

Victory LG Inc.
Form 10-Q
October 15, 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 August 31, 2012

or

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

Commission File Number: 333-173056

VICTORY LG, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

38-3829642
(I.R.S. Employer Identification No.)

6544 Kathrine Ann Court, Salt Lake City, Utah 84118
(Address of principal executive offices) (Zip Code)

(877) 262-5154
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

Edgar Filing: Victory LG Inc. - Form 10-Q

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 definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date: 18,000,000 shares of \$0.001 par value common stock outstanding as of October 9, 2012.

VICTORY LG, INC.
FORM 10-Q
Quarterly Period Ended August 31, 2012

TABLE OF CONTENTS

	Page
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	3
PART I. FINANCIAL INFORMATION	
Item 1.	
<u>Financial Statements</u>	4
<u>Condensed Balance Sheets as of August 31, 2012 (Unaudited) and February 29, 2012</u>	4
<u>Condensed Statements of Operations for three and six months ended August 31, 2012 and 2011 and the period from January 5, 2011 (inception) to August 31, 2012 (Unaudited)</u>	5
<u>Statement of Stockholders' Equity (Deficit) from January 5, 2011 (inception) to February 29, 2012 and for the six months ended August 31, 2012 (Unaudited)</u>	6
<u>Condensed Statements of Cash Flows for the six months ended August 31, 2012 and 2011 and the period from January 5, 2011 (inception) to August 31, 2012 (Unaudited)</u>	7
<u>Notes to the Condensed Financial Statements (Unaudited)</u>	8
Item 2.	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
Item 3.	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	15
Item 4.	
<u>Controls and Procedures</u>	16
PART II. OTHER INFORMATION	
Item 1.	
<u>Legal Proceedings</u>	17
Item 1A.	
<u>Risk Factors</u>	17
Item 2.	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
Item 3.	
<u>Defaults Upon Senior Securities</u>	17
Item 4.	
<u>Submission of Matters to a Vote of Security Holders</u>	17
Item 5.	
<u>Other Information</u>	17
Item 6.	
<u>Exhibits</u>	17
<u>SIGNATURES</u>	18

EXPLANATORY NOTE

Unless otherwise noted, references in this quarterly report to "Victory LG, Inc." the "Company," "we," "our" or "us" means Victory LG, Inc.

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements". All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words "may," "could," "estimate," "intend," "continue," "believe," "expect," "anticipate" or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Except for our ongoing securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement. Additionally, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 most likely do not apply to our forward-looking statements as a result of being a penny stock issuer. You should, however, consult further disclosures we make in future filings of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties.

AVAILABLE INFORMATION

We file annual, quarterly and special reports and other information with the SEC that can be inspected and copied at the public reference facility maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0405. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. The Company's filings are also available through the SEC's Electronic Data Gathering Analysis and Retrieval System which is publicly available through the SEC's website (www.sec.gov). Copies of such materials may also be obtained by mail from the public reference section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0405 at prescribed rates.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

VICTORY LG, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS
(Unaudited)

	August 31, 2012	February 29, 2012
ASSETS		
Current assets		
Cash	\$ 173	\$ 275
Inventories Restricted	23,604	-
Deposit paid to supplier	-	11,653
Total Current Assets	23,777	11,928
Total Assets	23,777	11,928
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ 10,669	\$ 1,049
Accrued expenses	3,164	-
Accrued interest	265	145
Accrued interest, related party	2,300	1,136
Note payable	6,880	1,680
Note payable, related party	29,813	28,113
Total current liabilities	53,091	32,123
Stockholders' equity (deficit)		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of August 31, 2012 and February 29, 2012, respectively	-	-
Common stock, \$0.001 par value, 90,000,000 shares authorized, 18,000,000 shares issued and outstanding as of August 31, 2012 and February 29, 2012, respectively	18,000	18,000
Deficit accumulated during the development stage	(47,314)	(38,195)
Total stockholders' equity (deficit)	(29,314)	(20,195)
Total liabilities and stockholders' equity (deficit)	\$ 23,777	\$ 11,928

See accompanying notes to these financial statements.

