marketing efforts. We will develop our website www.globalclubloyalty.com, and contact malls, grocery stores and gas stations to be our partners. We intend to devote about 60 days to this period and be fully operational within 360 days after we raise enough funds to implement our plan of operations.

If we cannot generate sufficient revenues to continue operations, we will suspend or cease operations.

We do not currently have any employees and management does not plan to hire employees at this time. We do not expect the purchase or sale of any significant equipment and have no current material commitments.

Management believes that if subsequent private placements are successful, we will generate sales revenue within the following twelve months thereof. However, additional equity financing may not be available to us on acceptable terms or at all, and thus we could fail to satisfy our future cash requirements.

Results of Operations for the Period From Inception (June 27, 2008) to April 30, 2010 and for the Three Months Ended April 30, 2010

Lack of Revenues

We are a development stage company with limited operations since our inception on June 27, 2008 to April 30, 2010. We have not generated any revenues. As of April 30, 2010, we had total assets of $24,029 and total liabilities of $47,277. Since our inception to April 30, 2010, we have accumulated a deficit of $768,036. We anticipate that we will continue to incur substantial losses and our ability to generate any revenues in the next 12 months remains uncertain.

Expenses

We have accumulated total expenses of $48,680 since our inception on June 27, 2008 to April 30, 2010, including $12,228 in general and administrative expenses, $36,452 in professional fees (including accounting, auditing and legal fees).

Our total expenses increased by $13,452 to $16,452 for the three months ended April 30, 2010 from $3,000 for the three months ended April 30, 2009. For the three months ended April 30, 2010, total expenses were comprised of $8,049 in general and administrative expenses and $8,403 in professional fees.

The types of expenses that we may categorize as general and administrative expenses include foreign exchange loss, transfer agent and filing fees, office supplies, travel expenses, rent, communication expenses (cellular, internet, fax and telephone), bank charges, advertising and promotion costs, office maintenance, courier and postage costs and office equipment.

Net Loss

Since our inception (June 27, 2008) to April 30, 2010, we have incurred a net loss of $43,786. For the three months ended April 30, 2010, we incurred a net loss of $16,452 compared to a net loss of $3,000 for the same period in 2009, which is a increase in net loss of $13,452 between the two periods resulting from increased general and administrative expense and professional fees for the three months ended April 30, 2010.

Results of Operations for the Nine Months Ended April 30, 2010

Lack of Revenues

We have not generated any revenues as of April 30, 2010.

Expenses

For the nine months ended April 30, 2010, our total expenses increased by $22,870 to $33,156 from $10,286 for the nine months ended April 30, 2009. For the nine months ended April 30, 2010, total expenses were comprised of $10,454 in general and administrative expenses, and $22,702 in professional fees.

Net Loss

For the nine months ended April 30, 2010, we incurred a net loss of $28,262 compared to a net loss of $10,286 for the same period in 2009, which is an increase in net loss of $17,976 between the two periods resulting from increased general and administrative expenses and professional fees for the nine months ended April 30, 2010.

Off-Balance Sheet Arrangements

We have no significant 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 is material to stockholders.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are 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 Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our sole officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our sole officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2010. Based on the evaluation of these disclosure controls and procedures, and in light of the material weaknesses in our internal control over financial reporting identified in our Annual Report on Form 10-K for the year ended July 31, 2009, the sole officer concluded that our disclosure controls and procedures are ineffective.

Changes in internal controls

We have not yet implemented any of the recommended changes to internal control over financial reporting listed in our Annual Report on Form 10-K for the year ended July 31, 2009. As such, there were no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended April 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 4T. Controls and Procedures.

Not applicable.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

Not applicable.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	**Description**
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer Pursuant to 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.

Global Club, Inc.

Date: June 21, 2010

By: /s/ Eden Clark

Eden Clark

President, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, Secretary, Treasurer and Director