VICTORY LG, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended August 31, 2012	For the Three Months Ended August 31, 2011	For the Six Months Ended August 31, 2012	For the Six Months Ended August 31, 2011	January 5, 2011 (inception) to August 31, 2012
Revenue	\$-	\$-	\$-	\$-	\$-
Operating expenses:					
General and administrative	1,674	1,050	4,516	3,992	9,798
Professional Fees	3,319	5,000	3,319	27,006	34,951
Total operating expenses	4,993	6,050	7,835	30,998	44,749
Net Operating Loss	(4,993)	(6,050)	(7,835)	(30,998)	(44,749)
Other income (expense):					
Interest expense	(674)	(316)	(1,284)	(401)	(2,565)
Loss before provision for income taxes	(5,667)	(6,366)	(9,119)	(31,399)	(47,314)
Provision for income taxes	-	-	-	-	-
Net income (loss)	\$(5,667)	\$(6,366)	\$(9,119)	\$(31,399)	\$(47,314)
Net income (loss) per share - basic	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	
Net income (loss) per share - diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	
Weighted average shares outstanding - basic	18,000,000	18,000,000	18,000,000	18,000,000	
Weighted average shares outstanding - diluted	18,000,000	18,000,000	18,000,000	18,000,000	

See accompanying notes to these financial statements.

VICTORY LG, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
From date of inception (January 5, 2011) to August 31, 2012
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-In	(Deficit) Accumulated During Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Capital		
Common stock issued to founder at \$0.001 per share	-	\$ -	18,000,000	\$ 18,000	\$ -	\$ -	\$ 18,000
Net loss from January 5, 2011 (inception) to February 28, 2011	-	-	-	-	-	(690)	(690)
Balance, February 28, 2011	-	\$ -	18,000,000	\$ 18,000	\$ -	\$ (690)	\$ 17,310
Net loss for the twelve months ended February 29, 2012	-	-	-	-	-	(37,505)	(37,505)
Balance, February 29, 2012	-	-	18,000,000	18,000	-	(38,195)	(20,195)
Net loss for the six months ended August 31, 2012	-	-				(9,119)	(9,119)
Balance, August 31, 2012	-	-	18,000,000	18,000	-	(47,314)	(29,314)

See accompanying notes to these financial statements.

VICTORY LG, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended August 31, 2012	For the Six Months Ended August 31, 2011	January 5, 2011 (inception) to August 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss	\$ (9,119)	\$ (31,399)	\$ (47,314)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Prepaid expenses/Deposit paid to supplier	11,653	1,000	-
Inventories Restricted	(23,604)	-	(23,604)
Accounts Payable	9,620	649	10,669
Accrued Expenses	3,164	3,750	3,164
Accrued interest	120	95	265
Accrued Interest, related party	1,164	306	2,300
Net cash provided by (used in) operating activities	(7,002)	(25,599)	(54,520)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by (used in) investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds note payable	5,200	-	6,880
Proceeds note payable, related party	1,700	12,875	29,813
Proceeds from sale of common stock	-	-	18,000
Net cash provided by (used in) financing activities	6,900	12,875	54,693
Net Increase (Decrease) in cash and cash equivalents	(102)	(12,724)	173
Cash and cash equivalents at beginning of period	275	18,100	-
Cash and cash equivalents at end of period	\$ 173	\$ 5,376	\$ 173
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	\$-	\$-	\$-
Income taxes paid	\$-	\$-	\$-

See accompanying notes to these financial statements.

Victory LG, Inc.
(A Development Stage Company)
Notes to Condensed Financial Statements
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

Victory LG, Inc. (“the Company”) was incorporated in the state of Nevada on January 5, 2011 (“Inception”). The Company was formed to market a Liquid-Gel capsule (named Victory LG 8-hour Energy Liquid-Gels). The Company will initially market Victory LG 8-hour Energy Liquid-Gels locally, to convenience stores in the Salt Lake City, Utah area.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Development Stage Company

The Company is currently considered a development stage company as defined by FASB ASC 915-10-05. As a development stage enterprise, the Company discloses the deficit accumulated during the development stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date. An entity remains in the development stage until such time as, among other factors, revenues have been realized. To date, the development stage of the Company’s operations consists of developing the business model and marketing concepts.

The Company has adopted a fiscal year end of February 28th.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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.

Cash and Cash Equivalents

We maintain cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company’s financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments. The Company had no items that required fair value measurement on a recurring basis.

Revenue Recognition

Sales are recorded when products are shipped to customers and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales for which payment has been

received, but delivery has not occurred. No sales have yet commenced.

Advertising and Promotion

All costs associated with advertising and promoting products are expensed as incurred. These expenses approximated \$-0- for the period from January 5, 2011 (inception) to August 31, 2012.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an “as if converted” basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, there were no outstanding potential common stock equivalents and therefore basic and diluted earnings per share result in the same figure.

Victory LG, Inc.
(A Development Stage Company)
Notes to Condensed Financial Statements
(Unaudited)

Stock-Based Compensation

The Company adopted FASB guidance on stock based compensation upon inception at January 5, 2011. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company has not had any stock and stock options issued for services and compensation for the period from January 5, 2011 (inception) to August 31, 2012.

Income Taxes

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 bases. 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. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Recently Issued Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-08, Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment. The guidance in ASU 2011-08 is intended to reduce complexity and costs by allowing an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of a reporting unit. The amendments also improve previous guidance by expanding upon the examples of events and circumstances that an entity should consider between annual impairment tests in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Also, the amendments improve the examples of events and circumstances that an entity having a reporting unit with a zero or negative carrying amount should consider in determining whether to measure an impairment loss, if any, under the second step of the goodwill impairment test. The amendments in this ASU are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued. The adoption of this guidance is not expected to have a material impact on the Company's financial position or results of operations.

In June 2011, the FASB issued ASU 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income", which is effective for annual reporting periods beginning after December 15, 2011. ASU 2011-05 will become effective for the Company on December 1, 2012. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. The adoption of ASU 2011-05 is not expected to have a material impact on our financial position or results of operations.

In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs", which is effective for annual reporting periods beginning after December 15, 2011. This guidance amends certain accounting and disclosure requirements related to fair value measurements. Additional disclosure requirements in the update include: (1) for

Level 3 fair value measurements, quantitative information about unobservable inputs used, a description of the valuation processes used by the entity, and a qualitative discussion about the sensitivity of the measurements to changes in the unobservable inputs; (2) for an entity's use of a nonfinancial asset that is different from the asset's highest and best use, the reason for the difference; (3) for financial instruments not measured at fair value but for which disclosure of fair value is required, the fair value hierarchy level in which the fair value measurements were determined; and (4) the disclosure of all transfers between Level 1 and Level 2 of the fair value hierarchy. ASU 2011-04 will become effective for the Company on December 1, 2012. We are currently evaluating ASU 2011-04 and have not yet determined the impact that adoption will have on our financial statements.

In April 2011, the FASB issued ASU 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring". This amendment explains which modifications constitute troubled debt restructurings ("TDR"). Under the new guidance, the definition of a troubled debt restructuring remains essentially unchanged, and for a loan modification to be considered a TDR, certain basic criteria must still be met. For public companies, the new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructuring occurring on or after the beginning of the fiscal year of adoption. ASU 2011-02 has become effective for the Company on September 1, 2012. The Company does not believe that the guidance will have a material impact on its financial statements.

Victory LG, Inc.
(A Development Stage Company)
Notes to Condensed Financial Statements
(Unaudited)

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has no revenues, incurred net losses from operations resulting in an accumulated deficit of \$47,314 and working capital deficit of \$29,314 as of August 31, 2012. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new ventures to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful, therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Inventory

As of August 31, 2012, an investor maintains possession of the Company's inventory in the amount of \$23,604 and is shown in the financial statements as restricted. The restricted inventory consists of the following:

	August 31, 2012
Manufacturing – Soft Gels Tech	\$ 12,960
Packaging – Premier Plastics	10,644
Total	23,604

As of February 29, 2012, the Company paid suppliers an aggregate of \$11,653 toward the manufacturing and packaging of Victory LG 8-Hour Liquid Gel Caps.

During the six months ended August 31, 2012 the investor paid manufacturing and packaging suppliers an aggregate of \$2,500 on behalf of the Company.

As of August 31, 2012, outstanding balance due to manufacturing and packaging suppliers are as following:

	August 31, 2012
Manufacturing – Soft Gels Tech	\$ 4,845
Packaging – Premier Plastics	4,606
Total	\$ 9,451

As of August 31, 2012, finance charge and collection fee due were accrued in the amount of \$3,164.

Note 4 – Notes Payable - Related Party

During the year ended February 28, 2011, the Company received unsecured loans in the amount of \$100, bearing interest at 8% and due on demand from the Company's founder and CEO.

During the year ended February 29, 2012, the Company received unsecured loans in the amount of \$28,013, bearing interest at 8% and due on demand from the Company's founder and CEO.

During the six months ended August 31, 2012, the Company received unsecured loans in the amount of \$1,700, bearing interest at 8% and due on demand from the Company's founder and CEO.

The Company has accrued interest related to the related party debt of \$2,300 as of August 31, 2012.

Victory LG, Inc.
(A Development Stage Company)
Notes to Condensed Financial Statements
(Unaudited)

Note 5 – Notes Payable

During the year ended February 28, 2011, the Company received loans in the amount of \$1,680, from BK Consulting & Associates, P.C. The notes bearing interest at 8% per annum and are due on demand.

During the six months ended August 31, 2012, the Company received loans in the amount of \$5,200, from BK Consulting & Associates, P.C. The notes bearing interest at 8% per annum and are due on demand.

The Company has accrued interest related to these notes of \$265 as of August 31, 2012.

Note 6 – Stockholder's Equity

On January 5, 2011, the founder of the Company established 90,000,000 authorized shares of common stock. Additionally, the Company's founder established 10,000,000 authorized shares of preferred stock.

Common stock

On February 28, 2011 the Company issued 18,000,000 founder's shares at the par value of \$0.001 in exchange for proceeds of \$18,000 from the Company's founder and CEO.

Note 7 – Subsequent Events

During the month of September 2012, the Company received loans in the amount of \$200, from BK Consulting & Associates, P.C. The notes bearing interest at 8% per annum and are due on demand.

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

OVERVIEW AND OUTLOOK

We were incorporated in the State of Nevada on January 5, 2011.

Victory LG Inc. is presently marketing for sale one Liquid-Gel capsule (named Victory LG 8-hour Energy Liquid Gels).

Victory LG Inc. has not commenced its major operations of having its one product a liquid-gel capsule named Victory LG 8-hour energy Liquid-Gels, manufactured by an unaffiliated outside provider (Soft Gel Technologies, Inc. (SGTI) and the Company has not distributed the product to anyone. The Company will not have any 8-hour Energy Liquid-Gels manufactured until the Company has sold the product to an end user. Victory LG, Inc. is considered a development stage company because it has not commenced its major operations. In addition, the Company has not achieved any revenue in connection with its business to date. As a result we are a startup company. This means we have no operating history or revenue, and are at a competitive disadvantage.

The competition for and difficulty in selling energy liquid-gels may affect our ability to develop profitable operations in the future. Companies that are engaged in energy liquid-gels, retail products, include large, established companies with substantial capabilities and long earnings records.

We have no operating history and expect to incur losses for the foreseeable future. Should we continue to incur losses for a significant amount of time, the value of your investment in the common shared could be affected downward, and you could lose your entire investment.

We have not yet received any revenues from our development stage operations, nor have we otherwise engaged in any business operations. Victory LG, Inc. is a development stage company and in the absent of revenues and operations the Independent Audit Report dated February 29, 2012 cites a going concern. The going concern statement opinion issued by the independent auditors is the result of a lack of operations and working capital.

The Company will need to raise capital which concerned the independent auditors because there is insufficient cash for operations for the next twelve months. We will have to seek other sources of capital.

We established the minimum amount of \$75,000 that the Company will need to raise through debt instruments such as bank loans, or private financing so that operations could start, in order to generate some type of revenue. Presently no other sources have been identified and it is unknown if any other sources will be identified. There is no assurance that the Company will be able to obtain any bank loans or private financing.

In 2013 Victory LG, Inc. intends to market and distribute quality dietary supplements products.

Results of Operations for the three months ended August 31, 2012

Sales

During the three months ended August 31, 2012 we generated no revenues. Since January 5, 2011 (inception) to August 31, 2012 we have generated no revenues as the Company has not yet commenced operations.

General and Administrative Expenses

Total General and Administrative expenses were \$1,674 for the three months ended August 31, 2012. This amount consists primarily of stock service expense and fees and charges on inventory purchases.

Other Income (Expenses)

Other (income) expenses for the three months ended August 31, 2012 totaled (\$674), consisting of interest expense accrued on notes payable.

Net loss

The net loss for the three months ended August 31, 2012 was \$5,667. Our net loss is attributed to general and administrative, professional fees and interest expenses.

Results of Operations for the six months ended August 31, 2012

Sales

During the six months ended August 31, 2012 we generated no revenues. Since January 5, 2011 (inception) to August 31, 2012 we have generated no revenues as the Company has not yet commenced operations.

General and Administrative Expenses

Total General and Administrative expenses were \$4,516 for the six months ended August 31, 2012. This amount consists primarily of stock service expense and fees and charges on inventory purchases.

Other Income (Expenses)

Other income expenses for the six months ended August 31, 2012 totaled (\$1,284), consisting of interest expense accrued on notes payable.

Net loss

The net loss for the six months ended August 31, 2012 was \$9,119. Our net loss is attributed to general and administrative and interest expenses.

LIQUIDITY AND CAPITAL RESOURCES

We believe that our existing sources of liquidity will not be sufficient to fund our operations, anticipated capital expenditures, working capital and other financing requirements for at least the next twelve months. In the event the Company is unable to achieve profitable operations in the near term, it may require additional equity and/or debt financing, or reduce expenses, including officer's compensation, to reduce such losses. However, we cannot assure that such financing will be available to us on favorable terms, or at all. We will continue to monitor our expenditures and cash flow position. We are presently debt free, but at some time in the future we may need to obtain additional financing to complete our business plan. There is no assurance that we will be able to obtain such financing if needed and the failure to do so could negatively impact the viability of our Company to continue with this business and the business may fail.

The following table summarizes total assets, accumulated deficit, stockholder's equity (deficit) and working capital at August 31, 2012.

	August 31, 2012
Total Assets	\$ 23,777
Accumulated (Deficit)	\$ (47,314)
Stockholders' Equity (Deficit)	\$ (29,314)
Working Capital (Deficit)	\$ (29,314)

Since our inception on January 5, 2011, we have incurred an accumulated deficit of (\$47,314). Our cash and cash equivalent balances were \$173 and \$275 at August 31, 2012 and February 29, 2012, respectively. On August 31, 2012

we had negative working capital of \$29,314 and total current liabilities were \$53,091.

During the period of January 5, 2011 (date of inception) to August 31, 2012, we used \$54,520 of cash for operating activities.

Financing Activities

Cash provided by financing activities relating to the issuance of shares of common stock during the period of January 5, 2011 (date of inception) to August 31, 2012 was \$18,000 as a result of the sale of eighteen million (18,000,000) shares of common stock, issued with a value of \$0.001 to our founder and CEO, Pauline Carson on February 28, 2011.

During the six months ended August 31, 2012, we received loans in the amount of \$5,200, from BK Consulting and Associates, in exchange for unsecured promissory notes carrying 8% interest, due on demand. Since our inception on January 5, 2011 through August 31, 2012 we received loans in the amount of \$6,880 from BK Consulting and Associates.

During the six months ended August 31, 2012, we received loans in the amount of \$1,700, from our founder and CEO, Pauline Carson, in exchange for unsecured promissory notes carrying 8% interest, due on demand. Since our inception on January 5, 2011 through six months ended August 31, 2012 we received loans in the amount of \$29,813 from our founder and CEO, Pauline Carson.

Since inception, our capital needs have entirely been met by these sales of stock and short term debt financings.

Satisfaction of Our Cash Obligations for the Next Twelve Months

As of August 31, 2012, our cash balance was \$173. Our plan for satisfying our cash requirements for the next twelve months is through sales-generated revenue from liquid gels, sale of shares of our common stock, third party financing, and/or traditional bank financing. We anticipate sales-generated income during that same period of time, but do not anticipate generating sufficient amounts of revenues to meet our working capital requirements. Consequently, we intend to make appropriate plans to secure sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

We will have additional capital requirements during the fiscal year ending February 28, 2013. We do not expect to be able to satisfy our cash requirements through our product sales, and therefore we will attempt to raise additional capital through the sale of our common stock and debt financing activities.

We cannot assure that we will have sufficient capital to finance our growth and business operations or that such capital will be available on terms that are favorable to us or at all. We are currently incurring operating deficits that are expected to continue for the foreseeable future.

Based on our current operating plan, we do not expect to generate revenue that is sufficient to cover our expenses for at least the next twelve months. In addition, we do not have sufficient cash and cash equivalents to execute our operations for at least the next twelve months. We will need to obtain additional financing, in the amount of \$75,000, to conduct our day-to-day operations, and to fully execute our business plan. We will raise the capital necessary to fund our business through a subsequent offering of equity securities. Additional financing, whether through public or private equity or debt financing, arrangements with security holders or other sources to fund operations, may not be available, or if available, may be on terms unacceptable to us.

Management feels the Company's continuation as a going concern depends upon its ability to obtain additional sources of capital and financing. Specifically, management intends to raise additional permanent capital through debt instruments such as bank loans, or private financing. The goal of this effort is to provide working capital for the next year. Our twelve month operating plan is dependent on raising additional permanent capital through debt instruments such as bank loans, or private financing in the amount of \$75,000. Presently we do not have any existing sources or plans for financing.

Our ability to maintain sufficient liquidity is dependent on our ability to raise additional capital. If we issue additional equity securities to raise funds, the ownership percentage of our existing security holders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of our common stock. Debt incurred by us would be senior to equity in the ability of debt holders to make claims on our assets. The terms of any debt issued could impose restrictions on our operations. If adequate funds are not available to satisfy either short or long-term capital requirements, our operations and liquidity could be materially adversely affected and we could be forced to cease operations.

Inflation

The rate of inflation has had little impact on the Company's results of operations and is not expected to have a significant impact on the continuing operations.

Off-Balance Sheet Arrangements

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 is material to investors.

Critical Accounting Policies

We have identified the policies outlined below as critical to our business operations and an understanding of our results of operations. The list is not intended to be a comprehensive list of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. The impact and any associated risks related to these policies on our business operations is discussed throughout management's Discussion and Analysis or Plan of Operation where such policies affect our reported and expected financial results. Note that our preparation of the financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates.

Revenue Recognition

Sales are recorded when products are shipped to customers and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales for which payment has been received, but delivery has not occurred. No sales have yet commenced.

Recently Issued Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-08, Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment. The guidance in ASU 2011-08 is intended to reduce complexity and costs by allowing an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of a reporting unit. The amendments also improve previous guidance by expanding upon the examples of events and circumstances that an entity should consider between annual impairment tests in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Also, the amendments improve the examples of events and circumstances that an entity having a reporting unit with a zero or negative carrying amount should consider in determining whether to measure an impairment loss, if any, under the second step of the goodwill impairment test. The amendments in this ASU are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued. The adoption of this guidance is not expected to have a material impact on the Company's financial position or results of operations.

In June 2011, the FASB issued ASU 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income", which is effective for annual reporting periods beginning after December 15, 2011. ASU 2011-05 will become effective for the Company on December 1, 2012. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. The adoption of ASU 2011-05 is not expected to have a material impact on our financial position or results of operations.

In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs", which is effective for annual reporting periods beginning after December 15, 2011. This guidance amends certain accounting and disclosure requirements related to fair value measurements. Additional disclosure requirements in the update include: (1) for Level 3 fair value measurements, quantitative information about unobservable inputs used, a description of the valuation processes used by the entity, and a qualitative discussion about the sensitivity of the measurements to changes in the unobservable inputs; (2) for an entity's use of a nonfinancial asset that is different from the asset's highest and best use, the reason for the difference; (3) for financial instruments not measured at fair value but for which disclosure of fair value is required, the fair value hierarchy level in which the fair value measurements were determined; and (4) the disclosure of all transfers between Level 1 and Level 2 of the fair value hierarchy. ASU 2011-04 will become effective for the Company on December 1, 2012. We are currently evaluating ASU 2011-04 and have not yet determined the impact that adoption will have on our financial statements.

In April 2011, the FASB issued ASU 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring". This amendment explains which modifications constitute troubled

debt restructurings (“TDR”). Under the new guidance, the definition of a troubled debt restructuring remains essentially unchanged, and for a loan modification to be considered a TDR, certain basic criteria must still be met. For public companies, the new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructuring occurring on or after the beginning of the fiscal year of adoption. ASU 2011-02 has become effective for the Company on September 1, 2012. The Company does not believe that the guidance will have a material impact on its financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

This item is not applicable as we are currently considered a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, Pauline Carson, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on the evaluation, Ms. Carson concluded that our disclosure controls and procedures are not effective in timely alerting them to material information relating to us that is required to be included in our periodic SEC filings and ensuring that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our chief financial officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure, for the following reasons:

- The Company does not have an independent board of directors or audit committee or adequate segregation of duties;
 - All of our financial reporting is carried out by our financial consultant;
- We do not have an independent body to oversee our internal controls over financial reporting and lack segregation of duties due to the limited nature and resources of the Company.

We plan to rectify these weaknesses by implementing an independent board of directors and hiring additional accounting personnel once we have additional resources to do so.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter 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 know of no material pending legal proceedings to which our company or subsidiary is a party or of which any of their property is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any director, officer or affiliate of our company, or any registered or beneficial stockholder of our company, or any associate of any such director, officer, affiliate, or stockholder is a party adverse to our company or subsidiary or has a material interest adverse to our company or subsidiary.

Item 1A. Risk Factors.

There has been no change in the Company's risk factors since the Company's Form S-1 filed with the SEC on June 9, 2011.

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	Exhibit Description	Filed herewith	Incorporated by reference		
			Form	Period ending	Filing date
31.1	<u>Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u>	X			
31.2	<u>Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u>	X			
32.1	<u>Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act</u>	X			
101.INS	XBRL Instance Document	X			
101.SCH	XBRL Schema Document	X			
101.CAL	XBRL Calculation Linkbase Document	X			

101.DEF XBRL Definition Linkbase Document	X
101.LAB XBRL Label Linkbase Document	X
101.PRE XBRL Presentation Linkbase Document	X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VICTORY LG, INC.

By:

/s/ Pauline Carson
Pauline Carson
President, Chief Executive Officer, Chief Financial Officer
Director
(Principal Executive Officer, Chief Financial Officer,
and Principal Accounting Officer)
Date: October 15, 2012

